Special Town Meeting Agenda

Wednesday, July 01, 2026 at 6:30 PM

3820 40th Avenue Cottage City, Maryland 20722

This meeting will be hosted on Zoom:

https://us02web.zoom.us/j/88362496086?pwd=BDCvNwnfLwua3j5EkIxnSyN41rbwJH.1

Phone: 301-715-8592 | Meeting ID: 883 6249 6086 **| Passcode:** 690977

Call to Order and Roll Call

Review of Agenda

Public Comments

Anyone seeking to speak under Public Comments must sign in prior to the end of the Town Meeting. There is a 3-minute time limit. When you come up to speak, you will need to state your name, address, what organization that you represent and your topic of concern(s).

Business

1. Motion To Suspend The Rules To Vote In A Special Town Meeting (Commission Vote)
2. Resolution 2026-18: A resolution of the commissioners of the Town of Cottage City, Maryland, authorizing participation in the Prince George's County urban county community development block grant (CDBG) program, home investment partnerships program, and emergency solutions grant (ESQ) program for federal fiscal years 2027 through 2029, approving the cooperation agreement with Prince George's County, and authorizing the town manager to execute all required documents. (Commission Vote)

Updates

Adjournment

All meetings are subject to closure pursuant to the Maryland Open Meetings Act: Pursuant to the Annotated Code of Maryland, State Government Article Section 10-508(a), the Council by majority vote may retire to executive or closed session at any time during the meeting. Should the Commission retire to executive or closed session the Chair will announce the reasons and a report will be issued at a future meeting disclosing the reasons for such closed session.

TOWN OF COTTAGE CITY
RESOLUTION 2026-18

A RESOLUTION OF THE COMMISSIONERS OF THE TOWN OF COTTAGE CITY, MARYLAND, AUTHORIZING PARTICIPATION IN THE PRINCE GEORGE'S COUNTY URBAN COUNTY COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) PROGRAM, HOME INVESTMENT PARTNERSHIPS PROGRAM, AND EMERGENCY SOLUTIONS GRANT (ESG) PROGRAM FOR FEDERAL FISCAL YEARS 2027 THROUGH 2029, APPROVING THE COOPERATION AGREEMENT WITH PRINCE GEORGE'S COUNTY, AND AUTHORIZING THE TOWN MANAGER TO EXECUTE ALL REQUIRED DOCUMENTS.

Introduced By: The Cottage City Commission

WHEREAS, the Housing and Community Development Act of 1974, as amended, authorizes the United States Department of Housing and Urban Development ("HUD") to provide Community Development Block Grant ("CDBG") funding and related federal assistance programs to qualified Urban Counties for the purpose of undertaking community development, housing assistance, public infrastructure, public facilities, neighborhood revitalization, economic development, and activities benefiting low- and moderate-income persons and households; and

WHEREAS, Prince George's County, Maryland is in the process of requalifying its Urban County entitlement status with HUD for the Federal Fiscal Year 2027 through 2029 qualification period in order to continue receiving Community Development Block Grant (CDBG), HOME Investment Partnerships (HOME), and Emergency Solutions Grant (ESG) entitlement funding; and

WHEREAS, HUD Notice CPD-26-08 establishes the requirements for Urban County qualification and requalification and authorizes municipalities to participate in an Urban County through the execution of a Cooperation Agreement with the County; and

WHEREAS, Prince George's County has identified the Town of Cottage City as a Unit of General Local Government eligible to participate in the County's Urban County program and has requested execution of a Cooperation Agreement and Certification of Cooperation Agreement no later than July 8, 2026; and

WHEREAS, participation in the Prince George's County Urban County Program permits the Town's population to be included within the Urban County population utilized by HUD for entitlement funding calculations and provides the Town the opportunity to seek funding assistance for eligible community development, housing, infrastructure, public facilities, accessibility, code enforcement, revitalization, neighborhood improvement, public service, and related projects benefiting the residents of Cottage City; and

WHEREAS, the Commissioners of the Town of Cottage City recognize that participation in the Urban County Program supports the Town's ongoing efforts to improve public infrastructure, address community development needs, enhance quality of life, expand housing opportunities, improve public facilities, and pursue additional federal funding resources for municipal projects and initiatives; and

WHEREAS, pursuant to the Cooperation Agreement, Prince George's County shall retain primary responsibility for preparation and submission of HUD-required Consolidated Plans, Annual Action Plans, grant administration, compliance monitoring, reporting, and the selection of activities funded through the County's entitlement allocations; and

WHEREAS, the Commissioners find that participation in the Prince George's County Urban County Program is in the best interests of the Town and its residents and will enhance the Town's ability to pursue future community development and housing investments; and

WHEREAS, pursuant to Section 17 of the Cooperation Agreement and the policies set forth in HUD Notice CPD-26-08, this Agreement shall automatically renew for one successive three-year Urban County Qualification Period (Federal Fiscal Years 2030, 2031, and 2032) unless the County or the Town provides timely written notice of non-participation to the other party (with copy to the HUD CPD Field Office) before the end of the current Qualification Period, in accordance with the procedures and deadlines specified in future HUD Urban County Qualification Notices; and the Town acknowledges and accepts these automatic renewal terms and the associated ongoing obligations as part of its participation decision.

NOW, THEREFORE, BE IT RESOLVED by the Commissioners of the Town of Cottage City, Maryland, as follows:

SECTION 1. The Town of Cottage City hereby elects to participate as a participating municipality within the Prince George's County Urban County Program for the Federal Fiscal Year 2027-2029 qualification period and authorizes inclusion of the Town's population within the Urban County population utilized by HUD for entitlement funding determinations.

SECTION 2. The Commissioners hereby approve the Cooperation Agreement between Prince George's County, Maryland and the Town of Cottage City concerning participation in the Community Development Block Grant (CDBG) Program and, where applicable, the HOME Investment Partnerships Program and Emergency Solutions Grant Program for the Federal Fiscal Year 2027-2029 qualification period, in substantially the form attached hereto as Exhibit A and incorporated herein by reference (together with the related Certification of Cooperation Agreement form provided by the County).

SECTION 3. The Town Manager is hereby authorized and directed, on behalf of the Town of Cottage City, to execute, acknowledge, and deliver the Cooperation Agreement, the Certification of Cooperation Agreement, and such other participation letters, certifications, assurances, reports, instruments, or documents as may be necessary or desirable to effectuate the Town's participation in the Prince George's County Urban County Program for Federal Fiscal Years 2027 through 2029 and to carry out the intent of this Resolution.

SECTION 4. The Town Manager is further authorized to coordinate with Prince George's County Department of Housing and Community Development, HUD, and any other governmental agencies as necessary to implement the Town's participation and to pursue future funding opportunities made available through the Urban County Program.

SECTION 5. The Commissioners hereby ratify and affirm all actions previously taken by Town officials and staff in furtherance of the Town's participation in the Prince George's County Urban County qualification process.

SECTION 6. This Resolution shall take effect immediately upon its adoption.

ADOPTED by the Commissioners of the Town of Cottage City, Maryland, this 1st day of July, 2026.

ATTEST: **TOWN OF COTTAGE CITY, MARYLAND**

______________________________ By: ______________________________

John Hoatson, Town Manager — Wanda Wheatley, Ward 3, Commissioner Chair

____

Julia Salsich, Ward 1, Commissioner Secretary

____

Joshua Durant, Ward 2, Commissioner

____

Tom Campos, Ward 4, Commissioner Vice Chair

____

John Brooks, At-Large, Commissioner

CERTIFICATION

I, hereby certify, as the duly appointed Town Manager of the Town of Cottage City, Maryland, that on the 1st day of July, 2026, Resolution No. 2026-18, entitled County Participation In The CDBG Program, was duly adopted by the Cottage City Commission of the Town of Cottage City, Maryland, by a vote of ___ Aye, ___ Nay, and ___ Absent.

By: ______________________________

John Hoatson, Town Manager

PRINCE GEORGE'S COUNTY GOVERNMENT
OFFICE OF THE COUNTY EXECUTIVE

Aisha N. Braveboy
County Executive

June 15, 2026

The Honorable Wanda Wheatley
Chairman of Commissioners
Town of Cottage City
3820 40th Avenue
Cottage City, Maryland 20722

Dear Commissioner Wheatley:

Prince George's County, Maryland ("County"), a body corporate and politic, acting on behalf of the Prince George's County Department of Housing and Community Development ("DHCD"), is in the process of requalifying its entitlement status as an urban county to receive Community Development Block Grant ("CDBG") and HOME Investment Partnerships ("HOME") Program grant funds during Federal Fiscal Years 2027-2029 from the U.S. Department of Housing and Urban Development ("HUD"). It is the County's intent to use the grant funding, in part, to undertake eligible community development and housing activities that will primarily benefit low- to moderate income individuals and families residing in Prince George's County. If your municipality desires to assist the County's efforts to administer and/or provide approved activities pursuant to its CDBG, and where applicable HOME and Emergency Solutions Grants ("ESG") Programs, your municipality may elect to enter into a Cooperation Agreement with the County that authorizes the County to include the municipality's population with that of the County's incorporated areas to increase the County's annual entitlement.

If your municipality previously entered into a Cooperation Agreement with the County and/or is interested in entering into a new Cooperation Agreement with the County, the County is required to inform you of the following:

A decision to enter into a Cooperation Agreement for the purpose of participating in the County's CDBG and, where applicable, HOME program, would be effective for the three-year period that includes Federal Fiscal Years 2027, 2028, and 2029. Thereafter, participating municipalities may be eligible to receive project-financing assistance through the County's CDBG and, where applicable, HOME program, that will begin July 1, 2026, through June 30, 2029.

Additionally, a unit of general local government may not sell, trade, or otherwise transfer all or any portion of such funds to a metropolitan city, urban county, unit of general local government, or Indian tribe, or insular area that directly or indirectly receives CDBG funds in exchange for any other funds, credits, or non-Federal considerations, but must use such funds for activities eligible under Title I of the Housing and Community Development Act of 1974, as amended.

Furthermore, it is important for you to understand that your decision to include your municipality's population stats for the purpose of HUD determining the County's urban county entitlement status and appropriating entitlement funds would make your municipality ***ineligible to apply for entitlement funds and grants under the State CDBG program,*** during the applicable Qualification Period. In addition, in becoming a part of the urban county, your municipality will automatically participate in the HOME Program and ESG Program, if the urban county receives HOME and ESG funding, respectively. Your municipality's formula allocation under the HOME Program, if any, could only be awarded to the County and your municipality could not otherwise form a HOME consortium with other units of general local government ("UGLG") in the event that the County did not receive a HOME formula allocation during the applicable Qualification Period.

As a designated UGLG, the County is further required to inform you of the options that address your municipality's right to either participate or elect not to participate as a UGLG under the County's urban county status during the Qualification Period are as follows:

1. If your municipality previously entered into a Cooperation Agreement with the County, the Cooperation Agreement **will automatically be renewed** unless your municipality notifies the County in writing, by letter, by **July 8, 2026,** of its intent to terminate the Cooperation Agreement at the end of the current qualification period (June 30, 2026).

2. If your municipality elects to be identified as a **new** participating UGLG for the County during the Qualification Period, your municipality must execute and return to the County no later than **July 8, 2026,** two (2) copies each of the enclosed Cooperation Agreement and Certification form. Furthermore, please be advised that the attached Cooperation Agreement must be authorized by your municipal governing body and executed on its behalf by you or another authorized official.

   Please return the signed Cooperation Agreement and Certification form to both Prince George's County and the HUD Office of Community Planning and Development ("CPD"), Washington, D.C. Field Office, at the addresses listed below:

   Jonathan R. Butler, Director
   Attention: Adedamola George, Esq., Chief Compliance and Program Manager
   Prince George's County
   Department of Housing and Community Development
   9200 Basil Court, Suite 306
   Largo, Maryland 20774

   Or via email to: Adedamola George, Esq., Chief Compliance and Program Manager – aogeorge@co.pg.md.us (**copy to**: Kiara Jones, KKJones@co.pg.md.us).

   Jill Yu, Field Office Director
   U.S. Department of Housing and Urban Development
   District of Columbia Field Office
   820 First Street, NE
   Suite 300
   Washington, DC 20002

Phone: (202) 275-6291; Fax: (202) 275-6380
Email: Jill.S.Yu@hud.gov

3. Your municipality may elect to **not** participate as one of the County's UGLGs during the Qualification Period. By choosing this option, your municipality **must** notify HUD and Prince George's County no later than **July 8, 2026**, of its intent to terminate (withdrawing from the Urban County for FYs 2027–2029) the agreement. Notification to HUD must be by letter, in writing, from you or another authorized official, and should be addressed to:

   Jill Yu, Field Office Director
   U.S. Department of Housing and Urban Development
   District of Columbia Field Office
   820 First Street, NE
   Suite 300
   Washington, DC 20002
   Phone: (202) 275-6291; Fax: (202) 275-6380
   Email: Jill.S.Yu@hud.gov

   The County must also be informed of your municipality's decision not to participate by providing a copy of the notice sent to HUD to Jonathan R. Butler at the address provided above in Paragraph 2.

   If your municipality does not need the consent of its governing body to undertake essential community development and housing assistance activities and thereby, elects to be **excluded** as one of the County's UGLGs during the Qualification Period, your municipality **must** notify HUD and Prince George's County no later than **June 26, 2026**. Notification that your municipality elects to be excluded must be to HUD by letter, in writing, from you or another authorized official, and should be addressed to the address provided above in this Paragraph.

4. Finally, your municipality may elect to **only** participate for Federal Fiscal Year 2027 or 2028 or 2029. In any case, your municipality must notify HUD and Prince George's County by **July 8, 2026,** of your municipality's intentions to participate in one or more of three Fiscal Years (2027, 2028 and/or 2029) during the Qualification Period in accordance with the notification procedures outlined in Paragraph 3 above.

   Under this option, your municipality must return a fully executed Cooperation Agreement, Certification form and evidence of the authorization to enter into the agreement to the County by **July 8, 2026,** in time for inclusion in the County's package that includes all of the Cooperation Agreements and Certification forms to be submitted to HUD. Furthermore, please be advised that HUD will not accept Cooperation Agreements submitted after its deadline.

Failure to select one of the four (4) options above and to provide the required notice to HUD and the County prior to the specified deadline will be interpreted by the County and HUD as ***inclusion*** and participation in the Urban County. Should you need further information or additional assistance, please feel free to contact Jonathan R. Butler, Director, DHCD at (301) 883-6511.

Sincerely,

Aisha Braveboy

Aisha N. Braveboy
County Executive

Enclosures
U.S. Dept. of Housing and Urban Development (HUD) Notice: CPD-26-08 (May 15, 2026)
Cooperation Agreement
County Legal Certification/Opinion Letter
Certification of Cooperation Agreement

COOPERATION AGREEMENT

THIS COOPERATION AGREEMENT ("Agreement") is entered into by and between the **Town/City** of ____ (hereinafter referred to as the **"Municipality"**) and **Prince George's County, Maryland, a body corporate and politic** (hereinafter referred to as the **"County"**), on behalf of the **Prince George's County Department of Housing and Community Development** (hereinafter referred to as the **"DHCD"**).

WHEREAS, the Housing and Community Development Act of 1974, as amended, provides entitlement funds for qualified urban counties; and

WHEREAS, the County is required to requalify its entitlement status as an urban county to be eligible to receive funding from the U.S. Department of Housing and Urban Development ("HUD") to administer its Community Development Block Grant ("CDBG"), HOME Investment Partnerships ("HOME") and Emergency Solutions Grants ("ESG") programs during the Federal Fiscal Years ("FYs") 2027 through 2029 qualification period ("Qualification Period"); and

WHEREAS, the County certifies that it shall continue to follow an approved Housing and Community Development Consolidated Plan as promulgated by HUD pursuant to 24 CFR 570.302 and 24 CFR Part 91 during the Qualification Period; and

WHEREAS, the County is required to enter into Cooperation Agreements with its designated units of general local government ("UGLG") that desire HUD to include its respective population figures under the County's urban county status for the purpose of increasing the County's allocation of entitlement funds during the Qualification Period; and

WHEREAS, the County has identified the Municipality as a UGLG and the Municipality has agreed to allow the County to include its population with that of the County's unincorporated areas to be considered part of the urban county total population used as a basis for entitlement determinations; and

WHEREAS, the cooperation of the County and the Municipality is essential for the successful planning and implementation of housing assistance and community development activities that shall be included within the County's Housing and Community Development Annual Action Plan ("Annual Action Plan"); and

WHEREAS, the Municipality understands that the County shall have final responsibility for selecting CDBG, HOME and ESG activities to be assisted with entitlement funds and for filing Annual Action Plans during the Qualification Period with HUD; and

WHEREAS, the Mayor/Authorized Officer of the Municipality is authorized to execute this Agreement on the Municipality's behalf; and

WHEREAS, the County Executive is authorized to execute this Agreement on the County's behalf.

NOW, THEREFORE, in consideration of the mutual obligations set forth herein, the parties agree as follows:

1. The County and the Municipality agree to cooperate to undertake, or assist in undertaking, community renewal and low-income housing assistance activities. The Municipality further agrees to cooperate in the use of its powers to assist with the County's efforts to carry out essential activities in accordance with County's CDBG and, where applicable, HOME and ESG Programs, as approved in the County's five-year Consolidated Plan.

2. The County shall have the final responsibility for selecting CDBG and, where applicable, HOME and ESG activities that will be funded from annual CDBG allocations during the Federal FYs 2027 through 2029 ("Qualification Period") and any program income generated from the expenditure of such funds.

3. The County shall be responsible for submitting the County's Consolidated and Annual Action Plans to HUD for approval.

4. To the extent applicable, the County and the Municipality shall take actions necessary to assure compliance with Prince George's County's urban county certification requirements set forth in Section 104(b) of Title I of the Housing and Community Development Act of 1974, as amended, including Title VI of the Civil Rights Act of 1964, and the implementing regulations at 24 CFR Part 1, the Fair Housing Act and the implementing regulations at 24 CFR Part 100, 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 of 1974, and the implementing regulations at 28 CFR Part 35, the Age Discrimination Act of 1975, and the implementing regulations at 24 CFR Part 146, and Section 3 of the Housing and Urban Development Act of 1968, Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, and the implementing regulations at 49 CFR Part 24, and Section 104(d) of Housing and Community Development Act of 1974, and the implementing regulations at 24 CFR Part 42, and all other applicable laws and regulations, and other applicable laws.

5. The Municipality shall affirmatively further, to the extent applicable, fair housing actions within its jurisdiction, and not impede the County's actions to comply with its fair housing certification.

6. The Municipality has adopted and shall continue to enforce a policy prohibiting the use of excessive force by law enforcement agencies within its jurisdiction against any individuals engaged in non-violent civil rights demonstrations; and a

policy of enforcing applicable State and local laws against physically barring entrance to or exit from a facility or location which is the subject of such nonviolent civil rights demonstrations within the Municipality's jurisdiction.

7. The Municipality must inform the County of any program income generated by and submitted to the Municipality in accordance with its expenditure and/or sub-award of CDBG funds. Any such program income must be paid to the County unless specifically authorized by the County for use in association with the financial requirements of other projects previously approved by the County. Any program income the Municipality is authorized to retain may only be used for eligible activities in accordance with the terms and conditions of the applicable Sub-recipient Agreement and the applicable CDBG laws and regulations.

8. The Municipality shall not sell, trade or otherwise transfer all or any portion of any grant funds to another unit of general local government ("UGLG"), metropolitan city, urban county, Indian tribe, or insular area that directly or indirectly receives CDBG funds in exchange for any other funds, credits or non-Federal considerations. The Municipality further agrees to use grant funds, if any, for activities eligible under Title I of the Housing and Community Development Act of 1974, as amended.

