

original Packet in
Reso 6848 folder

CITY OF

REDLANDS

ECONOMIC DEVELOPMENT

REDEVELOPMENT

NEIGHBORHOOD HOUSING

TO: Lorrie Poyzer, City Clerk

FROM: Josefina Aguilar, Redevelopment Project Manager 

DATE: August 26, 2009

SUBJECT: CDBG Separation Agreement and Transfer of Funds

Enclosed is a copy of the executed CDBG Separation Agreement and joint resolution between the County and the City of Redlands for the official records.

Please contact me if you have any questions or require additional information.

Res. 6848

REDEVELOPMENT DEPARTMENT
210 E. Citrus Ave, P.O. Box 3005, REDLANDS, CA 92373
(909) 335-4755 • FAX (909) 792-8715

**DEPARTMENT OF
COMMUNITY DEVELOPMENT AND HOUSING**

290 North D Street, Sixth Floor • San Bernardino, CA 92415-0040 • (909) 388-0800
Fax (909) 388-0858



**COUNTY OF
SAN BERNARDINO**

Mitch Slagerman, Director

August 25, 2009

RECEIVED AUG 26 2009

Ms. Josefina Aguilar
Redevelopment Project Manager
City of Redlands
P.O. Box 3005
Redlands, CA 92373

RE: TRANSFER OF FUNDS UNDER 24 CFR 570.510

Dear Ms. Aguilar:

Enclosed is a copy of the executed Community Development Block Grant (CDBG) Separation Agreement and joint resolution between the County and the City of Redlands to allow the City to separate from the County's CDBG Entitlement Program and to allow HUD to transfer \$645,871.47 in unexpended County CDBG funds to the City's Letter of Credit. The Separation Agreement meets the required criteria for a legally binding agreement as identified in 24 CFR 570.510, "Transferring projects from urban counties to metropolitan cities".

In addition, we have also enclosed a copy of the letter to the Department of Housing and Urban Development, on behalf of the County of San Bernardino, that requests the transfer of these funds to the City of Redland's, "Letter of Credit".

Please contact me if you require additional information. I can be reached at (909) 388-0808.

Sincerely,


BRYAN ANDERSON
Interim Supervising CDH Analyst

BA/JH/CB
Attachments

MARK H. UFFER
County Administrative Officer

Board of Supervisors
BRAD MITZELFELT First District
PAUL BIANE Second District
JOSIE GONZALES, Vice Chair, Fifth District
NEIL DERRY Third District
GARY C. OVITT, Chair, Fourth District

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Fax (909) 388-0858



**COUNTY OF
SAN BERNARDINO**

Mitch Slagerman, Director

August 10, 2009

Mr. Chin Woo Choi, CPD Program Manager
HUD-LA Field Office
611 W. 6th Street, Suite 1000
Los Angeles, CA 90017

RE: TRANSFER OF FUNDS UNDER 24 CFR 570.510

Dear Mr. Choi:

We are respectfully requesting that under the provisions of 24 CFR 570.510, the Department of Housing and Urban Development (HUD) transfer \$645,871.47 in Community Development Block Grant (CDBG) funds from the County of San Bernardino's "Letter of Credit" to the City of Redlands "Letter of Credit".

Enclosed is a copy of the executed Community Development Block Grant (CDBG) Separation Agreement and joint resolution between the County and the City of Redlands to allow the City to separate from the County's CDBG Entitlement Program and to allow HUD to transfer \$645,871.47 in unexpended County CDBG funds to the City's Letter of Credit. The Separation Agreement meets the required criteria for a legally binding agreement as identified in 24 CFR 570.510, "Transferring projects from urban counties to metropolitan cities".

In addition, we have also enclosed an official Record of Action that authorizes the Department of Community Development and Housing, on behalf of the County of San Bernardino, to submit the written request to your office for the transfer of funds.

We would appreciate it if your office could transfer the unexpended County CDBG funds to the City's Letter of Credit by September 30, 2009. Please contact me if you require additional information in order to process this request. I can be reached at (909) 388-0808.

