

**COUNTY OF LOS ANGELES
COMMUNITY DEVELOPMENT BLOCK GRANT ENTITLEMENT PROGRAM
HOME INVESTMENT PARTNERSHIPS PROGRAM
EMERGENCY SOLUTIONS GRANTS PROGRAM**

**PARTICIPATING CITY
COOPERATION AGREEMENT**

This **COOPERATION AGREEMENT (Agreement)** is being entered into on this **1st** day of **JULY 2026**, to be effective on the 1st day of July 2027, by and between the **CITY OF COMMERCE (City)** and the County of Los Angeles (**County**), by and through the Los Angeles County Development Authority (**LACDA**) acting as the County's agent, and shall remain in effect for Fiscal Years 2027-2029. The County and the City are collectively referred to as the “Parties” or individually “Party.”

WITNESSETH THAT:

WHEREAS, the City Council of the City authorized the City Manager, or designee, to execute this Agreement on the City's behalf;

WHEREAS, the Board of Supervisors of the County authorized the LACDA, through its Executive Director, or designee, to execute this Agreement as the agent of the County on the County's behalf;

WHEREAS, in 1974, the U.S. Congress enacted and the President signed a law entitled, the Housing and Community Development Act of 1974 (**Act**);

WHEREAS, the Parties desire to cooperate to undertake, or assist in undertaking, community development, essential community renewal, lower-income housing assistance activities, specifically urban renewal and publicly assisted housing, including, but not limited to, the improvement or development of housing for persons of low- to moderate-incomes, and other community or urban renewal activities as approved between the Parties in the CDBG agreements, including the Consolidated Plan, as authorized by the Act, the Cranston-Gonzalez National Affordable Housing Act (**NAHA**), and the U.S. Housing Act of 1937, as amended;

WHEREAS, the Community Development Block Grant (**CDBG**) Entitlement Program, the HOME Investment Partnerships (**HOME**) Program, and the Emergency Solutions Grants (**ESG**) Program are required to have an approved comprehensive housing strategy as authorized under NAHA;

WHEREAS, the County qualifies as an Urban County as defined under the U.S. Department of Housing and Urban Development (**HUD**) and, as such, receives allocations of CDBG Entitlement Program funds;

WHEREAS, HUD requires the County to re-qualify as an Urban County every three years

and to enter into cooperation agreements with participating cities for the Fiscal Years 2027-2029 Urban County qualification period;

WHEREAS, the City desires to participate in the County's Urban County CDBG Entitlement Program for Fiscal Years 2027-2029 (**Urban County Program**);

WHEREAS, as the Urban County, the County assumes all responsibilities of an applicant under federal statutes and regulations, including the analysis of needs, establishment of objectives, preparation of the Consolidated Plan and related submissions, and the provision of all required certifications and assurances on behalf of the County and participating cities;

WHEREAS, this Agreement is authorized under State and local laws and provides full legal authority for the County, acting through the LACDA, to undertake or assist in undertaking, eligible community development and housing activities within the City for the benefit of its residents; and

WHEREAS, by executing this Agreement, the Parties affirm their mutual intention for the City to participate in the County's Urban County program for the Fiscal Years 2027-2029 CDBG Urban County qualification period.

NOW, THEREFORE, the Parties agree as follows:

1. General

- a. Authorization to Implement Activities.** The City hereby authorizes the County, acting through the LACDA, to perform, or cause to be performed all actions necessary or appropriate to implement eligible community development and housing activities within the City for Fiscal Years 2027-2029. Any references to the County shall also refer to the LACDA acting as the agent of the County.

The City's activities may include, but are not limited to, the improvement or development of housing for persons of low- and moderate-income and other eligible activities authorized under Title 1 of the Act, as amendment, and where applicable, the HOME and ESG programs. These activities may be funded from the County's CDBG Entitlement Program allocation and, where applicable HOME and ESG funds, including any program income generated therefrom.

- b. Cooperation.** The County and the City agree to cooperate to undertake, or assist in undertaking, essential community development and housing assistance activities within the benefit of the City, as approved and authorized between the Parties in this Agreements including the Consolidated Plan.
- c. State CDBG Program.** The City understands and agrees that it may not apply for grants under the State CDBG Program for the Urban County Term, defined below, in which the City participates in the Urban County CDBG Program. The

County agrees that the CDBG funds that the City is entitled to will be utilized to benefit the City.

- d. Covered HUD Programs.** This Agreement covers the following formula funding programs administered by HUD where the County receives the following direct entitlement funding: the CDBG Program, the HOME Program and the ESG Programs.

The City understands and agrees that it may only receive such funding where HOME and ESG formula are allocated funds from the County. The City understands and agrees that it may receive a formula allocation under the HOME and ESG Programs only through the Urban County. This does not preclude the Urban County or the City from applying for HOME or ESG funds from the State, if the State allows.

- e. Subrecipient Status.** Pursuant to 24 CFR § 570.501(b), the City is subject to all requirements applicable to subrecipients, including the requirement of a written agreement as set forth in 24 CFR § 570.503.

