MAYOR AND COUNCIL

Meeting No. 14-26
Monday, May 18, 2026 - 6:30 PM

AGENDA

Agenda item times are estimates only. Items may be considered at times other than those indicated.

Ways to Participate

If you require a reasonable accommodation, for community forum or a public hearing and need reasonable accommodations, please contact the City Clerk's Office by the Wednesday before the Monday meeting at 240-314-8280 or cityclerk@rockvillemd.gov or by filling this form: https://www.rockvillemd.gov/services/request-a-reasonable-accommodation/

Translation Assistance

If you wish to participate in person at a Mayor and Council meeting during community forum or a public hearing and may need translation assistance in a language other than English, please contact the City Clerk's Office by the Wednesday before the Monday meeting at 240-314-8280, or cityclerk@rockvillemd.gov, or by using this form: https://www.rockvillemd.gov/services/participate-in-a-community-forum/

In-Person Attendance

Community members attending in-person who wish to speak during Community Forum, or a Public Hearing, should sign up using the form at the entrance to the Mayor and Council Chamber. In-person speakers will be called upon in the order they are signed to speak and before virtual speakers.

Note: In-Person Speakers will be called upon to speak before those who have signed up to speak virtually for Community Forum and Public Hearings.

Viewing Mayor and Council Meetings

The Mayor and Council are conducting hybrid meetings. The virtual meetings can be viewed on Rockville 11, Comcast, Verizon cable channel 11, livestreamed at www.rockvillemd.gov/rockville11, and available a day after each meeting at www.rockvillemd.gov/videoondemand.

Participating in Community Forum & Public Hearings:

If you wish to submit comments in writing for Community Forum or Public Hearings:

- Please email the comments to mayorandcouncil@rockvillemd.gov no later than 10:00 am on the date of the meeting.

If you wish to participate in-person or virtually in Community Forum or Public Hearings during the live Mayor and Council meeting:

1. Send your Name, Phone number, For Community Forum and Expected Method of Joining the

Meeting (computer or phone) to mayorandcouncil@rockvillemd.gov or https://www.rockvillemd.gov/services/participate-in-a-community-forum/ no later than 10:00 am on the day of the meeting. Each speaker will receive 3 minutes.
2. Send your Name, Phone number, the Public Hearing Topic and Expected Method of Joining the Meeting (computer or phone) to mayorandcouncil@rockvillemd.gov or https://www.rockvillemd.gov/services/participate-in-a-public-hearing/ no later than 10:00 am on the day of the meeting.
3. On the day of the meeting, you will receive a confirmation email with further details, and two Webex invitations: 1) Optional Webex Orientation Question and Answer Session and 2) Mayor & Council Meeting Invitation.
4. Plan to join the meeting no later than approximately 20 minutes before the actual meeting start time.
5. Read for https://www.rockvillemd.gov/DocumentCenter/View/38725/Public-Meetings-on-Webex meeting tips and instructions on joining a Webex meeting (either by computer or phone).
6. If joining by computer, Conduct a WebEx test: https://www.webex.com/test-meeting.html prior to signing up to join the meeting to ensure your equipment will work as expected.

Participating in Mayor and Council Drop-In (Mayor Ashton and Councilmember Shaw)

The next scheduled Drop-In Session will be held by phone or in-person on Monday, June 8 from 5:15-6:15 pm with Mayor Ashton and Councilmember Shaw. Please sign up by 10 am on the meeting day using the form at:
https://www.rockvillemd.gov/formcenter/city-clerk-11/sign-up-for-dropin-meetings-227

1. **Convene - 6:30 PM**

2. **Pledge of Allegiance**

3. **Proclamation and Recognition - NONE**

4. **Agenda Review - 6:35 PM**

5. **City Manager's Report - 6:40 PM**

6. **Boards and Commissions Appointments and Reappointments - NONE**

7. **Community Forum - 6:45 PM**

8. **Special Presentations - NONE**

9. **Consent Agenda - 7:05 PM**

   A. Approve the recommendation from the Recreation and Parks Advisory Board to approve the Proposal from the Maryland State Society of the Daughters of the American Revolution (MSSDAR) to plant a Liberty Tree scion at Glenview Mansion in recognition of America's 250th Semi quincentennial.

   B. FY26 Grant Agreement for Rockville Volunteer Fire Department Emergency Vehicle Contribution

C. Award and Authorize the City Manager to Execute Contracts Responsive to IFB #26-25 for Water Main Rehabilitation Program - Externally Funded Projects

D. Approval of FY26, Year 51 Community Development Block Grant (CDBG) Contract with Montgomery County and Authorization for the City Manager to Sign the Contract

E. Approval of Minutes

10. Public Hearing - NONE

11. Action Items - 7:10 PM

A. Adoption of an Ordinance to Amend Chapter 18 of the Rockville City Code, entitled "Rental Facilities and Landlord-Tenant Relations"

12. Worksession - 8:10 PM

A. JEDI Strategic Plan Update

B. Work Session #4 on Zoning Text Amendment Application TXT2026-00271, for the Zoning Ordinance Rewrite and Map Amendment Application MAP2026-00126, for the Comprehensive Map Amendment; Mayor and Council of Rockville, Applicants - Articles 9-13: Nonconformities, Signs, Historic Preservation, and Plats and Subdivision

13. Mock Agenda - 10:40 PM

A. Mock Agenda

14. Old / New Business - 10:45 PM

15. Adjournment - 11:00 PM

MAYOR AND COUNCIL Meeting Date: May 18, 2026
Agenda Item Type: CONSENT
Department: RECREATION & PARKS
Responsible Staff: JESSICA CORAZZA

Subject

Approve the recommendation from the Recreation and Parks Advisory Board to approve the Proposal from the Maryland State Society of the Daughters of the American Revolution (MSSDAR) to plant a Liberty Tree scion at Glenview Mansion in recognition of America's 250th Semi quincentennial.

Department

Recreation & Parks

Recommendation

Staff recommends that the Mayor and Council approve the recommendation from Recreation and Parks Advisory Board to approve the proposal from MSSDAR and approve the planting of the Liberty Tree scion and any associated dedication activities.