9. The County has the responsibility for monitoring and reporting to HUD on the use of any program income thereby requiring appropriate recordkeeping and reporting as may be needed for this purpose.

10. It is understood that the Municipality pursuant to 24 CFR 570.501(b), is subject to the same requirements applicable to subrecipients. This includes the responsibility for a written agreement ("Sub-recipient Agreement") as set forth in 24 CFR 570.503, for ensuring that CDBG funds are used in accordance with all program requirements, for determining the adequacy of performance under subrecipient agreements and procurement contracts, and for taking appropriate action when performance problems arise. The use of any designated public agencies, subrecipients, or contractors does not relieve the municipality of this responsibility.

11. The Municipality shall be required to enter into a signed Sub-recipient Agreement with the County before any CDBG funds may be disbursed to the Municipality to undertake approved activities. This Sub-recipient Agreement shall remain in effect during and any time after the Qualification Period during which the Municipality has control over CDBG funds, including program income.

12. In the event of the close out of this Agreement or a change in the status of the Municipality, any program income that is on hand or received subsequent to the close out or change in status shall be paid to the County.

13. For real property acquired or improved in whole or in part using CDBG Funds and within the Municipality's control, the Municipality shall (A) provide the

County with timely notification for any modification or change in the use of the real property from that planned at the time of acquisition or improvement including disposition; (B) reimburse the County in an amount equal to the current fair market value (less any portion thereof attributable to expenditures of non-CDBG funds) of property acquired or improved with CDBG funds that is sold or transferred for use which does not qualify under the CDBG regulations; and (C) treat as program income the revenue generated from the disposition or transfer of property prior to or subsequent to the close out, change of status or termination of this Agreement between the County and the Municipality.

14. By executing this Agreement, the Municipality understands that it may not apply for grants from appropriations under the State CDBG Program for any fiscal year during the Qualification Period in which it is participating in the County's CDBG program.

15. By executing this Agreement, the Municipality understands that it may not participate in a HOME consortium except through the County, regardless of whether the County receives a HOME formula allocation. The Municipality further understands that it may receive a formula allocation under the HOME Program, if any, only through the County.

16. By executing this Agreement, the Municipality understands that it may receive a formula allocation under the ESG Program only through the County, regardless of whether the County receives an ESG formula allocation.

17. This Agreement between the County and the Municipality shall automatically be renewed for participation for one successive three-year Urban County Qualification Period (Federal Fiscal Years 2030, 2031, and 2032), unless the County or the Municipality provides written notice to the other party, before the end of the County's Qualification Period, that it elects not to participate in a new three-year Qualification Period. The terminating party shall send a copy of the notice of termination to the HUD field office by the date specified in HUD's Office of Community Planning and Development (CPD Urban County Qualification Notice.

    By the date specified in HUD's next Office of Community Planning and Development (CPD) Urban County Qualification Notice, the County will notify the Municipality, in writing, of its right not to participate. A copy of the County's notification shall be sent to the HUD Field Office by the date specified in the CPD Notice for Urban County Qualification.

    Failure by either party to adopt any amendment to this Agreement, which must incorporate any changes necessary to meet HUD's current requirements for Cooperation Agreement, for a subsequent three-year Qualification Period and to submit the amendment to HUD as provided in the applicable CPD Notice shall void the Municipality's automatic renewal as a participating UGLG under the County's urban status.

18. This Agreement shall remain in effect until the County's CDBG and where applicable, HOME and ESG entitlement funds and program income received with respect to activities undertaken during the Qualification Period and any successive periods, as amended, are expended and the funded activities are completed. It further understood and agreed that neither the County nor the Municipality may terminate or withdraw from this Agreement, or be removed, while this Agreement remains in effect.

19. The recitals set forth above are herein incorporated as operative provisions of this Agreement.

[SIGNATURES APPEAR ON THE NEXT PAGE.]

IN WITNESS WHEREOF, the parties' authorized representatives signed and delivered this Cooperation Agreement on the dates set forth below.

ATTEST:

FOR: ______________________________

____
(Signature of Witness)

By: ________________________________
(Signature of Authorized Official)

____
(Title)

____
(Date)

FOR: **Prince George's County, Maryland**

By: ________________________________
Tracy M. Benjamin, Esq.
Deputy Chief Administrative Officer
for Economic Development

____
(Date)

Reviewed and Approval Recommended

____
Jonathan R. Butler, Director
Department of Housing & Community Development

Prince George's County DHCD
Department of Housing & Community Development
Bridging Gaps Building Dreams

Jonathan R. Butler, Director
Ashley P. Johnson-Hare, Deputy Director

PRINCE GEORGE'S COUNTY MARYLAND
Aisha N. Braveboy
County Executive

COUNTY LEGAL CERTIFCATION/OPINION LETTER

June 15, 2026

The undersigned attorney for Prince George's County, Maryland ("County") certifies that the terms and provisions set forth in this Cooperation Agreement ("Agreement") are fully authorized and/or not otherwise prohibited under existing State and local laws and that this Agreement provides full legal authority for the County to undertake or assist in the undertaking essential community development and housing assistance activities that may include, but are not limited to, urban renewal and public assisted housing in cooperation with designated units of local government ("UGLG").

Office of Law

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON, DC 20410-7000

OFFICE OF COMMUNITY PLANNING AND DEVELOPMENT

SPECIAL ATTENTION:
All Regional Administrators
All CPD Regional Offices
All CPD Field Office and Program Directors
All OGC Field and Regional Offices
All CDBG Grantees

NOTICE: CPD-26-08
Issued: May 15, 2026
Expires: Remains in effect until amended, superseded, or rescinded.
Supersedes: Notice CPD-25-04
Cross Reference: 24 CFR 570.307

SUBJECT: *Instructions for Urban County Qualification for Participation in the Community Development Block Grant (CDBG) Program*

TABLE OF CONTENTS

SECTION 1: OVERVIEW OF THE URBAN COUNTY NOTICE

1.1 Who's this Notice for?

The Urban County Notice is for:

- All Community Development Block Grant (CDBG) grantees (Urban Counties, Metropolitan Cities, and States)
- Units of general local government (UGLGs) in Urban Counties
- HUD Community Planning and Development (CPD) field and regional staff
- HUD Office of General Counsel (OGC) field and regional staff

***CPD field offices must provide copies of this Notice each year to*:**

1. All currently qualified Urban Counties
2. Any county that can qualify as a new Urban County
3. Each state administering the State CDBG Program which includes a potentially eligible new Urban County

NOTE: CPD field offices should encourage Urban Counties and potential new Urban Counties to visit the HUD.gov Urban Counties website for more guidance on Urban County qualification.

1.2 What is an "Urban County" in the CDBG Program?

Urban Counties are counties in metropolitan areas that qualify to directly receive CDBG annual formula funding because they meet a population threshold (generally 200,000), or meet other special characteristics, identified in the Housing and Community Development Act (HCDA) of 1974, as amended.[1] Urban Counties are CDBG Entitlement Communities under the CDBG Program. For more detailed information on the statutory requirements to be qualified as an Urban County, GO TO ATTACHMENT 1. For definitions of the terms used in this Notice, GO TO ATTACHMENT 2.

1.3 What is Urban County "qualification" and why are Urban Counties required to requalify every three federal fiscal years (FYs)?

1.3.1 Urban County qualification is required by the HCDA and CDBG regulations

The HCDA of 1974, as amended, and CDBG program regulations at 24 CFR Part 570 require counties to "qualify" as Urban Counties through a process that involves submitting specific qualification documentation to HUD. The overall reason HUD must qualify Urban Counties is to ensure they are eligible for CDBG funding.

[1] Refer to the official definition of Urban Counties at Section 102(a)(6)(A) of the HCDA for more information: https://www.govinfo.gov/content/pkg/COMPS-10382/pdf/COMPS-10382.pdf

Per CDBG program regulations on Urban Counties at 24 CFR 570.307(a):

"*The Secretary will determine the qualifications of counties to receive entitlements as urban counties upon receipt of qualification documentation from counties at such time, and in such manner and form as prescribed by HUD. The Secretary shall determine eligibility and applicable portions of each eligible county for purposes of fund allocation under section 106 of the [HCDA] on the basis of information available from the U.S. Bureau of the Census with respect to population and other pertinent demographic characteristics, and based on information provided by the county and its included units of general local government.*"

1.3.2 Urban Counties are required to requalify every three federal fiscal years (FYs)

The three-fiscal-year Urban County qualification period is a statutory requirement,[2] which is also codified in CDBG program regulations at 24 CFR 570.307(d)(1): "*The qualification by HUD of an urban county shall remain effective for three successive Federal fiscal years regardless of changes in its population…*"

1.3.3 Purposes of Urban County qualification

The four main purposes are officially verifying and ensuring:

1. Counties meet the population threshold to be an Urban County. In general, this is based on the combined population in: a) the county's unincorporated areas and b) "participating" units of general local government (*Participating UGLGs*).[3]
2. HUD can accurately allocate formula grant funding for the CDBG program (and HOME Investment Partnerships (HOME) and Emergency Solutions Grant (ESG) programs, if applicable).[4] Urban County "configurations" affect formula funding amounts across the entire CDBG Entitlement grantee portfolio.[5]
3. Intergovernmental agreements or IGAs (agreements between local governments)[6] for Urban Counties are legally sufficient for HUD. These legal agreements are between Urban Counties and Participating UGLGs (or Metropolitan Cities).
4. Participating UGLGs (in *Cooperation Agreements*) and Metropolitan Cities (in *Joint Agreements*) have an opportunity every three years to choose whether to continue, or opt out of, participating in their Urban County.

[2] Section 102(d) of the HCDA (42 U.S.C. 5302(d)) states: "*The population of any UGLG which is included in that of an urban county [...] shall be included in the population of such urban county for three program years beginning with the program year that its population was first so included.*"

[3] The population of Metropolitan Cities is never counted towards Urban Counties, including under *Joint Agreements*.

[4] The HOME and ESG programs are marked "if applicable" because not all Urban Counties receive HOME or ESG funding. Some Urban Counties are not eligible and some choose not to participate in those programs.

[5] There are approximately 1,300 CDBG Entitlement Communities (cities and counties), which directly receive CDBG grants annually. There are approximately 1,100 Metropolitan Cities and approximately 200 Urban Counties.

[6] There are two types of agreements: 1) *Cooperation Agreements* (between Urban Counties and Participating UGLGs); and 2) *Joint Agreements* (between Urban Counties and Metropolitan Cities [CDBG Entitlements]).

1.4 What's covered in this Notice?

This Notice establishes and explains requirements for Urban County qualification.[7] Below is a summary of the Notice's sections and attachments:

- ***Section 1: Overview of the Urban County Notice*** (this section) introduces this Notice and Urban County qualification. Please note that SECTION 1.5 highlights the changes HUD is making to this Notice from Notice CPD-25-04.
- ***Section 2: The Urban County Qualification Process*** provides a step-by-step process map of the qualification process and a brief explanation of each step in the process. This section will help you understand how the process works.
- ***Section 3: Your Urban County Qualification Package*** covers the requirements for your county's "qualification package" that you must submit to your CPD field office. It also provides instructions on how to submit your qualification package. Specifically, this section provides guidance on: 1) *Urban County Participation Decision Letters*; 2) *Cooperation Agreements* and *Joint Agreements*; and 3) *County Counsel Legal Opinion Letters*.
- ***Section 4: Requirements, Deadlines, Urban County Lists, and Other Guidance*** summarizes all requirements to receive CDBG funding as an Urban County, provides more information on the *Urban County Qualification Deadlines* and *Urban County Lists* that HUD will publish annually on the HUD.gov Urban Counties website, and provides other technical guidance for qualifying counties.
- ***Attachments*** includes six attachments:

  Attachment 1: *Statutory Requirements to be an Urban County*

  Attachment 2: *Definitions of Urban County Terms*

  Attachment 3: *HUD Requirements and Sample Language for Cooperation Agreements*

  Attachment 4: *HUD Requirements and Sample Language for Joint Agreements*

  Attachment 5: *Cooperation Agreements vs. Joint Agreements Comparison Table*

  Attachment 6: *Urban County Qualification Scenarios Comparison Table*

1.5 What's new in this Notice?

- ***Converted to a standing Notice:*** HUD will no longer publish an Urban County Notice annually. This Notice will remain in effect until amended, superseded, or rescinded by a new Urban County Notice. As a supplement to this Notice, HUD will publish two additional guidance products annually on the HUD.gov Urban Counties website: updated 1) *Urban County Qualification Deadlines* and 2) *Urban County Lists*.

[7] In this Notice, HUD uses the phrases "Urban County qualification" or "qualifying Urban Counties" for simplicity instead of using "Urban County qualification and requalification" or "qualifying or requalifying Urban Counties." Requalifying as an Urban County is essentially the same process as qualifying the first time.

- ***Removed references to specific fiscal years (FYs) and three-year Urban County qualification periods:*** Because HUD converted this Notice to a standing Notice, this Notice no longer refers to specific FYs or specific three-year qualification periods (e.g., FYs 20XX–20XX). The only exception is to explain the effective date of HUD's policy change to "auto-renewal" of Urban County agreements.

- ***Added new content in Section 1 (Overview of the Urban County Notice):*** HUD added new content to Section 1 to provide more foundational information on Urban County qualification for grantees and HUD staff. The new sections (SECTION 1.2 and SECTION 1.3) explain the statutory and regulatory basis for Urban County qualification under the HCDA of 1974, as amended, and CDBG regulations at 24 CFR 570.307. HUD also more thoroughly explains the purposes of Urban County qualification in SECTION 1.3.3.

- ***Revised Section 2 (The Urban County Qualification Process):*** HUD revised the *Step-by-Step Process Map* (GO TO SECTION 2.1) and the narrative explanation of each step in the process (GO TO SECTION 2.2). HUD revised these sections to improve the explanation of the qualification process, and made minor revisions to the final steps of the process to ensure CPD field staff and Urban Counties are notified which counties are qualified for the next three-year qualification period.

- ***Replaced the previous Section 3 with a new Section 3 ("Your Urban County Qualification Package") and added content reorganized from other sections in previous Notices:*** HUD added this new section to consolidate guidance on the "qualification package" Urban Counties must submit to CPD field offices: 1) *Urban County Participation Decision Letters*, 2) *Cooperation Agreements* and *Joint Agreements* (if any), and 3) *County Counsel Legal Opinion Letters*.

- ***Replaced the previous Section 4 (Attachments) with the previous Section 3 and revised the name and content of the new Section 4 ("Requirements, Deadlines, Urban County Lists, and Other Guidance"):*** The new Section 4 summarizes all requirements, explains "qualification scenarios" counties will be in over time, and explains the *Urban County Qualification Deadlines* and *Urban County Lists* which will be updated each year on the HUD.gov Urban Counties website.

- ***Eliminated specific names for Urban County notification letters:*** HUD eliminated the four specific names for notification letters to UGLGs and Metropolitan Cities (e.g., *Notification of Opportunity to be Excluded*) in favor of using a single name for all notification letters: *Urban County Participation Decision Letters*. HUD made this change to make it easier for grantee staff to understand the notification letters. This change does not imply all notification letters to UGLGs have the same requirements (they do not). However, all letters are seeking CDBG program participation decisions from UGLGs and Metropolitan Cities in Urban Counties (opting in/out of the Urban County). HUD believes the new naming convention for these letters is simpler and easier to understand.

- ***Changed HUD's policy on "auto-renewal" of Cooperation and Joint Agreements (effective for the FY 2027 Urban County Qualification Process):*** In this Notice, HUD is notifying Urban Counties and partnering local governments that HUD is changing its policy on "auto-renewal" of *Cooperation Agreements* and *Joint Agreements*. Please note that this new policy will go into effect for the FY 2027 Urban County qualification process (for the FYs 2028–2030 qualification period). HUD is delaying the effective date to provide Urban Counties sufficient time to implement this policy change.
    - Under the new policy, *Cooperation* and *Joint Agreements* may only auto-renew for one three-fiscal-year qualification period, rather than in perpetuity. Essentially, the agreements may only be in place for a maximum of six years (two qualification periods)[8] before the parties involved must reauthorize and re-execute the agreement(s). GO TO SECTION 3.7 to learn more about the new policy.
- ***Defined additional Urban County Terms (Attachment 2):*** HUD defined more terms used in this Notice to help grantees and HUD staff, especially new staff, better understand Urban County qualification. There are many unique terms related to Urban Counties and the qualification process. This attachment provides a helpful resource for readers to learn what specific Urban County terms mean.
- ***Revised HUD Requirements for Cooperation Agreements and Sample Language for Cooperation Agreements (Attachment 3):*** HUD made minor adjustments to *Cooperation Agreement* requirements and the sample language for *Cooperation Agreements* and combined these two previous attachments into one. Most of the adjustments HUD made were to conform this attachment with HUD's new policy on "auto-renewal" of Urban County agreements.
- ***Added new guidance on HUD Requirements and Sample Language for Joint Agreements (Attachment 4):*** HUD added new guidance to clarify requirements, and provide sample language, for *Joint Agreements*. HUD added this guidance to avoid confusion for grantees about what must be included in *Joint Agreements*. While the requirements for *Cooperation Agreements* and *Joint Agreements* are similar, there are several differences.
- ***Added new Cooperation Agreements vs. Joint Agreements Comparison Table (Attachment 5):*** HUD added this new table to provide a useful tool for Urban Counties, UGLGs, and Metropolitan Cities to compare the differences between *Cooperation Agreements* and *Joint Agreements*. HUD added this guidance due to confusion among Urban Counties, UGLGs, and Metropolitan Cities on the distinction between *Cooperation Agreements* and *Joint Agreements*.

[8] HUD will allow an emergency exception to allow agreements to auto-renew for one additional qualification period (maximum total of nine years) with written approval from the Urban County's CPD field office.

- ***Revised and improved the Urban County Qualification Scenarios Comparison Table (Attachment 6):*** HUD made minor adjustments to this table to better explain the distinctions between the three Urban County qualification scenarios that Urban Counties may experience any given year.

1.6 Who can I contact if I have questions?

Contact your CPD Representative or your CPD field office. To reach the CPD Entitlement Communities Division with questions about Urban Counties, email urbancounties@hud.gov.