Sincerely,

Handwritten signature of Mitch Slagerman in black ink.
MITCH SLAGERMAN
Director

MS/JH/CB
Attachments

cc: Daphne L. Nisperos-Wong, Senior CPD Representative

MARK H. UFFER
County Administrative Officer

Board of Supervisors
BRAD MITZELFELT First District
PAUL BIANE Second District
NEIL DERRY Third District
GARY C. OVITT, Chair Fourth District
JOSIE GONZALES, Vice Chair Fifth District

**REPORT/RECOMMENDATION TO THE BOARD OF SUPERVISORS
OF SAN BERNARDINO COUNTY, CALIFORNIA
AND RECORD OF ACTION**

July 14, 2009

FROM: MITCH SLAGERMAN, Director
Department of Community Development and Housing

SUBJECT: AGREEMENT WITH THE CITY OF REDLANDS TO SEPARATE THE CITY
FROM THE COUNTY COMMUNITY DEVELOPMENT BLOCK GRANT
PROGRAM

RECOMMENDATION(S)

1. Adopt a Joint Resolution (**Resolution No. 2009-164**) with the City of Redlands (City) to approve the Separation Agreement and to authorize the County to submit a request to HUD to separate the City of Redlands from the County Community Development Block Grant (CDBG) program and transfer unexpended CDBG funds to the City's letter of credit.
2. Approve the CDBG Separation Agreement (**Agreement No. 09-705**) with the City of Redlands to separate the City from the County CDBG program and allow the U.S. Department of Housing and Urban Development (HUD) to transfer \$645,871.47 in unexpended County CDBG funds to the City's CDBG letter of credit.
3. Direct staff to submit the Separation Agreement and Joint Resolution to HUD along with a request to HUD to approve and process the separation and transfer transaction, including preparation of necessary grant agreement documents.
4. Authorize the Chairman of the Board of Supervisors to sign a HUD-supplied grant agreement and any subsequent related documents required to remove the \$645,871.47 of County CDBG funds from the County's CDBG letter of credit.

(Affected District: Third)

(Presenter: Mitch Slagerman, Director, 388-0808)

BACKGROUND INFORMATION

Each year the County of San Bernardino receives an entitlement grant under the Community Development Block Grant (CDBG) program to allow the funding of activities that benefit low- and moderate-income persons. The amount of the County's annual CDBG entitlement grant is based on the demographics of its unincorporated communities and cooperating cities. Once a city reaches a population of 50,000 they may choose to maintain a separate CDBG program and receive direct HUD funding. HUD refers to these cities as "Metropolitan Cities." Although the City of Redlands achieved Metropolitan City status some time ago, they agreed to continue participation in the County's CDBG program. On February 11, 2008, the City of Redlands advised the Department of Community Development and Housing (CDH) that effective July 1,

Page 1 of 2

cc: CDH-Slagerman w/3 agrees & resos
City c/o CDH w/agree & resolution
ACR-Accts Payable Mgr w/agr & reso
EBIX-BPO c/o Risk Mgmt w/agr & reso
CDH-Anderson
CDH-Milian
Co. Counsel-Blakemore
CAO-Valdez
File w/agree
ed 7/29/09
ITEM 044

Record of Action of the Board of Supervisors
APPROVED (CONSENT CALENDAR)
COUNTY OF SAN BERNARDINO
Board of Supervisors

MOTION	AYE	NAY	SECOND	AYE	AYE
1	2	3	4	5	6

DENA M. SMITH, CLERK OF THE BOARD

BY _____

DATED: July 14, 2009

COUNTY OF SAN BERNARDINO
AND
CITY OF REDLANDS

COUNTY RESOLUTION NO. 2009-164
CITY RESOLUTION NO. 6848

A JOINT RESOLUTION AUTHORIZING A REQUEST TO THE UNITED STATES DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (HUD) FOR SEPARATION AND TRANSFER OF COMMUNITY DEVELOPMENT BLOCK GRANT FUNDS TO THE CITY OF REDLANDS LETTER OF CREDIT

On Tuesday July 14, 2009, on motion of Supervisor Biane,
duly seconded by Supervisor Derry, and carried, the following resolution
is adopted by the Board of Supervisors of San Bernardino County, State of California.