Discussion

The Maryland State Society of the Daughters of the American Revolution (MSSDAR) is planting 13 Liberty Tree seedlings across the state to represent the 13 original colonies, commemorating the 250th anniversary of the United States in 2026. Each seedling is genetically identical to the Annapolis Liberty Tree, a tulip poplar. Glenview Mansion has been identified as a proposed site for planting one of these historic scions.

On January 5, 2026, MSSDAR submitted their formal planting proposal to the City Clerk's Office/Director of Council Operations. Pursuant to the city's commemoration policy, the proposal was referred to the Recreation and Parks Advisory Board for review and recommendation to Mayor and Council.

Proposal Summary:

The planting would include:

- Installation of a liberty tree scion at Glenview Mansion
- Dedication ceremony in Fall of 2026
- Placement of a plaque recognizing the "Legacy of Liberty" and America 250

Attachments for Review:

- Recreation and Parks Advisory Board recommendation (Attachment 1)
- MSSDAR Proposal (Attachment 2)
- Proposed plaque design (Attachment 3)
- Sample Certificate of Authenticity (Attachment 4)

- Dedication ceremony invitation template (Attachment 5)
- Dedication program template (Page 1 and 2) (Attachment 6)

Purpose and Community Impact:
This project supports Montgomery County's recognition of America 250 and highlights Maryland's significant contributions to the Revolutionary War. Planting the Liberty Tree scion at Glenview Mansion would serve as a lasting, educational, and symbolic reminder of the nation's founding ideals.

Mayor and Council History

This is the first time this item has been presented before Mayor and Council.

Boards and Commissions Review

The proposal was presented to the Recreation and Park Advisory Board and discussed at their January 22, 2026, meeting. The Board voted unanimously to recommend approval of the tree planting at Glenview Mansion.

Next Steps

Once approved, staff will work with MSSDAR to coordinate the logistics of the planting and dedication ceremony.

Attachments

Attachment 1_RPAB Recommendation for consideration for Tulip Poplar Tree Planting Proposal, Attachment 2_MSSDAR Proposal to Plant Tree Liberty Tree, Attachment 3_Proposed Plaque Design, Attachment 4_Sample Certificate of Authenticity, Attachment 5_Dedication Ceremony Invitation Template, Attachment 6_Dedication Program Template (Page 1), Dedication Program Template (Page 2)

City of **Rockville**
Rise Together

M E M O R A N D U M

January 29, 2026

TO: Doris Stokes, Acting City Clerk

FROM: Karla Sheehi, Program Support Supervisor

VIA: Steve Mader, Acting Director of Recreation and Parks

SUBJECT: Recommendation for Consideration: Tulip Poplar Tree Planting at Glenview Mansion

On behalf of the Recreation & Parks Advisory Board, I am writing to provide a recommendation for consideration by the Mayor and Council regarding the proposal from the Daughters of the American Revolution (DAR) to plant a Tulip Tree at Glenview Mansion.

The Advisory Board reviewed and discussed this proposal during its meeting on January 22, 2026, and voted unanimously to recommend approval of the tree planting at Glenview Mansion.

Members in attendance were:

- Jack Thirolf (Board Chair)
- Tom Lynch
- Chip Boylan
- Natalie Vankos
- Elizabeth Fischer
- Dirk Whatley
- Ken Scales
- Tiffany Holland

Please let me know if you need any additional information or supporting documentation regarding this recommendation.

cc: Jessica Corazza

Daughters of the American Revolution
MARYLAND STATE SOCIETY

Proposal to Plant a Tulip Poplar Tree, a scion of the iconic Annapolis Liberty Tree, at the **Glenview Mansion, Rockville, MD**

Submitted by **Erasmus Perry Chapter, Hannah Archer Till Chapter, Pleasant Plains Chapter, Gov. Robert Bowie Chapter,** and the Maryland State Society, Daughters of the American Revolution (MSSDAR)

Date: **January 5, 2026**

Dear **Glenview Mansion**

We are delighted to present a proposal on behalf of the aforementioned chapters of the Maryland State Society Daughters of the American Revolution. As our nation nears its 250th anniversary in 2026, the National Society Daughters of the American Revolution (NSDAR) encourages state societies to honor this historic event with commemorative activities that pay tribute to the Patriots who fought for American independence and educate the public about our shared history.

To mark this significant anniversary, MSSDAR's Our Legacy of Liberty Project will plant 13 Tulip Poplar trees (Liriodendron tulipifera) at locations across the state between spring 2026 and spring 2027. Each tree, a scion of the historic Annapolis Liberty Tree, is to serve as a living memorial to Maryland's Revolutionary heritage and to encourage and educate future generations.

The Annapolis Liberty Tree stood only blocks away from where George Washington resigned his commission as commander in chief of the Continental Army at the Annapolis State House on December 23, 1783, and stood for over 400 years before it was lost to Hurricane Floyd in 1999. Seedlings have identical genetic DNA to the historic Annapolis tree; seedlings grown from its scions are rare and hold deep meaning, symbolizing both continuity and resilience. Planting a tree from this lineage at the Glenview Mansion would connect your organization to the broader legacy of the Liberty Tree and the American independence story.

We specifically request written permission to:

- Coordinate the planting of a Tulip Poplar tree on the grounds of the **Glenview Mansion** in consultation with your representatives, at a location that honors the site's historic landscape. An attachment is included with tree planting instructions regarding the location of the tree. The chapters are open to suggestions on the location of the actual planting if approved for the Civic Center property. If an arboretum at Redgate Park is under consideration, the chapters could further discuss, but that location would certainly attract visitors.
- A sample of the Liberty Tree plaque is attached along with a Certificate of Authenticity. The National Society of Daughters of America (NSDAR) prefers that the signage be all the same as other sites and has rules when DAR is mentioned on any signage.
- Host a dedication ceremony on a mutually agreed-upon date. DAR state officers and members of the four chapters coordinating this event would be present, but the public would be able to attend and learn the historical significance of the tree. Copies of a sample invitation and dedication program template are attached for review.

All associated costs will be absorbed by the Maryland State DAR Our Legacy of Liberty Project, and we will provide follow-up tree care until the seedling is established.

We respectfully request the **Glenview Mansion's** support and approval for this project, which both honors history and inspires future generations to reflect on the values of the Semiquincentennial.

