

BUD, FIN &  
ECON DEV



AGENDA ITEM #2(A)  
September 29, 2009

OFFICE OF THE COUNTY EXECUTIVE  
ROCKVILLE, MARYLAND 20850

**INTRODUCTION**

Isiah Leggett  
County Executive

MEMORANDUM

September 15, 2009



09 SEP 15 PM 2:03

RECEIVED  
MONTGOMERY COUNTY  
COUNCIL

TO: Phil Andrews, President, County Council

FROM: Isiah Leggett, County Executive 

SUBJECT: Supplemental Appropriation #10-284 to the FY10 Operating Budget  
Montgomery County Government  
Department of Housing and Community Affairs  
Grant Fund

I am recommending a supplemental appropriation to the FY10 Operating Budget of the Department of Housing and Community Affairs in the amount of \$400,000 for the Grant Fund. The award is provided through the State's Homeownership Foreclosure Recovery Fund Project. This appropriation will fund the acquisition and rehabilitation of vacant foreclosed bank owned properties for homeownership.

I recommend that the County Council approve this supplemental appropriation in the amount of \$400,000 and specify the source of funds as State funds. This supplemental does not require General Fund reserves.

I appreciate your prompt consideration of this action.

IL:rr/jrb

Attachment: Supplemental Appropriation #10-284

- c: Kathleen Boucher, Assistant Chief Administrative Officer
- Thomas Street, Assistant Chief Administrative Officer
- Joseph F. Beach, Director, Office of Management and Budget
- Richard Y. Nelson, Jr., Director, Department of Housing and Community Affairs
- Roylene Roberts, Department of Housing and Community Affairs
- Jennifer Bryant, Office of Management and Budget

Resolution No: \_\_\_\_\_

Introduced: \_\_\_\_\_

Adopted: \_\_\_\_\_

COUNTY COUNCIL  
FOR MONTGOMERY COUNTY, MARYLAND

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By: Council President at the Request of the County Executive

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SUBJECT: Supplemental Appropriation #10-284 to the FY10 Operating Budget  
Supplemental Appropriation  
Montgomery County Government  
Department of Housing and Community Affairs  
Grant Fund \$400,000

Background

1. Section 307 of the Montgomery County Charter provides that any supplemental appropriation shall be recommended by the County Executive who shall specify the source of funds to finance it. The Council shall hold a public hearing on each proposed supplemental appropriation after at least one week's notice. A supplemental appropriation that would comply with, avail the County of, or put into effect a grant or a Federal, State or County law or regulation, or one that is approved after January 1 of any fiscal year, requires an affirmative vote of five Councilmembers. A supplemental appropriation for any other purpose that is approved before January 1 of any fiscal year requires an affirmative vote of six Councilmembers. The Council may, in a single action, approve more than one supplemental appropriation. The Executive may disapprove or reduce a supplemental appropriation, and the Council may reapprove the appropriation, as if it were an item in the annual budget.
2. The County Executive has requested the following FY10 Operating Budget appropriation increases for the Department of the Housing and Community Development:

<u>Personnel Services</u>	<u>Operating Expenses</u>	<u>Capital Outlay</u>	<u>Total</u>	<u>Source of Funds</u>
-0-	\$400,000	-0-	\$400,000	State

3. This increase is needed because funding has been made available to the County by the State of Maryland for acquisition and rehabilitation of vacant foreclosed bank-owned properties for homeownership.

4. The County Executive recommends a supplemental appropriation to the FY10 Operating Budget in the amount of \$400,000 for the Grant Fund and specifies that the source of funds will be the state.
5. Notice of public hearing was given, and a public hearing was held.

Action

The County Council for Montgomery County, Maryland, approves the following action:

A supplemental appropriation to the FY10 Operating Budget of the Department of Housing and Community Affairs is approved as follows:

<u>Personnel Services</u>	<u>Operating Expenses</u>	<u>Capital Outlay</u>	<u>Total</u>	<u>Source of Funds</u>
-0-	\$400,000	-0-	\$400,000	State

This is a correct copy of Council action.