WHEREAS, the County of San Bernardino under a Cooperative Agreement, was authorized to accept Community Development Block Grant (CDBG) funding on the behalf of the City of Redlands; and,

WHEREAS the City of Redlands is a Metropolitan (entitlement) City eligible to administer its own CDBG funds directly through the Department of Housing and Urban Development (HUD); and,

WHEREAS, on July 1, 2009, the City of Redlands will begin receiving its CDBG allocation directly from HUD; and,

WHEREAS, the County of San Bernardino has \$645,871.47 of City unspent CDBG funds from past years for the purpose of completion of eligible projects within the City of Redlands; and,

WHEREAS, the City will be unable to expend the \$645,871.47 held by the County of San Bernardino by June 30, 2009; and,

WHEREAS, it is necessary to transfer the funds from the County of San Bernardino to the City of Redlands in order to implement the separation and transfer of funds and obligations; and,

WHEREAS, the City Council of Redlands has adopted its Resolution No. 6848 on June 22, 2009.

NOW, THEREFORE BE IT RESOLVED, that the County Board of Supervisors and City Council of the City of Redlands approves the Agreement for the separation and transfer of \$645,871.47 in unspent CDBG funds. This Joint Request shall accompany a duly executed agreement in a submission by the County of its separation and transfer request to HUD.

PASSED AND ADOPTED by the Board of Supervisors of the County of San Bernardino, State of California, by the following vote:

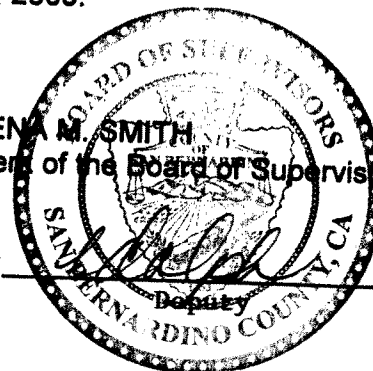
AYES:	SUPERVISORS: Mitzelfelt, Biane, Derry, Ovitt, Gonzales
NOES:	SUPERVISORS: None
ABSENT:	SUPERVISORS: None

STATE OF CALIFORNIA }
COUNTY OF SAN BERNARDINO } ss

I, DENA M. SMITH, Clerk of the Board of Supervisors of the County of San Bernardino, State of California, hereby certify the foregoing to be a full, true and correct copy of the record of the action taken by the Board of Supervisors, by vote of the members present, as the same appears in the Official Minutes of said Board at its meeting of July 14, 2009.

DENA M. SMITH
Clerk of the Board of Supervisors

By: _____



APPROVED AS TO FORM

RUTH E. STRINGER
County Counsel

By: _____

MICHELLE D. BLAKEMORE
Principal Assistant County Counsel for CDH

Date: 6-25-09

PASSED AND ADOPTED this 22nd day of June, 2009, by the following vote:
AYES: COUNCILMEN: Gilbreath, Gallagher, Aguilar, Bean; Mayor Harrison
NOES: COUNCILMEN: None
ABSENT: COUNCILMEN: None