Thank you for considering this proposal. For any questions, please contact Jean Langbein; jeanlangbein@gmail.com; 301-787-5605

Sincerely,
Jean Langbein, Regent, Erasmus Perry Chapter DAR
Kendra Greenwood, Regent, Hannah Archer Till Chapter DAR
Bonnie Blose, Regent, Pleasant Plains Chapter DAR
Cindy Wolverton, Regent, Gov Robert Bowie Chapter DAR



2

SIGN TEMPLATE

DAR

Daughters of the American Revolution

MARYLAND STATE SOCIETY



CERTIFICATE OF AUTHENTICITY

In recognition of the

State Officers
and
Honorary State Officers
of the
Maryland State Society Daughters of the American Revolution
and the
Maryland State Society Children of the American Revolution

who, in the interest of the environment and recognition of the value of trees to our world, and in celebration of America's 250th birthday, planted a certified seedling descended from America's last surviving Liberty Tree from the thirteen original colonies. This seedling is genetically identical to the Maryland Liberty Tree that once grew at St. John's College located in Annapolis, Maryland.

_____
Member of the Allegany County Forestry Board

_____
Date Planted

_____
Place Planted

Allegany County
Forestry Board

INVITATION TEMPLATE

DAR

Daughters of the American Revolution

MARYLAND STATE SOCIETY

Please join us
on
[Date]
at
[Time]
for a
Liberty Tree Planting
and Dedication Ceremony
to be held at
[Place]

Event Co-Sponsored by
[Chapter Names]

The honor of a reply is requested by
[Date]
to
[Contact name, phone, email or online registration portal]

AMERICA 250!

Daughters of the American Revolution

DEDICATION PROGRAM TEMPLATE

Maryland State Society
Daughters of the American Revolution

Welcome and Opening Remarks
Chapter Regent(s)

Invocation
Kristi Hammond, State Chaplain or
Chapter Chaplain

Presentation of Colors
If Color Guard is present

Pledge of Allegiance
Led by Chapter(s)

American's Creed
Led by Chapter(s)

Preamble to the Constitution
Led by Chapter(s)

Introduction of Guests
Chapter Regent(s)

Greetings from the MSSDAR State Regent
Liz Deering, MSSDAR State Regent

Greetings from Special Guests
Guest 1
Guest 2
Guest 3

DEDICATION PROGRAM TEMPLATE

Tree Dedication Ceremony
Led by Chapter(s)

Plaque Unveiling
Regents, State Regent

Closing Remarks
Led by Chapter(s)

Benediction
Chaplain

History of the Liberty Tree

The Liberty Tree, once standing in Boston, Massachusetts, was more than a physical landmark—it was a beacon of resistance and unity during the tumultuous years leading up to the American Revolution. Its story intertwines with the birth of American ideals, the power of grassroots activism, and the passion of citizens determined to secure their rights. The significance of the Liberty Tree soon spread beyond Boston. Other colonies planted their own "Liberty Trees," inspired by the original's powerful symbolism.

As one of the original gathering places for the men and women who contributed to our Independence, the tree at St. John's College in Annapolis witnessed spirited debates and the birth of a nation. Though the original Liberty Tree was lost to a storm in 1999, its legacy persists through scions from its seeds, and today we are dedicating one of those seedlings as part of the Our Legacy of Liberty Project in commemoration of the Semiquincentennial.

MAYOR AND COUNCIL Meeting Date: May 18, 2026
Agenda Item Type: CONSENT
Department: HOUSING AND COMMUNITY DEVELOPMENT
Responsible Staff: NIK SUSHKA

Subject

FY26 Grant Agreement for Rockville Volunteer Fire Department Emergency Vehicle Contribution

Department

Housing and Community Development

Recommendation

Staff recommend that Mayor and Council approve a grant agreement with the Rockville Volunteer Fire Department (RVFD), enabling the city to disburse the awarded $250,000.00 in FY26 grant funds to RVFD for an emergency vehicle purchase.

Discussion

As part of the FY26 Community Services and Enrichment Grant program, Mayor and Council approved a $250,000 contribution to RVFD toward the purchase of an emergency vehicle. Because of the amount awarded, in accordance with city code, the grant agreement [see attachment 1 RVFD Agreement Truck 2026 Final Draft] must also be approved by Mayor and Council for DHCD and Procurement to authorize the disbursement. RVFD has provided an EMS vehicle work order exceeding $250,000, which can be found in the agreement, exhibit A. Once RVFD receives the grant funds, they will complete the vehicle purchase, with delivery expected by July 2026. The agreement requires that RVFD submit documentation of the completion of the purchase and vehicle receipt by the end of September 2026.

Fiscal Impact

The Mayor and Council committed reserves of $250,000 in the FY26 budget ordinance. This was formally appropriated with the first budget amendment of FY26 and these funds are available to be disbursed to RVFD.

Next Steps

Once approved, DHCD will coordinate the execution of the grant agreement and disbursement of funds with Procurement. DHCD will also coordinate final documentation of the purchase from RVFD by the deadline, in accordance with the grant agreement.

Attachments

Attachment 1 RVFD Agreement Truck 2026 Final Draft - 20260427

CITY OF ROCKVILLE, MARYLAND
GRANT AGREEMENT

THIS GRANT AGREEMENT (this "**Agreement**") is entered into this __ day of _____ 2026 (the "**Effective Date**"), by and between **THE MAYOR AND COUNCIL OF ROCKVILLE, MARYLAND**, a Maryland municipal corporation and body politic (the "**Mayor and Council**" or "**City**") and **THE ROCKVILLE VOLUNTEER FIRE DEPARTMENT, INC.**, a Maryland non-stock corporation (the "**Grantee**"). The Mayor and Council and the Grantee are collectively the "**Parties**".

