



Collier County  
Public Services Department  
Community & Human Services Division

March 15, 2024

Michael McNees, City Manager  
Marco Island City Council  
50 Bald Eagle Drive  
Marco Island, FL 34145

HUD Urban County Re-Qualification Process for Fiscal Years (FY) 2025-2027

Dear City Manager McNees:

This letter is to notify units of local government within Collier County that the County is planning to re-qualify for "Urban County" status with the U.S. Department of Housing and Urban Development (HUD).

The County's plan to re-qualify as an "Urban County" will allow Collier County to continue to directly receive Community Development Block Grant (CDBG), HOME Investment Partnerships Program (HOME) funds, and Emergency Solutions Grants (ESG) funding from HUD.

Collier County is currently precluded from expending federal CDBG or HOME funds within the city limits of Marco Island unless the City joins the County in the Urban County Qualification process.

Previously, Marco Island has participated in this process but in recent years has chosen to no longer receive Community Development Block Grant (CDBG) funds for activities that would benefit low and moderate-income individuals or neighborhoods on Marco. Every three (3) years, HUD requires counties to re-qualify for their Urban County status and invite the incorporated cities to participate or withdraw from this qualification process to receive HUD funding.

As part of HUD's required notification process, Collier County must inform in a timely manner, all other units of general local government, of the following mutually exclusive options:

1. If Marco Island chooses to **participate** as part of the County's request for "Urban County" status:
  - a. CDBG entitlement funding will continue to pass through and be administered by Collier County.
  - b. Marco Island could be a participant in the HOME program if the "Urban County" receives HOME funding. This does not preclude a unit of government from applying for State HOME funds.
  - c. It must notify Collier County **and** HUD of its election to participate in an Agreement for the next three (3) fiscal years (2025-2027) by **April 15, 2024**.



2. If Marco Island elects to ***not participate in the “Urban County”*** during the qualification period it must notify both Collier County **and** HUD in writing that it is declining to participate in an agreement by **April 15, 2024**. This election will be effective for the entire three (3) fiscal year period for which the “Urban County” qualifies (FY 2025-2027) unless the City specifically elects to be included in a subsequent year for the remainder of Collier County’s three (3) fiscal year qualification period. This also precludes Collier County from spending CDBG and HOME funds within Marco Island’s city limits.
3. As a reminder, there are no guaranteed CDBG funding amounts reserved for Marco Island for FY 2025-2027. Collier County will provide HUD funds on a community needs basis.
4. Marco Island **must** notify Collier County **and** HUD, in writing, of its intent, either to participate in Urban County funding during FY 2025-2027 **OR** decide to be excluded for the same period. Notifications to Collier County and HUD should be addressed to the following persons no later than **April 15, 2024**:

Collier County  
Kristi Sonntag, Director  
Community & Human Services  
3339 Tamiami Trail East  
Suite 211  
Naples, FL 34112

US Department of HUD  
David A. Noguera  
CPD Director  
U.S. Department of HUD  
909 SE 1st Avenue, Room 500  
Miami, FL 33131-3028  
(305) 520-5010

5. If Marco Island elects to ***participate in the “Urban County” re-qualification process***, and notifies Collier County **and** HUD of this fact, a new Urban County Cooperation Agreement between Marco Island and Collier County **must be executed by Marco City Council by May 15, 2024**. A sample Urban County Cooperation Agreement is attached for reference. The Agreement will then be sent to Collier County for approval at the July 9, 2024, Board meeting. The executed agreement will be submitted with the County’s qualifying documentation to HUD by **July 26, 2024**, as part of the application.

If you have any questions, please contact me at [Kristi.Sonntag@colliercountyfl.gov](mailto:Kristi.Sonntag@colliercountyfl.gov) or at (239) 252-2486.

Sincerely,



Kristi Sonntag, Director  
Community and Human Services

Attachment: Sample Urban County Cooperation Agreement

Cc: Joan Taylor, City Clerk

**URBAN COUNTY COOPERATION AGREEMENT  
BETWEEN COLLIER COUNTY AND  
CITY OF MARCO ISLAND**

THIS URBAN COUNTY COOPERATION AGREEMENT, BY AND BETWEEN Collier County, a political subdivision of the State of Florida through its Board of County Commissioners of Collier County, Florida (hereinafter referred to as the “County”); and the City of Marco Island, Florida (hereinafter referred to as the “City”).

W I T N E S S E T H

WHEREAS, the Housing and Community Development Act of 1974, as amended, makes provision whereby counties may enter into cooperation agreements with certain units of government to carry out activities which will be funded from annual Federal Housing and Urban Development (HUD) Community Development Block Grant program funds; and

WHEREAS, the cooperation of the City and County is essential for the successful planning and implementation of the Community Development Block Grant (CDBG) program under an “Urban County” designation by the U.S. Department of Housing and Urban Development; and

WHEREAS, the City has opted to be included in the Urban County Program for Federal Fiscal Years 2025-2027; and

NOW THEREFORE, IN CONSIDERATION OF THE MUTUAL COVENANTS AND PROMISES SET FORTH HEREIN, THE BOARD OF COUNTY COMMISSIONERS OF COLLIER COUNTY, FLORIDA AND THE CITY OF MARCO ISLAND, FLORIDA, AGREE AS FOLLOWS:

1. This Agreement covers the County’s and the City’s participation during Fiscal Years 2025 through 2027 in the HUD Community Development Block Grant Entitlement program.