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Linda M. Lauer  
Clerk of the Council

**OPERATING BUDGET**

**SUPPLEMENTAL OR SPECIAL APPROPRIATION REQUEST SUMMARY**

1. Please fill in the following table:

Agency	
Department	Department of Housing and Community Affairs
Fund (County Government only)	State funds
Fiscal year	10
Supplemental or Special	Supplemental
Operating or Capital budget	Operating

2. What is the amount and source of funding?

Source of funding (Please list sources)	Amount
State	\$400,000
Total request	\$400,000

3. Is the request one-time or continuing? If continuing and funded by a grant, what will you do when the grant ends?

One time

4. Please provide a brief description, justification, expected outcomes, and how the outcomes will be measured.

Funding has been made available through the state. This appropriation will fund the acquisition and rehabilitation of vacant foreclosed bank owned properties for homeownership.

Outcomes will be measured by the number of persons/households assisted.

5. Please explain why you did not request this during the annual budget process.

Funding has just been made available through state.

6. For your agency, what is the current fiscal year budget for the relevant fund and what is the latest estimate? (do not fill out if the appropriation is funded entirely by a non-County grant)

Budget for current fiscal year for the relevant fund	
+ Supplemental/special appropriations already approved	
= Revised budget for current fiscal year	
Latest estimate of spending for current year	

7. County Government only: For your department or fund, whichever is applicable, what is the current fiscal year budget and what is the latest estimate? (do not fill out if the appropriation is funded entirely by a non-County grant)

Budget for current fiscal year for the department:	
+ Supplemental/special appropriations already approved	
= Revised budget for current fiscal year	
Latest estimate of spending for current year	



REC'D JUL 29 2009

MARTIN O'MALLEY  
Governor  
ANTHONY G. BROWN  
Lt. Governor  
RAYMOND A. SKINNER  
Secretary  
CLARENCE J. SNUGGS  
Deputy Secretary

July 23, 2009

Ms. Royleene Roberts  
Montgomery County  
100 Maryland Avenue, 4<sup>th</sup> Floor  
Rockville, MD 20850

Re: CL Project #721

Dear Ms. Roberts:

Enclosed is the executed Agreement between the Maryland Department of Housing and Community Development (DHCD) and Montgomery County. The Agreement expires on April 30, 2011. Please review and utilize the resources provided to you at the "Keys for Successful Grant Management" training on March 18<sup>th</sup>.

The Quarterly Report form and the Request for Payment forms are provided as exhibits to your agreement. Please request electronic forms from your Project Manager. Quarterly Reports are a mechanism for you to inform the Community Legacy Program of the accomplishments and challenges of your project. Challenges implementing your project are expected and are opportunities to seek assistance from your Project Manager. Quarterly Reports outlining the status of the project are due on the 1st day of January, April, July and October. Your first Quarterly Report is due July 1, 2009. Failure to timely submit Quarterly Reports can affect future funding.

With receipt of the fully executed Agreement, you now may submit Request for Payments for consideration of disbursement of funds. If you have questions regarding required documentation for disbursement, reporting requirements, project implementation or other Program issues, please contact Jenny Hope, Project Manager at [hope@mdhousing.org](mailto:hope@mdhousing.org) or 410.209.5825.

Sincerely,

Valerie Jennings Carpenter, Assistant Director  
Community Legacy Program  
Office of Community Programs

Enclosure



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TABLE OF CONTENTS

AWARDEE: Montgomery County

- Community Legacy Program Agreement
- Exhibit A – Community Legacy Area Name and Description – Attach map.
- Exhibit B - Project Description, Project Operation, Project Time Line and Project Impact Data Sheet.
- Exhibit C – Project Budget
- Exhibit D – Disbursement Request Form
- Exhibit E – Quarterly and Final Reporting Form

DEPARTMENT OF HOUSING AND COMMUNITY-DEVELOPMENT

COMMUNITY LEGACY AGREEMENT

Project/Capital Grant

THIS COMMUNITY LEGACY AGREEMENT (this "Agreement") is entered into as of this \_\_\_\_ day of \_\_\_\_\_, 2009, by and between the DEPARTMENT OF HOUSING AND COMMUNITY-DEVELOPMENT, a principal department of the State of Maryland (the "Department"), and ~~Montgomery County~~ (the "Grantee").

RECITALS

A. This Agreement is issued pursuant to Annotated Code of Maryland Housing and Community Development Article, §§ 6-201 through 6-213, as amended, (the "Act") and the regulations promulgated thereunder set forth in COMAR 05.17.01 (the "Regulations"). The Act establishes the Community Legacy Program (the "Program").