RECITALS

A. **WHEREAS,** Grantee's mission is to provide fire, rescue and EMS services to all residents and businesses in the City. Grantee also supports the City Police and provides services to City sponsored events and provides aid and other benefits that enhance the quality of life for City residents; and

B. **WHEREAS,** Mayor and Council desires to provide a specific grant to aid in the purchase of a new emergency vehicle ("**Vehicle**") by Grantee; and

C. **WHREAS**, the Grantee requested funds from the City for the purchase of the Vehicle and made certain representations as to Grantee's needs; and

D. **WHEREAS,** on May 5, 2025, Mayor and Council approved the City of Rockville Fiscal Year 2026 Operating Budget and Capital Improvement Program (the "**FY 2026 City Budget**"), and authorized the City Manager to, among other things, provide funds to Grantee specifically for the purchase of the Vehicle in the FY 2026 City Budget; and

E. **WHEREAS**, Grantee desires to assume all responsibility for the use and maintenance of the Vehicle.

NOW, THEREFORE, IN CONSIDERATION of the Recitals, which are incorporated herein by reference, the mutual promises and covenants in this Agreement, and other good and valuable consideration, the receipt, sufficiency, and adequacy of which are hereby acknowledged by each Party hereto, the Parties hereby agree as follows:

AGREEMENT

1. **Term of Agreement.** The term of this Agreement shall commence on the Effective Date, and shall expire on December 31, 2026, unless extended or sooner terminated in accordance with Section 11 of this Agreement. Any extensions beyond the term specified herein shall be at the sole discretion of the City.

2. **Grant Funds.**

   a. In consideration of the various obligations to be undertaken by the Grantee pursuant to this Agreement, Mayor and Council agrees to provide the Grantee with Two Hundred and Fifty Thousand 00/100 Dollars ($250,000.00) (the "**Grant Funds**"), to be used for the sole purpose of purchasing the Vehicle.

   b. In consideration for accepting the Grant Funds from Mayor and Council, the Grantee shall utilize the funds in a manner satisfactory to the City Manager and consistent with any standards required by all applicable federal, state and City of Rockville rules and regulations.

3. **Disbursement of Grant Funds.**

   a. Work Order. The Grantee has provided a bid proposal and executed contract for the purchase of the Vehicle showing a break-down of costs for the purchase of the Vehicle (the "**Work Order**"), attached hereto and incorporated herein as **Exhibit A**.

   b. Request for Disbursement. Grantee shall submit a request for the disbursement of Grant Funds to the City Manager or his designee in order to help pay for the Vehicle. The request for disbursement must have either been actually incurred by the Grantee or approved by the City Manager or his designee.

      The City Manager shall have the right at any time to request that the Grantee provide additional reasonable supporting documentation with any request for disbursement of Grant Funds.

   c. Proof of Purchase. The Grantee shall purchase the Vehicle prior to the termination of this Agreement. Grantee must submit supporting documents to the City Manager or his designee, including a paid invoice, receipt, or any other documentation as may be requested by the City Manager for the purchase of the Vehicle by September 30, 2026 unless extended by the City. Failure to do so shall constitute noncompliance with this Agreement and Grantee shall be obligated to return the Grant Funds.

   d. The Grantee's request for disbursement Grant Funds should be made allowing at minimum twenty-one (21) calendar days to receive the Grant Funds.

4. **Independent Contractor.** The Grantee covenants and agrees that in the performance of the various obligations to be undertaken by the Grantee pursuant to this Agreement, including the performance of Program Services, it shall act as and be an independent contractor and not an agent or employee of the City of Rockville. In addition, the Grantee covenants and agrees that it will not in any manner hold itself out as an agent or representative of Mayor and Council or act in such a fashion that would give the

impression to a reasonable person that the Grantee is acting in such capacity.

5. **Records.** The Grantee shall be solely responsible for the implementation of internal controls and record keeping procedures that comply with this Agreement and all applicable laws. The Grantee's administrative, programmatic, and financial records pertaining to this Agreement must sufficiently support the determination that expenditures are allowable. City Manager and the City Attorney, or any of their duly authorized representatives, shall have access and the right to examine the Grantee's administrative, programmatic, and financial records pertaining to this Agreement. The Grantee shall retain all records pertinent to this Agreement for a period of five (5) years from the date of final disbursement for each fiscal year. Grantee shall retain such records beyond five (5) years so long as any litigation, audit, dispute, or claim relating to the Grantee's performance under this Agreement is pending.

6. **Monitoring / Audits.**

   a. The Grantee agrees that the City Manager and the City Attorney, or any of their duly authorized representatives, shall have access to and the right to examine all facilities and activities of the Grantee related to the Grantee's performance under this Agreement, including, but not limited to, the right to audit, conduct further financial review, examine and make excerpts or transcripts of all contracts, subcontracts, invoices, payroll records, personnel records, and all other data or financial records relating to matters covered by this Agreement. The Grantee shall cooperate with the City Manager and the City Attorney, or any of their duly authorized representatives, in such audit, examination, or further review and shall provide them with access to the Grantee's facilities, staff and to all relevant records, documents, and data, including but not limited to, management letters, board minutes, and payroll.

   b. The Grantee shall comply with any audits by the City Manager and the City Attorney, or any of their duly authorized representatives, at Grantee's sole expense. The City Manager, or his duly authorized representatives, shall monitor the Grantee a minimum of once per year, which shall include a desk review and an annual site visit. The Grantee shall pay to Mayor and Council, from neither local nor federal funds, the full amount of liability resulting from disallowances or other audit or monitoring exceptions which are attributed to the Grantee's error, omission, or violation of any provision of this Agreement.

7. **City Acknowledgment**. The Grantee shall acknowledge the support of Mayor and Council, where appropriate, in written documents and informational materials regarding the Grant Funds.

8. **Representations and Warranties of the Grantee.** The Grantee represents and warrants to Mayor and Council that:

a. The Grantee is duly formed, validly existing and in good standing under the laws of the State of Maryland and has the legal power and authority to conduct its business, to own its properties and to execute and deliver, and to perform its obligations under, this Agreement.

b. This Agreement has been duly authorized, executed and delivered by the Grantee, and constitutes a legal, valid and binding obligation of the Grantee for the benefit of Mayor and Council.

c. All proceedings legally required to be taken by the Grantee in connection with the authorization of this Agreement and of the transactions related thereto, and all approvals, authorizations, consents and other orders of public boards or bodies as may be legally required to be obtained by the Grantee prior to the date hereof with respect to all or any of such matters, have been taken or obtained.

d. The execution and delivery of this Agreement by the Grantee, and the performance of the Grantee of its obligations hereunder, do not (i) violate any provisions of the articles of incorporation, bylaws or other governing instrument of the Grantee, (ii) violate any law, rule or regulation having applicability to the Grantee or any order, writ, judgment, decree, determination or award to which the Grantee is a party, or (iii) result in the breach of or constitute a default under any agreement, lease or instrument to which the Grantee is a party or by which the Grantee is bound.