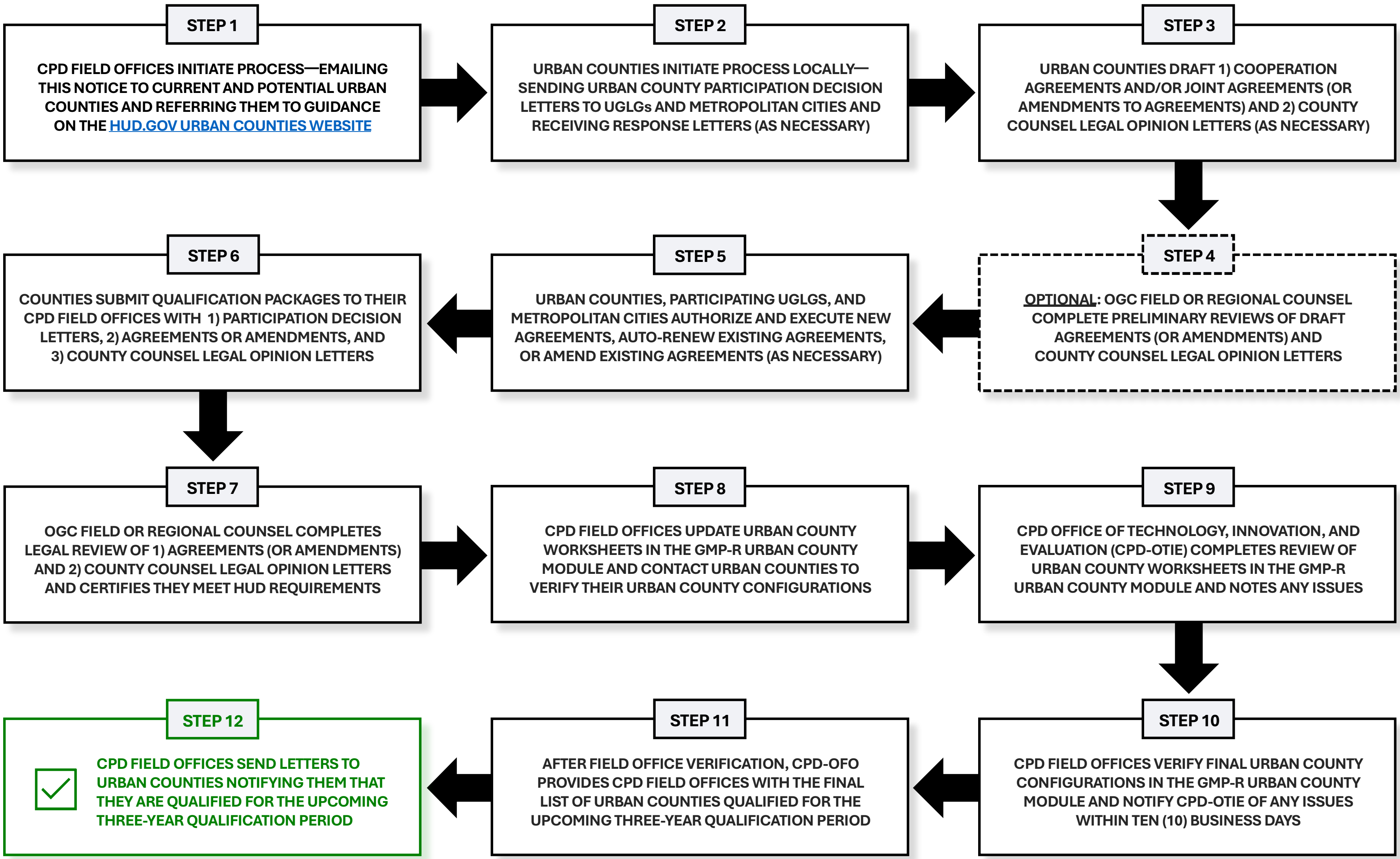
NOTE: HUD encourages Urban Counties, potential new Urban Counties, and UGLGs in Urban Counties to contact their CPD field office first before emailing the CPD Entitlement Communities Division.

1.7 Paperwork Reduction Act (PRA) information

The Office of Management and Budget (OMB) has approved the information collection requirements in this Notice under the Paperwork Reduction Act of 1995 (44 U.S.C. 3501–3520). The assigned OMB control number for this information collection is 2506-0170.

SECTION 2: THE URBAN COUNTY QUALIFICATION PROCESS

2.1 Step-by-Step Process Map: The Urban County Qualification Process



2.2 What happens during each step in the Urban County qualification process?

2.2.1 Step 1: CPD field offices initiate process—emailing this Notice to current and potential Urban Counties and referring them to guidance on the HUD.gov Urban Counties website

CPD field offices initiate the Urban County qualification process by emailing this Notice to all currently qualified (and potential new) Urban Counties. In this email, CPD field offices will also refer counties to two additional guidance products that HUD will publish annually on the HUD.gov Urban Counties website: 1) *Urban County Qualification Deadlines* and 2) *Urban County Lists*.

NOTE: GO TO SECTION 4.3 for more information on *Urban County Qualification Deadlines* and GO TO SECTION 4.4 for more information on *Urban County Lists*.

2.2.2 Step 2: Urban Counties initiate process locally—sending *Urban County Participation Decision Letters* to UGLGs and Metropolitan Cities and receiving response letters (as necessary)

RECOMMENDATION: HUD recommends that Urban Counties begin outreach with UGLGs and Metropolitan Cities in their county near the beginning of the year (e.g., January) to secure their participation decisions on joining, continuing, or opting out of their Urban County for the next three-fiscal-year qualification period. Counties should not wait for HUD to contact them (Step 1) OR for HUD to publish an updated Urban County Notice or updated *Urban County Qualification Deadlines* and *Urban County Lists*. Beginning the Urban County qualification process in January of the qualification year allows 8-9 months to complete the whole process.

Your county will initiate the qualification process locally by contacting all UGLGs in your county (including potential new Metropolitan Cities) in writing (letters) to determine their CDBG program participation decisions for the upcoming three-year Urban County qualification period. With this Notice, HUD is renaming these official letters: *Urban County Participation Decision Letters.*

NOTE: GO TO SECTION 3.3 for guidance on *Urban County Participation Decision Letters* and GO TO SECTION 4.6 for guidance on potential new Metropolitan Cities. (The U.S. Census Bureau identifies potential new Metropolitan Cities around July or August each year based on updated data.)

Urban Counties are not required to contact *current* Metropolitan Cities (independent CDBG Entitlement grantees) with *Urban County Participation Decision Letters*. However, your Urban County may consider communicating with *current* Metropolitan Cities to discuss partnering with your Urban County under a *Joint Agreement*.

NOTE: HUD understands that relationships between Urban Counties and *current* independent Metropolitan Cities (CDBG Entitlements) vary widely across the Nation. Most *current* independent Metropolitan Cities will prefer to administer their own CDBG programs and are not interested in joining an Urban County. However, some current independent Metropolitan Cities may be interested in pursuing a *Joint Agreement* with their Urban County.

2.2.3 Step 3: Urban Counties draft 1) *Cooperation Agreements* with Participating UGLGs and/or *Joint Agreements* with Metropolitan Cities (or amendments to agreements) and 2) County Counsel Legal Opinion Letters (as necessary)

After your county secures participation decisions, you will draft: 1) *Cooperation Agreements* with Participating UGLGs and/or *Joint Agreements* with Metropolitan Cities (or amendments to agreements) AND 2) a *County Counsel Legal Opinion Letter* (as necessary). GO TO SECTION 3 for the requirements for these documents.

HUD RECOMMENDATION: HUD encourages your county to submit a draft *Cooperation Agreement* and/or draft *Joint Agreement* (or draft amendment) for a preliminary legal review by OGC Field or Regional Counsel. This may help avoid time-consuming, back-and-forth revisions between your county and HUD after you submit your qualification package (Step 6). For example, it may help avoid HUD deeming your agreement(s) or amendment(s) unacceptable after all your Urban County's participating governments have authorized and executed them. Your county should request a preliminary review early enough in the process to execute any needed changes before the deadline for submitting your complete Urban County qualification package to HUD.

2.2.4 Step 4 (Optional Step): OGC Field or Regional Counsel complete preliminary reviews of draft *Cooperation* and/or *Joint Agreement(s)* (or amendments) and County Counsel Legal Opinion Letters

If your Urban County chooses to submit a draft *Cooperation Agreement* and/or *Joint Agreement* to HUD (or draft amendment), OGC Field or Regional Counsel will perform a preliminary legal review of your draft agreement (or amendment) and *County Counsel Legal Opinion Letter* (if also provided). This optional step includes any back-and-forth between HUD and your county on revising the draft agreement (or amendment) and *County Counsel Legal Opinion Letter*.

2.2.5 Step 5: Urban Counties, Participating UGLGs, and Metropolitan Cities authorize and execute new agreements (or amendments to existing agreements) OR "auto-renew" existing agreements per HUD's "auto-renewal" policy (as necessary)

Your county must officially authorize and execute new *Cooperation Agreements* and/or *Joint Agreements* (or amendments to existing agreements). This means securing authorization from governing bodies for all participating governments (e.g., city or county council resolutions) AND executing agreements/amendments with signatures from the chief executive officers[9] of all participating governments. HUD will accept "digital" signatures if they show a) verification the chief executive officer (or their designee) completed the signature and b) a time and date stamp.

[9] The "chief executive officer" is an elected official, or legally designated official, who has the primary responsibility for the conduct of governmental affairs. Examples include the mayor, county executive, board chairperson, or governor. Refer to the official definition at 24 CFR 570.3.

Existing Urban County agreements that contain auto-renewal provisions may also be "auto-renewed," consistent with HUD's "auto-renewal" policy for *Cooperation Agreements* and *Joint Agreements*.

NOTE: HUD is announcing a new "auto-renewal" policy in this Notice. However, that policy will not take effect until the FY 2027 Urban County qualification process and does not affect Urban Counties qualifying in FY 2026 (for FYs 2027–2029). GO TO SECTION 3.7 for more information.

2.2.6 Step 6: Urban Counties submit qualification packages to their CPD field offices with 1) *Urban County Participation Decision Letters*, 2) *Cooperation* and/or *Joint Agreements* (or amendments), and 3) *County Counsel Legal Opinion Letters*

Your county must submit its final Urban County qualification package to your CPD field office with all required qualification documents for HUD's review and approval. As necessary, your package must include: 1) all *Urban County Participation Decision Letters*, 2) authorized and executed *Cooperation Agreements* and/or *Joint Agreements* (or amendments), and 3) a *County Counsel Legal Opinion Letter*. GO TO SECTION 3 for more guidance on the documents you must submit to your CPD field office.

NOTE: Counties seeking Urban County qualification for the first time must submit their package to their CPD field office and the CPD Entitlement Communities Division (urbancounties@hud.gov). GO TO SECTION 4.5 for more guidance on Urban County qualification for *First-Time Qualifiers*.

2.2.7 Step 7: OGC Field or Regional Counsel completes official legal review of 1) *Cooperation* and/or *Joint Agreements* (or amendments) and 2) *County Counsel Legal Opinion Letters* and certifies they meet HUD requirements

OGC Field or Regional Counsel completes its official review of your *Cooperation* and/or *Joint Agreements* (or amendments) and *County Counsel Legal Opinion Letter*. OGC Field or Regional Counsel must officially certify that each agreement meets HUD requirements for *Cooperation Agreements* and *Joint Agreements* in this Notice. OGC Field or Regional Counsel submit their certifications to the CPD field office.

2.2.8 Step 8: CPD field offices update Urban County worksheets in the GMP-R Urban County Module and contact Urban Counties to verify their Urban County configurations

Based on the documentation submitted by Urban Counties, CPD field offices will update Urban County worksheets in the GMP-R Urban County Module. CPD field offices will also update Urban County worksheets for currently qualified Urban Counties adding new *Participating UGLGs* for the rest of their qualification period.

After CPD field staff update the worksheets, they will send them to Urban Counties to double-check and verify the data on the Participating UGLGs and Metropolitan Cities (in *Joint Agreements*) for each Urban County. Verifying this data is accurate is critical because your Urban County's population size affects formula funding allocations across the entire CDBG Entitlement grantee portfolio.

2.2.9 Step 9: CPD Office of Technology, Innovation, and Evaluation (CPD-OTIE) completes review of Urban County worksheets in the GMP-R Urban County Module and notes any issues

CPD-OTIE will review the Urban County worksheets in the GMP-R Urban County Module and will note any issues with the worksheets (Urban County configurations) that need to be resolved by CPD field offices.

2.2.10 Step 10: CPD field offices verify final Urban County configurations in the GMP-R Urban County Module and notify OTIE of any issues within ten (10) business days

CPD field offices will review and verify the final Urban County configurations in the GMP-R Urban County Module. CPD field offices must notify CPD-OTIE within ten (10) business days if there are any data errors in the Urban County worksheets and work with CPD-OTIE to resolve those issues.

2.2.11 Step 11: After field office verification, CPD-Office of Field Operations (CPD-OFO) provides CPD field offices with the final list of Urban Counties qualified for the upcoming three-year qualification period

Following field office verification that Urban County worksheets are accurate, CPD-OFO, CPD-OBGA, and CPD-OTIE will coordinate and concur on the final list of Urban Counties qualified for the upcoming three-year qualification period. CPD-OFO will distribute this final list of Urban Counties to all CPD field offices, with instructions to notify Urban Counties that they are officially qualified.

2.2.12 Step 12: CPD field offices send letters to Urban Counties notifying them that they are qualified for the upcoming three-year qualification period

CPD field offices will notify your Urban County in writing that your county is qualified as an Urban County for the upcoming three-year qualification period.

2.3 How long is my Urban County's qualification period?

After qualifying, your county is entitled to receive CDBG funds as an Urban County for <u>three consecutive fiscal years</u>, if Congress appropriates funds and if your county submits its Consolidated Plan/Action Plan by August 16 each year. Urban Counties requalify for their *next* qualification period in their third and final year of their *current* qualification period.

2.4 Can my Urban County add new Participating UGLGs during our three-year qualification period?

<u>Yes</u>. Your Urban County may add previously *Nonparticipating UGLGs* to your Urban County as Participating UGLGs for your second and/or third years of your qualification period if UGLGs decide they want to participate. During years 1–2 of your qualification period, your county may choose to send an *Urban County Participation Decision Letter*

to any *Nonparticipating UGLGs* in your county offering them the opportunity to join your Urban County for the remainder of the qualification period. Sending reminder letters to *Nonparticipating UGLGs* during your Urban County's qualification period about their opportunity to join is optional.

NOTE: HUD calculates your Urban County's CDBG grant amount annually and it will account for the addition of any new *Participating UGLGs* for the second and/or third years of your qualification period.

2.5 Can my Urban County add a Metropolitan City as a *Joint Recipient* (under a *Joint Agreement*) during our three-year qualification period?

No. Your Urban County may only add a Metropolitan City as a *Joint Recipient* (under a *Joint Agreement*) during your Urban County's qualification year for the next three-year qualification period. Per 24 CFR 570.308(a)(1), *Joint Requests* for an Urban County to administer a Metropolitan City's CDBG grant program, in addition to administering the Urban County's CDBG program, may only be submitted and considered by HUD the year that your Urban County is requalifying.

2.6 Can a Participating UGLG (in a *Cooperation Agreement*) OR a Metropolitan City (in a *Joint Agreement*) withdraw from our Urban County during our three-year qualification period?

No. Participating UGLGs in *Cooperation Agreements* may not withdraw from your Urban County during your qualification period—unless your county does not receive a CDBG grant for any year during the qualification period. Participating UGLGs must continue to participate in your Urban County even if they become eligible to be a Metropolitan City during your Urban County's three-year qualification period. Similarly, Metropolitan Cities in *Joint Agreements* with your Urban County also may not withdraw from your Urban County during your three-year qualification period—unless your county does not receive a CDBG grant for any year during the qualification period.

NOTE: If an unincorporated area of your county incorporates (becomes an UGLG) during your qualification period, it must remain part of your Urban County until your current qualification period ends. If this occurs, your county must execute a *Cooperation Agreement* with the new UGLG if your county does not have "essential powers" in UGLGs.

2.7 What is HUD's "Determination of Essential Powers"?

As part of Urban County qualification, HUD must determine where your county can legally carry out "essential community development and housing assistance activities." HUD calls this the "Determination of Essential Powers," and usually makes this determination the first time an Urban County qualifies. When an Urban County is requalifying, HUD may rely on its previous determination(s), unless there is evidence to the contrary.

In the Determination of Essential Powers, OGC Field or Regional Counsel determines the legal authority of your county to conduct "essential community development and housing assistance activities" in your county's 1) unincorporated areas and 2) UGLGs (without consent by UGLG governing bodies). In carrying out its review, OGC Field or Regional Counsel may request and consider information provided by your county, in addition to other relevant information obtained from independent sources.

To be qualified as an Urban County, your county must have "essential powers" in its unincorporated areas, at a minimum, per the HCDA of 1974, as amended. This requirement and the quoted language on "essential powers" is in the HCDA of 1974, as amended, and CDBG program regulations on Urban Counties at 24 CFR 570.307, as shown below:

- Per Section 102(a)(6)(A)(i) of the HCDA of 1974, as amended, an Urban County must be "*authorized under State law to undertake essential community development and housing assistance activities in its unincorporated areas, if any, which are not units of general local government…*"
- Per the Urban Counties regulations at 24 CFR 570.307(b)(1): "*the Secretary shall determine which counties have authority to carry out essential community development and housing assistance activities in their included units of general local government without the consent of the local governing body* ***and*** *which counties must execute cooperation agreements with such units to include them in the urban county for qualification and grant calculation purposes*."

NOTE: "Essential powers" are granted (or not granted) by state governments under state laws. Most states only grant counties "essential powers" in unincorporated areas, and not in their UGLGs because UGLGs are granted authority over their jurisdictions. Because most states do not grant their counties "essential powers" in UGLGs, *Cooperation Agreements* are generally required for all *Participating UGLGs* that wish to join an Urban County. *Joint Agreements* are required between Urban Counties and Metropolitan Cities.

SECTION 3: YOUR URBAN COUNTY QUALIFICATION PACKAGE

3.1 What documents must I submit in my Urban County's qualification package?

Your Urban County must submit three sets of documents to your CPD field office:

1. *Urban County Participation Decision Letters* exchanged back and forth between your county, UGLGs, and Metropolitan Cities about participating or not participating in your Urban County's CDBG program
2. Authorized and executed *Cooperation Agreements* with Participating UGLGs and/or *Joint Agreements* with Metropolitan Cities (or *Amendments* to agreements)
3. *County Counsel Legal Opinion Letter*

3.2 How do I submit my Urban County's qualification package to HUD?

You should submit your qualification package to your CPD field office via email to your CPD Representative. If you are a *First-Time Qualifier*, your county must submit your qualification package to your CPD field office and the CPD Entitlement Communities Division (urbancounties@hud.gov).

NOTE: GO TO SECTION 4.5 for more guidance for *First-Time Qualifiers*.

3.3 What are HUD's requirements for *Urban County Participation Decision Letters*?

HUD has simplified the naming convention for the notification letters that qualifying Urban Counties must send to UGLGs and Metropolitan Cities during the qualification process. The new name for these letters is simpler and more descriptive: *Urban County Participation Decision Letters*. HUD changed the name of the letters to better capture their purpose: securing CDBG program *participation decisions* from UGLGs and Metropolitan Cities for the Urban County's upcoming three-year qualification period.

NOTE: *Urban County Participation Decision Letters* refers to both the outgoing letters sent by the qualifying Urban County and any response letters received from UGLGs or Metropolitan Cities.

3.3.1 *Urban County Participation Decision Letters* for all UGLGs in your county

Each time your Urban County qualifies, you must contact all UGLGs in your county (except *current* independent Metropolitan Cities) with an *Urban County Participation Decision Letter*. This is true regardless of a) each UGLG's past CDBG program participation decisions, b) if your county has "essential powers" in UGLGs, and c) if you have *Auto-Renewal Cooperation Agreements* in place. For example, your Urban County may have a Nonparticipating UGLG that has chosen not to participate for 25 years. When your Urban County requalifies every three years, you still must give this UGLG the opportunity to change their CDBG program participation decision and join your Urban County's CDBG program.

Letter Requirements and CDBG Program Participation Options for UGLGs

UGLGs in requalifying Urban Counties will be in a variety of scenarios during an Urban County's requalification year, depending on the relationships and legal authorities between the Urban County and its UGLGs. For example, when Urban Counties are requalifying, some UGLGs will be:

- Participating UGLGs in the Urban County in its current qualification period (either in a *Cooperation Agreement* or not, depending on "essential powers.")
- Nonparticipating UGLGs in the Urban County in its current qualification period.
- "Split places," which have unique CDBG program participation options because their jurisdictions are in multiple counties.

If your Urban County has "essential powers" in UGLGs (applies to few states): UGLGs are automatically included as participants in your Urban County—unless they ask to be excluded from the Urban County. If these UGLGs do not respond to your *Urban County Participation Decision Letter*, they will be included in your Urban County (even if they chose to be a Nonparticipating UGLG during the last qualification period). They must opt out of each qualification period.

If your Urban County does not have "essential powers" in UGLGs: UGLGs must choose to join your Urban County and must execute a *Cooperation Agreement*. If these UGLGs do not respond to your *Urban County Participation Decision Letter*, they cannot be included in your Urban County.