B. The purposes of the Program are to:

1. Preserve existing communities as desirable places to live and conduct business, thereby reducing outward pressure for sprawl development; and
2. Provide financial assistance to sponsors or their designees for the development of community legacy plans or community legacy projects.

C. In reliance upon the representations and certifications contained in Grantee's Fiscal Year 2009 application (the "Application") or in a previous year's application, the Community Legacy Board (as defined in Sections 6-201 and 6-203 of the Act) has approved:

1. The designation of the area identified by Grantee as a Community Legacy Area;
2. The plan for revitalization of the Community Legacy Area as a Community Legacy Plan; and
3. An award of funds to Grantee, to be expended by Grantee in conformity with the requirements and provisions of the Act and this Agreement.

AGREEMENT

IN CONSIDERATION of the Recitals, the mutual promises and covenants contained in this Agreement, and other good and valuable consideration, the receipt, adequacy, and sufficiency of which are hereby acknowledged, the Department and Grantee agree as follows:

i. Community Legacy Designations.

(a) Community Legacy Area. The geographic area described in Exhibit A has been designated by the Community Legacy Board as a Community Legacy Area (the "Area").

(b) Community Legacy Plan. The plan included in the Application, or in a previous year's application (the "Plan") has been approved by the Community Legacy Board as a Community Legacy Plan.

2. Grant.

(a) In consideration of the various obligations to be undertaken by Grantee pursuant to this Agreement, the Department agrees to provide Grantee with funds in an amount not to exceed **Four Hundred Thousand Dollars (\$400,000.00)** (the "Grant") solely for the purposes of funding the Community Legacy Project or Projects described on Exhibit B - CL # 72101 (collectively, the "Project").

(b) Grantee agrees to use the Grant only for the activities described in Exhibit B - CL # 72101 of this Agreement and only in the Area. Grantee agrees that it will use the Grant and operate the Project in accordance with the provisions of the Act and this Agreement. The Project and its scope of work may be modified only by written amendment to this Agreement executed by the Department and Grantee.

(c) The Project as described on Exhibit B - CL # 72101 shall not include or support the following types of activities, pawn shops, gun shops, tanning salons, massage parlors, adult video/book shop, adult entertainment facilities, check cashing facilities, gambling facilities, tattoo parlors or liquor stores.

(d) The Application may have included projects other than the Project. The approval of the Application and the Project and the execution of this Grant Agreement are not to be construed as approval of any other projects or plans described in the Application.

3. Expenditure of Grant Funds.

(a) Except as provided in paragraph (b) below, all expenses to be paid with the Grant shall be paid on or before the Completion Date (as defined in Section 4(b) of this Agreement). Grantee shall expend funds received in accordance with the budget set forth in Exhibit C - CL # 72101 (the "Project Budget") and the schedule set forth in Exhibit B - CL # 72101 (the "Project Schedule"). Grantee may not expend more than the amount allocated for any category in the Project Budget without the prior written consent of the Department. However, Grantee is permitted to make minor transfers between approved activities in the Project Budget without the prior written consent of the Department provided that such transfers do not exceed ten percent (10%) of the Grant and do not change the amount allocated for any category of the Project Budget by more than thirty three percent (33%).

(b) All costs incurred by Grantee before the date of this Agreement and before approval by the Department of the release of Grant funds are incurred voluntarily, at Grantee's risk and upon its own credit and expense, and Grantee's authority to be reimbursed from the Grant funds shall be governed by the provisions of this Agreement.

(c) If, upon completion of the Project, there are cost savings and/or undisbursed funds, such amounts shall revert to the Department.

(d) Grantee shall expend at least fifty percent (50%) of the Grant funds for the Project by the first (1st) anniversary of the date of this Agreement;

4. Commencement and Completion of the Project: Inspection During Construction or Rehabilitation: Changes.

(a) Grantee shall commence the Project on the date provided in the Project Schedule (the "Commencement Date").

(b) Grantee shall complete the Project on the date provided in the Project Schedule (the "Completion Date").

(c) If the Project involves capital construction or improvements, the Department, its agents and employees, shall be allowed to inspect the Project during construction or rehabilitation.

(d) The Department, in its sole discretion, may terminate this Agreement if the Project has not commenced by the Commencement Date, has not been completed by the Completion Date, or, notwithstanding Section 27 of this Agreement, the Project is not being completed in a manner satisfactory to the Department.

