

MEMORANDUM OF UNDERSTANDING

THIS MEMORANDUM OF UNDERSTANDING, entered the date of last signature below (the “Effective Date”), is by and between the Board of County Commissioners of Johnson County, Kansas, a body corporate and political subdivision of the State of Kansas (“County”) and the City of Olathe, Kansas (“City”) (collectively, the “Parties”).

Recitals

- A. The COUNTY and CITY have determined under a Cooperation Agreement first executed in 2003, as amended in 2015, that it is in the best interests of the public health, safety, and welfare to cooperate in undertaking community renewal and lower income housing activities, specifically urban renewal and publicly assisted housing and fund such activities from annual Community Development Block Grant (CDBG) authorized by Title 1 of the Housing and Community Development Act of 1974 and HOME Investment Partnerships (HOME) authorized by Title II of the Cranston-Gonzalez National Affordable Housing Act, as amended (ACT). The Cooperation Agreement, as amended, is attached hereto as **Exhibit A** and is incorporated by reference as if fully set forth herein;
- B. Under the Cooperation Agreement and in furtherance thereof, the CITY deferred its status as a Metropolitan City and elected to be included in the Urban County for the purposes of the COUNTY’s CDBG Program and thereby automatically participates in the COUNTY’s HOME Program for Federal Fiscal Years 2025, 2026, 2027;
- C. To the extent that federal funds are available for the COUNTY’s CDBG Program and the COUNTY’s HOME program during the aforesaid Federal Fiscal Years, the COUNTY agrees to allocate CDBG and HOME funds for projects within the

CITY, provided the projects meet all the federal requirements of the CDBG and HOME Programs as may be established by the U.S. Department of Housing and Urban Development (HUD) and operate according to the Policies and Procedures of the Johnson County CDBG Program and the Johnson County HOME Consortium; and

- D. The COUNTY and CITY desire to reduce to writing their understanding as to the method for determining the amount of the annual subgrants to the CITY from the COUNTY's annual CDBG grant and the Johnson County HOME Consortium's annual HOME grant for the aforesaid Fiscal Years.

The Parties understand and mutually agree as follows:

ARTICLE I
Purpose and Scope of Services

1.0. Purpose and Scope of Service

The Parties incorporate the Recitals as if fully set forth herein. The Parties wish to cooperate in undertaking community renewal and lower income housing activities, specifically urban renewal, and publicly assisted housing for the CDBG and HOME programs. The Parties' goal is to ensure the funds allocated as the CITY's subgrant will only be used for CDBG and HOME qualifying projects and activities in the CITY and will be spent in a timely manner on eligible activities. The purpose of this Agreement is to set out the goals and responsibilities of the Parties in furtherance of that goal.

ARTICLE II
Term

2.0. Term.

The term of this MOU shall be for Federal Fiscal Years 2025, 2026, and 2027.

ARTICLE III
Compensation

3.0. Compensation

3.1. Total compensation. The Parties shall not exchange funds. Instead, this MOU sets forth the method for determining the CDBG and HOME Program Subgrant.

3.2. Method for Determining the CDBG Subgrant. The County and City agree that in Federal Fiscal Years 2025, 2026, and 2027, the Adjusted CDBG Grant Amount, upon which the CITY's subgrant is based, will be determined by:

3.2.1. Subtracting a maximum of 20% from the COUNTY's annual CDBG grant, plus program income, for program administration and planning per 24 CFR 570.200(g).

3.2.2. The amount remaining after this deduction from the COUNTY's annual CDBG grant is the Adjusted CDBG Grant Amount.

3.3. Method for Determining the HOME Program Subgrant. The County and City agree that in Federal Fiscal Years 2025, 2026, and 2027, the Adjusted HOME Grant Amount, upon which the CITY's subgrant is based, will be determined by:

3.3.1. Subtracting a maximum of 10% from the COUNTY's annual HOME grant for program administration and planning per 24 CFR 92.207 and 20%, plus program income, for Community Housing Development Organizations per 24 CFR 92.300.

3.3.2. The amount remaining after this deduction from the COUNTY's annual HOME grant is the Adjusted HOME Grant Amount.

ARTICLE IV
Responsibilities

4.0. Responsibilities

4.1. The County's Responsibilities

- 4.1.1. The COUNTY, for the duration of the Cooperation Agreement and to the extent that federal funding for the CDBG Program is made available, agrees to subgrant to the CITY from the Adjusted CDBG Grant Amount for Federal Fiscal Years 2025, 2026, 2027, an annual subgrant based upon the CITY's percentage of the Johnson County population, according to the 2010 U.S. Census Bureau population data as published by the U.S. Census Bureau and excluding populations in the Cities of Overland Park and Shawnee.
- 4.1.2. Upon the COUNTY's execution of HUD's Consolidated Plan Grant Agreement, the COUNTY will notify the CITY in writing of the amount of the CITY's CDBG and HOME subgrant and the basis on which the amount was determined.
- 4.1.3. Once the COUNTY allocates all funding for a fiscal year they will notify the CITY. The notification will be for all Olathe projects and include detailed documentation of the following: description of the project and individuals/interests/community served, the project address, the scope of work, and cost per project.
- 4.1.4. During the first quarter of each calendar year, the COUNTY will submit a letter to the CITY outlining the COUNTY's anticipated HOME match requests for the next calendar year.
- 4.1.5. The COUNTY agrees to provide regular updates to the CITY on the status of all HOME funds, including commitment, obligation, and expenditure for all activities, and all the total and status of remaining

unobligated and unexpended funds for all open HOME grant years and proposed HDL projects.