2. Term; Withdrawal Rules. The Agreement shall remain in effect for the three-year program period of Fiscal Years 2027 - 2029, commencing July 1, 2027 and ending June 30, 2030 (**Term**), and until the expenditure of all CDBG funds, or where applicable, HOME and ESG funds granted and program income received during the three-year program period are expended and the funded activities completed. Neither the County nor the City may terminate, withdraw, or be removed from the Urban County Program during the three-year program period or while this Agreement remains in effect.

This Agreement will renew automatically for participation for one successive three-year Urban County qualification period, unless the County or the City provides written notice to the other party that it elects not to participate in a new qualification period. The terminating party shall send a copy of the notice of termination to the HUD field office by the date specified on the HUD Exchange Urban Counties website. The County will notify the City in writing of the City's right to make this election. A copy of the County's notification must be sent to the HUD filed office by the date specified on the HUD Exchange Urban Counties website.

3. Reversion of Assets/Unspent Funds. Following the end of the three-year Urban County qualification period, and after resolution of any financial or programmatic findings, if the City elects not to participate in the next qualification period and does not qualify as a metropolitan city under HUD regulations, the City shall not be entitled to request the transfer of any unspent CDBG funds or remaining balances. Such unspent funds shall remain with the County and shall be reprogrammed to the Supervisorial District funding pool in which the City is located, consistent with 24 CFR 570.503(b)(7).

4. Amendments. The Parties agree to adopt amendments to this Agreement as may be required by HUD to meet any new Urban County Qualification requirement(s) for subsequent qualification cycles, when applicable. Failure by either Party to adopt any such amendments, and

to submit such amendment to HUD, will void this Agreement for the applicable qualification period.

5. Prohibition on Transfer or Exchange of Funds. The County and the City shall not sell, trade, assign, or otherwise transfer any portion of CDBG funds, or, where applicable, HOME and ESG funds, to any metropolitan city, urban county, unit of general local government, or insular area that directly or indirectly receives such funds, in exchange for any other funds, credits or non-federal consideration. All funds must be used solely for eligible under Title I of the Act, as amended, and applicable HOME and ESG statutes and regulations.

6. Program Income

- a. Reporting and Remittance.** The City shall report to the County any program income generated from the use of CDBG funds, and, where applicable, HOME and ESG funds. All such program income shall be remitted to the County within 30 days of receipt. Program income shall be used solely for eligible activities in accordance with all applicable CDBG, HOME and ESG regulations in effect at the time of receipt or use.
- b. Disposition of Program Income.** The County and City shall not terminate or withdraw from the Agreement while it remains in effect. The County may transfer the program income to the City, upon its termination of Urban County participation, provided that the City begins participating as an independent CDBG Entitlement grantee and agrees to use the program income in its own CDBG Entitlement program.
- c. Program Income After Closeout or Termination.** In the event of grant closeout or termination of this Agreement, any program income on hand or received after closeout or termination shall be remitted to the County within sixty (60) days. Such program income shall remain subject to all applicable CDBG, HOME, and ESG requirements.
- d. Program Income from Real Property.** All program income generated from the disposition or transfer of real property acquired or improved by the City using CDBG funds, and, where applicable, HOME and ESG, funds or program income, during the Urban County Term shall remain subject to all terms and conditions of this Agreement and all applicable federal regulations.

7. Recordkeeping and Monitoring. The County is responsible for reporting to HUD on the use of all program income; the City shall maintain complete and accurate records, accounts, and documentation sufficient to demonstrate compliance with all applicable CDBG, HOME, and ESG requirements. The City shall make such records available to the County upon request for monitoring, reporting, and audit purposes.

8. Compliance with Federal Laws and Regulations. In performing this Agreement, the Parties shall take all actions necessary to ensure compliance with the County's certification

(under section 104(b) of Title I of the Housing and Community Development Act of 1974), that City grant will be conducted and administered in conformity with:

- Title VI of the Civil Rights Act of 1964 (and the implementing regulations at 24 CFR Part 1);
- Fair Housing Act (Title VIII of the Civil Rights Act of 1968), and the implementing regulations at 24 CFR Part 100, and the duty to affirmatively further fair housing (**AFH**); and
- Section 109 of Title I of the Housing and Community Development Act of 1974, and the implementing regulations at 24 CFR Part 6, which incorporates:
 - Section 504 of the Rehabilitation Act of 1973, and the implementing regulations at 24 CFR Part 8;
 - Title II of the Americans with Disabilities Act, and the implementing regulations at 28 CFR Part 35;
 - Age Discrimination Act of 1975, and the implementing regulation at 24 CFR Part 146;
 - Section 3 of the Housing and Urban Development Act of 1968;
 - Uniform Relocation and Real Property Acquisition Policies Act of 1970, and the implementing regulations at 49 CFR Part 24;
 - Section 104(d) of the Housing and Community Development Act of 1974, implementing regulation at 24 CFR Part 42; and
- Other applicable federal laws and regulations.

CDBG, and where applicable HOME and ESG, funds in no event will be used for any activities in or in support of City failure to affirmatively further fair housing or that impedes the County's actions to comply with the County's fair housing certification and duty to affirmatively further fair housing.