9. Termination. This Agreement may be terminated in whole or in part under any of the following circumstances:

a. Termination for Convenience. Mayor and Council may, through the City Manager, terminate this Agreement without cause by giving the Grantee sixty (60) calendar days written notice.

b. Termination for Cause. If the Grantee fails to perform any of its obligations under this Agreement, or any other Agreement with Mayor and Council, Mayor and Council may terminate this Agreement upon ten (10) business days advance notice ("**Notice Period**") to the Grantee, specifying Grantee's breach and providing the Grantee with the opportunity to cure the specified breach within the Notice Period or in those instances where the specified breach cannot reasonably be cured within the Notice Period, the opportunity to commence to cure the specified breach. In the event the Grantee fails to cure or commence to cure the specified breach within the Notice Period, this Agreement shall be terminated.

10. Miscellaneous Provisions.

a. Notices, Demands, and Communications Between the Parties**.** Formal notices, demands, and communications between the Grantee and Mayor and Council shall be given either by (a) personal service, (b) delivery by reputable document delivery

service such as Federal Express that provides a receipt showing date and time of delivery, (c) mailing utilizing a certified or first class mail postage prepaid service of the United States Postal Service that provides a receipt showing date and time of delivery, or (d) delivery by facsimile or electronic mail (email) with transmittal confirmation and confirmation of delivery, addressed to:

To Mayor and Council:
City of Rockville
111 Maryland Avenue
Rockville, Maryland 20850
Attn: Sara Taylor-Ferrell, City Clerk / Director of Council Operations
Email: sferrell@rockvillemd.gov

With a Copies to:
Jeff Mihelich, City Manager
Email: jmiheich@rockvillemd.gov

Cynthia Walters, Acting City Attorney
Email: cwalters@rockvillemd.gov

Ryan Trout, Director of City of Rockville Housing and Community Development
Email: rtrout@rockvillemd.gov

To the Grantee:
The Rockville Fire Department, Incorporated
380 Hungerford Drive
Rockville, Maryland 20850
Attn: Eric Bernard, President
Jennifer Jones, Business Manager
Email: jjones@rfvd.org

Notices personally delivered or delivered by document delivery service shall be deemed effective upon receipt. Notices mailed shall be deemed effective on the second business day following deposit in the United States mail. Notices delivered by facsimile or email shall be deemed effective the next business day, not less than 24 hours, following the date of transmittal and confirmation of delivery to the intended recipient. Such written notices, demands, and communications shall be sent in the same manner to such other addresses as any Party may from time to time designate in writing.

b. Relationship of Parties. The provisions of this Agreement are intended solely for the purpose of defining the relative rights of the Parties as grantor and grantee and no relationship of partnership, joint venture or other joint enterprise shall be deemed to be created hereby by and among the Parties pursuant to this Agreement.

c. Interpretation. The terms of this Agreement shall be construed in accordance with

the meaning of the language used and shall not be construed for or against any Party by reason of the authorship of this Agreement or any other rule of construction which might otherwise apply. The Section headings are for purposes of convenience only and shall not be construed to limit or extend the meaning of this Agreement.

d. Assignment. The Parties agree that the expertise and experience of the Grantee are material considerations for this Agreement. Grantee shall not assign or transfer any interest in this Agreement nor the performance of any of the Grantee's obligations hereunder, without the prior written consent of Mayor and Council. In the event Mayor and Council determines that any of the rights, duties, obligations under this Agreement have been subcontracted or assigned to another vendor by Grantee, without the written consent of the City Manager, then Mayor and Council may exercise its right to take any appropriate remedy including, without limitation, termination of this Agreement.

e. Entire Agreement, Waivers and Amendments. This Agreement integrates all of the terms and conditions mentioned herein, or incidental hereto, and supersedes all negotiations and previous agreements between the Parties with respect to the Grant Funds. All waivers of the provisions of this Agreement must be in writing and signed by the appropriate authorities of the Party to be charged, and all amendments and modifications hereto must be in writing and signed by the appropriate authorities of the Parties. Mayor and Council's failure to act with respect to a breach by the Grantee does not waive its right to act with respect to subsequent or similar breaches. The failure of Mayor and Council to exercise or enforce any right or provision shall not constitute a waiver of such right or provision.

f. No Third-Party Beneficiaries. No provision of this Agreement shall be construed to confer any rights upon any person or entity who is not a Party hereto, whether a third-party beneficiary or otherwise.

g. Conflict of Interests. No member of Mayor and Council or any employee of the City of Rockville, Maryland shall be entitled to receive any funds provided pursuant to this Agreement or to any pecuniary benefit that may arise therefrom.

h. Severability. If any term, provision, covenant, or condition of this Agreement is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remainder of this Agreement shall not be affected thereby to the extent such remaining provisions are not rendered impractical to perform taking into consideration the purposes of this Agreement. In the event that all or any portion of this Agreement is found to be unenforceable, this Agreement or that portion which is found to be unenforceable shall be deemed to be a statement of intention by the Parties; and the Parties further agree that in such event, and to the maximum extent permitted by law, they shall take all steps necessary to comply with such procedures

or requirements as may be necessary in order to make valid this Agreement or that portion which is found to be unenforceable.

i. Indemnification. The Grantee shall indemnify and hold harmless, Mayor and Council, its employees, agents, successors and assigns against liability for any suits, actions or claims of any character arising from or related to the performance by the Grantee (or its officers, agents, employees, successors and assigns) of any of it right or obligations under this Agreement.

j. Liability. The Grantee releases Mayor and Council, its employees and agents from, agrees that Mayor and Council, its employees and agents shall not have any liability for, any and all suits, actions, claims, demands, losses, expenses, and costs of every kind and nature, including reasonable attorneys' fees, incurred by or asserted or imposed against Mayor and Council, its employees and agents, as a result of or in connection with the Agreement, except for the gross negligence or willful misconduct of Mayor and Council, its employees and agents. This section shall survive the term of this Agreement.

k. No Attorneys' Fees. In the event of any dispute or legal action arising under this Agreement, the prevailing Party shall not be entitled to attorneys' fees.

l. No Waiver of Sovereign Immunity by the City. Notwithstanding any other provisions of this Agreement to the contrary, nothing in this Agreement nor any action taken by Mayor and Council pursuant to this Agreement nor any document which arises out of this Agreement shall constitute or be construed as a waiver of either the sovereign immunity or governmental immunity of Mayor and Council's elected and appointed officials, officers and employees.

m. No Discrimination. The Grantee shall not discriminate against any person in employment or in the provision of its obligations under this Agreement because of race, gender, creed, color, sex, national origin, ancestry, marital status, handicap, sexual orientation, or age.

n. Governing Law. This Agreement shall be construed in accordance with and governed by the laws of the State of Maryland. Each Party consents to the jurisdiction and venue of the courts of Montgomery County, Maryland.

o. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed to be an original, and such counterparts shall constitute one and the same instrument.