CITY OF REDLANDS

APPROVED AS TO FORM:
CITY ATTORNEY

By: _____

DANIEL J. MCHUGH

JON HARRISON, Mayor

ATTEST:
CITY CLERK

By: _____

LORRIE POYZER



County of San Bernardino

F A S

CONTRACT TRANSMITTAL

FOR COUNTY USE ONLY

☒ New ☐ Change ☐ Cancel	Vendor Code	SC	Dept. ECD	A	Contract Number 09-705
County Department Community Development and Housing		Dept. ECD	Orgn. ECD	Contractor's License No.	
County Department Contract Representative Mitch Slagerman, Director Bryan Anderson, Int. Supervising Analyst		Telephone (909) 388-0808 (909) 388-0961		Total Contract Amount \$0	
☐ Revenue ☐ Encumbered ☐ Unencumbered		Contract Type ☒ Other: Separation Agreement			
If not encumbered or revenue contract type, provide reason:					
Commodity Code		Contract Start Date	Contract End Date	Original Amount	Amendment Amount N/A
Fund SBA	Dept. ECD	Organization ECD	Appr. 200	Obj/Rev Source 2005	GRC/PROJ/JOB No. N/A
Project Name			Estimated Payment Total by Fiscal Year		
Community Development			FY	Amount	I/D
Block Grant: City - County					
Separation Agreement - Redlands					

CONTRACTOR City of Redlands

Federal ID No. or Social Security No. 95-6000766

Contractor's Representative _____

Address P.O. Box 3005, Redlands, CA 92373 Phone (909) 798-7591

Nature of Contract:

This contract, between the County of San Bernardino and City of Redlands, provides for the transfer of \$645,871.47 of Community Development Block Grant (CDBG) funds from the County's letter of credit to City of Redlands' letter of credit. Each year the County receives an entitlement grant under the CDBG program to allow the funding of activities that benefit low- and moderate-income persons. The amount of the County's annual CDBG entitlement grant is based on the demographics of its unincorporated communities and cooperating cities. Once a city reaches a population of 50,000, they may choose to maintain their separate CDBG program and receive direct U.S. Department of Housing and Urban Development (HUD) funding. HUD refers to these cities as "Metropolitan Cities". Although the City of Redlands achieved Metropolitan City status some time ago, they agreed to continue participating in the County's CDBG program. On February 11, 2008, the City of Redlands advised the Department of Community Development and Housing (CDH) that effective July 1, 2009, it will become a separate entitlement jurisdiction. At that time, the City will be eligible to receive CDBG funds directly from HUD. The City, in a letter dated April 28, 2009, has requested that the County transfer the remaining County CDBG funds, designated for City projects, to the City's letter of credit. HUD regulations under 24 CFR 570.510 permit the requests of separation and transfer of the CDBG funds. The execution of the contract and resolution will authorize the separation and transfer of funds.

The attached contract consists of 6 pages.

Approved as to Legal Form (sign in blue ink)

[Signature]
County Counsel

Date 6-25-09

Reviewed as to Contract Compliance

[Signature]

Date 06/24/2009

Presented to BOB for Signature

[Signature]
Department Head

Date 6-26-09

Auditor/Controller-Recorder Use Only

☐ Contract Database	☐ FAS
Input Date	Keyed By

COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM
SEPARATION AND TRANSFER OF CDBG FUNDS AGREEMENT WITH
CITY OF REDLANDS

This Agreement is made and entered into, by and between the County of San Bernardino of the State of California, hereinafter referred to as "COUNTY", and the City of Redlands, a city within COUNTY, hereinafter referred to as "CITY".

WITNESSETH

WHEREAS, there has been enacted into law, Public Law 93-383, the Housing and Community Development Act of 1974 (Act), the primary objective of which is the development of viable urban communities by providing federal assistance for community development activities in urban areas; and,

WHEREAS, COUNTY is an "Urban County" as that term is used in the Act, and is authorized to apply for and accept Community Development Block Grant (CDBG) program (CFDA No. 14.218) funds with respect to its unincorporated territory and with respect to included units of general local government to undertake or assist in the undertaking of essential community development and housing assistance activities; and,

WHEREAS, CITY is a unit of general local government located within the territorial boundaries of the COUNTY; and,

WHEREAS, on June 21, 2005, CITY and COUNTY entered into a Cooperative Agreement, No. 05-539, for submission of a proposal to the Department of Housing and Urban Development, hereinafter referred to as (HUD), for the period July 1, 2006 to June 30, 2009; and,

WHEREAS, pursuant to that Cooperative Agreement, COUNTY currently retains \$645,871.47 of COUNTY CDBG funds in its letter of credit that was allocated to CITY priority need projects during the period of July 1, 2006 to June 30, 2009; and,