4.2. The City's Responsibilities

4.2.1. The CITY acknowledges and agrees that, pursuant to 24 CFR 570.501(b), the CITY shall be subject to the same requirements applicable to all cities included in the urban county including but not limited to:

4.2.1.1. Using the COUNTY's CDBG Application, and adhering to the COUNTY's Application schedule and to dates supplied by the COUNTY in order to assure compliance with the COUNTY's Citizen Participation Plan and the requirements of the U.S. Department of Housing and Urban Development (HUD) for the submission of the Consolidated Plan and/or Annual Action Plan; and

4.2.1.2. Using all forms, supplied by the COUNTY, for CDBG activities in the CITY; and

4.2.1.3. Providing the COUNTY with a list of the CITY's proposed awards and one complete copy of each application by the date specified by the COUNTY.

4.2.2. The CITY agrees to carry out its CDBG assisted activities in a timely manner as is required of the COUNTY at 24 CFR 570.902.

4.2.3. Subject to Kansas Cash Basis Law, the CITY agrees to match the amount of the CITY's HOME subgrant by Twenty-five Percent (25%), as required at 24 CFR 92. 218(a), unless the COUNTY has been granted a reduction of its HOME match liability due to a Presidential Disaster Declaration. The CITY may match additional HOME funds should other participating jurisdictions fail to fully expend or commit the HOME funds available to them in a given Federal Fiscal Year. The COUNTY will monitor all expenditures

and commitments of HOME funds to ensure that HOME funds are utilized according to Program Regulations. Upon the receipt of the notification and all information set forth in Article IV, the CITY will provide the match payment for that fiscal year.

4.2.3.1. However, if the COUNTY's funds are recaptured by the Office of Housing and Urban Development, the CITY will not provide a match for those years.

4.2.4. The CITY certifies that in all matters relating to the CDBG and HOME Programs it will follow the COUNTY'S Citizen Participation Plan approved by HUD.

ARTICLE V **Special Terms**

5.0. Special Terms

5.1. Eligible CDBG Activities. The COUNTY agrees to approve the CITY's proposed CDBG projects provided they meet all federal requirements of the CDBG Program as may be established by HUD and remain in compliance with the COUNTY's CDBG Program Policies and Procedures.

5.2. Population Percentage. The COUNTY and CITY agree that, according to the Census 2010 data as published by the U.S. Census Bureau, the CITY's percentage of the Johnson County population, excluding Overland Park and Shawnee is 41% for CDBG.

5.3. Use of Funds. Funds allocated as the CITY's subgrant will only be used for CDBG eligible projects and activities within the corporate limits of Olathe, Kansas and serving the Olathe community.

5.4. Eligible HOME Activities. Eligible activities are provided in the Consolidated Plan and Action Plan. Currently there are two eligible activities: Single family homeowner Rehabilitation (Rehab) and the Housing Development Loan (HDL) program. The CITY agrees to defer approval of Rehab and HDL program applications to the COUNTY.

- 5.5. Population Percentage.** The COUNTY and CITY agree that, according to the Census 2010 data as published by the U.S. Census Bureau, the CITY's percentage of the Johnson County population, including Overland Park and Shawnee is 23% for HOME.
- 5.6. Use of Funds.** Funds allocated as the CITY's subgrant will only be used for HOME qualifying projects and activities within the corporate limits of Olathe, Kansas and serving the Olathe community.

ARTICLE VI
General Terms

6.0. General Terms

- 6.1. Amendments.** This Agreement may be amended by supplemental writing signed by both Parties.
- 6.2. Choice of Law.** This Agreement shall be interpreted under and governed by the laws of the State of Kansas. The parties agree that any dispute or cause of action arising in connection with this Agreement will be brought in the district court of Johnson County, Kansas.
- 6.3. Compliance with Laws.** The CITY and COUNTY shall keep informed of and comply with all applicable federal, state, and local laws and regulations in the performance of this Agreement.
- 6.4. Counterparts and Electronic Delivery.** This Agreement may be executed in one or more counterparts, each of which will for all purposes be deemed an original and all of which will constitute the same agreement. All such counterparts shall be deemed an original, shall be construed together, and shall constitute one and the same instrument. Signatures to this Agreement transmitted by any electronic means intended to preserve the original graphic and pictorial appearance of this Agreement shall have the same effect as physical delivery of the paper document bearing original signature.

6.5. Entire Agreement. This Agreement, which consists of this Agreement, which consists of 8 pages and the Exhibit A – The Cooperation Agreement as amended, which consists of 13 pages, expresses the complete understanding of the Parties with respect to the subject matter and supersedes all prior proposals, agreements, representations, and understandings.

6.6. Termination. The Parties may not terminate this agreement. The Parties have agreed in the Cooperation Agreement that neither party shall withdraw during the three-year period between Federal Fiscal Year 2025 and 2027.

IN WITNESS WHEREOF, The COUNTY and the CITY have caused this Agreement to be executed in triplicate by their respective authorized representatives.

JOHNSON COUNTY BOARD OF COUNTY COMMISSIONERS

THE CITY OF OLATHE

Mike Kelly, Chairman

John Bacon, Mayor
Title:

Date: _____

Date: _____

ATTEST:

ATTEST:

Lynda Sader, Deputy County Clerk

[City Clerk]

APPROVED AS TO FORM

APPROVED AS TO FORM

Assistant County Counselor

[City Attorney]