Regardless of each UGLG's specific situation, your Urban County must a) contact all UGLGs (*except current independent Metropolitan Cities/CDBG Entitlements*) to notify them of their CDBG program participation options for your Urban County's upcoming three-year qualification period and b) request their participation decisions in a response letter by the deadline set in the *Urban County Qualification Deadlines* posted on the HUD.gov Urban Counties website.

CDBG Program Participation Options for UGLGs currently in *Cooperation Agreements* with your Urban County (currently Participating UGLGs)

1. Continue as a Participating UGLG in your Urban County by renewing their *Cooperation Agreement* for the upcoming three-year qualification period. This means submitting a newly-executed agreement OR auto-renewing the agreement, per HUD's "auto-renewal" policy. (Please note again that the new "auto-renewal" policy outlined in SECTION 3.7 will take effect in FY 2027.)
2. Opt out of being a Participating UGLG in your Urban County by terminating or not renewing their *Cooperation Agreement* for the upcoming three-year qualification period. After opting out, an UGLG may choose to seek State CDBG program funding as a Non-Entitlement UGLG OR not participate in the CDBG program altogether.

CDBG Program Participation Options for UGLGs that are currently Nonparticipating UGLGs in your Urban County

1. Join your Urban County as a Participating UGLG by executing a *Cooperation Agreement* with your Urban County, if necessary, based on "essential powers."
2. Continue to opt out of your Urban County by responding to your Urban County's letter stating that their UGLG does not wish to participate. After opting out, an UGLG may choose to seek State CDBG program funding as a Non-Entitlement UGLG OR not participate in the CDBG program altogether.

CDBG Program Participation Options for "Split Places" (UGLGs whose jurisdictions are "split" across two or more counties)

For split places partly located in only ONE Urban County, one of these applies:

1. If it's a split place where your county has essential powers in incorporated areas (rare), the entire area of the split place will be included in your Urban County for the qualification period (*unless the split place asks to be excluded*); OR
2. If the split place can only be included in your Urban County with a *Cooperation Agreement*, the entire area of the split place may be included in your Urban County for the qualification period after executing a *Cooperation Agreement*.

For split places partly located in TWO OR MORE Urban Counties, the split place may choose from one of three participation options:

1. To be excluded from all Urban Counties
2. To be included entirely in one Urban County and excluded from the other Urban County(ies)
3. To participate in more than one Urban County in which it's partially located, but there must be no overlapping. Your Urban County can't expend CDBG funds in the part of a split place that is in another Urban County's CDBG program.

3.3.2 OPTIONAL: *Urban County Participation Decision Letters* for Nonparticipating UGLGs during a currently qualified Urban County's qualification period

If your currently qualified Urban County has Nonparticipating UGLGs, you may re-invite these UGLGs to join your Urban County for the remaining 1–2 years of your current qualification period. HUD defers to your county on that decision because HUD already requires your Urban County to notify all UGLGs (*except current independent Metropolitan Cities*) of their participation options each requalification year. The list of qualified Urban Counties with Nonparticipating UGLGs will be published each year on the HUD.gov Urban Counties website (List 5). GO TO SECTION 4.4 for more information on *Urban County Lists*.

NOTE: If a Nonparticipating UGLG decides to join your Urban County and a *Cooperation Agreement* is necessary, then your Urban County must execute an agreement that meets HUD requirements for *Cooperation Agreements* in ATTACHMENT 3.

3.3.3 *Urban County Participation Decision Letters* for Metropolitan Cities currently in *Joint Agreements* with an Urban County

For requalifying Urban Counties that are in *Joint Agreements* with Metropolitan Cities, your county must also send letters to those Metropolitan Cities notifying them of their opportunity to change their CDBG program participation decision, even if you have an *Auto-Renewal Joint Agreement* in place with the jurisdictions. Your Urban County must request a participation decision from the Metropolitan City in a response letter by the deadline set in the *Urban County Qualification Deadlines* published on the HUD.gov Urban Counties website.

CDBG Program Participation Options for Metropolitan Cities currently in *Joint Agreements* with your Urban County

1. Renew the *Joint Agreement* with your Urban County for the upcoming three-year Urban County qualification period. This means reauthorizing and re-executing the agreement OR auto-renewing the agreement, per HUD's "auto-renewal" policy. (Please note again that the new "auto-renewal" policy outlined in SECTION 3.7 will take effect in FY 2027.)
2. Terminate the *Joint Agreement* with your Urban County, relinquish their CDBG Entitlement status, and execute a *Cooperation Agreement* to continue participating in your Urban County (as a Participating UGLG) for your upcoming three-year Urban County qualification period.
3. Terminate the *Joint Agreement* with your Urban County and resume their independent CDBG Entitlement status as a Metropolitan City.
4. Terminate the *Joint Agreement* with your Urban County, relinquish their CDBG Entitlement status, and become a Non-Entitlement UGLG. They may then choose to seek State CDBG Program funding OR not participate in the CDBG program altogether.

NOTE: If a Metropolitan City is geographically "split" across multiple Urban Counties, they may only be in a *Joint Agreement* with one of the Urban Counties.

3.3.4 *Urban County Participation Decision Letters* from Metropolitan Cities accepting or deferring their CDBG Entitlement status

If applicable, you may also need to submit letters sent and received from:

1. Any UGLG that may newly qualify as a Metropolitan City but wants to defer its CDBG Entitlement status;
2. Any UGLG currently deferring Metropolitan City (CDBG Entitlement) status that wants to continue to defer its CDBG Entitlement status;
3. Any UGLG accepting Metropolitan City (CDBG Entitlement) status stating it will enter into a *Joint Agreement* with your Urban County

(and a letter from your Urban County confirming willingness to enter into the *Joint Agreement*); and

4. Any UGLG accepting Metropolitan City (CDBG Entitlement) status stating that they will cease participation in your Urban County's CDBG program and become an independent CDBG Entitlement.

3.4 What are HUD's requirements for *Cooperation Agreements* between Urban Counties and Participating UGLGs?

GO TO ATTACHMENT 3 for HUD's list of requirements for *Cooperation Agreements*. HUD also provides sample language for *Cooperation Agreements* in ATTACHMENT 3.

3.5 What are HUD's requirements for *Joint Agreements* between Urban Counties and Metropolitan Cities (*Joint Recipients*)?

GO TO ATTACHMENT 4 for HUD's list of requirements for *Joint Agreements*. HUD also provides sample language for *Joint Agreements* in ATTACHMENT 4.

NOTE: If either your Urban County or the Metropolitan City falls under the "exception criteria" at 24 CFR 570.208(a)(1)(ii) for activities that benefit low- and moderate-income residents of an area, your Urban County must notify the Metropolitan City in a letter of the potential effects of *Joint Agreements* on these activities.

3.6 What are HUD's requirements for *County Counsel Legal Opinion Letters*?

You must submit a legal opinion from your county counsel's office (office of the "chief legal official" for your county) in an official letter. HUD will accept letters issued by your county's Office of County Counsel, Office of General Counsel, or similarly named office. HUD will also accept letters signed by an attorney who is not the "chief legal official," such as your Deputy County Counsel or Legal Branch Chief. This legal opinion letter must state two things: 1) that state and local law authorizes the terms and provisions of your *Cooperation Agreements* with Participating UGLGs and/or *Joint Agreements* with Metropolitan Cities (*Joint Recipients*) AND 2) that the agreements provide full legal authority for your county to undertake, or assist in undertaking, essential community development and housing assistance activities in incorporated areas.

3.7 What is HUD's new policy on "auto-renewal" of *Cooperation Agreements* and *Joint Agreements* (effective for the FY 2027 Urban County qualification process)?

3.7.1 Background and history on "auto-renewal" of Urban County agreements

In the past, HUD allowed Urban Counties and partnering local governments to "auto-renew" their Urban County agreements (*Cooperation Agreements* and *Joint Agreements*) in perpetuity by adding an auto-renewal provision to their agreements. Urban Counties and partnering local governments would only make amendments to their agreements if required by HUD (in a new Urban County Notice) or because new federal, state, or local laws necessitated updating the agreements.

3.7.2 Why HUD is updating its "auto-renewal" policy for Urban County agreements

HUD is aware that some Urban Counties have *Cooperation Agreements* that have not been reauthorized or re-executed for many years. This was not the intent of HUD's policy on "auto-renewal" for agreements, and intergovernmental agreements should be revisited, reauthorized, and re-executed more frequently, given changing conditions at the local level. Furthermore, automatic renewal of *Cooperation Agreements* and *Joint Agreements* was not provided for, or mentioned, in the HCDA of 1974, as amended, or CDBG regulations at 24 CFR 570.307.

HUD is modifying its "auto-renewal" policy for *Cooperation Agreements* and *Joint Agreements* to re-align the Urban County qualification process more closely with the intent of the HCDA of 1974, as amended. HUD is retaining "auto-renewal" of agreements under a new policy, after careful consideration, to allow flexibility for large Urban Counties that may have many Participating UGLGs (and therefore, many *Cooperation Agreements* to reauthorize and re-execute).

3.7.3 HUD's new "auto-renewal" policy for Urban County agreements

HUD's new policy aligns with HUD's original intent by limiting the time an "auto-renewal" agreement may be in effect. Urban Counties and participating governments may also no longer use amendments to extend their agreements for an indefinite amount of time without reauthorizing and re-executing the entire *Cooperation* or *Joint Agreement*.

Per the new policy, *Auto-Renewal Cooperation Agreements* and *Joint Agreements* may only "automatically renew" for **one three-year qualification period** after the initial three-year qualification period. This means an "auto-renewal" agreement may only be in effect for a total of six fiscal years (two qualification periods). After that six-year period, the Urban County and Participating UGLG (or the Metropolitan City for *Joint Agreements*) must reauthorize and re-execute a new agreement. New *Auto-Renewal Agreements*, under the new policy, also must list the fiscal years they are effective, with an end date for the agreements.

To align this Notice with the new "auto-renewal" policy, HUD:

- modified the definitions of *Auto-Renewal Cooperation Agreement or Joint Agreement* and *Amendment* (Attachment 2);
- modified the "auto-renewal" and "amendment" language in HUD's list of requirements and sample language for *Cooperation Agreements* (Attachment 3); and
- ensured that HUD's new list of requirements and sample language for *Joint Agreements* (Attachment 4) reflects this policy.

3.7.4 Applicability, effective date, and phase-in of new "auto-renewal" policy

Given the significant change for Urban Counties, HUD will phase in this new "auto-renewal" policy. The policy will take effect for the FY 2027 Urban County qualification process (not the FY 2026 qualification process). Urban Counties must comply with the new "auto-renewal" policy when they requalify (beginning with Urban Counties requalifying in FY 2027 for FYs 2028–2030), but Urban Counties are not required to comply before their next requalification year or to amend their current *Auto-Renewal Cooperation or Joint Agreements*.

Many Urban Counties requalify in FY 2026 (122), which is more than sixty percent of currently qualified Urban Counties. **The (122) Urban Counties requalifying in FY 2026 (for the FYs 2027–2029 qualification period) are not required to comply with the new "auto-renewal" policy until their next requalification year (FY 2029).** They may "auto-renew" their agreements for one final three-year qualification period, following the procedures they have used in the past. These Urban Counties also do not need to amend their agreements at any time during FYs 2027–2029 for the purpose of complying with HUD's new "auto-renewal" policy.

3.7.5 Auto-Renewal Emergency Exception

To enable flexibility, HUD is also including an "emergency exception" to the new "auto-renewal" policy that may be granted by CPD field offices on a one-time, case-by-case basis. If an Urban County has *Auto-Renewal Cooperation Agreements* or *Joint Agreements* that the Urban County is due to reauthorize and re-execute (e.g., after six years), but the Urban County experiences an emergency preventing them from renewing their agreements, HUD may permit their agreements to "auto-renew" for one additional three-year Urban County qualification period due to the emergency (maximum total of nine years for the agreement(s) to be in place).

If an Urban County is in this situation, the Urban County must submit a written request to their CPD field office. This request must explain why their county needs the emergency exception and why they cannot renew their agreement(s) for the next three-year Urban County qualification period. For example, their Urban County experienced a natural disaster that impacted the county's operations during the Urban County qualification process (which runs through the spring and summer months and ends September 30). CPD field offices will consider auto-renewal emergency exception requests on a case-by-case basis. CPD field offices must review and approve or deny the request within 15 days and must notify the *CPD Entitlement Communities Division* of this decision at urbancounties@hud.gov.

SECTION 4: REQUIREMENTS, DEADLINES, URBAN COUNTY LISTS, AND OTHER GUIDANCE

4.1 What are all my county's requirements to qualify and receive CDBG funding as an Urban County?

1. Meet a population threshold during Urban County qualification. [GO TO ATTACHMENT 1]

2. Possess "essential powers" (legal authority) to carry out "essential community development and housing assistance activities" in unincorporated areas AND in Participating UGLGs or joint recipient Metropolitan Cities. [GO TO SECTION 2.7]

   NOTE: For counties that do not have state-granted authority to carry out these types of activities in incorporated areas, they must execute *Cooperation Agreements* (with Participating UGLGs) or *Joint Agreements* (with Metropolitan Cities). This applies to most counties in the United States.

3. Meet all notification requirements for UGLGs and Metropolitan Cities by sending *Urban County Participation Decision Letters* to UGLGs and Metropolitan Cities and providing all outgoing and response letters. [GO TO SECTION 3.3]

4. Hold fully authorized and executed *Cooperation Agreements* that meet HUD requirements and/or *Joint Agreements* that meet all HUD requirements (legally sufficient intergovernmental agreements), along with submitting a valid *County Counsel Legal Opinion Letter*. [GO TO SECTION 3]

5. Incorporate new HUD requirements into *Cooperation Agreements* and/or *Joint Agreements* by revising, reauthorizing, and re-executing agreements when requalifying as an Urban County (if necessary). [GO TO SECTION 3]

6. Submit all required documentation in your Urban County qualification package to your CPD field office and meet all *Urban County Qualification Deadlines* during the Urban County qualification process. [GO TO SECTION 3 and GO TO SECTION 4.3]

7. Submit a Consolidated Plan and Action Plans as required by 24 CFR Part 91 to receive a CDBG grant each year.[10] By statute, your county must submit its Consolidated Plan and Annual Action Plans by August 16 each year. Failure to do so will result in 1) a loss of CDBG funds for that program year and 2) termination of your qualification as an Urban County—unless Congress extends the August 16 deadline by statute.

   NOTE: If your Urban County enters into a *Joint Agreement* with one or more Metropolitan Cities, your county must submit a Consolidated Plan covering the county and the Metropolitan City(ies).

[10] See Notice CPD-26-05 (or any subsequent updated "Consolidated Plan Notice") for guidance on submitting Consolidated Plans and Annual Action Plans.

4.2 What requirements apply to my Urban County "qualification scenario" this year?

Current or potential new Urban Counties are in one of three Urban County "qualification scenarios" each year. GO TO ATTACHMENT 6 to view the Urban County Qualification Scenarios Comparison Table, which compares requirements for the three scenarios below:

1. *Requalifying This Year (Requalifiers)*: Currently qualified Urban Counties requalifying this fiscal year for the subsequent three fiscal years. *Requalifiers* must go through the full qualification process. This includes sending *Urban County Participation Decision Letters*, reauthorizing and re-executing *Cooperation Agreements* and/or *Joint Agreements* (if necessary), preparing an updated *County Counsel Legal Opinion Letter* (if necessary), and submitting their qualification package to their CPD field office.

2. *Requalifying Next Year or Year After Next*: Currently qualified Urban Counties that are not requalifying this year because they are in years 1–2 of their current qualification period. These Urban Counties will requalify next year or the year after next. The only action item for these counties (which is optional) is to invite *Nonparticipating UGLGs* to join their Urban County for the remainder of their current qualification period.

3. *First-Time Qualifiers*: Counties seeking Urban County qualification *for the first time*. These potential new Urban Counties must go through the full qualification process. Because they are new, they also have two unique requirements: 1) OGC Field or Regional Counsel must complete the "Determination of Essential Powers" for their county and 2) they must submit their qualification package to their CPD field office and the CPD Entitlement Communities Division.[11]

   NOTE: GO TO SECTION 2.7 for more information on HUD's "Determination of Essential Powers" and GO TO SECTION 4.5 for guidance for *First-Time Qualifiers* on Urban County qualification.

4.3 What are the *Urban County Qualification Deadlines* and where do I find them?

Deadlines for a series of actions that qualifying Urban Counties, UGLGs, and Metropolitan Cities must complete for Urban County qualification in the spring and summer months each year. These deadlines guide Urban Counties through the qualification process, ensuring that counties remain on track and meet iterative milestones to successfully qualify as an Urban County before September 30 (HOME program statutory deadline). HUD publishes updated *Urban County Qualification Deadlines* annually on the HUD.gov Urban Counties website.

4.3.1 How to request extensions for *Urban County Qualification Deadlines*

If your Urban County needs an extension for any of the *Urban County Qualification Deadlines* published on the HUD.gov Urban Counties website, please reach out to your CPD field office. CPD field offices will review your request and may approve

[11] Qualification packages from *First-Time Qualifiers* must be emailed to the CPD Entitlement Communities Division at urbancounties@hud.gov. The reason *First-Time Qualifiers* must submit their package to HUD Headquarters is that these counties and their partnering local governments tend to have more questions regarding Urban County qualification and may need additional guidance. In addition, it is helpful for HUD headquarters to track potential new Urban Counties as they progress towards becoming a new Urban County.

an extension, taking into consideration your Urban County's overall progress towards qualification and the HOME program's September 30 statutory deadline.

NOTE: CPD field offices may also contact the CPD Entitlement Communities Division, as needed, to discuss whether an extension may be granted. GO TO SECTION 4.8 for more guidance on deadline extensions and the HOME program's September 30 statutory deadline.

4.4 What are the *Urban County Lists* and where do I find them?

The *Urban County Lists* are seven lists of counties prepared annually by CPD-OTIE based on updated data from the U.S. Census Bureau. These lists are the authoritative data source on current and potential new Urban Counties. Each year, HUD will publish the seven updated *Urban County Lists* below on the HUD.gov Urban Counties website:

1. All Currently Qualified Urban Counties
2. Urban Counties Requalifying in [This Fiscal Year]*
3. Urban Counties Requalifying in [Next Fiscal Year]*
4. Urban Counties Requalifying in [Fiscal Year After Next]*
5. Urban Counties Qualified through [Next Fiscal Year or Fiscal Year After Next]* That Contain Nonparticipating UGLGs
6. Counties That May Qualify if Metropolitan Cities Relinquished Entitlement Status
7. Counties Previously Determined Eligible but NOT Accepting Urban County Status

* NOTE: On the website, HUD will include the actual fiscal years in the names for Lists 2–5.

4.5 Guidance for First-Time Qualifiers

This section provides guidance for *First-Time Qualifiers* because these counties do not have previous experience with the qualification process and may have more questions.

4.5.1 Where to start as a First-Time Qualifier

Your first step is to contact your CPD field office as soon as possible to let them know your county is seeking to qualify. It is helpful for your CPD field office to know your county is seeking to qualify, so they can guide you throughout the process and answer any questions. HUD recommends that *First-Time Qualifiers* read this Notice in its entirety to become more familiar with Urban County terms (GO TO ATTACHMENT 2) and the qualification process (GO TO SECTION 2).

4.5.2 Determination of Essential Powers as a First-Time Qualifier

After you notify your CPD field office of your county's intent to seek Urban County qualification, your CPD field office will request OGC Field or Regional Counsel complete a Determination of Essential Powers for your county. OGC Field or Regional Counsel will complete this determination and provide your CPD field office with the results. Your CPD field office will then provide this determination to your county. GO TO SECTION 2.7 for more information about this process.