9. Records and Audit Access. The City shall make available for inspection and audit by the County and HUD, upon request, all books, records, documents, and files relating to activities funded under CDBG and, where applicable, HOME and ESG programs. Such records shall be retained for at least five (5) years after the closeout of the applicable grant or completion of the activity, whichever is later, in accordance with 24 CFR 570.506.

10. Excessive Force and Anti-Blockade Policies. The County and the City certifies that each have adopted and are enforcing:

- a. A policy prohibiting the use of excessive force by law enforcement agencies within its jurisdiction against individuals engaged in non-violent civil rights demonstrations; and
- b. A policy prohibit law enforcement agencies from physically barring the

entrance to or exit from a facility or location that is the subject of such non-violent civil rights demonstrations.

11. No Third-Party Beneficiaries. This Agreement is made and entered into for the sole protection and benefit of the Parties hereto and shall not create any rights in any third parties. No other person or entity shall have the right or action based upon the provisions of the Agreement.

12. Indemnification. City agrees to indemnify, defend, and hold harmless County and its authorized officers, employees, agents, and volunteers from any and all claims, actions, losses, damages, and/or liability arising from City acts, errors or omissions and for any costs or expenses incurred by County on account of any claim therefore, except where such indemnifications is prohibited by law. City shall promptly notify County in writing of the occurrence of any such claims, actions, losses, damages, and/or liability.

City shall indemnify and hold harmless County against any liability, claims, losses, demands, and actions incurred by County as a result of the determination by HUD or its successor that activities undertaken by 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 Agreement were improperly expended.

13. Severability. Each paragraph and provision of this Agreement is severable from each other provision and in the event any provision in this Agreement is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remaining provision will never the less continue in full force without being impaired or invalidated in any way

14. Assignment. City shall not make any sale, assignment, conveyance or lease of any trust or power, or transfer in any other form with respect to this Agreement, or delegate or assign any interest in this Agreement without prior written approval of the County.

15. Interpretation; Governing Law. This Agreement and any dispute arising hereunder shall be governed by and interpreted in accordance with the laws of the State of California. This Agreement shall be construed as a whole according to its fair language and common meaning to achieve the objectives and purposes of the Parties hereto, and the rule of construction to the effect that ambiguities are to be resolved against the drafting Party shall not be employed in interpreting this Agreement, all Parties having been represented by counsel in the negotiation and preparation hereof.

16. Waiver. Failure by a Party to insist upon the strict performance of any of the provisions of this Agreement by the other Party, or the failure by a Party to exercise its rights upon the default of the other Party, shall not constitute a waiver of such Party's right to insist and demand strict compliance by the other Party with the terms of this Agreement thereafter.

17. Jurisdiction and Venue. Any action at law or in equity arising under this Agreement or brought by a Party hereto for the purpose of enforcing, construing or determining the validity of any provision of this Agreement shall be filed in the Superior Court of California, County of Los Angeles, State of California, and the Parties hereto waive all provisions of law

providing for the filing, removal or change of venue to any other court or jurisdiction.

18. Amendments. No change, amendment, or modification to the Agreement shall be valid or binding upon City or County unless such change, amendment, or modification is in writing and duly executed. City and County agree to adopt any necessary amendments to this Agreement to incorporate changes required by HUD as set forth in the Urban County Qualification Notice. Amendments must be submitted to HUD as provided in the Urban County Qualification Notice and failure to do so will void the automatic renewal for such qualification period.

19. Counterparts; Electronic Signatures. This Agreement may be executed in counterparts, each of which shall be deemed an original, and all of which together shall constitute one and the same instrument. Signatures transmitted by facsimile, email, or other electronic means shall be deemed original signatures for all purposes.

IN WITNESS WHEREOF, the Board of Supervisors of the County of Los Angeles has caused this Agreement to be subscribed by the Executive Director of the LACDA, and the City has subscribed the same through its duly authorized officers, on the day, month, and year first above written.

County Counsel Certification

The office of the County Counsel hereby certifies that the terms and provisions of this Agreement are fully authorized under state and local laws, and that the Agreement provides full legal authority for the County to undertake or assist in undertaking essential community development and housing assistance activities, specifically urban renewal and public-assisted housing.

By: _____
Principal Deputy County Counsel

_____ Date

COUNTY OF LOS ANGELES

By: _____
EMILIO SALAS, Executive Director
Los Angeles County Development Authority

APPROVED AS TO FORM:

DAWYN R. HARRISON
County Counsel

By: _____
BEHNAZ TASHAKORIAN
Principal Deputy County Counsel

IN WITNESS WHEREOF, the Board of Supervisors of the County of Los Angeles has caused this Agreement to be subscribed by the Executive Director of the LACDA, and the City has subscribed the same through its duly authorized officers, on the day, month, and year first above written.

CITY OF COMMERCE

By: _____
CITY MANAGER OR DESIGNEE (Signature)

Print Name, Title

ATTEST:
City Clerk

By: _____

APPROVED AS TO FORM:

By: _____
CITY ATTORNEY