WHEREAS, CITY qualifies as a Metropolitan City and CITY has accepted entitlement status which, beginning July 1, 2009, enables it to receive CDBG funds directly from HUD and to carry out CDBG-funded activities outside the Urban County; and,

WHEREAS, CITY does not expect to complete CDH project No. 111-32111/2906, ADA Curb, Ramps and Sidewalk Improvements in Target Area, hereinafter referred to as "PROJECT" prior to June 30, 2009, to be reimbursed by COUNTY from those funds; and,

WHEREAS, the parties desire the project be implemented by the CITY; and,

WHEREAS, CITY has requested the transfer of the \$645,871.47 in CDBG funds from the Urban County to the City of Redlands; and,

WHEREAS, CITY and COUNTY agree to transfer responsibility for administration of funds being transferred from the COUNTY's letter of credit to the CITY's letter of credit, as authorized by CDBG regulation 24 CFR 570.510.

NOW THEREFORE, in consideration of the mutual covenants herein set forth and the mutual benefits to be derived therefrom, the parties agree as follows:

I. CONDITIONS OF SEPARATION AND TRANSFER OF CDBG FUNDS

- A. COUNTY and CITY agree to the separation and transfer of \$645,871.47 of CDBG funds between COUNTY and CITY, as provided for in CDBG regulations 24 CFR 570.510. Said transfer of CDBG funds from COUNTY letter of credit and the subsequent transfer of said CDBG funds to CITY letter of credit shall occur by June 30, 2009, or when completed by HUD.
- B. CITY will use the transferred funds to design and construct PROJECT, upon completion of environmental processing pursuant to the National Environmental Policy Act, or CITY may reallocate the transferred funds in accordance with 24 CFR 91 to one or more projects that are eligible types of CDBG activities and that meet one of the CDBG national objectives, as prescribed in 24 CFR 570.208.
- C. COUNTY has responsibility for all expenditures and un-liquidated obligations associated with PROJECT before the time of said separation and transfer of CDBG funds, and COUNTY shall remain responsible for all audit and monitoring findings associated with those expenditures and obligations even after said separation and transfer.
- D. CITY has the responsibility for all other audit and monitoring findings after the transfer of said CDBG funds to CITY letter of credit.
- E. Program income, if any, generated from activities carried out with the transferred funds, shall revert to the CITY CDBG program and be used for one or more eligible types of CDBG activities that meet at least one of the CDBG national objectives.
- F. CITY has the responsibility of complying with any and all other provisions of the CDBG program, as may be required by HUD.

II. CONDITIONS FOR IMPLEMENTATION OF CDBG PROJECT UPON SEPARATION AND TRANSFER OF FUNDS FROM COUNTY TO CITY

A. WORK TO BE PERFORMED:

CITY shall implement PROJECT described in Attachment "A" hereof (entitled "Scope of Work") fully in accordance with the terms of the 2006-2007 CDBG Action Plan approved by the COUNTY and submitted to HUD in application for funds to carry out PROJECT and the certifications which were submitted concurrently with said Action Plan.

The COUNTY 2006-2007 CDBG Action Plan and Certifications form is hereby incorporated by reference into this contract fully as if set forth herein.

CITY shall also undertake the same obligations to COUNTY that COUNTY has undertaken to HUD pursuant to said Action Plan and Certifications. CITY shall hold COUNTY harmless against indemnity for any claims, damages or losses that it may suffer with respect to HUD on account of any failure on part of CITY to comply with the requirements of any such obligation.

CITY and COUNTY each agrees to cooperate with the other to the extent necessary to complete the separation of funds pursuant to this Agreement. Each agrees to participate with the other to the extent necessary in the event of any HUD-conducted audit.

B. COMPLIANCE WITH LAWS:

All parties agree to be bound by applicable federal, state and local laws, ordinances, regulations and directives as they pertain to the performance of this Contract. This Contract is subject to and incorporates the terms of the ACT; 24 Code of Federal Regulations, Part 570, Chapter V and; U.S. Office of Management and Budget Circular A-87.