4.5.3 Submitting your qualification package as a First-Time Qualifier

You should submit your qualification documentation to your CPD field office via email to a "CPD Representative." Contact your CPD field office to identify the specific staff member (CPD Representative) at your CPD field office to email your qualification package. Because your county is a *First-Time Qualifier*, you must also email your qualification package to the CPD Entitlement Communities Division at urbancounties@hud.gov.

4.6 Guidance about potential new Metropolitan Cities

At some point, a Participating UGLG in your Urban County may become eligible to be a Metropolitan City (CDBG Entitlement) for the first time due to population growth that pushes their population over 50,000.[12] If this occurs in your Urban County, the Participating UGLG must remain part of your Urban County until your current Urban County qualification period ends, per SECTION 2.6. They cannot withdraw from your Urban County to become a Metropolitan City (CDBG Entitlement) during the three-year qualification period.

A *potential new Metropolitan City* has four options to choose from at the time your Urban County is requalifying for the upcoming three-year qualification period:

- Option 1: Accept its CDBG Entitlement status and administer its own CDBG program as an independent Metropolitan City (not participate in your Urban County for the upcoming three-year qualification period).
- Option 2: Accept its CDBG Entitlement status but continue to participate with your Urban County as a Metropolitan City under a *Joint Agreement*.
- Option 3: Defer its CDBG Entitlement status (not accept it) and continue to participate in your Urban County under a *Cooperation Agreement* as a Participating UGLG.
- Option 4: Defer its CDBG Entitlement status (not accept it) and opt out of your Urban County to become a Nonparticipating UGLG. They may then choose to seek State CDBG program funding as a Non-Entitlement UGLG OR not participate in the CDBG program altogether.

[12] Under Section 102(a)(4) of the HCDA of 1974, as amended, a city within a metropolitan area may qualify as a Metropolitan City if it has a population of 50,000 or more. For this determination, HUD relies on population data compiled and published by the U.S. Census Bureau, including data from the latest decennial census or the American Community Survey, as applicable, together with applicable metropolitan area delineations published by the Office of Management and Budget (OMB). See 42 U.S.C. 5302(a)(4), 24 CFR 570.3, and 24 CFR 570.4(c).

4.6.1 When HUD expects the list of potential new Metropolitan Cities to be available

The U.S. Census Bureau will provide HUD with updated Census data on or around July 1 each year.[13] This will include a list of newly eligible potential Metropolitan Cities (in addition to previously eligible potential Metropolitan Cities).

The CPD Entitlement Communities Division will provide this information to CPD field offices during July or August in the *Potential New Entitlements Memo*. CPD field offices must notify each potential new Metropolitan City via letter and give them the opportunity to accept or defer their CDBG Entitlement status. Generally, HUD offers potential new Metropolitan Cities 30 days to notify their local CPD field office of their decision on accepting or deferring CDBG Entitlement status.

4.6.2 Guidance on how to proceed with the Urban County qualification process for Urban Counties with UGLGs who may become Metropolitan Cities

The list of potential new Metropolitan Cities becomes available late in the Urban County qualification process. This can result in delays completing Urban County qualification, particularly if an UGLG decides to accept its CDBG Entitlement status (become a Metropolitan City) after it agreed to participate in your Urban County as a Participating UGLG for the next qualification period. HUD cannot avoid this timing conflict but has identified two options for dealing with this.

Option 1: Negotiate a delayed schedule with the UGLG who may become a Metropolitan City (potential new CDBG Entitlement)

This is HUD's preferred option. You can negotiate a schedule with the UGLG to provide extra time to receive notification from HUD of their CDBG Entitlement eligibility. If the UGLG ends up not being eligible to become a Metropolitan City (or becomes eligible and defers its CDBG Entitlement status), then your Urban County can still execute a *Cooperation Agreement* with the UGLG and meet the *Urban County Qualification Deadlines*.

Option 2: Include a void clause in the *Cooperation Agreement* with the UGLG who may become a Metropolitan City (potential new CDBG Entitlement)

You can include a void clause in the *Cooperation Agreement* with the UGLG which states the agreement will be voided if the UGLG is notified by HUD of its eligibility to become a Metropolitan City and chooses to accept its CDBG Entitlement status. This is the best option if your county believes that delaying executing a *Cooperation Agreement* will prevent your county from meeting the *Urban County Qualification Deadlines*. If you include a void clause in a *Cooperation Agreement*, it must state that if the agreement is not voided, then the UGLG must participate in your Urban County for the entire three-year qualification period.

[13] Each summer, the U.S. Census Bureau releases new Population and Housing Unit Estimates for incorporated areas (cities and counties).

4.7 Can I align my Urban County and HOME program qualification periods?

Yes. If your Urban County qualification and HOME consortium qualification periods are not synced, you may align these periods, per 24 CFR 92.101(e). The Urban County (CDBG) and HOME consortia qualification periods are both three years. Your HOME consortium may choose a shorter qualification period than three years (one or two years) to sync your HOME qualification period with your Urban County qualification period moving forward. All your HOME consortium members must also have the same program year start date.

4.8 Guidance on Urban County qualification deadline extensions and the HOME program's September 30 statutory deadline

The Urban County qualification schedule is coordinated with the schedule for HOME consortia qualification because the HOME program must use the identical CDBG Urban County configurations for determining HOME formula allocations.[14] The *Urban County Qualification Deadlines* will typically end by September 20 each year. This provides HUD with enough time, before the September 30 deadline for the next FY's funding under the HOME Program, to notify counties that they qualify as Urban Counties under the CDBG Program. To avoid any issues with the HOME program's September 30 statutory deadline, your county must complete all steps in the Urban County qualification process by September 20 (at the latest).

In the past, Urban Counties have requested extensions to submit required documents because some Participating UGLGs' governing bodies don't meet during the summer. Although flexibility exists to allow extensions in unusual situations, HUD will not grant any extensions past September 15 each year. Urban Counties must consider the meeting schedules of Participating UGLGs' governing bodies during the requalification process. HUD encourages Urban Counties to try to execute their *Cooperation Agreements* and *Joint Agreements* before summer recess begins to avoid issues.

Many Urban Counties are simultaneously completing HOME consortia qualification and Urban County qualification. **The HOME consortia qualification process must be completed by the statutory deadline of September 30 to receive a HOME formula allocation.** If the Urban County qualification process is not completed by September 30 for Urban Counties that are participating jurisdictions (PJs) in the HOME program, including consortia, the PJ cannot receive a HOME allocation.[15]

[14] This is due to HOME program statutory requirements (42 USC 12747(b)(1)(A)) and regulatory requirements (24 CFR 92.50(c)) for HOME formula allocation. The HOME program formula allocation must be based on data for jurisdictions that make up the Urban County as of September 30 of the prior fiscal year (FY). HUD can't allocate HOME program funding to Urban Counties using inaccurate data.

[15] 42 U.S.C. 12747(b)(3)

4.9 Guidance for counties that may qualify as an Urban County if a Metropolitan City relinquishes its CDBG Entitlement status

Your county may be in a situation where it could qualify as an Urban County, but only if a Metropolitan City (or Cities) in your county relinquishes their CDBG Entitlement status. The list of Urban Counties fitting this description will be published each year on the HUD.gov Urban Counties website (List 6). If a Metropolitan City is willing to relinquish its CDBG Entitlement status, they may participate in your Urban County as a Participating UGLG in a *Cooperation Agreement* (like other Participating UGLGs who are not eligible to become CDBG Entitlements).

If your county wants to pursue Urban County qualification because a Metropolitan City in your county is willing to relinquish its CDBG Entitlement status, please notify your CPD field office no later than two weeks after receiving the Metropolitan City's notification that it is relinquishing its CDBG Entitlement status. Your county must provide your CPD field office with: 1) a letter from the Metropolitan City stating its intent to relinquish its CDBG Entitlement status and 2) a letter from your county stating your intent to qualify as an Urban County. CPD field offices must send these documents to the CPD Entitlement Communities Division (urbancounties@hud.gov) immediately after receiving them.

4.10 Guidance for Unique Grantee Situations

4.10.1 When an UGLG dissolves, unincorporates, or merges into another UGLG

At some point, an UGLG in your Urban County may dissolve, unincorporate, or merge with another UGLG. The bullets below provide guidance on how this may affect your Urban County based on three different scenarios that may occur:

- Assuming your Urban County has "essential powers" in unincorporated areas (as Urban Counties must have), the dissolved UGLG (which is now an unincorporated area) will automatically become part of your Urban County.
- If the dissolved UGLG merges into another Participating UGLG in your Urban County, then the newly expanded Participating UGLG will remain a participant in your Urban County. If this occurs, a revised *Cooperation Agreement* reflecting the expanded jurisdiction of the Participating UGLG must be submitted to your local CPD field office and OGC Field or Regional Counsel for review.
- If the dissolved UGLG merges with a Nonparticipating UGLG in your Urban County, the dissolved UGLG is still considered part of your Urban County until your Urban County requalifies.

The U.S. Census Bureau's designation of a former incorporated UGLG as dissolved, or a former unincorporated UGLG as incorporated, is important because Section 102(b) of the HCDA requires the definitions in Section 102(a) (*City*, *Metropolitan*

City, and *Urban County*) to be based on the most recent data compiled by the U.S. Census Bureau.[16] The bullets below provide guidance on how this affects your Urban County based on two different scenarios that may occur:

- If your Urban County is requalifying this year or the following year, and the UGLG is recognized by Census as dissolved, the former UGLG will be considered a part of the unincorporated area of your Urban County. In that instance, CDBG funds may be used for activities in the former UGLG, and its residents may benefit from CDBG-funded activities.
- If your Urban County is requalifying this year, and the UGLG is not recognized as dissolved by Census (although dissolution has occurred), the UGLG will become part of your Urban County, as the UGLG has legally ceased to exist, regardless of being recognized as such by Census.

4.10.2 Qualification of New York Towns as Metropolitan Cities (CDBG Entitlements)

In the State of New York, there are eight towns that can qualify as Metropolitan Cities if the town secures the participation of all the incorporated villages in their boundaries to attain Metropolitan City status. These eight towns are in existing Urban Counties and are eligible to be Metropolitan Cities but have not taken steps to qualify as Metropolitan Cities: Greenburgh, Hempstead, North Hempstead, Oyster Bay, Clarkstown, Ramapo, Smithtown, and Southampton.

These eight towns have decided to participate in their respective Urban Counties' CDBG programs as Participating UGLGs. But when their respective Urban Counties requalify, these eight towns may decide to become Metropolitan Cities and administer their own CDBG programs. This means that the towns would leave the Urban Counties in which they are currently Participating UGLGs. If a New York town decides to become a Metropolitan City and administer its own CDBG Entitlement program, they must take the following steps:

1. The New York town should decide before the Urban County requalification process starts whether it will accept its CDBG Entitlement status. HUD's experience has shown that UGLGs need plenty of time to complete all the necessary processes, so HUD recommends that this decision-making process should start the year before the requalification year. The town can't qualify as a Metropolitan City unless it secures participation of all the villages in its boundaries by executing a *Cooperation Agreement* with those villages. Depending on local circumstances, it may take several months to notify every village by letter of its intent to become a separate CDBG Entitlement community and to secure the participation of all villages.

[16] HUD uses a variety of U.S. Census data sets for the CDBG program, including: Population and Housing Unit Estimates (updated annually), the American Community Survey 5-Year Survey (updated annually), and the Decennial Census (updated every ten years). HUD also uses OMB data as well.

2. The Urban County must notify all Participating UGLGs by letter (typically in April) that they may choose to opt out of the Urban County's CDBG program. The UGLGs must notify the Urban Counties by letter of their decisions (typically in June). The New York town must respond to the Urban County's correspondence by that date. If the town has an *Auto-Renewal Cooperation Agreement* with the Urban County, it must notify the Urban County (typically by mid-June) that it is terminating the *Cooperation Agreement*.

3. The Urban County must be notified by the deadline set in the *Urban County Qualification Deadlines* on the HUD.gov Urban Counties website so that it may complete the requalification process on time. Failure to meet the deadlines may result in the New York town having to remain part of the Urban County for the next three-year qualification period. If one of these New York towns notifies its Urban County it is leaving, but does not sign up all the villages, then the town (and villages that have signed on to the town's decision to seek CDBG Entitlement status) may be excluded from the Urban County. But the town (and the villages that signed on) can't receive CDBG funding as a CDBG Entitlement grantee because the town did not qualify as a Metropolitan City due to failing to sign up all its villages.

ATTACHMENTS

Attachment 1: Statutory Requirements to be Qualified as an Urban County

Section 102(a)(6)(A) of the Housing and Community Development Act of 1974 (HCDA) (42 U.S.C. 5301 et seq.) defines Urban Counties. In general, an Urban County must:

a) have authority under state law to carry out "*essential community development and housing assistance activities*" in their unincorporated areas [Section 102(a)(6)(A)(i) of HCDA]

AND

b) meet one of these three population thresholds:

1. Have a total combined population of 200,000 or more in their unincorporated areas and Participating UGLGs. [Section 102(a)(6)(A)(i)(ii)(I) of HCDA]

2. Have a total combined population of at least 100,000 (but fewer than 200,000) in their unincorporated areas and Participating UGLGs, if those areas (combined) include the majority of low- and moderate-income people in the county. HUD calls this the "low- and moderate-income preponderance test." [Section 102(a)(6)(A)(i)(ii)(I) of HCDA]
   - CPD-OTIE performs calculations to determine if a county can meet the low- and moderate-income preponderance test if it does not meet the first population threshold above or third population threshold below.
   - The county itself (overall) still must have a minimum population of 200,000, excluding its Metropolitan Cities. This means that the total population of the county in unincorporated areas, Participating UGLGs, *and any Nonparticipating UGLGs* is greater than 200,000.

3. Have a population of 100,000 or more, a population density of at least 5,000 persons per square mile, and not have any incorporated places (UGLGs) as defined by the U.S. Census Bureau. [Section 102(a)(6)(A)(i)(ii)(II) of HCDA]

NOTE 1: The population of Metropolitan Cities must be excluded from all population threshold calculations, including when a Metropolitan City executes a *Joint Agreement* with an Urban County.

NOTE 2: Some counties previously qualified as Urban Counties under Section 102(a)(6)(C) and (D) of the HCDA. No Urban Counties currently qualify under this authority.

NOTE 3: Due to a special condition in the HCDA of 1974, as amended, any county that was classified as an Urban County for FY 1999 is eligible to requalify as an Urban County regardless of if the county can meet one of the Urban County population thresholds. Any county that qualified as an Urban County after FY 1999 will remain an Urban County if it meets Section 102(a)(6)(A) of the Housing and Community Development Act of 1974.

Attachment 2: Definitions of Urban County Terms

NOTE: HUD *italicized* terms, within each definition, that are also defined in Attachment 2 (except for the term *Urban County* or *Urban Counties* due to the frequency of their use).

Amendment: A change, correction, clarification, or deletion to a *Cooperation Agreement* or *Joint Agreement*. An amendment may be necessary due to shifting requirements at the federal, state, or local government level that happen during an Urban County's qualification period.

Auto-Renewal Cooperation Agreement or Joint Agreement: A *Cooperation Agreement* or *Joint Agreement* containing an "auto-renewal" provision stating the agreement will automatically renew for one additional three-year qualification period after the initial three-year qualification period (enabling the agreement to be in effect for a total of six years). The Urban County still must send *Urban County Participation Decision Letters* to all UGLGs (*Participating* and *Nonparticipating UGLGs*) and any *Metropolitan Cities* in *Joint Agreements* every requalification year as they retain the option to opt out of an Urban County's CDBG program each requalification year. The Urban County may make an *Amendment* to their auto-renewal agreements at any time (any year of their qualification period), if necessary, and when they are requalifying for the one additional three-year qualification period permitted under HUD's auto-renewal policy for Urban County agreements.

Auto-Renewal Emergency Exception: An exception, allowed by a CPD field office, to HUD's policy on *Auto-Renewal Cooperation or Joint Agreements*. This exception enables "auto-renewal" of the agreement for one more three-year Urban County qualification period (on a one-time basis) due to an emergency which prevents the Urban County, *Participating UGLGs*, and/or *Metropolitan Cities* from reauthorizing and re-executing their *Cooperation* and/or *Joint Agreements*. The Urban County must submit a written request to their CPD field office explaining why they need this exception and why they cannot fully renew their agreement(s) for their next qualification period. For example, their Urban County experienced a natural disaster impacting the county's operations during the *Urban County Qualification Process* (runs through the spring and summer months and ends September 30). The CPD field office must review and approve or deny the request within 15 days and notify the *CPD Entitlement Communities Division* at urbancounties@hud.gov.

CDBG Entitlement Communities ("CDBG Entitlements"): Jurisdictions which qualify to directly receive annual formula funding under the *CDBG Entitlement Program*. There are two types of CDBG Entitlement Communities: 1) cities designated as *Metropolitan Cities* (which includes *Principal Cities*) and 2) qualified Urban Counties.

CDBG Entitlement Program: HUD grant program which provides annual CDBG formula grants to *CDBG Entitlement Communities* (*Metropolitan Cities* and Urban Counties) to develop viable urban communities, provide decent housing and suitable living environments, and expand economic opportunities for low- and moderate-income people.

Chief Executive Officer: An elected official, or legally designated official, who has the primary responsibility for the conduct of governmental affairs in a jurisdiction. Examples include mayor, county executive, board chairperson, or governor. Refer to 24 CFR 570.3 for official definition.

Cooperation Agreement: *Intergovernmental Agreement (IGA)* between an Urban County and a *Participating UGLG*, which explains roles and responsibilities, restrictions, CDBG program requirements, and enables the county to undertake, or assist in undertaking, "essential community development and housing assistance activities" in the UGLG's jurisdiction with the UGLG's "cooperation." Cooperation Agreements are required for counties that do not have "essential powers" in UGLGS (which is most counties in the U.S.). However, HUD also encourages counties that are granted "essential powers" countywide (including in UGLGs) to also execute Cooperation Agreements with their *Participating UGLGs*. Per 24 CFR 570.503, minimally, there must be an agreement between an Urban County and its *Participating UGLGs* that meets the requirements for subrecipient agreements. 24 CFR 570.501(b) instructs Urban Counties to apply "the same requirements as are applicable to subrecipients" to *Participating UGLGs* in their Urban County.

County Counsel Legal Opinion Letter: A legal opinion letter prepared by an Urban County's chief legal official (e.g., County Counsel or OGC) which states that the terms and provisions of the Urban County's agreements with *Participating UGLGs* (*Cooperation Agreements*) and agreements with *Metropolitan Cities* (*Joint Agreements*) are authorized by state and local law and that they provide full legal authority for the Urban County to undertake, or assist in undertaking, essential community development and housing assistance activities in *UGLGs*.

CPD: HUD's Office of Community Planning and Development. CPD is responsible for administering all CPD funding, such as the five annual formula grant programs: 1) CDBG, 2) HOME Investment Partnerships (HOME), 3) Housing Trust Fund (HTF), 4) Emergency Solutions Grants (ESG), and 5) Housing Opportunities for Persons With AIDS (HOPWA); other homelessness grants (such as Continuum of Care [CoC]); and Community Project Funding (CPF) grants (congressionally directed grants).

CPD Entitlement Communities Division: The CPD division at HUD Headquarters, under the *CPD Office of Block Grant Assistance (OBGA)*, that administers the *CDBG Entitlement Program* and prepares this Urban County Notice. This division can address any questions about Urban County qualification. The division can be reached at urbancounties@hud.gov.

CPD Office of Block Grant Assistance (CPD-OBGA): The CPD office containing the *CPD Entitlement Communities Division*. OBGA is the main program office for the CDBG program.

CPD Office of Field Operations (CPD-OFO): The CPD office responsible for overseeing the administration of CPD programs and policies across the Nation. CPD-OFO is made up of a front office at HUD Headquarters and the CPD field office structure across the Nation, including ten regional offices and more than 40 field offices across HUD's ten regions.

