

## ITEM 4.8

### CITY MANAGER'S REPORT JUNE 8, 2020 REGULAR CITY COUNCIL MEETING

**ITEM:** CONFIRM PARTICIPATION IN THE SAN JOAQUIN URBAN COUNTY PROGRAM FOR YEARS 2021-2023 TO OBTAIN HOUSING AND URBAN DEVELOPMENT FUNDS

**RECOMMENDATION:** Confirm the City of Lathrop's Participation in the San Joaquin Urban County Program for Years 2021-2023 to obtain Housing and Urban Development Funds

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#### SUMMARY:

The City of Lathrop participates in the San Joaquin Urban County Program to receive Housing and Urban Development (HUD) funds through the Community Development Block Grants (CDBG) and the HOME Investment Partnership Act (HOME). The City receives approximately \$120,000 in funds for these programs from the Urban County Program each year and the County completes the majority of the extensive reporting required by HUD.

Every three years, the County performs a requalification of the Urban County Program and renews its Cooperative Agreement with the participating cities. Staff recommends the City of Lathrop remain part of the San Joaquin Urban County Program and thereby allow the Cooperation Agreement to renew automatically for each year through 2023.

#### BACKGROUND:

Under HUD regulations, there are three ways in which cities may qualify for HUD funds through CDBG and the HOME Programs.

1. Cities with populations of at least 50,000 may receive funds directly as an entitlement city;
2. Small cities may compete in a statewide Small Cities Program with other small cities for a portion of the funds; and,
3. Cities may participate in an Urban County Program to receive a portion of the funds allocated to that County.

Option 1 is not available to the City of Lathrop as its population is less than 50,000 people.

Option 2 is not recommended. If the City were to compete with other small cities in the State for funds, a consultant would need to be hired to assist in the competitive process without guarantee the City would receive any funds. In addition, the consultant would have to be paid to complete the ongoing extensive reporting required by HUD. The City currently does not have the staff required to maintain such a program.

**JUNE 8, 2020 CITY COUNCIL REGULAR MEETING**

**CONFIRM PARTICIPATION IN THE SAN JOAQUIN URBAN COUNTY PROGRAM FOR YEARS 2021-2023 TO OBTAIN HOUSING AND URBAN DEVELOPMENT FUNDS**

Option 3 is recommended by Staff. The City of Lathrop currently participates in the San Joaquin Urban County Program. As a participant in this program, the City receives approximately \$120,000 per year in HUD funds through the CDBG and the HOME programs combined. Under the Urban County Program, the County handles the majority of the extensive reporting required by HUD.

Every three years the County must go through a requalification for its entitlement status. A letter was sent to each city in the County requesting official notification of the City's Intent to be included in the Urban County Program for the 2021-2023 qualification periods. (Attachment A). Staff received this letter on April 17, 2020 and responded to the County with a letter dated May 15, 2020 as notification of intent to continue the City's participation in the Urban County Program pending City Council approval. (Attachment B).

**RECOMMENDATION:**

Staff recommends that City Council confirm the City of Lathrop's Participation in the San Joaquin Urban County Program for years 2021-2023 to obtain Housing and Urban Development Funds.

**FISCAL IMPACT:**

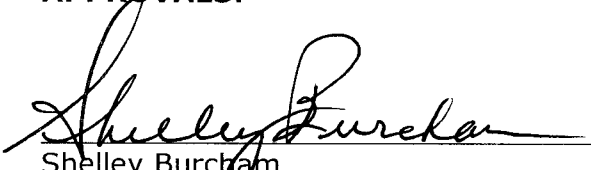
This agenda item has no fiscal impact to the City of Lathrop.

**ATTACHMENTS:**

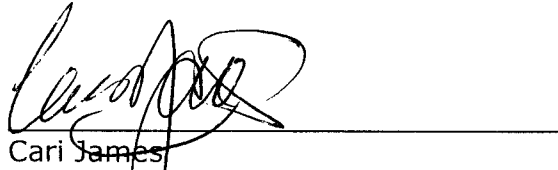
- A. Requalification Letter from San Joaquin County dated 4/17/2020
- B. City of Lathrop Letter of Intent to continue Participation in the San Joaquin Urban County Program for 2021-2023 timeframe dated 5/15/2020

**CITY MANAGER'S REPORT**  
**JUNE 8, 2020 CITY COUNCIL REGULAR MEETING**  
**CONFIRM PARTICIPATION IN THE SAN JOAQUIN URBAN COUNTY PROGRAM**  
**FOR YEARS 2021-2023 TO OBTAIN HOUSING AND URBAN DEVELOPMENT**  
**FUNDS**


