

**SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA 209**



FROM: Economic Development Agency **SUBMITTAL DATE:** July 16, 2003


SUBJECT: SEPARATION AGREEMENT TO TRANSFER URBAN COUNTY CDBG FUNDS, CITY OF PALM DESERT

RECOMMENDED MOTION: That the Board:

- 1) Approve the attached Separation Agreement which authorizes the transfer of the remaining balance of the City of Palm Desert's CDBG funds from the County to the City; and
- 2) Authorize the Chairman of the Board to execute the Agreement on behalf of the County.

BACKGROUND: The City of Palm Desert is now an Entitlement City under the Community Development Act of 1974, as amended, and administers its own CDBG program. The City has requested the transfer of project balances from the County to the City. This balance \$96,093.20 represents a combination of funds from the County's 26th, 27th and 28th Program Years as per the City's Cooperation Agreement while under the Urban County Program. In order to proceed with this request, staff recommends the approval and execution of the attached Separation Agreement which authorizes the transfer of the remaining funds of \$96,093.20 from the County to the City. The Agreement has been reviewed and approved by County Counsel.

FINANCIAL: The funding source for this transfer in the amount of \$96,093.20 is from the City of Palm Desert's 26th, 27th and 28th Years' CDBG Entitlement Funds.



 Bradley J. Hudson,
 Assistant County Executive Officer/EDA

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FINANCIAL DATA:

CURRENT YEAR COST: \$96,093.20

NET COUNTY COST: \$0

BUDGET ADJUSTMENT:

COMPANION ITEM ON BOARD OF DIRECTORS AGENDA:

SOURCE OF FUNDS: *CDBG Entitlement Funds*

ANNUAL COST \$0

IN CURRENT YEAR BUDGET: Yes

FOR FY:

FORM APPROVED
COUNTY COUNSEL

C.E.O. RECOMMENDATIONS:

APPROVE

JUL 17 2003

BY *Lee A. J...*

County Executive Officer Signature: *Bhonda King*

Department Recommendation: Consent Policy
Per Executive Office: Consent Policy

**COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM
SEPARATION AGREEMENT WITH THE
CITY OF PALM DESERT**

This AGREEMENT entered into between the CITY OF PALM DESERT (hereinafter referred to as "City") and the COUNTY OF RIVERSIDE (hereinafter referred to as "County") this 30th day of June, 2003.

WITNESSETH:

WHEREAS, the County of Riverside has entered into contracts with the United States of America through its Department of Housing and Urban Development (HUD) to execute the County's Community Development Block Grant (CDBG) Program under the Housing and Community Development Act of 1974, as amended (hereinafter referred to as "Act"); and

WHEREAS, the City, as of June 30, 2003 has unexpended Community Development Block Grant funds totaling \$96,093.20 from the County of Riverside Urban Counties CDBG Program. This amount is the total amount of unexpended funds remaining from all funds allocated to the City by the County under the Urban Counties CDBG program.

WHEREAS, the County formerly administered the City's Community Development Block Grant program; and

WHEREAS, the City is now and Entitlement City under the Act and administers its own Community Development Block Grant Program; and

WHEREAS, the City as and Entitlement City now desires the transfer of all obligation and responsibilities from County to City of the unexpended Community Development Block Grant funds remaining from all projects undertaken through the County's CDBG Program and future income derived therefrom in accordance with Section 106 (c) (3) of the Housing and Urban Rural Recovery Act of 1983.

IT IS AGREED AS FOLLOWS:

1. Community Development Block Grant funds of \$96,093.20 which consists of the activities and unobligated funds remaining from the County of Riverside Urban Counties

1 Community Development Block Grant program Cooperation Agreement between the City of
2 Palm Desert and the County of Riverside, shall be transferred from the County to City. The
3 above listed County agreement is hereby incorporated by reference into this Separation
4 Agreement fully as if set forth herein. This Separation Agreement shall constitute the transfer of
5 the Home Improvement Program (4.PD101) in the amount of \$96,093.20 of Community
6 Development Block Grant funds from the County of Riverside to the City of Palm Desert
7 effective July 1, 2003, or as soon as practicable by HUD.

8 2. City, upon transfer of these funds to the City, shall accept all obligations and
9 responsibilities to HUD for the expenditure of the unobligated funds stated herein. These
10 obligations include, but are not limited to, the Housing and Community Development Act of
11 1974, (Public Law 93-383) as amended; the Regulations of the Department of Housing and
12 Urban Development relating to Community Development Block Grants (Title 24, Chapter V,
13 Part 570 of the Code of Federal Regulations commencing with Section 570.1); and the
14 assurances (HUD Form No. 7068); and any audit/monitoring findings and program reporting.


15 3. County agrees that it accepts all obligations and responsibilities to HUD for the
16 expenditures and unliquidated obligations associated with the activities listed in the above
17 agreement prior to the effective date of the transfer of funds to City. All audit and monitoring
18 findings associated with those expenditures and obligations remain within County.


19 4. The City agrees to fully indemnify, defend and save harmless the County against
20 any and all loss, damage, liability, claim, demand, suit or cause of actions resulting from injury
21 or harm to any person or property arising out of or in any way connected with the performance of
22 this Agreement, excepting only such injury or harm as may be caused solely and exclusively by
23 the fault or negligence of the County.

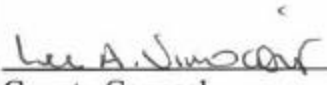
24 5. The County agrees to fully indemnify, defend and save harmless the City against
25 any and all loss, damage, liability, claim, demand, suit or cause of action resulting from injury or
26 harm to any person or property arising out of or in anyway connected with the performance of
27 this Agreement, excepting only such injury or harm as may be caused solely and exclusively by
28 the fault or negligence of the City.

1 6. This Agreement shall not have any force or effect until approved by HUD.
2 IN WITNESS WHEREOF, the parties have executed this Agreement on the year and day
3 first above written.

4
5 DATED: June 30, 2003

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7
8 Approved as to Form
9
10 
11 _____
12 City Attorney

CITY OF PALM DESERT

13 _____
14 Jean M. Benson, Mayor

15 Approved as to Form
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18 _____
19 County Counsel

COUNTY OF RIVERSIDE
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24 Chairman, Board of Supervisors

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