CPD Office of Technology, Innovation, and Evaluation (CPD-OTIE): The CPD office at HUD Headquarters that manages the *GMP-R Urban County Module* used for Urban County qualification. CPD-OTIE also manages the CPD annual formula allocation process. CPD-OTIE was formerly known as the Systems Development and Evaluation Division (SDED).

Determination of Essential Powers: A legal determination made by HUD about the legal authority of a county to carry out "essential community development and housing assistance activities" in its 1) unincorporated areas and 2) *UGLGs* (without consent by UGLG governing bodies). The "essential community development and housing assistance activities" include activities such as acquiring property for reuse as low- and moderate-income housing, directly rehabilitating or providing financial assistance for housing, supporting low-rent housing activities, disposing of land to private developers for redevelopment, and condemning property for low-income housing. To be qualified as an Urban County, the county must have *Essential Powers* in its unincorporated areas, per Section 102(a)(6)(A)(I) of the *HCDA of 1974*. HUD typically makes the Determination of Essential Powers the first time an Urban County qualifies.

NOTE: *Essential Powers* are granted (or not granted) by state governments under state laws. Most states only grant counties *Essential Powers* in *Unincorporated Areas*, and not in their *UGLGs* because *UGLGs* are granted authority over their jurisdiction. Because most states don't grant their counties *Essential Powers* in *UGLGs*, *Cooperation Agreements* are generally required for all *Participating UGLGs* that wish to join an Urban County. *Joint Agreements* are required between Urban Counties and *Metropolitan Cities*.

Essential Powers: The legal authority of counties, granted by their state, to carry out "essential community development and housing assistance activities" within an area or jurisdiction. Most counties only have Essential Powers in *Unincorporated Areas*, but some states grant counties Essential Powers in *Incorporated Areas* or *UGLGs*.

First-Time Qualifiers: Counties seeking qualification as an Urban County for the first time.

Grants Management Process System (GMP-R) Urban County Module: The module in the GMP-R system that is used by CPD field and headquarters offices to track and update *Urban County Configurations*. The module is the official system of record for tracking program participation decisions by all *UGLGs* and *Metropolitan Cities* located within Urban Counties.

HCDA of 1974: The Housing and Community Development Act (HCDA) of 1974, as amended, is the statute (or law) which created the Community Development Block Grant (CDBG) program (and Urban Counties).

HOME Consortium: A group of contiguous *UGLGs* that are jointly participating in the HOME Investment Partnerships (HOME) Program as a participating jurisdiction (PJ). HOME Consortia provide a method for local governments, that would not otherwise qualify for HOME funding, to join with other contiguous *UGLGs* to directly participate in the HOME program.

Incorporated Areas: Areas in a county that have been incorporated as an official entity under state law. These areas (cities, towns, townships, villages, and boroughs) have a legally defined boundary and an active, functioning government. Incorporated areas are also interchangeably called *units of general local government* (*UGLGs*).

Intergovernmental Agreements (IGAs): Legally binding contracts or formal partnerships between two or more governmental entities (e.g., cities and counties) to cooperate on issues of mutual concern, share resources, or provide services. There are two types of IGAs for the purposes of the CDBG program and Urban Counties: 1) *Cooperation Agreements* between Urban Counties and *Participating UGLGs* and 2) *Joint Agreements* between Urban Counties and *Metropolitan Cities*. Both types of IGAs identify conditions for how the two governments (the county and the city) will work together. HUD calls these IGAs by different names because they involve different types of governments partnering with an Urban County: Non-Entitlement *UGLGs* for *Cooperation Agreements* and *Metropolitan Cities* (*CDBG Entitlements*) for *Joint Agreements*. Both types of agreements must provide full legal authority for an Urban County to undertake, or assist in undertaking, essential community development and housing assistance activities in its *Incorporated Areas* or *UGLGs*.

Joint Agreement: *Intergovernmental Agreement (IGA)* between an Urban County and *Metropolitan City* within the county boundaries, which explains roles and responsibilities, restrictions, CDBG program requirements, and enables the county to undertake, or assist in undertaking, “essential community development and housing assistance activities” in the *Metropolitan City*’s jurisdiction. A Joint Agreement allows an Urban County to manage and administer the *Metropolitan City*’s CDBG grant program, in addition to administering the Urban County’s CDBG grant program. In a Joint Agreement, both the Urban County and the *Metropolitan City* are considered *Joint Recipients*. The *Metropolitan City*’s CDBG grant funding must be spent in the jurisdiction of the *Metropolitan City*.

Joint Recipient: An Urban County or *Metropolitan City* that is part of a *Joint Agreement*. Under the agreement, the Urban County administers the CDBG grant program for the *Metropolitan City*, in addition to administering its Urban County CDBG grant program.

Joint Request: The request letter submitted by a *Metropolitan City* and Urban County to their CPD field office to request approval for the Urban County to administer the *Metropolitan City*’s CDBG grant program on their behalf. Refer to 24 CFR 570.308 for regulatory guidance on *Joint Requests*, *Joint Recipients*, and *Joint Agreements*. Joint Requests must be approved by the CPD field office for the grantees to proceed with executing a *Joint Agreement*. Joint Requests will be deemed approved by HUD after 30 days unless HUD notifies the *Metropolitan City* and Urban County of its disapproval and the reasons for disapproval. Importantly, Joint Requests must only be considered and submitted at the time the county is qualifying as an Urban County. Joint Requests approved by HUD remain effective for the period for which the county is qualified as an Urban County (three years). An Urban County may be joined by more than one *Metropolitan City*; however, a *Metropolitan City* located in more than one Urban County (split across multiple Urban Counties), may only be included in one Urban County.

Letter: A signed letter on official city or county government letterhead. An attached signed PDF letter on official city or county government letterhead may be sent via email. Digital signatures are allowed if the digital signature a) indicates that the person completing the digital signature is the *Chief Executive Officer* (or designee) and b) contains a date and time stamp for the signature.

Metropolitan City: City within a metropolitan area which is the *Principal City* of such area, as defined by the Office of Management and Budget (OMB), or any other city, within a metropolitan area, which has a population of 50,000 or more. Any city that was classified as a Metropolitan City for at least two years shall remain classified as a Metropolitan City. Metropolitan Cities are eligible to directly receive annual CDBG formula grant funding, which is why they are considered *CDBG Entitlements*.

Non-Entitlement Area: An *UGLG* which is not a *Metropolitan City* or part of an *Urban County* and does not include Indian Tribes. Non-Entitlement Areas are *UGLGs* (smaller cities and lower-population counties that cannot qualify as Urban Counties). Non-Entitlement Areas are eligible to seek *State CDBG Program* funding and that process varies based on each state's "method of distribution."

Nonparticipating UGLGs: UGLGs in an Urban County that have chosen not to participate in the Urban County's CDBG program. Nonparticipating UGLGs can join an Urban County each year during the *Urban County Qualification Process*. If a Nonparticipating UGLG wishes to join an Urban County, in general they must authorize and execute a *Cooperation Agreement* with the Urban County (unless the county has *Essential Powers* in *UGLGs*). Nonparticipating UGLGs may also be considered *Non-Entitlement Areas*. Nonparticipating UGLGs may seek *State CDBG Program* funding (process varies based on each state's "method of distribution").

OGC Field or Regional Counsel: Attorneys in HUD's field and regional offices. HUD's Office of General Counsel (OGC) provides legal opinions, advice, and services for all HUD programs and activities. During Urban County qualification, OGC Field or Regional Counsel must review *Cooperation Agreements*, *Joint Agreements*, and *County Counsel Legal Opinion Letters* and certify that the *Cooperation* and/or *Joint Agreements* are legally sufficient for the purposes of Urban County qualification and the CDBG program. OGC Field or Regional Counsel also complete the *Determination of Essential Powers*.

Participating UGLGs: *UGLGs* in an Urban County that have chosen to participate in the Urban County's CDBG program. An *UGLG* can join an Urban County any year of the *Urban County's Qualification Period* (during the spring and summer months when the *Urban County Qualification Process* occurs). But once an *UGLG* joins an Urban County as a Participating UGLG, they must remain part of the Urban County for the remainder of that *Urban County Qualification Period*. Essentially, they are locked into that CDBG program participation decision for 1–3 years based on when they join. In general, Participating UGLGs must execute a *Cooperation Agreement* (unless their Urban County has *Essential Powers* in *UGLGs*). *Metropolitan Cities* may also become Participating UGLGs by *Relinquishing CDBG Entitlement Status* and executing a *Cooperation Agreement* with the Urban County, if necessary.

Principal City: A specific type of *Metropolitan City*, as defined in Sec. 102(a)(4) of the *HCDA of 1974*. Congress originally used the term "central city" in the *HCDA of 1974*: "*a city within a metropolitan area which is the central city of such area.*" In 2003, OMB replaced "central city" with "principal city." HUD changed CDBG regulations to ensure the definition of *Metropolitan City* for the CDBG program was consistent with OMB's use of Principal City. OMB periodically re-designates Principal Cities in bulletins updating their designations of metropolitan statistical areas (MSAs), micropolitan statistical areas, and core-based statistical areas (CBSAs). The largest city in each metropolitan or micropolitan statistical area is designated a Principal City. Additional cities also qualify as Principal Cities if requirements are met concerning population size and employment. OMB last updated these designations in July 2023 (OMB Bulletin No. 23-01).

Relinquishing CDBG Entitlement Status: The action of a *Metropolitan City* officially giving up its status as a *CDBG Entitlement Community*. The *Metropolitan City* must submit an official letter to their CPD field office notifying HUD that it wants to relinquish its *CDBG Entitlement* status. Their CPD field office will then notify the *CPD Entitlement Communities Division* as this will affect CPD formula allocation. After a *Metropolitan City* relinquishes *CDBG Entitlement* status, they may choose to become a *Participating UGLG* in an Urban County, seek *State CDBG Program* funding, or not participate in the CDBG program altogether.

Requalifiers: Currently qualified Urban Counties that are in their requalification year (the third year of their current expiring *Urban County Qualification Period*).

Split Place: An *UGLG* whose population is in more than one county. The jurisdiction crosses county lines. The counties do not all have to be Urban Counties. The *UGLG* must decide which county(ies) it will attribute its population to for Urban County qualification (if any).

State CDBG Program: HUD grant program which awards CDBG funds to state governments for distribution to *Non-Entitlement Areas* in their state (*UGLGs* and lower-population counties not qualified as Urban Counties) to develop and preserve decent affordable housing, provide services to the most vulnerable in local communities, and create and keep jobs. States award their CDBG funding to *Non-Entitlement Areas* using a “method of distribution” of their choice.

Unincorporated Areas: Areas in a county not incorporated as cities, towns, townships, villages, or boroughs. These areas may have a name and be locally recognized, but they do not have legally defined boundaries or a separate legal government. Unincorporated areas are primarily “census designated places” (CDPs) and “unorganized territories,” per the U.S. Census Bureau.

Unit of General Local Government (UGLG): An *Incorporated Area* operated by a local governing body (for example, a city council). These are typically known as cities, towns, townships, villages, or boroughs.

Urban County: A county that has met population thresholds and qualified to directly receive CDBG funds from HUD. An Urban County is a *CDBG Entitlement Community* under the *CDBG Entitlement Program*. Refer to the official definition of Urban Counties at Section 102(a)(6)(A) of the *HCDA of 1974* for more information.

Urban County Configuration: The group of *Participating UGLGs* in *Cooperation Agreements* and/or *Metropolitan Cities* in *Joint Agreements* that make up an Urban County, including the county government itself. This is a technical term primarily used internally by HUD. It is often used when referring to the Urban County “worksheets” in the *GMP-R Urban County Module* and Urban County reports produced by the Integrated Disbursement and Information System (IDIS).

Urban County Lists: The seven lists of counties HUD publishes annually on the HUD.gov Urban Counties website to be used for the *Urban County Qualification Process*. These lists are the authoritative data source on current and potential new Urban Counties. Most importantly, the Urban County Lists show the years currently qualified Urban Counties must requalify.

Urban County Participation Decision Letters: The letters that Urban Counties and potential new Urban Counties send to *UGLGs* and *Metropolitan Cities* to request their official decision on whether to participate (or not) in the Urban County. As part of the qualification process, the Urban County sends these letters to *UGLGs* and *Metropolitan Cities* with a request for an official response letter to be sent back to the Urban County (generally within 30 days). *Urban County Participation Decision Letters* also include the response letters *UGLGs* and *Metropolitan Cities* send back to the Urban County with their participation decisions.

Urban County Qualification Deadlines: The deadlines HUD publishes annually on the HUD.gov Urban Counties website for the *Urban County Qualification Process*. The deadlines are for a series of actions that qualifying Urban Counties, *UGLGs*, and *Metropolitan Cities* must complete in the spring and summer months each year. These deadlines guide Urban Counties through the *Urban County Qualification Process*, ensuring that counties remain on track and meet iterative milestones to successfully qualify as an Urban County before September 30 (which is the HOME program's statutory deadline).

Urban County Qualification Period: The three-fiscal-year period that an Urban County is qualified by HUD as an Urban County. During this period, the Urban County is eligible to receive CDBG funding directly as a *CDBG Entitlement Community* (so long as Congress appropriates funds and the Urban County submits its Consolidated Plan/Action Plan by August 16 each year). Urban Counties requalify for their next Urban County Qualification Period in their third and final year of their current Urban County Qualification Period.

Urban County Qualification Process: The overall process of Urban County qualification, which occurs each year through the spring and summer months and ends on September 30 (HOME program statutory deadline). GO TO SECTION 2 for the Step-by-Step Process Map. The process involves *Requalifiers* and *First-Time Qualifiers* completing the following three actions: 1) securing CDBG program participation decisions from *UGLGs* and *Metropolitan Cities* in their county via *Urban County Participation Decision Letters*, 2) authorizing and executing *Cooperation Agreements* and/or *Joint Agreements* between the parties and securing *County Counsel Legal Opinion Letters*, and 3) submitting all qualification documentation to HUD for review and approval to be qualified as an Urban County for the next three-fiscal-year *Urban County Qualification Period*.

Attachment 3: HUD Requirements and Sample Language for *Cooperation Agreements*

List of HUD requirements (12) for Urban County *Cooperation Agreements*[17]

1. **It must be authorized by governing bodies and executed (signed) by CEOs.**

   The governing bodies for your Urban County and the Participating UGLG must authorize the *Cooperation Agreement*. Both chief executive officers (CEOs) must sign the agreement. A *County Counsel Legal Opinion Letter* must be submitted with the *Cooperation Agreement*. The opinion must state that the terms and provisions of the agreement are fully authorized under state and local law and that the agreement provides the legal authority for the county to undertake, or assist in undertaking, essential community development and housing assistance activities within the Participating UGLG's jurisdiction.

2. **It must state that your county and the Participating UGLG will cooperate to carry out essential community development and housing assistance activities.**

   If your Urban County does not have essential powers in the Participating UGLG, the *Cooperation Agreement* must specifically state that the Participating UGLG will: "*undertake, or assist in undertaking, essential community development and housing assistance activities*."

   NOTE: As an alternative to this language, your *Cooperation Agreement* may reference state law authorizing the UGLG to undertake these activities. Your Urban County must submit alternative language to HUD for approval by OGC Field or Regional Counsel.

3. **It must state that the *Cooperation Agreement* covers the CDBG program and that your Urban County and the Participating UGLG may not seek CDBG funding from the State's CDBG program while participating in the Urban County.**

4. **It must state that the *Cooperation Agreement* also covers the: 1) HOME program (*if your Urban County receives HOME funding*); and 2) the ESG program (*if your Urban County receives ESG funding*). The Participating UGLG may only receive HOME and ESG formula-allocated funds from your Urban County.**

   It must state that the UGLG may only receive formula-allocated funds for the HOME and ESG programs from your Urban County. Even if your Urban County does not participate in the HOME program, the Participating UGLG cannot form a HOME consortium with other UGLGs. Similarly, the Participating UGLG may only receive ESG formula-allocated funds from your Urban County.

   NOTE: If your state allows it, your Urban County and Participating UGLGs may still seek HOME or ESG funds from your state government.

[17] The twelve requirements in this list are HUD's requirements only. Urban Counties and Participating UGLGs must also incorporate local-specific provisions into their agreements to comply with state and local requirements.

5. **It must specify the qualification period for your Urban County (three federal fiscal years covered by the *Cooperation Agreement*) OR the remaining 1-2 years of your qualification period (for amendments to *Cooperation Agreements*). It must also state that, by the date in the *Urban County Qualification Deadlines* published on the HUD.gov Urban Counties website for the next qualification period, your Urban County will notify the Participating UGLG by letter of its right not to participate. For *Auto-Renewal Cooperation Agreements*, it must state the three additional fiscal years that will be covered by the agreement when it auto-renews.**

   The qualification period for your Urban County is the next three fiscal years after your county qualifies or requalifies. If your Urban County is amending a *Cooperation Agreement*, the amendment must update how many years remain (one or two) in your qualification period. HUD discusses amendments more in #6 below. For *Auto-Renewal Cooperation Agreements*, it must state the three additional fiscal years that will be covered by the agreement when it auto-renews.

6. **For regular *Cooperation Agreements*, it must state that your Urban County and the Participating UGLG will amend the agreement, if necessary, to meet requirements during the Urban County's three-year qualification period. For *Auto-Renewal Cooperation Agreements*, it must state that your Urban County and the Participating UGLG will amend the agreement, if necessary, to meet requirements at any time during the two qualification periods the agreement is in effect (including at the time of requalification).**

   An amendment is any change to a *Cooperation Agreement* which must be authorized and executed during an Urban County's qualification period (or also at the time of requalification for an *Auto-Renewal Cooperation Agreement*). Over time, changes to laws and regulations may require your Urban County to amend your *Cooperation Agreements* to add new provision(s). An amendment allows your Urban County to draft a separate amendment to your existing agreements that includes the new provision(s) rather than drafting an entire new *Cooperation Agreement* containing the new provisions. The amendment must be authorized by governing bodies and executed (signed) by chief executive officers, like the *Cooperation Agreement* itself. *Auto-Renewal Cooperation Agreements* may be amended at the time of requalification for the second three-year qualification period, as well as during the two qualification periods, to cover any new required provisions. If your Urban County fails to make a required amendment to a *Cooperation Agreement* by the deadlines published on the HUD.gov Urban Counties website, your *Cooperation Agreement* is voided and you must submit a new *Cooperation Agreement*.

7. **It must state that the agreement remains in effect until all funds (CDBG, HOME, ESG, and any program income) are expended and all activities are completed.**

   This applies to the three-year qualification period (and second three-year qualification period for *Auto-Renewal Cooperation Agreements*). The Urban County and Participating UGLG can't terminate or withdraw from the agreement while it remains in effect.

8. **It must state that your Urban County and the Participating UGLG will comply with all federal laws and regulations specified in HUD's Urban County Notice.**

   The *Cooperation Agreement* must contain an explicit provision obligating your Urban County and the Participating UGLG to comply with your Urban County's certification (under section 104(b) of Title I of the Housing and Community Development Act of 1974), that your 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);
   - the 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 (AFFH); 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;
     - the 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 Assistance and Real Property Acquisition Policies Act of 1970, and the implementing regulations at 49 CFR Part 24;
     - Section 104(d) of Housing and Community Development Act of 1974, and the implementing regulations at 24 CFR Part 42; and
   - Other applicable laws

   <u>Required provision on affirmatively furthering fair housing (AFFH)</u>

   The *Cooperation Agreement* must contain a provision prohibiting an Urban County from funding activities in, or in support of, any Participating UGLG that impedes your county's actions to comply with your fair housing certification. HUD requires this provision because noncompliance with the duty to affirmatively further fair housing by a Participating UGLG may constitute noncompliance by your Urban County. This can result in HUD issuing funding sanctions or other remedial actions for your county.