(e) In the following instances, it shall be necessary for the Department to approve changes to the Project Schedule, Project Budget, or this Agreement:

(1) Grantee is proposing the addition or deletion of a Project activity or the alteration of existing approved Project activities;

(2) Grantee is proposing that the Project activities be directed to a geographic area other than the Area;

(3) Grantee is proposing an extension of the Completion Date set forth in Section 4(b) of this Agreement; or

(4) Grantee is proposing a material change to the Project Budget.

(f) Grantee shall ensure that all necessary approvals for the commencement of Project activities have been obtained, including any applicable permits and licenses.

(g) On or before the Completion Date, Grantee shall obtain any certifications, licenses, permits, and approvals necessary to operate the Project, and shall otherwise satisfy all requirements necessary to operate the Project.

5. Conditions Precedent to Disbursement of the Grant. The Department shall not disburse all or any portion of the Grant until:

(a) The Department or its counsel receives any and all required documents in a satisfactory state;

(b) The Maryland Historical Trust reviews the project for its affect on historic property, and,

if required, approves the architectural plans and other project specifications; and

(c) The Maryland Codes administration approves all the project plans and specifications.

6. Other Funds.

(a) In addition to the Grant, Grantee (i) is in the process of obtaining written commitments to receive other funds for the Project; (ii) has written commitments to receive other funds for the Project; and/or (iii) already has received other funds for the Project (collectively, the "Other Funds"), from the sources and in the amounts described in the Project Budget.

(b) Grantee, upon request, shall provide the Department with information and documentation in forms acceptable to the Department about the Other Funds. Such information and documentation shall include, but not be limited to, information concerning Grantee's receipt and expenditure of the Other Funds. In the event the Department determines, in its sole discretion, that all or any portion of the Other Funds are not available, or are not going to be disbursed to Grantee for any reason, or that Other Funds received by Grantee have not been properly expended, the Department may, in its sole discretion, declare Grantee in default of this Agreement and exercise its remedies pursuant to this Agreement.

7. Disbursement of the Grant.

(a) After the date of this Agreement, the Department will disburse Grant funds to Grantee as the Project progresses based upon requests for disbursement submitted by Grantee in accordance with the form attached hereto as Exhibit D. All requests for disbursement shall identify all costs incurred for which disbursement is being sought, and shall have attached copies of the appropriate invoices.

(b) Requests should be made allowing approximately thirty (30) days to receive the Grant funds. The request for funds shall not exceed the eligible costs incurred and approved by the Department. The Department, in its sole discretion, may disburse funds for eligible costs anticipated to be incurred or costs incurred prior to the date of this Agreement.

(c) The Department has the right to withhold disbursement of Grant funds if at any time the Department has, in its sole discretion, determined that Grantee is not performing or completing the Project in a manner satisfactory to the Department. The Department shall have the right at any time to request that Grantee provide additional supporting documentation with any request for payment.

8. Records, Reports, and Inspections.

(a) Grantee shall maintain accurate financial and management records, in a form acceptable to the Department, of all transactions relating to the receipt and expenditure of the Grant funds and administration of the Project. Grantee shall make these records, administrative offices and personnel, whether full-time, part-time, consultants or volunteers, available to the Department upon request. Grantee shall retain said records for three (3) years after the Completion Date. During the term of this Agreement, the Department will monitor the Project to ensure that it is being undertaken in accordance with the terms of this Agreement.

(b) Grantee shall maintain books, accounts, and records of contractors for three (3) years past the date of termination of the contractual relationship between the contractor and Grantee.

(c) ~~Grantee shall provide the Department with~~ interim progress reports ("Quarterly Reports") in the form attached hereto as Exhibit E each January 1, April 1, July 1, and October 1, accounting from the date of this Agreement. The Quarterly Reports shall contain such information as the Department requests, including, but not limited to, work accomplished and problems encountered, past and projected expenditures made against the Project Budget, and benchmarks reached. Grantee shall ensure that each Quarterly Report is received by the Department within ten (10) working days after the due date. The Grantee shall submit Quarterly Reports until ~~the Department has determined~~ that the Project has been completed.