[Signatures and acknowledgments appear on the following pages]

DRAFT

IN WITNESS WHEREOF, the Parties have each executed, or caused to be duly executed, this Agreement under seal in duplicate, in the name and behalf of each of them (acting individually or by their respective officers or appropriate legal representatives, as the case may be, thereunto duly authorized) as of the day and year first written above.

MAYOR AND COUNCIL

Approved as to form:

THE MAYOR AND COUNCIL OF ROCKVILLE, a body corporate and municipal corporation of the State of Maryland

By: _____

_____
Cynthia Walters, Acting City Attorney

Jeff Mihelich, City Manager

ATTEST

By: _____

Sara Taylor-Ferrell, City Clerk / Director of Council Operations

DRAFT

GRANTEE

THE ROCKVILLE VOLUNTEER FIRE DEPARTMENT, INC., a Maryland non-stock corporation, as Grantee

By: _____

Name: _____

Title: _____

ACKNOWLEDGMENT

STATE OF MARYLAND
COUNTY OF MONTGOMERY

On this the ____ day of _____, 2026, before me, personally appeared _____, known to me (or satisfactorily proven) to be the person whose name and title is subscribed to within the instrument, who acknowledged [herself / himself] to be _____ of _____ in the above instrument, and that [she / he], as _____, being authorized so to do, executed the foregoing instrument for the purposes therein contained, by signing the name of _____, by [herself / himself] as _____ of _____.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

_____
Notary Public
My Commission Expires: _____

DRAFT

EXHIBIT A
Work Order

See attached

(End of Exhibit "A")

CORPORATE HEADQUARTERS
7010 TROY HILL DRIVE
ELKRIDGE, MD 21075
410.379.5353

FESCO
WWW.FESCOSALES.COM

RICHMOND SERVICE CENTER
11074 AIR PARK DRIVE
ASHLAND, VA 23005
800.638.0926

5/9/2024

Rockville Volunteer Fire Department
380 Hungerford Drive
Rockville, MD 20850

Re: Rockville Volunteer Fire Department Executed Contract

Dear Members,

On behalf of **Horton** Emergency Vehicles and **FESCO** Emergency Sales, I would like to personally thank you and the other members of Rockville Volunteer Fire Department for the purchase of 2 **Horton** model 603 mounted on a 2024 Ford F-550 4x4 cab and chassis. I would also like to thank you for the confidence and trust placed with us, and I am sure that you will be totally satisfied with your upcoming **Horton** ambulance delivery.

In addition, we would like to acknowledge receipt of your deposit check #5136 in the amount of $80,000.00. These documents should be safely kept with your permanent contract records.

Again, thank you for this very fine order, and if there is anything else that we can do for you, please do not hesitate to contact us at any time.

Sincerely yours,

Peter W. Laake Jr.
President

Enclosures: Contract
Copy of Deposit Check
cc: Pete Laake, Jr

TOLL FREE: 1-800-638-0926 LOCAL: 1-410-379-5353 FAX: 1-410-379-0261

FESCO EMERGENCY SALES

Horton
STRENGTH & SAFETY IN EVERY DETAIL

BID PROPOSAL for furnishing

April 11, 2024

Rockville Volunteer Fire Department
380 Hungerford Drive
Rockville, MD 20850

To Whom It May Concern,

The undersigned is prepared to manufacture and/or supply for you, upon an order being placed by you for final acceptance by FESCO Emergency Sales (FESCO), at our office in Elkridge, Maryland, the apparatus and equipment herein named and for the following prices:

(2ea) Horton Model #603 ambulance per attached Horton Spec #9400
Rev #FES_Prelim_1, dated 3/15/2024 mounted on a 2024* Ford F-550 4x4 Diesel cab and chassis,
to include FESCO Dealer Furnished Items (DFI) List Rev #1 Dated 3/15/2024
for a total delivered price of..... $389,900.00ea $779,800.00

Said apparatus and equipment are to be built and shipped in accordance with the specifications hereto attached. Delays due to strikes, war or international conflict, failures to obtain materials, or other causes beyond our control in preventing, delivery shall be within 730-765 working days after receipt of this order and the acceptance thereof at our office at Elkridge, Maryland, and to be delivered to you at Grove City, OH.

The specifications herein contained shall form a part of the final contract, and are subject to changes desired by the purchaser, provided such alterations are initialed by authorized representatives of both parties prior to the acceptance by FESCO of the offer to purchase, and provided such alterations do not materially affect the cost of the construction of the apparatus.

Unless accepted within 30 days from the above date, the right is reserved to withdraw this proposal.

Note: Chassis to be purchased through Apple Ford to help increase likelihood of receiving a 2024 Model Year chassis. Payment for the chassis will be due when chassis ships to Horton.

Horton will split delivery by approx. 6 months at the direction of Rockville VFD.

FESCO EMERGENCY SALES
7010 TROY HILL DR.
ELKRIDGE, MARYLAND 21075

By Peter W Laake Jr.

Pete Laake, Jr - President

CONTRACT

THIS AGREEMENT, made in duplicate, by and between FESCO Emergency Sales (FESCO), of Elkridge, Maryland, First Party, and the ROCKVILLE VOLUNTEER FIRE DEPARTMENT by its authorized representative(s), Second Party.

Witnesseth:

First. The said First Party thereby agrees to furnish the apparatus and equipment according to the Specifications hereto attached/enclosed, and made a part of this Contract, and to deliver the same as hereinafter provided.