**APPROVALS:**

  
Shelley Burcham  
Economic Development Administrator


6-1-2020  
Date

  
Cari James  
Director of Finance and Administrative Services

6/1/2020  
Date

  
Salvador Navarrete  
City Attorney

6-1-2020  
Date

  
Stephen J. Salvatore  
City Manager

4-3-2020  
Date



**SAN JOAQUIN**  
—COUNTY—  
*Greatness grows here.*

**Community Development Department**  
Planning · Building · Neighborhood Preservation

April 17, 2020

City of Lathrop  
Stephen Salvatore, City Manager  
390 Towne Centre Drive  
Lathrop, CA 95330

**SUBJECT: REQUALIFICATION OF SAN JOAQUIN COUNTY AS AN URBAN COUNTY**

Dear Mr. Salvatore:

Every three years, it is necessary for San Joaquin County to go through a requalification for entitlement status process established by HUD, to remain eligible for Community Development Block Grant (CDBG) funding. The key components of this requalification process from a local standpoint are:

1) Option of Inclusion or Exclusion - The County must notify all of the cities of their option for inclusion or exclusion in the Urban County. Each City must notify both the County and HUD of its decision to be included or excluded from the Urban County for the 2021-2023 qualification period by May 22, 2020. You should be aware that if the City chooses to remain with the Urban County, it is ineligible to apply for grants under the State CDBG program. As a member of the Urban County, the City also becomes a participant in the Urban County HOME program.

Your written notice of intent (if choosing exclusion from the Urban County) should be sent to the HUD Field Office at:

Curt Klaus, Program Representative  
Community Planning and Development  
U.S. Department of Housing and Urban Development  
One Sansome Street, Suite 200  
San Francisco, CA 94104

The County notification letter (inclusion or exclusion) should be sent to:

Chris Becerra, Management Analyst III  
San Joaquin County  
Neighborhood Preservation  
1810 E. Hazelton Ave.  
Stockton, CA 95205

2) Cooperation Agreement – The current Cooperation Agreement allows for automatic renewal at the end of the three-year Urban County qualification period, if no changes to the agreement are required by HUD, which would require the execution of a new agreement.

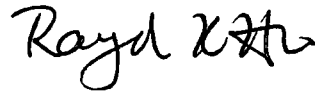
This letter serves as your notification that the current Cooperation Agreement for FYs 2018-2020 will automatically renew for the three-year qualification cycle of FYs 2021-2023, unless the City of Lathrop notifies both the County and HUD of its intent to terminate the agreement at the end of the current qualification period.

In summary, you must notify the County and HUD, in writing, by May 22, 2020 of your intent to continue or discontinue your participation in the Urban County for the 2021-2023 period. If you decide to opt out of the Urban County, you must also include in your notification letter that it is your intent to terminate the Cooperation Agreement at the end of the current qualification period.

For your convenience, attached is a copy of the letter the City sent during the last qualifying process.

Should you have any questions or require additional information concerning this process, please feel free to contact me at (209) 468-3164.

Sincerely,



Raymond K. Hoo  
Deputy Director

Attachment

cc: Shelley Burcham, Economic Development Administrator  
City of Lathrop

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*Office of the City Manager*

*390 Towne Centre Drive, Lathrop, CA 95330*

*Phone (209) 941-7220 – Fax (209) 941-7229*

*[www.ci.lathrop.ca.us](http://www.ci.lathrop.ca.us)*

May 15, 2020

Raymond K. Hoo, Deputy Director  
San Joaquin Community Development Department  
Neighborhood Preservation Division  
1810 E. Hazelton Avenue  
Stockton, CA 95205

Re: URBAN COUNTY COOPERATION AGREEMENT

Dear Mr. Hoo:

It is the intent of the City of Lathrop to continue participation in the San Joaquin Urban County Program for the 2021 – 2023 qualification period and to exercise the automatic renewal option of the existing Cooperative Agreement. We will be formalizing this intent by taking the item before City Council on June 8, 2020. Once approved by City Council, we will forward a copy of the Resolution to your office to formalize this agreement renewal.

If you have further questions, please do not hesitate to contact Shelley Burcham, Economic Development Administrator, by email at [sburcham@ci.lathrop.ca.us](mailto:sburcham@ci.lathrop.ca.us) or by telephone at (209) 941-7221.

Thank you,

A handwritten signature in black ink, appearing to read "Stephen J. Salvatore".

Stephen J. Salvatore  
City Manager

cc: File – EDD/CDBG