9. **It must include a provision prohibiting excessive use of force and prohibiting physically barring entrance to or exit from a facility or location which is the subject of non-violent civil rights demonstrations within jurisdictions.**

   The agreement must state that the Participating UGLG has adopted and is enforcing:

1. *A policy prohibiting the use of excessive force by law enforcement agencies within its jurisdiction against any individuals engaged in non-violent civil rights demonstrations; and*
2. *A policy of enforcing applicable State and local laws against physically barring entrance to or exit from a facility or location which is the subject of such non-violent civil rights demonstrations within jurisdictions.*

10. It must NOT include a veto provision that could obstruct implementation of your Urban County's Consolidated Plan.

The *Cooperation Agreement* must NOT include a veto provision (or other restriction) that would allow a Participating UGLG to obstruct implementation of your Urban County's approved Consolidated Plan during the qualification period. Your Urban County has final responsibility for choosing CDBG activities (*and HOME and ESG activities, if applicable*) and submitting the Consolidated Plan to HUD. If your Urban County is a member of a HOME consortium (but not the lead entity), the HOME consortium is responsible for submitting the Consolidated Plan for your Urban County.

11. It must state that the Participating UGLG is subject to the same requirements as subrecipients in the CDBG program.

Per 24 CFR 570.501(b), the *Cooperation Agreement* must state that the Participating UGLG is subject to the same requirements as subrecipients in the CDBG program. This includes the requirement for executing a written subrecipient agreement before your county disburses CDBG funds to a Participating UGLG.

12. It must include a provision that the parties may not sell, trade, or transfer any HUD funds. Congress has prohibited this practice. HUD will not accept *Cooperation Agreements* or approve any Urban County's qualification without this provision.

<u>Your agreement must include this specific provision</u>: *Parties to this Agreement understand and agree that they may not sell, trade, or otherwise transfer all or any portion of CDBG funds to a Metropolitan City, Urban County, unit of general local government, or insular area that directly or indirectly receives CDBG funds in exchange for any funds, credits, or non-Federal considerations, but must use such funds for activities eligible under Title I of the Housing and Community Development Act of 1974, as amended.*

<u>Additional provisions your Urban County may include (authorized by state/local laws)</u>

Your *Cooperation Agreements* may also include any provisions authorized by state and local laws. These provisions may legally require a Participating UGLG to undertake necessary actions, as determined by your county, to carry out a community development program and the approved Consolidated Plan and/or meet other requirements of the CDBG program (and, where applicable, HOME and ESG programs) and other applicable laws.

Sample Language for *Cooperation Agreements*

	HUD Cooperation Agreement Requirement	HUD Sample Language [*Text in italics* is explanatory and not part of the sample language]
1	**It must be authorized by governing bodies and signed by CEOs.**	*This may best translate to a "Whereas" clause, paired with the execution on the signature block.* *Example:* **WHEREAS**, the Mayor of the Municipality is authorized to execute this Agreement on the Municipality's behalf; and **WHEREAS**, the County Executive is authorized to execute this Agreement on the County's behalf
2	**It must state that your county and the Participating UGLG will cooperate to carry out essential community development and housing assistance activities.**	The County and the Municipality agree to cooperate to undertake, or assist in undertaking, essential community development and housing assistance activities, as approved and authorized between the parties in the CDBG Agreements, including the Consolidated Plan.
3	**It must state that the agreement covers the CDBG program and that your county and the Participating UGLG may not seek CDBG funding from the State's CDBG program while participating in the Urban County.**	The participating Municipality understands and agrees that it may not apply for grants under the State CDBG Program for the fiscal years during the period in which the Municipality participates in the Urban County's CDBG Program.
4	**It must state that the agreement also covers: 1) the HOME program (*if your Urban County receives HOME funding*); and 2) the ESG program (*if your Urban County receives ESG funding*). The Participating UGLG may only receive HOME and ESG formula-allocated funds from your Urban County.**	*Example, covering CDBG, HOME, and ESG:* This Agreement covers the following formula funding programs administered by HUD where the County is awarded and accepts funding directly from HUD: the CDBG Program, the HOME Program, and the ESG Program. The participating Municipality 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 Municipality from applying for HOME or ESG funds from the State, if the State allows.

	HUD Cooperation Agreement Requirement	**HUD Sample Language** [*Text in italics* is explanatory and not part of the sample language]
5	**It must specify the qualification period for your Urban County (three federal fiscal years covered by the *Cooperation Agreement*) OR the remaining 1-2 years of your qualification period (for amendments to *Cooperation Agreements*). It must also state that, by the date in the *Urban County Qualification Deadlines* published on the HUD.gov Urban Counties website for the next qualification period, your Urban County will notify the Participating UGLG by letter of its right not to participate. For *Auto-Renewal Cooperation Agreements*, it must state the three additional fiscal years that will be covered by the agreement when it auto-renews.**	*Example, Auto-Renewal Cooperation Agreement:* This Agreement shall remain in effect for the three-year program period of Federal Fiscal Years **XXXX**, **XXXX**, and **XXXX**, and until funds granted and program income received during the three-year program period are expended and the funded activities completed. Neither the County nor the Municipality may terminate, withdraw, or be removed from the program during the three-year program period. This Agreement will renew automatically for participation for one successive three-year Urban County qualification period (Federal Fiscal Years XXXX, XXXX, and XXXX), unless the Municipality or the County provide 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.gov Urban Counties website. The County will notify the Municipality in writing of the Municipality's right to make this election. A copy of the County's notification must be sent to the HUD field office by the date specified on the HUD.gov Urban Counties website.
6	**For regular *Cooperation Agreements*, it must state that your Urban County and the Participating UGLG will amend the agreement, if necessary, to meet requirements during the Urban County's three-year qualification period. For *Auto-Renewal Cooperation Agreements*, it must state that your Urban County and the Participating UGLG will amend the agreement, if necessary, to meet requirements at any time during the two qualification periods the agreement is in effect (including at the time of requalification).**	The Parties agree to adopt amendment(s) to this Agreement as may be required by HUD to meet any new Urban County Qualification requirement(s), when applicable. Failure by either Party to adopt any such amendment, and to submit such amendment to HUD, will void the agreement for such qualification period.

<table>
<tr><th colspan="2">HUD Cooperation Agreement Requirement</th><th>HUD Sample Language
[Text in italics is explanatory and not part of the sample language]</th></tr>
<tr><td>7</td><td>It must state that the agreement remains in effect until all funds (CDBG, HOME, ESG, and any program income) are expended and all activities are completed.</td><td>See above language in #6</td></tr>
<tr><td>8</td><td>It must state that your Urban County and the Participating UGLG will comply with all federal laws and regulations specified in HUD’s Urban County Notice.</td><td>The County and the Municipality shall take all actions necessary to assure compliance with the County’s certification under Section 104(b) of Title I of the Housing and Community Development Act of 1974, as amended, that the 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;
• the Fair Housing Act, and the implementing regulations at 24 CFR Part 100, and will comply with the obligation to affirmatively further fair housing; 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 of 1974, and the implementing regulations at 28 CFR Part 35; the Age Discrimination Act of 1975, and the implementing regulations at 24 CFR Part 146; Section 3 of the Housing and Urban Development Act of 1968; Uniform Relocation and Real Property 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 and the implementing regulations at 24 CFR Part 42; and all other applicable laws and regulations. The Parties agree that Urban County funding in no event will be used for activities in, or in support of, any cooperating unit of general local government that impedes the County’s actions to comply with the County’s fair housing certification and duty to affirmatively further fair housing.</td></tr>
</table>

HUD Cooperation Agreement Requirement		**HUD Sample Language** [*Text in italics* is explanatory and not part of the sample language]
9	**It must include a provision prohibiting excessive use of force and prohibiting physically barring entrance to or exit from a facility or location which is the subject of non-violent civil rights demonstrations within jurisdictions.**	The County and the Municipality each have adopted and are enforcing: 1. A policy prohibiting the use of excessive force by law enforcement agencies within its jurisdiction against any individuals engaged in non-violent civil rights demonstrations. 2. A policy of enforcing applicable State and local laws against physically barring entrance to or exit from a facility or location that is the subject of non-violent civil rights demonstrations within its jurisdiction.
10	**It must NOT include a veto provision that could obstruct implementation of your Urban County's Consolidated Plan.**	*No provision necessary to satisfy this requirement*
11	**It must state that the Participating UGLG is subject to the same requirements as subrecipients in the CDBG program.**	Pursuant to 24 CFR 570.501(b), the Municipality is subject to the same requirements applicable to subrecipients, including the requirement of a written agreement as described in 24 CFR 570.503.
12	**It must include a provision that the Participating UGLG may not sell, trade, or transfer any HUD funds provided by your Urban County.**	Parties to this Agreement understand and agree that they may not sell, trade, or otherwise transfer all or any portion of CDBG funds to a Metropolitan City, Urban County, unit of general local government, or insular area that directly or indirectly receives CDBG funds in exchange for any funds, credits, or non-Federal considerations, but must use such funds for activities eligible under Title I of the Housing and Community Development Act of 1974, as amended.

Attachment 4: HUD Requirements and Sample Language for *Joint Agreements*

List of HUD requirements (12) for Urban County *Joint Agreements*[18]

1. **It must be authorized by governing bodies and signed by CEOs.**

   The governing bodies for your Urban County and the Metropolitan City must authorize the *Joint Agreement*. Both chief executive officers (CEOs) must sign the agreement. A *County Counsel Legal Opinion Letter* must also be submitted with the *Joint Agreement*. The opinion must state that the terms and provisions of the agreement are fully authorized under state and local law and that the agreement provides the legal authority for the county to undertake, or assist in undertaking, essential community development and housing assistance activities within the Metropolitan City's jurisdiction.

2. **It must state that your Urban County and the Metropolitan City will cooperate to carry out essential community development and housing assistance activities in the Metropolitan City, and that the Urban County will expend the Metropolitan City's CDBG grant in and for the benefit of the Metropolitan City.**

   If your Urban County does not have essential powers in the Metropolitan City, the agreement must specifically state that the Metropolitan City will: "*undertake, or assist in undertaking, essential community development and housing assistance activities*." The agreement must also state that your Urban County will expend the Metropolitan City' s CDBG grant in, and for the benefit of, that Metropolitan City.

   The Urban County and Metropolitan City may elect to explain in the *Joint Agreement* that the Urban County will allot a certain percentage of the overall combined grant for purposes of coordinating with the Metropolitan City on planning and administration of the Metropolitan City's grant funds. Because the Urban County is administering the Metropolitan City's CDBG grant, however, the Urban County is entitled to 20 percent (20%) of the Metropolitan City's grant for administering their CDBG program.

   NOTE: As an alternative to this language, your agreement may reference state law authorizing the Metropolitan City to undertake these activities. Your Urban County must submit alternative language to HUD for approval by OGC Field or Regional Counsel.

3. **It must state that the agreement covers the CDBG program and that your Urban County and the Metropolitan City may not seek CDBG funding from the State's CDBG program while participating in the Urban County.**

4. **It must state that the agreement also covers: 1) the HOME program (*if your Urban County receives HOME funding*); and 2) the ESG program (*if your Urban County receives ESG funding*).**

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[18] The twelve requirements in this list are HUD's requirements only. Urban Counties and Metropolitan Cities must also incorporate local-specific provisions into their agreements to comply with state and local requirements.

It must state that if the Metropolitan City qualifies to receive a separate allocation of HOME funds, it has three options: (1) it may form a HOME consortium with the Urban County, in which case it will be included as part of the Urban County when the HOME funds for the county are calculated; (2) it may elect to continue to receive its separate HOME grant but have the Urban County administer it; or (3) the Metropolitan City may administer its HOME program on its own. Similarly, the agreement must state how the Metropolitan City will treat ESG funding.

NOTE: If your state allows it, your Urban County and Participating UGLGs may still seek HOME or ESG funds from your state government.

5. **It must specify the qualification period for your Urban County (three fiscal years covered by the *Joint Agreement*) OR the remaining 1-2 years of your qualification period (for amendments to *Joint Agreements*). It must also state that, by the date in the *Urban County Qualification Deadlines* published on the HUD.gov Urban Counties website for the next qualification period, your Urban County will notify the Metropolitan City by letter of its right not to participate. For *Auto-Renewal Joint Agreements*, it must state the three additional fiscal years that will be covered by the agreement when it auto-renews.**

   The qualification period for your Urban County is the next three fiscal years after your county qualifies or requalifies. If your Urban County is amending a *Joint Agreement*, the amendment must update how many years remain (one or two) in your qualification period. HUD discusses amendments more in #6 below. For *Auto-Renewal Joint Agreements*, it must state the three additional fiscal years that will be covered by the agreement when it auto-renews.

6. **For regular *Joint Agreements*, it must state that your Urban County and the Metropolitan City will amend the agreement, if necessary, to meet requirements during the Urban County's three-year qualification period. For *Auto-Renewal Joint Agreements*, it must state that your Urban County and the Metropolitan City will amend the agreement, if necessary, to meet requirements at any point during the two qualification periods the agreement is in effect (including at the time of requalification).**

   An amendment is any change to a *Joint Agreement* which must be authorized and executed during an Urban County's qualification period (or also at the time of requalification for an *Auto-Renewal Joint Agreement*). Over time, changes to laws and regulations will occur that may require your Urban County to amend your *Joint Agreements* to add new provision(s). An amendment allows your Urban County to draft a separate amendment to your existing agreements that includes the new provision(s) rather than drafting an entire new *Joint Agreement* containing the new provisions. The amendment must be authorized by governing bodies and executed (signed) by chief executive officers, like the *Joint Agreement* itself. *Auto-Renewal Joint Agreements* may be amended at the time of requalification for the second three-year qualification period, as well as during the two qualification periods, to cover any new required provisions. If your Urban County fails to make a required amendment to a *Joint Agreement* by the deadlines published on the HUD.gov Urban Counties website, your *Joint Agreement* is voided and you must submit a new *Joint Agreement*.

7. It must state the plan for the disposition of program income generated by the Metropolitan City during the time it is a participant in the Urban County.

The Urban County and Metropolitan City can't terminate or withdraw from the agreement while it remains in effect. The Urban County may transfer the program income to the Metropolitan City, upon its termination of Urban County participation, provided that the Municipality begins participating as an independent CDBG Entitlement grantee and agrees to use the program income in its own CDBG Entitlement program.

8. It must state that your Urban County and the Metropolitan City will comply with all federal laws and regulations specified in HUD's Urban County Notice.

The agreement must contain an explicit provision obligating your Urban County and the Metropolitan City to comply with your Urban County's certification (under section 104(b) of Title I of the Housing and Community Development Act of 1974), that your 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);
- the 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 (AFFH); 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;
  - the 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 laws

Required provision on affirmatively furthering fair housing (AFFH)

The *Joint Agreement* must contain a provision prohibiting an Urban County from funding activities in, or in support of, any Metropolitan City that impedes your county's actions to comply with your fair housing certification. HUD requires this provision because noncompliance with the duty to affirmatively further fair housing by a Metropolitan City may constitute noncompliance by your Urban County. This can result in HUD issuing funding sanctions or other remedial actions for your Urban County.

9. **It must include a provision prohibiting excessive use of force and prohibiting physically barring entrance to or exit from a facility or location which is the subject of non-violent civil rights demonstrations within jurisdictions.**

   The agreement must state that the Metropolitan City has adopted and is enforcing:

   1. *A policy prohibiting the use of excessive force by law enforcement agencies within its jurisdiction against any individuals engaged in non-violent civil rights demonstrations; and*
   2. *A policy of enforcing applicable State and local laws against physically barring entrance to or exit from a facility or location which is the subject of such non-violent civil rights demonstrations within jurisdictions.*

10. **It must NOT include a veto provision that could obstruct implementation of your Urban County's Consolidated Plan.**

    Your agreement must NOT include a veto provision (or other restriction) that would allow a Metropolitan City to obstruct implementation of your Urban County's approved Consolidated Plan during the qualification period. Your Urban County has final responsibility for choosing CDBG activities (*and HOME and ESG activities, if applicable*) and submitting the Consolidated Plan to HUD. If your Urban County is a member of a HOME consortium (but not the lead entity), the HOME consortium is responsible for submitting the Consolidated Plan for your Urban County.

11. **It must state that the Metropolitan City is subject to the same requirements as subrecipients in the CDBG program.**

    Per 24 CFR 570.501(b), the agreement must state that the Metropolitan City is subject to the same requirements as subrecipients in the CDBG program. This includes the requirement for executing a written agreement before your Urban County disburses CDBG funds to the Metropolitan City.

12. **It must include a provision that the parties may not sell, trade, or transfer any HUD funds. Congress has prohibited this practice. HUD will not accept *Joint Agreements* or approve any Urban County's qualification without this provision.**

    Your agreement must include this specific provision: *Parties to this Agreement understand and agree that they may not sell, trade, or otherwise transfer all or any portion of CDBG* *funds to a Metropolitan City, Urban County, unit of general local government, or insular area that directly or indirectly receives CDBG funds in exchange for any funds, credits, or non-Federal considerations, but must use such funds for activities eligible under Title I of the Housing and Community Development Act of 1974, as amended.*

Additional provisions your Urban County may include (authorized by state/local laws)

Your *Joint Agreements* may also include any provisions authorized by state and local laws. These provisions may legally require a Metropolitan City to undertake necessary actions, as determined by your county, to carry out a community development program and the approved Consolidated Plan and/or meet other requirements of the CDBG program (and, where applicable, HOME and ESG programs) and other applicable laws.

Sample Language for *Joint Agreements*

	HUD Joint Agreement Requirement	HUD Sample Language [*Text in italics* is explanatory and not part of the sample language]
1	**It must be authorized by governing bodies and signed by CEOs.**	*This may best translate to a "Whereas" clause, paired with the execution on the signature block.* *Example:* **WHEREAS**, the Mayor of the Municipality is authorized to execute this Agreement on the Municipality's behalf; and **WHEREAS**, the County Executive is authorized to execute this Agreement on the County's behalf
2	**It must state that your Urban County and the Metropolitan City will cooperate to carry out essential community development and housing assistance activities in the Metropolitan City, and that the Urban County will expend the Metropolitan City's CDBG grant in and for the benefit of the Metropolitan City.**	The County and the Municipality agree to cooperate to undertake, or assist in undertaking, essential community development and housing assistance activities in and for the benefit of the Municipality, as approved and authorized between the parties in the CDBG Agreements, including the Consolidated Plan.
3	**It must state that the agreement covers the CDBG program and that your Urban County and the Metropolitan City may not seek CDBG funding from the State's CDBG program while participating in the Urban County.**	The participating Municipality understands and agrees that it may not apply for grants under the State CDBG Program for the fiscal years during the period in which the Municipality participates in the Urban County's CDBG Program. The Urban County agrees that the CDBG funds that the Municipality is entitled to will be utilized to benefit the Municipality.
4	**It must state that the agreement also covers: 1) the HOME program (*if your Urban County receives HOME funding*); and 2) the ESG program (*if your Urban County receives ESG funding*).**	*Example, covering CDBG, HOME, and ESG:* This Agreement covers the following formula funding programs administered by HUD where the County is awarded and accepts funding directly from HUD: the CDBG Program, the HOME Program, and the ESG Program. The participating Municipality 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

	HUD Joint Agreement Requirement	HUD Sample Language [*Text in italics* is explanatory and not part of the sample language]
		Urban County or the Municipality from applying for HOME or ESG funds from the State, if the State allows.
5	**It must specify the qualification period for your Urban County (three fiscal years covered by the *Joint Agreement*) OR the remaining 1-2 years of your qualification period (for amendments to *Joint Agreements*). It must also state that, by the date in the *Urban County Qualification Deadlines* published on the [HUD.gov Urban Counties website] for the next qualification period, your Urban County will notify the Metropolitan City by letter of its right not to participate. For *Auto-Renewal Joint Agreements*, it must state the three additional fiscal years that will be covered by the agreement when it auto-renews.**	*Example, Auto-Renewal Joint Agreement:* This Agreement shall remain in effect for the three-year program period of Federal Fiscal Years **XXXX**, **XXXX**, and **XXXX**, and until funds granted and program income received during the three-year program period are expended and the funded activities completed. Neither the County nor the Municipality may terminate, withdraw, or be removed from the program during the three-year program period. This Agreement will renew automatically for participation in one successive three-year Urban County qualification period (Federal Fiscal Years XXXX, XXXX, XXXX), unless the Municipality or the County provide 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.gov Urban Counties website. The County will notify the Municipality in writing of the Municipality's right to make this election. A copy of the County's notification must be sent to the HUD field office by the date specified on the HUD.gov Urban Counties website.
6	**For regular *Joint Agreements*, it must state that your Urban County and the Metropolitan City will amend the agreement, if necessary, to meet requirements during the Urban County's three-year qualification period. For *Auto-Renewal Joint Agreements*, it must state that your Urban County and the Metropolitan City will amend the agreement, if necessary, to meet requirements at any point during the two**	The Parties agree to adopt amendment(s) to this Agreement as may be required by HUD to meet any new Urban County Qualification requirement(s), when applicable. Failure by either Party to adopt any such amendment, and to submit such amendment to HUD, will void the agreement for such qualification period.