(d) Within forty-five (45) days after Grantee completes the Project, ~~Grantee shall submit to the Department a final report that describes the completed Project, the success of the Project, any problems encountered in completing the Project, and such other information as the Department requires in the form attached hereto as Exhibit E (the "Final Report").~~ The Final Report shall also contain ~~an expense and revenue summary of the Project, certified by the highest fiscal officer of Grantee, that lists all expenditures relating to the Grant.~~ In addition, any completed studies, surveys, reports, or other work products, if applicable, shall be attached to the Final Report.

(e) In addition to the requirements set forth above in this Section 8, Grantee shall provide the Department with such additional records, reports, and other documentation as may be required by the Department.

9. Default and Remedies.

(a) A default shall consist of the breach by Grantee of any covenants, agreements, or certifications in this Agreement, including the expenditure of Grant funds for any use other than for the purposes provided in the Project Budget or in any unauthorized manner.

(b) Upon the occurrence of any default, the Department shall have the right to terminate this Agreement by written notice to Grantee. Grantee shall have thirty (30) days from the date of the Department's notice to cure the default. After the conclusion of this thirty (30) day period, if Grantee has not cured or commenced curing the default to the satisfaction of the Department, the Department may, in its sole discretion, immediately terminate this Agreement. In the event of termination by the Department:

(1) Grantee's authority to request a disbursement shall cease and Grantee shall have no right, title, or interest in or to any of the undisbursed Grant funds;

(2) The Department may demand repayment from Grantee of any amounts the Department, in its sole discretion, determines were not expended in accordance with this Agreement; and

(3) The Department, in its sole discretion, may demand repayment of all Grant funds distributed to Grantee, plus all costs and reasonable attorneys' fees incurred by the Department in recovery proceedings.

(c) In addition to the rights and remedies contained in this Agreement, the Department at any time may proceed to protect and enforce all rights available to the Department by suit in equity, action at law, or by any other appropriate proceedings, all of which rights and remedies shall survive the termination of this Agreement.

(d) Upon the occurrence of a default under this Agreement, the Department's right to recovery as well as to the other remedies under this Section 9 shall be immediate.

10. Grantee's Certifications. Grantee certifies that:

(a) Grantee is either a non-profit corporation validly organized and in good standing under the laws of Maryland and qualified to do business in the State of Maryland; one of the twenty-three (23) Counties of the State of Maryland, Baltimore City; a municipal corporation of the State subject to the provisions of State Constitution, Article XI-E; or a duly authorized agency or instrumentality;

(b) Grantee has all requisite power and authority to enter into and carry out the transactions contemplated by this Agreement;

(c) This Agreement has been duly authorized, executed, and delivered by Grantee in such manner and form as to comply with all applicable laws to make this Agreement the valid and legally binding act and agreement of Grantee;

(d) No officer, director, or member of Grantee will personally benefit from the Grant or the Project;

(e) The representations, statements, and other matters contained in the Application are and remain true and complete in all material respects;

(f) Grantee has obtained, or has reasonable assurances acceptable to the Department, that it will obtain, any federal, State, and local government approvals, permits and reviews that may be required to accomplish the Project activities (and before disbursement of any of the Grant funds, Grantee shall have secured all requisite permits for the Project); and

(g) Grantee has not been, nor currently is, the subject of an investigation by any federal, state, or local governmental entity for alleged criminal or civil violations of laws or regulations enforced by these entities.

11. Liability. Grantee releases the Department from, agrees that the Department shall not have any liability for, and agrees to protect, indemnify, and save harmless the Department from and against any and all liabilities, suits, actions, claims, demands, losses, expenses, and costs of every kind and nature, including reasonable attorneys' fees, incurred by, or asserted or imposed against the Department, as a result of or in connection with the Project.

12. Indemnification. To the extent permitted by law, Grantee further agrees that all money expended by the Department as a result of such liabilities, suits, actions, claims, demands, losses, expenses, or costs, including reasonable attorneys' fees, set forth in Section 11 shall be immediately and without notice due and payable by Grantee to the Department, unless such claim is proven to result solely from the Department's willful misconduct or gross negligence. Grantee's obligation to indemnify the Department shall survive the term of this Agreement.

13. Conflicts of Interest. Except for approved eligible administrative and personnel costs shown in the Project Budget, none of Grantee's assignees, agents, members, officers, employees, consultants, or members

of its governing body or any local governmental authority exercising jurisdiction over the Project, and no other public official of such authority or authorities who exercises or has exercised any functions or responsibilities with respect to the Project during such person's tenure, or who is in a position to participate in a decision-making process or gain inside information with regard to the Project, has or shall have any interest, direct or indirect, in any contract or subcontract or the proceeds thereof, for work to be performed in connection with the Project or in any activity, or benefit therefrom, that is part of the Project at any time during or after such person's tenure.