Second. The First Party guarantees that all material and workmanship in and about said apparatus and equipment shall comply with said Specifications. In the event there is any conflict between the Customer's Specifications and the FESCO's Proposal Specifications, the FESCO Proposal Specifications shall prevail.

Third. The said apparatus and equipment shall be ready for delivery from Elkridge, Maryland, within about 730-765 working days after receipt and acceptance of the contract at the First Party's office in Elkridge, Maryland. Delays due to strikes, failure to obtain materials, or other causes beyond the First Party's control not preventing, the ambulance(s) shall be delivered to the Second Party at Grove City, OH.

Fourth. A competent service technician shall, upon request, be furnished by the First Party to demonstrate said apparatus for the Second Party and to give its members/employees the necessary familiarization in the operation and handling of said apparatus.

Fifth. The Second Party purchases and agrees to pay for said apparatus and equipment, for the total sum of
Seven -*Hundred seventy-nine Thousand, Eight-Hundred and even Dollars no/cents* ($779,800.00)
It is hereby certified that such amount will be available on the acceptance date(s). A deposit made payable to FESCO Emergency Sales is due at contract signing, and final payment shall be made to FESCO Emergency Sales after full review and acceptance of your new ambulance(s) at the Horton factory.
A deposit amount of *Eighty-Thousand dollars no/cents* Ck.# 5136 ($80,000.00)
shall later reduce the total contract price (shown above.) If more than one piece of apparatus is covered by this contract, the terms of payment shall apply to each piece.

Sixth. In case the Second Party desires to test the said apparatus, such test shall be made within ten (10) days after arrival at destination, and a written report of such test forthwith delivered to the First Party at its' office in Elkridge, Maryland. If no such test be made, or if no such written report is received by the First Party within ten (10) working days after arrival, then said apparatus and equipment shall be considered as fully complying with the contract specifications.

Seventh. It is agreed that the apparatus and equipment covered by this contract shall remain the property of the First Party until the entire contract price has been paid in full. If more than one vehicle is covered by this contract, then each unit shall remain the property of the First Party until the above listed price for each piece has been paid in full. In case of any default in payment, the said First Party may take full possession of the apparatus and equipment, or of the piece or pieces upon which default has been made, and any payments that may have been made shall be applied as rent in full for the use of the apparatus and equipment up to date of taking possession.

Eighth. In the event any Federal or State regulation shall be enacted during the course of this contract that will affect the cost of producing said product, such cost(s) will be extended to the Second Party.

The contract, to be binding, must be signed and approved by a Corporate Officer of FESCO or by someone authorized by a Corporate Officer in writing to do so. This contract and associated Specifications take precedence over all previous oral and/or written negotiations. No oral or written representations will be considered as part of this contract except as are contained herein, or listed in the Specifications attached/enclosed hereto.

IN WITNESS WHEREOF, the said parties have caused these presents to be executed and the Second Party has caused its corporate seal (as applicable) to be hereunto affixed, and attested by its authorized representative(s)
on this 24 day of April, 2024.

FESCO EMERGENCY SALES

By Peter W Jarrell
First Party
Date of Acceptance 5-9-24

ROCKVILLE VOLUNTEER FIRE DEPARTMENT

ERIC BERNARD
Second Party

REV. 01/22

MAYOR AND COUNCIL Meeting Date: May 18, 2026
Agenda Item Type: CONSENT
Department: PW - ENGINEERING
Responsible Staff: GINA ARNETT

Subject

Award and Authorize the City Manager to Execute Contracts Responsive to IFB #26-25 for Water Main Rehabilitation Program – Externally Funded Projects

Department

PW - Engineering

Recommendation

Staff recommends that the Mayor and Council award, and authorize the City Manager to Execute, contracts responsive to IFB #26-25 for Water Main Rehabilitation Program – Externally Funded Projects as follows: Sagres Construction Corp. of Alexandria, Virginia and Crown Construction Services, Inc. of Temple Hills, Maryland, in an aggregate amount not to exceed $25,000,000.00 for water main rehabilitation services for a term beginning on the Effective Date and shall expire after one (1) year, with authority for the Purchasing Agent to exercise an option to extend for a period of an additional 12 months, and four annual renewals within a total not-to-exceed amount of $25,000,000.00, to be split between two contractors, for water main rehabilitation services.

Discussion

This IFB #26-25 is for construction of water main replacements as part of the Water Main Rehabilitation Program (210-850-UE26; Attachment 1). Water main replacement projects will replace pipes, water house connections, fire hydrants and valves throughout Rockville. The goal of this program is to ensure an infrastructure renewal cycle of approximately 100 years, which is the equivalent to 1 percent of the 175-mile water distribution system per year.

Department of Public works has received a significant amount of external funding, and this contract will ensure that requirements dictated by that funding will be included. The amount of this award will also allow the City to utilize this contract for any future externally funded work.

In order to inhibit internal and external corrosion, the new water mains will be cement lined ductile iron pipe with a polyethylene wrap encasement. Within the project limits, all water house connections will be assessed and replaced if the flow is inadequate or if there is a presence of lead; all fire hydrants will be replaced and painted consistent with the National Fire Protection Association guidelines.

Staff has successfully used a contract of this type since 2008.

In October of 2023, two water main rehabilitation projects were awarded funding through Maryland Department of Environment's (MDE) Drinking Water State Revolving Fund (DWSRF) for total of $6,065,440 in loans that includes $1 million in loan forgiveness. The following year, an additional water main rehabilitation project was awarded $3,220,000 with $805,500 in loan forgiveness through the DWSRF. All loan funds that are not forgiven will be re-paid according to loan agreement using funds from the Water Main Rehabilitation Program (210-850-UE26; Attachment 1).

In March of 2024, President Biden signed the six bill FY24 Appropriations "minibus" that contained over 6,000 earmarks, including a $959,752 earmark for additional water main work in Rockville's Disadvantaged Community census tract. This earmark will be administered by the Environmental Protection Agency (EPA).

The current contract (#01-22) does not include the additional language that is required by external funding through MDE and the EPA.

Once specific designs are complete, DPW will submit full construction packages to the external agencies for approval. When the external agencies have approved the construction packages, then loan/grant agreements will require Mayor and Council approval prior to the authorization of work under this contract.

Mayor and Council History

This is the first time this item has been brought before the Mayor and Council.

