AMENDMENT NUMBER 1 TO A COOPERATION AGREEMENT BETWEEN THE COUNTY OF SAN LUIS OBISPO AND THE CITY OF MORRO BAY FOR JOINT PARTICIPATION IN THE COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM, THE HOME INVESTMENT PARTNERSHIPS PROGRAM, THE EMERGENCY SOLUTIONS GRANT PROGRAM, AND THE HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS PROGRAM FOR FISCAL YEARS 2015 THROUGH 2017

THIS AGREEMENT is made and entered into this _____ day of _____, 2014, by and between the County of San Luis Obispo, a political subdivision of the State of California, hereinafter called "County"; and the City of Morro Bay, a municipal corporation of the State of California, located in the County of San Luis Obispo, hereinafter called "City," jointly referred to as "Parties."

WITNESSETH

WHEREAS, in 1974, the U.S. Congress enacted and the President signed a law entitled, The Housing and Community Development Act of 1974, herein called the "Act." The Act is omnibus legislation relating to federal involvement in a wide range of housing and community development activities and contains eight separate titles; and

WHEREAS, Title I of the Act is entitled "Community Development" and governs programs for housing and community development within metropolitan cities and urban counties or communities by providing financial assistance annually for area-wide plans and for housing, public services and public works programs; and

WHEREAS, the Community Development Block Grant (CDBG) Program, the HOME Investment Partnerships (HOME) Program, the Emergency Solutions Grant (ESG) Program, and the Housing Opportunities for Persons with AIDS (HOPWA) Program are consolidated under Title I of the Act; and

WHEREAS, County has requested of the federal Department of Housing and Urban Development, hereinafter referred to as "HUD", that the County be designated as an "urban county"; and

WHEREAS, County needs to requalify as an urban county and will be eligible to receive CDBG funds; provided, that County's entitled cities defer their entitlement to County to enable both County and the entitlement cities to jointly participate in the program; and

WHEREAS, City desires to participate jointly with County in said program; and

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WHEREAS, on July 15, 2014, the County and City entered into a Cooperation Agreement (the Original Cooperation Agreement) in order for the County to requalify as an urban county and submitted said cooperation agreement to the U.S. Department of Housing and Urban Development (HUD); and

WHEREAS, HUD reviewed said Original Cooperation Agreement and determined that it must be amended to provide for a three year term and to include additional language required by the Transportation, Housing and Urban Development, and Related agencies Appropriations Act, 2014, Public Law 113-76.

NOW THEREFORE, in consideration of the mutual promises, recitals and other provisions hereof, the Parties agree as follows:

1. The first sentence of Paragraph C, entitled "**C. Term of Agreement – Automatic Renewal Provision**," of Section I, entitled "**SECTION I. General.**," of the Original Cooperation Agreement is hereby amended and replaced to read as follows:

The term of this Agreement shall be for a period of three (3) years commencing July 1, 2015 through June 30, 2018.

2. The section entitled "**SECTION IV. Use of Program Funds**" of the Original Cooperation Agreement is hereby amended to add a new section "I" that reads as follows:

I. The City may not sell, trade, or otherwise transfer all or any portion of CDBG funds to another 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 Act.

3. All other provisions of the Original Cooperation Agreement not specifically amended herein remain in full force and effect.

NOW, THEREFORE, the Parties hereto have caused this Amendment Number 1 to the Cooperation Agreement to be executed and attested by their proper officer thereunder duly authorized, and their official seals to be hereunto affixed, all as of the day first above written.

APPROVED AS TO FORM:

By: _____
Whitney McDonald, Deputy County Counsel

Date: 9/18/14

COUNTY OF SAN LUIS OBISPO

By: _____
Chairperson of the Board of Supervisors

Date: _____

ATTEST:

_____
Julie Rodewald, County Clerk

Date: _____

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[Signatures continued from Page 3]

CITY OF MORRO BAY

Jamie L. Irons, Mayor

Date: 9/10/14

ATTEST:

Jamie Boucher, City Clerk

Date: 9/10/14

APPROVED AS TO FORM:

Joseph W. Pannone, Interim City Attorney

Date: 9/10/2014

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