14. Applicability to Contractors and Agents. Where performance of the Project is to be carried out by any contractor or agent of Grantee, Grantee shall make the provisions of this Agreement binding on such contractor or agent. This shall be accomplished by a written agreement or contract between Grantee and any contractor or agent. The term "Grantee" as used in this Agreement shall be interpreted to include any contractor or agent of Grantee. Grantee acknowledges and agrees that Grantee has the ultimate legal responsibility for ensuring compliance with the requirements of this Agreement.

15. Nondiscrimination and Drug and Alcohol Free Workplace: Fair Practices Certification.

(a) Grantee may not discriminate against and hereby certifies that it prohibits discrimination against and will not discriminate against any person on the basis of race, color, religion, national origin, sex, marital status, physical or mental handicap, sexual orientation, or age in any aspect of its projects, programs or activities.

(b) Grantee shall comply with applicable federal, State, and local laws regarding discrimination and equal opportunity in employment, housing, and credit practices, including:

- (1) Titles VI and VII of the Civil Rights Act of 1964;
- (2) Title VIII of the Civil Rights Act of 1968, as amended;
- (3) The Americans with Disabilities Act of 1990;
- (4) Article 49B of the Annotated Code of Maryland, as amended; and
- (5) The Department's Minority Business Enterprise Program, as amended.

(c) Grantee shall comply with the provisions of the Governor's Executive Order 01.01.1989.18 regarding a drug and alcohol-free workplace and any regulations promulgated thereunder.

16. Environmental Certification and Indemnification: Lead Paint. If the Project involves the ownership, lease, or operation of real property or improvements ("Property"):

(a) Grantee represents, warrants, and covenants that there are no hazardous materials located on the Property, that it will not cause or allow any hazardous materials to be placed on the Property, that it will comply with all requirements imposed by any governmental authority with respect to any hazardous materials that may be placed on the Property, that it will comply with all requirements imposed by any governmental authority with respect to hazardous materials, and that the Property is in compliance with all applicable federal and State environmental laws and regulations.

(b) Grantee shall indemnify and hold the Department, its employees and agents harmless

from all loss, liability, damage, costs, and expenses of any kind whatsoever, including as a result of any lawsuit brought or threatened, settlement reached, or governmental order, and including reasonable attorneys' fees, for failure of the Property to comply in all respects with all environmental requirements. Grantee's obligation to indemnify the Department shall survive the term of this Agreement.

(c) Grantee covenants that it shall comply with all federal, State, and local laws and requirements concerning the treatment and removal of lead paint from the Property.

17. Non-Sectarian Certifications.

(a) Grantee certifies that no part of the Grant funds, no part of the Project, and no part of the Property, shall be used for the furtherance of sectarian religious instruction, or in connection with the design, acquisition, or construction of any building used or to be used as a place of sectarian religious worship or instruction, or in connection with any program or department of divinity for any religious denomination, including (but not limited to) religious services, religious instruction, or other activities that have an explicitly religious content.

(b) Grantee certifies that it will provide services of the Project to clients on a nondiscriminatory basis, including (but not limited to) the provision of services without regard to the creed, religion, or religious affiliation of the clients.

18. Insurance.

(a) If the Project involves the ownership, lease, or operation of Property, except as limited by section 18(c) hereof, Grantee shall:

(1) Maintain fire and extended coverage insurance on the buildings and other improvements on the Property both during and after construction or rehabilitation at Grantee's expense;

(2) Determine whether the Property is located in the 100-year flood plain, as designated by the United States Department of Housing and Urban Development. If the Property is located in the 100-year flood plain, Grantee shall maintain a flood plain insurance policy; and

(3) Require the general contractor to provide insurance coverage for comprehensive public liability, property damage liability/builder's risk, and workers' compensation in the form and amounts required by the Department.

(b) Except as limited by section 18(c) hereof, insurance coverage shall:

(1) Be provided by a company that is reputable and authorized to transact business in the State;

(2) To the extent applicable, be in force before the disbursement of the Grant;

(3) To the extent required by the Department, name the Department as loss payee/mortgagee and additional insured;

(4) Provide for notification to the Department before termination; and

(5) Contain terms and coverage satisfactory to the Department.