	HUD Joint Agreement Requirement	HUD Sample Language [*Text in italics* is explanatory and not part of the sample language]
	qualification periods the agreement is in effect (including at the time of requalification).	
7	**It must state the plan for the disposition of program income generated by the Metropolitan City during the time it is a participant in the Urban County.**	The County and Municipality shall not terminate or withdraw from the agreement while it remains in effect. The County may transfer the program income to the Metropolitan City, upon its termination of Urban County participation, provided that the Municipality begins participating as an independent CDBG Entitlement grantee and agrees to use the program income in its own CDBG Entitlement program.
8	**It must state that your Urban County and the Metropolitan City will comply with all federal laws and regulations specified in HUD's Urban County Notice.**	The County and the Municipality shall take all actions necessary to assure compliance with the County's certification under Section 104(b) of Title I of the Housing and Community Development Act of 1974, as amended, that the 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; • the Fair Housing Act, and the implementing regulations at 24 CFR Part 100, and will comply with the obligation to affirmatively further fair housing; 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 of 1974, and the implementing regulations at 28 CFR Part 35; the Age Discrimination Act of 1975, and the implementing regulations at 24 CFR Part 146; Section 3 of the Housing and Urban Development Act of 1968; Uniform Relocation and Real Property 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 and the implementing regulations at 24 CFR Part 42; and all other applicable

HUD Joint Agreement Requirement		HUD Sample Language [*Text in italics* is explanatory and not part of the sample language]
		laws and regulations. The Parties agree that Urban County funding in no event will be used for activities in, or in support of, any cooperating unit of general local government that impedes the County's actions to comply with the County's fair housing certification and duty to affirmatively further fair housing.
9	**It must include a provision prohibiting excessive use of force and prohibiting physically barring entrance to or exit from a facility or location which is the subject of non-violent civil rights demonstrations within jurisdictions.**	The County and the Municipality each have adopted and are enforcing: 1. A policy prohibiting the use of excessive force by law enforcement agencies within its jurisdiction against any individuals engaged in non-violent civil rights demonstrations. 2. A policy of enforcing applicable State and local laws against physically barring entrance to or exit from a facility or location that is the subject of non-violent civil rights demonstrations within its jurisdiction.
10	**It must NOT include a veto provision that could obstruct implementation of your Urban County's Consolidated Plan.**	*No provision necessary to satisfy this requirement*
11	**It must state that the Metropolitan City is subject to the same requirements as subrecipients in the CDBG program.**	Pursuant to 24 CFR 570.501(b), the Municipality is subject to the same requirements applicable to subrecipients, including the requirement of a written agreement as described in 24 CFR 570.503.
12	**It must include a provision that the Metropolitan City may not sell, trade, or transfer any HUD funds provided by your Urban County.**	Parties to this Agreement understand and agree that they may not sell, trade, or otherwise transfer all or any portion of CDBG funds to a Metropolitan City, Urban County, unit of general local government, or insular area that directly or indirectly receives CDBG funds in exchange for any funds, credits, or non-Federal considerations, but must use such funds for activities eligible under Title I of the Housing and Community Development Act of 1974, as amended.

Attachment 5: *Cooperation Agreements* vs. *Joint Agreements* Comparison Table

Issue/Topic	*Cooperation Agreement* (Urban County and Participating UGLG)	*Joint Agreement* (Urban County and Metropolitan City)
Definition of Agreement	• Interlocal government agreement (IGA) between an Urban County and a *Participating UGLG* (Non-Entitlement). • The Urban County must enter into *Cooperation Agreements* with UGLGs when the Urban County does not have the power to carry out "essential community development and housing assistance activities" in UGLGs without consent from UGLG governing bodies. • Most states only grant counties "essential powers" in unincorporated areas and not in UGLGs.	• Intergovernmental agreement (IGA) between an Urban County and a *Metropolitan City* (CDBG Entitlement). • The Urban County must enter into *Joint Agreements* with Metropolitan Cities when the Urban County administers the Metropolitan City's CDBG program, in addition to the Urban County's CDBG program.
Responsibilities of Urban County	• The Urban County is responsible for all aspects of administering their CDBG program, including planning and citizen participation, expending program income and ensuring timely expenditure of funds, responding to audits and monitoring findings, fair housing and other cross-cutting requirements, management and oversight of subrecipients (including Participating UGLGs), and reporting and inputting information into IDIS. • The Urban County needs to establish policies and procedures governing its process for selecting activities for funding, including when and how a county may provide funds to Participating UGLGs. However, the CDBG regulations give each grantee the flexibility to design its program based on locally-identified	• The Urban County is responsible for all aspects of administering their CDBG program AND the Metropolitan City's CDBG program, including planning and citizen participation, expending program income and ensuring timely expenditure of funds, responding to audit and monitoring findings, fair housing and other cross-cutting requirements, management and oversight of subrecipients, and reporting and inputting information into IDIS. • The Urban County may use up to 20% of the Metropolitan City's CDBG grant for planning and general administrative costs. The amount of planning and administration funds available to the Urban County should be explained in the *Joint Agreement*.

Issue/Topic	*Cooperation Agreement* (Urban County and Participating UGLG)	*Joint Agreement* (Urban County and Metropolitan City)
	needs and priorities. It is common for Urban Counties to work with their Participating UGLGs to help design the county's program. That process may or may not be spelled out in the *Cooperation Agreements* with Participating UGLGs.	
Responsibilities of Participating UGLGs	• Cooperating with the Urban County on the needs and activities they want funded in their jurisdiction. • They may or may not receive CDBG funding for activities from the Urban County in any given program year. There is no guarantee of funding. • If they receive CDBG funding from the Urban County, they may carry out the activities themselves OR allow the Urban County to carry out the activities in their jurisdiction.	Not applicable because *Joint Agreements* are only between Urban Counties and Metropolitan Cities.
Responsibilities of Metropolitan City	Not applicable because *Cooperation Agreements* are between Urban Counties and Participating UGLGs. NOTE: Metropolitan Cities may also choose to relinquish their CDBG Entitlement status to participate in an Urban County, but they are then considered a Participating UGLG (not a Metropolitan City [Entitlement]).	• Providing input to the Urban County on needs and activities to fund with CDBG in their jurisdiction. • Other responsibilities may be spelled out in the *Joint Agreement* (as agreed to by Urban County).
Where CDBG Investments and Activities May Occur	The Urban County has full discretion on where and how CDBG funds are spent across the Urban County. Each Participating UGLG is not guaranteed to receive CDBG investment in their jurisdiction in any given program year.	The Urban County is required to spend all the Metropolitan City's CDBG grant funds in the jurisdictional boundaries of the Metropolitan City and for the benefit of that Metropolitan City.

Issue/Topic	*Cooperation Agreement* (Urban County and Participating UGLG)	*Joint Agreement* (Urban County and Metropolitan City)
When Can They Opt In	Participating UGLGs may join an Urban County during any year of its qualification period.	Metropolitan Cities may only submit *Joint Requests* to become a *Joint Recipient* with an Urban County the year that the Urban County is qualifying.
When Can They Opt Out	Participating UGLGs cannot opt out of an Urban County during a three-year Urban County qualification period. They must wait until the Urban County qualifies again.	Metropolitan Cities cannot opt out of an Urban County during a three-year Urban County qualification period. They must wait until the Urban County qualifies again.
CDBG Allocations and CPD Formula Allocation Methodology	HUD computes a single CDBG allocation for the Urban County as a whole, including the population and demographic data of all Participating UGLGs and all unincorporated areas of the county from the U.S. Census Bureau.	HUD computes a separate CDBG allocation for the Metropolitan City and the Urban County each year, based on their respective population and demographic data from the U.S. Census Bureau.
HUD Grant Agreement	HUD executes one grant agreement with the Urban County for its single CDBG allocation.	HUD combines the two grant allocations and executes one grant agreement with the Urban County for the combined amount of its own allocation and the allocation for the Metropolitan City. (*Joint Recipients*)
Contractual Relationships	The Urban County has a contractual relationship with HUD. There is no contractual relationship between HUD and Participating UGLGs.	The Urban County has a contractual relationship with HUD because the Urban County is administering their own Urban County CDBG grant AND the Metropolitan City's CDBG grant. The Urban County signs the combined grant agreement with HUD.
Policy on Auto-Renewal of Intergovernmental Agreements (IGAs): *Cooperation Agreements* and *Joint Agreements*	*Auto-Renewal Cooperation Agreements* are permitted. They allow the *Cooperation Agreement* to "auto-renew" for one additional three-year Urban County qualification period without the Urban County and	*Auto-Renewal Joint Agreements* are permitted. They allow the *Joint Agreement* to "auto-renew" for one additional three-year Urban County qualification period without the Urban County

Issue/Topic	*Cooperation Agreement* (Urban County and Participating UGLG)	*Joint Agreement* (Urban County and Metropolitan City)
	Participating UGLGs having to reauthorize and re-execute their agreements. NOTE: Changes to HUD guidance (Urban County Notice) or other federal, state, or local laws may require Urban Counties and Participating UGLGs to make amendments to their *Cooperation Agreements* any year of the six years covered by an *Auto-Renewal Cooperation Agreement*.	and Metropolitan City(ies) having to reauthorize and re-execute their agreements. NOTE: Changes to HUD guidance (Urban County Notice) or other federal, state, or local laws may require Urban Counties and Metropolitan Cities to make amendments to their *Joint Agreements* any year of the six years covered by an *Auto-Renewal Joint Agreement*.
Consolidated Planning	The Urban County must only complete and submit one Consolidated Plan, Annual Action Plan, and CAPER on behalf of the entire Urban County.	The Urban County must only complete and submit one Consolidated Plan, Annual Action Plan, and CAPER, covering both their Urban County and the Metropolitan City, aligning their housing and community development needs.
CDBG Program Requirements	• All program requirements (such as the 20% planning and administration cap, the 15% public service cap, the 70% overall benefit requirement) are based on the Urban County's grant and apply to the Urban County's CDBG grant (as a whole). • Expenditure caps do not apply separately to the Urban County and each individual sub-award that the Urban County may make to a Participating UGLG. • Low/moderate income summary data and the upper quartile exception criteria apply to the Urban County's CDBG grant (as a whole).	• All program requirements (such as the 20% planning and administration cap, the 15% public service cap, and the 70% overall benefit requirement) are based on the combined grant amount and apply to the Urban County's CDBG grant (as a whole). • Expenditure caps do not apply separately to the Metropolitan City's CDBG grant and the Urban County's grant. • Low/moderate income summary data and the upper quartile exception criteria are based on the Urban County grant (as a whole) and do not apply separately to the Metropolitan City's grant and the Urban County's grant.
Impact on the HOME and ESG Programs	• When UGLGs become Participating UGLGs in an Urban County for the CDBG Program,	• If the Metropolitan City qualifies to receive a separate allocation of HOME funds, the Metropolitan City has three options:

Issue/Topic	*Cooperation Agreement* (Urban County and Participating UGLG)	*Joint Agreement* (Urban County and Metropolitan City)
	they are part of the Urban County for the HOME and ESG programs as well. • Participating UGLGs may only receive HOME and ESG formula-allocated funds from the Urban County. Even if the Urban County does not receive a HOME formula allocation, Participating UGLGs cannot form their own HOME consortium or join another HOME consortium. • If the state allows it, both the Urban County and Participating UGLGs can seek additional HOME and/or ESG funding from the state.	1. Form a HOME consortium with the Urban County (the Metropolitan City will be included as part of the Urban County when HUD calculates HOME allocations for the county). 2. Continue to receive a separate allocation of HOME funds but have the Urban County administer their HOME funds. 3. Administer its own HOME program.

Attachment 6: Urban County Qualification Scenarios Comparison Table

Urban County Requirements	**REQUALIFIERS:** *Currently qualified Urban Counties requalifying this year*	**REQUALIFYING NEXT YEAR OR YEAR AFTER NEXT:** *Currently qualified Urban Counties requalifying next year or year after next*	**FIRST-TIME QUALIFIERS:** *New counties seeking to qualify as an Urban County for the first time this year*
Determination of Essential Powers GO TO SECTION 2.7	HUD may rely on a previous Determination of Essential Powers (unless there is evidence that essential powers may have changed).	HUD does not conduct a Determination of Essential Powers for Urban Counties during a qualification period.	HUD OGC Field or Regional Counsel must certify a Determination of Essential Powers.
***Urban County Participation Decision Letters* for Participating and Nonparticipating UGLGs** GO TO SECTION 3.3	The Urban County must send letters to all its UGLGs (regardless of past participation) to determine their participation decisions for the upcoming qualification period. • *If the county has essential powers in UGLGs*: the county's letter must inform them of their right to be excluded from the Urban County, and that if they do not respond to the letter, they will be included in the Urban County for the next qualification period. • *If the county has Auto-Renewal Cooperation Agreements in place*: the county's letter must inform Participating UGLGs of their right to opt out of the agreement and to be excluded from the Urban County for the upcoming qualification period. • *If the county has "split places"*: the county's letter must inform any "split" UGLGs of their participation options for the upcoming qualification period.	OPTIONAL: The county may choose to send a letter to *Nonparticipating UGLGs* (if any) informing them that they may join the Urban County as a *Participating UGLG* for the rest of the current qualification period (1–2 years). • *If an UGLG decides to join the Urban County*: In general, the Urban County and the new Participating UGLG must authorize and execute a *Cooperation Agreement*.	The county must send letters to all its UGLGs to determine their participation decisions for the upcoming qualification period. • *If the county has essential powers in UGLGs*: the county's letter must inform them of their right to be excluded from the Urban County, and that if they do not respond to the letter, they will be included in the Urban County for the next three FYs. • *If the county has "split places"*: the county's letter must inform any "split" UGLGs of their participation options for the next qualification period.

Urban County Requirements	**REQUALIFIERS:** *Currently qualified Urban Counties requalifying this year*	**REQUALIFYING NEXT YEAR OR YEAR AFTER NEXT:** *Currently qualified Urban Counties requalifying next year or year after next*	**FIRST-TIME QUALIFIERS:** *New counties seeking to qualify as an Urban County for the first time this year*
***Urban County Participation Decision Letters* for Metropolitan Cities** GO TO SECTION 3.3	• The Urban County must communicate with previously identified potential Metropolitan Cities to determine their participation decisions for the upcoming qualification period. • The Urban County must communicate with newly identified potential new Metropolitan Cities (identified in most recent U.S. Census data) to determine their participation decisions for the upcoming qualification period.	No action is required because the Urban County is in the middle of a qualification period. NOTE 1: Metropolitan Cities that are under a *Joint Agreement* or relinquished their CDBG Entitlement status to become a Participating UGLG may not withdraw from the Urban County during a qualification period. NOTE 2: Participating UGLGs that surpass a population of 50,000 (become eligible to be a Metropolitan City) may not withdraw from the Urban County during a qualification period.	In general, the potential new Urban County must send official letters to any Metropolitan Cities notifying them of the opportunity to participate in the new Urban County for the upcoming qualification period either by: • relinquishing their CDBG Entitlement status as a Metropolitan City and executing a *Cooperation Agreement* with the county to become a Participating UGLG in the Urban County's CDBG grant program; OR • retaining their CDBG Entitlement status as a Metropolitan City and executing a *Joint Agreement* with the Urban County to administer their CDBG program for them. NOTE: Metropolitan Cities have every right to keep their CDBG Entitlement status (continue administering their own CDBG grant program independently) and not participate in the new Urban County.
***Cooperation Agreements* (with Participating UGLGs)** GO TO ATTACHMENT 3	• If the Urban County has regular *Cooperation Agreements* in place with Participating UGLGs, they must execute new *Cooperation Agreements* with Participating UGLGs • If the Urban County has *Auto-Renewal Cooperation Agreements* in place, they must make any required amendments to their	No action is required because the Urban County is in the middle of a qualification period. • If the Urban County adds Nonparticipating UGLGs to their Urban County as new Participating UGLGs for the rest of its current qualification period, they must execute *Cooperation Agreements* with the new	If the county does not have essential powers in its UGLGs (most counties), they must execute *Cooperation Agreements* between their county and Participating UGLGs

Urban County Requirements	**REQUALIFIERS:** *Currently qualified Urban Counties requalifying this year*	**REQUALIFYING NEXT YEAR OR YEAR AFTER NEXT:** *Currently qualified Urban Counties requalifying next year or year after next*	**FIRST-TIME QUALIFIERS:** *New counties seeking to qualify as an Urban County for the first time this year*
	Cooperation Agreements with Participating UGLGs for the next qualification period. (Please note that *Auto-Renewal Cooperation Agreements* may only be in effect for six FYs beginning in FY 2027.)	Participating UGLGs and submit the *Cooperation Agreements* to HUD.	
Joint Agreements **(with Metropolitan Cities)** GO TO ATTACHMENT 4	If a Metropolitan City within the Urban County wants the Urban County to administer its CDBG grant program, the county and the Metropolitan City must submit a *Joint Request* to their CPD field office and execute a *Joint Agreement*.	No action is required because the Urban County is in the middle of a qualification period; *Joint Agreements* can only be executed at the time an Urban County is qualifying. (24 CFR 570.308)	If a Metropolitan City within the county wants the county to administer its CDBG program, the county and the Metropolitan City must submit a *Joint Request* to their CPD field office and execute a *Joint Agreement*.
Documents That Must be Submitted to HUD in the Urban County Qualification Package GO TO SECTION 3	1. All *Urban County Participation Decision Letters* exchanged between the Urban County, UGLGs, and Metropolitan Cities about participation in the Urban County 2. *Cooperation Agreements* with Participating UGLGs (if applicable) 3. *Joint Agreements* with Metropolitan Cities (if applicable) 4. Amendments to *Cooperation or Joint Agreements* (if applicable) 5. *County Counsel Legal Opinion Letter*	No action is required because the Urban County is in the middle of a qualification period. If the Urban County is adding new Participating UGLGs to the Urban County, they must submit: 1. *Urban County Participation Decision Letters* sent to Nonparticipating UGLGs and response letters received 2. New *Cooperation Agreements* with new Participating UGLGs (if applicable) 3. Updated *County Counsel Legal Opinion Letter*	1. All *Urban County Participation Decision Letters* exchanged between the potential new Urban County, UGLGs, and Metropolitan Cities about participation in the Urban County 2. *Cooperation Agreements* with Participating UGLGs (if applicable) 3. *Joint Agreements* with Metropolitan Cities (if applicable) 4. *County Counsel Legal Opinion Letter*