C. TERM:

This Contract shall commence when executed by the parties and shall continue in effect until terminated as provided herein or until CITY fully carries out its obligations under this Contract.

D. INDEMNIFICATION:

CITY agrees to indemnify, defend (with counsel reasonably approved by COUNTY) and hold harmless COUNTY and its authorized officers, employees, agents and volunteers from any and all claims, actions, losses, damages, and/or liability arising out of this Contract from and cause whatsoever, including the acts, errors or omissions of any person and for any costs or expenses incurred by COUNTY on account of any claim therefore, except where such indemnification is prohibited by law. This indemnification provision shall apply regardless of the existence or degree of fault of indemnities.

CITY shall indemnify, defend and hold harmless COUNTY and its respective authorized officers, employees, agents and volunteers from any liability, claims, losses, demands, and actions incurred by COUNTY as a result of the determination by HUD or its successor that activities under taken by each of CITY under the program(s) fail to comply with any laws, regulations or policies applicable thereto or that any funds billed by and disbursed to CITY under this Contract were improperly expended. This Section D shall survive the termination of this Contract.

E. AMENDMENTS: VARIATIONS

This writing with attachments embodies the whole of this Contract of the parties hereto. There are no oral Contracts contained herein. Except as herein provided, additions or variations of the terms of this Contract shall not be valid unless made in the form of a written amendment to this Contract formally approved and executed by the parties.

F. NO WAIVER:

No failure, inaction, neglect or delay by COUNTY in exercising any of its rights under this Contract shall operate as a waiver, forfeiture or abandonment of such rights or any other rights under this Contract.

G. NOTICE:

Any notice or notices required or permitted to be given pursuant to this Contract shall be personally served by the party giving notice or shall be served by certified mail. Notices shall be sufficient if personally served on or if sent by certified mail, postage prepaid, addressed to:

COUNTY
County of San Bernardino
Department of Community
Development and Housing
290 North D Street, Sixth Floor
San Bernardino, CA 92415-0040

CITY
City of Redlands
P.O. Box 3005
Redlands, CA 92373

IN WITNESS WHEREOF, the parties have caused this Contract to be executed as of the day and year written above.

COUNTY OF SAN BERNARDINO

By: _____

GARY C. OVIER, Chairman
Board of Supervisors

Date: JUL 14 2009

CITY OF REDLANDS

By: _____

JON HARRISON, Mayor

Date: June 22, 2009

SIGNED AND CERTIFIED THAT A COPY OF
THIS DOCUMENT HAS BEEN DELIVERED TO
THE CHAIRMAN OF THE BOARD

ATTEST:

By: _____

LORRIE POYZER, City Clerk

DENISE M. SMITH
Clerk of the Board of Supervisors
of the County of San Bernardino

By: _____

Date: JUL 14 2009

APPROVED AS TO LEGAL FORM

APPROVED AS TO FORM

RUTH E. STRINGER
County Counsel

By: _____

DANIEL J. MCHUGH, City Attorney

By: _____

MICHELLE D. BLAKEMORE
Principal Assistant County Counsel for CDH

Date: 6-25-09

ATTACHMENT A

SCOPE OF WORK

PROJECT/ACTIVITY TITLE: Redlands: ADA Curb Ramps and Sidewalk Improvements in Target Area

ACTIVITY LOCATION: Various Locations in the City of Redlands CDBG Target Areas

ACTIVITY DESCRIPTION: This project consists of the design and construction of handicapped-accessible curb, ramp, sidewalk and driveway approaches in various locations in the City of Redlands CDBG target areas.

ESTIMATED TIME SCHEDULE: CITY will make all good faith and reasonable efforts to implement the project in compliance with the following estimated implementation schedule, or earlier:

Project Completion: 24 months from date of transfer of funds

ESTIMATED BUDGET: CITY shall make all good faith and reasonable efforts to complete the work under this Contract within the following estimated budget. In no case shall CITY be entitled to, or shall COUNTY provide CITY with more than \$645,871.47 for work performed under this Contract.