(c) If Grantee is one of the twenty-three (23) counties of the State of Maryland, Baltimore City or a municipal corporation of the State subject to the provisions of State Constitution, Article XI-E or a duly authorized agency or instrumentality thereof, the insurance requirements of subsections 19(a) and (b) may be satisfied through evidence of a self-insurance program satisfactory to the Department.

19. Notices. All notices, requests, approvals, and consents of any kind made pursuant to this Agreement shall be in writing. Any such communication, unless otherwise specified, shall be deemed effective as of the date it is mailed, postage prepaid, addressed as follows:

(a) Communications to the Department shall be mailed to:

Department of Housing and Community Development  
Division of Neighborhood Revitalization  
100 Community Place  
Crownsville, Maryland 21032  
Attn: Community Legacy Program

with a copy to:

Office of the Attorney General  
Room 2.300  
100 Community Place  
Crownsville, Maryland 21032

(b) Communications to Grantee shall be mailed to:

Montgomery County  
100 Maryland Ave. 4th Floor  
Rockville MD 20850-  
Attn: Roylene Roberts

20. Amendment. This Agreement, or any part hereof, may be amended from time to time only by a written instrument executed by the Department and Grantee.

21. Assignment. This Agreement may not be assigned without the prior written approval of the Department.

22. Entire Agreement. This Agreement constitutes the entire agreement between the parties and supersedes all prior oral and written agreements between the parties hereto with respect to the Grant.

23. Governing Law. This Agreement shall be construed, interpreted, and enforced in accordance with the laws of the State of Maryland.

24. Term of Agreement.

(a) Unless sooner terminated or extended by the mutual consent of Grantee and the Department, or unless sooner terminated pursuant to the terms of this Agreement, this Agreement shall remain in effect until the earlier of (i) completion of the Project and receipt of a satisfactory Report pursuant to Section 8(d) or (ii) two (2) years following the date of this Agreement, or the Department's receipt a satisfactory Report pursuant to Section 8(d).

(b) Upon termination of this Agreement by the Department and demand of the Department, Grantee shall return to the Department all or any portion of the unexpended Grant funds in the possession of Grantee.

25. Further Assurances and Corrective Instruments. Grantee agrees that it will, from time to time, execute and deliver, or cause to be delivered, such amendments hereto and such further instruments as may be required by the Department to comply with any existing or future State regulations, directives, policies, procedures, and other requirements, or to further the general purposes of this Agreement.

26. Delay Does Not Constitute Waiver. No failure or delay of the Department to exercise any right, power or remedy consequent upon default shall constitute a waiver of any such term, condition, covenant, certification or agreement of any such default or preclude the Department from exercising any right, power or remedy at any later time or times.

27. Progress of the Project. If the Project is not being completed in a manner satisfactory to the Department, or Grantee has violated a provision of this Agreement, prior to the Department declaring a default, the Department may request Grantee to accept technical assistance the Department feels is necessary for the Project to proceed in a manner acceptable to the Department.

28. Department's Signs. If all or any part of the Project involves the construction or rehabilitation of Property and/or if all or any part of the Grant funds are used in the construction or rehabilitation of Property, Grantee agrees to display, during the construction/rehabilitation phase of the Project, one or more signs identifying the Project as a recipient of financial assistance under the Program. The Department will furnish the signs at the Department's expense. Grantee shall be responsible for the installation of the signs. In the event that a license, permit, or other permission is required from a local jurisdiction in order to display said signs, Grantee agrees to pay all requisite license or permit fees.

29. Waiver of Maryland's Access to Public Records Act.

The Department intends to make available to the public certain information regarding the Project and the Grantee. In addition, the Department is required to disclose information about the Project to the Maryland General Assembly and may desire to disclose such information to other State officials or their staff, local government officials or their staff, and other lenders and funding sources. Information that may be disclosed to any of the foregoing, including the public, may include the name of the Grantee; the name, location, and description of the Project; the date and amount of financial assistance awarded by the Department; the terms of the financial assistance; use of funds; information contained in the Application, and the sources, amounts, and terms of other funding used to complete the Project, including capital contributions from the Grantee. This information may be confidential under Maryland's Access to Public Records Act, State Government Article, Section 10-611 et seq. of the Annotated Code of Maryland. If Grantee does not want this information made available to the above-referenced parties, Grantee shall attach a written objection to this Agreement.