2. This Agreement will be automatically renewed for participation in successive three-year qualification periods, unless either the County or the City provides written notice 90 days prior to the start of the Federal Fiscal Year that it elects not to participate in a new qualification period. By the date specified in HUD's Urban County qualification notice for the next qualification period, Collier County will notify the City of Marco Island of its right to be automatically renewed or withdraw from the Urban County designation.
3. Failure by either party to adopt an amendment to this Agreement incorporating all changes necessary to meet the requirements for cooperation agreements set forth in the Urban County Qualification Notice applicable for the subsequent three-year urban county qualification period, and to submit the amendment to HUD as provided in the Urban County Qualification Notice, will void the automatic renewal of such qualification period.
4. Neither party may terminate or withdraw from the agreement while it remains in effect. This agreement will remain in effect until all of the CDBG funds and income received with respect to this three-year urban county qualification period (and any successive qualification periods) are expended and the correspondingly funded activities have been completed.
5. The County and the City agree to cooperate to undertake, or assist in undertaking community renewal and lower-income housing assistance activities, including but not limited to, (a) acquisition of property for disposition for private reuse, especially for low or moderate-income housing, (b) direct rehabilitation of or financial assistance to housing, (c) low rent housing activities, (d) disposition of land to private developers for appropriate redevelopment, and (e) condemnation of property for low-income housing.
6. The County and the City are obligated to take all actions necessary to assure compliance with the County's certification required by 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, the Fair Housing Act, Section 109 of Title I of the Housing and Community Development Act of 1974, and other applicable laws.

7. This Agreement prohibits the City's use and the County's use of Urban County funding for activities, in or in support of the City or County that do not affirmatively further fair housing within its jurisdiction or that impede the County's actions to comply with its fair housing certification.
8. The County and City have adopted and are enforcing:
  - a. A policy prohibiting the use of excessive force by law enforcement agencies within its jurisdiction against any individual engaged in non-violent civil rights demonstrations; and
  - b. 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 its jurisdiction.
9. Pursuant to 24 CFR 570.501(b), the City is subject to the same requirements applicable to subrecipients, including the requirements for a written agreement set forth in 24 CFR 570.503.
10. The County has final responsibility for the administration of CDBG activities and annually filing the Action Plans with HUD. The City has responsibility for day to day implementation of its programs.
11. The County and City agree to work cooperatively on providing technical assistance in the planning, administration, and implementation of CDBG Entitlement activities.
12. By executing this cooperation agreement, the City expressly understands and agree that:

- a. It may not apply for grants under the Small Cities or State CDBG programs from appropriations for fiscal years during the period in which it is participating in the Urban County's CDBG program; and
  - b. It may use the funds received pursuant to this agreement only for HUD-eligible uses.
13. City of Marco Island will receive its CDBG funding based on the HUD allocation formula for HUD-eligible projects in Marco Island. If HUD determines that the proposed uses of the funds are not eligible under HUD guidelines and require reimbursement, then the City of Marco Island will immediately reimburse the County the amounts determined not to have been properly expended.
14. Disputes between Collier County and the City of Marco Island will be resolved through the procedures contained in Chapter 164, Florida Statutes.
15. 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.

*[SIGNATURE PAGE TO FOLLOW]*



**LEGAL CERTIFICATION**  
**BY**  
**COLLIER COUNTY'S COUNSEL**

As the legal counsel for Collier County, I hereby state that the terms and provisions of this Agreement are fully authorized under State and local law, and that the Agreement provides full legal authority for the County to undertake or assist in undertaking essential community development and housing assistance activities, including but not limited to, (a) acquisition of property for disposition for private reuse, especially for low and moderate-income housing, (b) direct rehabilitation of or financial assistance to housing, (c) low rent housing activities, (d) disposition of land to private developers for appropriate redevelopment, and (e) condemnation of property for low-income housing.

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Derek D. Perry, Assistant County Attorney  
Collier County

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Date

**LEGAL CERTIFICATION  
BY  
CITY OF MARCO ISLAND COUNSEL**

As the legal counsel for the City of Naples, I hereby state that the terms and provisions of this Agreement are fully authorized under State and local law, and that the Agreement provides full legal authority for the County to undertake or assist in undertaking essential community development and housing assistance activities, including but not limited to, (a) acquisition of property for disposition for private reuse, especially for low and moderate-income housing, (b) direct rehabilitation of or financial assistance to housing, (c) low rent housing activities, (d) disposition of land to private developers for appropriate redevelopment, and (e) condemnation of property for low income housing.

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City Attorney  
City of Marco Island, Florida

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Date