WITNESS the hands and seals of the Department and the Grantee, as of the date first set forth above.

WITNESS/ATTEST:

Montgomery County

Cindy Della

By: Isiah Leggett (SEAL)  
Name: Isiah Leggett  
Title: County Executive

DEPARTMENT OF HOUSING AND COMMUNITY  
DEVELOPMENT, a principal department of the  
State of Maryland

Clarence J. Snuggs

By: Clarence J. Snuggs (SEAL)  
Clarence J. Snuggs  
Deputy Secretary

Approved for form and  
legal sufficiency

Reynolds  
Assistant Attorney General

Exhibits:

- Exhibit A - Community Legacy Area Map
- Exhibit B - CL # 72101 - Community Legacy Project(s) Description, Operation, Time Line and Impact Data Sheet
- Exhibit C - CL # 72101 - Project Budget
- Exhibit D - Disbursement Request Form
- Exhibit E - Quarterly Reporting Form/Final Report Form

APPROVED AS TO FORM AND LEGALITY  
OFFICE OF COUNTY ATTORNEY

BY William L. Paul  
DATE 5-20-09



Maryland Department of Housing and Community Development

RECEIVED

0164-09  
JAN 21 2009

DEPARTMENT OF HOUSING & COMMUNITY AFFAIRS

DHCA 05

MARTIN O'MALLEY  
Governor  
ANTHONY G. BROWN  
Lt. Governor  
RAYMOND A. SKINNER  
Secretary  
CLARENCE J. SNUGGS  
Deputy Secretary

January 12, 2009

The Honorable Isiah Leggett  
County Executive  
Montgomery County  
101 Monroe Street, 2nd Floor  
Rockville, MD 20850

RECEIVED

JAN 20 2009

OFFICE OF THE COUNTY EXECUTIVE

Dear Mr. Leggett:

On behalf of Governor Martin O'Malley and Lt. Governor Anthony G. Brown, it is my pleasure to inform you that your application to the Department of Housing and Community Development's (the "DHCD") Community Legacy Program (the "Program") has been selected by the Community Legacy Board for an award of up to \$400,000, contingent upon receipt of all required materials as noted below. Specifically, the award shall be used for the following (the "Projects"):

- 72101 Homeownership Foreclosure Recovery Fund

Distribution of the award is conditioned on the Program's receipt and approval of the following documents, all of which must be received by the DHCD by March 1, 2009:

1. A completed Program application. A completed application shall include all required documentation, including but not limited to: a Project budget showing all funding sources; a timeline for Project completion; and a Project impact sheet, all on the forms provided by the Program.
2. A local resolution of support in the form provided by the Office of the Attorney General (the "OAG").
3. If applicable, all organization documents, including but not limited to: articles of incorporation; by-laws; corporate resolutions; an incumbency certificate; a current certificate of good standing; and a letter from the Internal Revenue Service reflecting non-profit status.
4. An executed grant agreement in the form provided by the OAG.
5. Any other documentation required by the Program or the OAG.

The Program is administered by the DHCD through the Division of Neighborhood Revitalization. The Program provides a flexible source of funding that leverages other sources of community-based



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The Honorable Isiah Leggett  
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investments and acts as a catalyst for community revitalization. The DHCD officials will be in contact with your office in the near future to discuss the specific terms and conditions of the award. Please note that the DHCD respectfully requests that you do not make your award public until after the Governor's Office has had an opportunity to make a global award-announcement and/or generate a press release to that effect.

Please indicate your acceptance of the award by counter-signing this letter where indicated below, and returning the original to the attention of Mr. Kevin Baynes, Program Director, Division of Neighborhood Revitalization, DHCD, 1201 West Pratt Street, Suite D, Baltimore, MD 21223. If you wish to discuss this award, please contact Mr. Baynes at 410-209-5823 to coordinate a meeting.

The O'Malley-Brown Administration is dedicated to revitalization efforts in communities throughout the State. Congratulations on your award, and thank you for your partnership in enriching Maryland's vital communities.

Sincerely,



Raymond A. Skinner  
Secretary

Accepted: Feb 10, 2009

Montgomery County

By: Isiah Leggett Feb 10, 2009

Name: Isiah Leggett

Title: County Executive