Public Notification and Engagement

Commercial properties and residents will be notified via neighborhood advisories at least two weeks in advance of construction. Additionally, service customers are provided two weeks' notice if a temporary interruption of service is planned.

Procurement

Staff prepared and publicly advertised Invitation for Bids #26-25 on July 7, 2025, in accordance with Rockville City Code section #17-61. IFB #26-25 was posted on the city website and electronically provided to 82 prospective bidders via the State of Maryland e-Marketplace Advantage (eMMA) system. Of the 82 prospective bidders, using the systems reporting capabilities, four were Disadvantaged Business Enterprises (DBE), five were Minority Business Enterprises (MBE), and two were Veteran-Owned Small Business Enterprises (VSBE).

Sealed bids were received and opened on September 3, 2025. The following bids were received:

Vendor Name	MFD Status	Vendor Location	Bid Table A
Sagres Construction Corporation	Non-MFD-V	Alexandria, VA	$ 4,967,500.00
Crown Construction Services, Inc.	Non-MFD-V	Temple Hills, MD	$ 5,822,250.00
ECM Corporation	MFD-V	Severn, MD	$ 6,898,600.00
J. Fletcher Creamer & Son, Inc.	Non-MFD-V	Hackensack, NJ	$ 9,446,385.00
Pessoa Construction Company	MFD-V	Fairmont Heights, MD	$ 9,657,710.00
Anchor Construction Corp.	Non-MFD-V	Washington, DC	$ 9,741,885.00
Mid-Atlantic Utilities, Inc.	Non-MFD-V	Carlyle, PA	$ 10,093,125.00
Ross Contracting Inc.	Non-MFD-V	Mt, Airy, MD	$ 14,002,520.00

The bid amounts shown above were based on estimated quantities and used for bid evaluation purposes only. The bid amounts include labor only and do not include water main material pricing.

The awarded contractors must obtain three material quotes prior to the purchase order issuance for each individual project. Total payments will not exceed an aggregate amount of $25,000,000, to be split between two recommended contractors. Staff will develop individual projects (streets) for the contractors to construct and assign tasks via work authorization letters. Payment and performance bonds will be required for each assigned task.

In accordance with Rockville City Code, Section 17-39(a), Awarding Authority, all contracts involving more than two hundred and fifty thousand dollars ($250,000) shall be awarded by the Mayor and Council.

Staff reviewed all references and confirmed four references for Sagres Construction Corp. and three references for Crown Construction Services, Inc. The remaining references provided by both contractors were unresponsive. All references that staff were able to confirm were found to be acceptable.

To view the Sagres Construction Corp. contract see Attachment 2 and to view the Crown Construction Services, Inc. contract see Attachment 3.

To view all contract documents, please click the link provided below:

https://rockvillemd.legistar.com/View.ashx?M=AO&ID=176364&GUID=599b7301-3889-40b5-ae4d-b5aa2a9296eb&N=SUZCIDI2LTI1IChBR0VOREEgSVRFTSkgKENPTlRSQUNUIFBBQ0tFVCkgKDA1LTA0LTI2KS5wZGY%3d

Fiscal Impact

Funding for this contract is provided through the Water Main Rehab & Improvement: FY26-FY30 (UE26) CIP project. Future funding for the continuation of this program will be provided

through the Water Main Rehab & Improvement: FY26-FY30 (UE26) project, subject to Mayor and Council budget approval.

Next Steps

Upon Mayor and Council award, the Procurement Department will obtain insurance certificates, appropriate contract signatures, and issue contract packets to the recommended, low bid contractors listed above.

Following approval of plans by external agencies, Mayor and Council will need to enter into funding agreements with these agencies.

Attachments

Attachment 1: 210-850-UE26, Attachment 2: Sagres Contract Draft, Attachment 3: Crown Contract Draft

Water Main Rehab & Improvement: FY26-FY30 (UE26)



Description: This sustainable program plans, designs, and constructs improvements to water mains, tanks, and other elements of the city's aging water system. Tasks include increasing fire flows; inspecting and assessing the 24-inch transmission main; rehabilitating existing tuberculated pipes, valves, vaults, and appurtenances; increasing the diameter of undersized pipes; connecting dead-end pipe segments; and replacing pipes with a history of frequent water main breaks.

Changes from Previous Year: None.

Current Project Appropriations

Prior Appropriations:	-
Less Expended as of 4/15/25:	-
Total Carryover:	-
New Funding:	3,220,500
Total FY 2026 Appropriations:	3,220,500

Guiding Principle: Stewardship of the Env. and Infrastructure

Mandate/Plan: Safe Drinking Water Act; 2008 Water Dist. System Master Plan; Comprehensive Plan

Anticipated Project Outcome: Sustainable water distribution system infrastructure resulting in improved fire flows, increased revenue, improved system reliability, and safe drinking water compliant with federal and State regulations.

Project Timeline and Total Cost by Type: No change.

	Estimated Start		Estimated Completion		Estimated Cost *(FY 2026 through FY 2030 only)*			
Type	**Original**	**Current**	**Original**	**Current**	**Original**	**Current**	**$ Change**	**% Change**
Planning / Design	FY 2026	FY 2026	FY 2030	FY 2030	1,192,500	1,192,500	-	-
Construction	FY 2026	FY 2026	FY 2030	FY 2030	13,675,500	13,675,500	-	-
Other	-	-	-	-	-	-	-	-
				Project Total ($):	**14,868,000**	**14,868,000**	**-**	**-**

Project Funding: This program is fully funded and includes a $805,500 grant and $2.415 million loan in the FFY 2024 DWSRF program. This project is considered a routine capital maintenance project and is funded in five year increments.

Source	**Prior**	**FY 2026**	**FY 2027**	**FY 2028**	**FY 2029**	**FY 2030**	**Future**	**Total**
Bonds (Wtr)	-	2,415,000	400,000	3,472,500	3,707,000	4,068,000	-	14,062,500
Grants (Wtr)	-	805,500	-	-	-	-	-	805,500
Total Funded ($)	**-**	**3,220,500**	**400,000**	**3,472,500**	**3,707,000**	**4,068,000**	**-**	**14,868,000**
Unfunded (Wtr)	-	-	-	-	-	-	-	-
Total w/Unfunded ($)	**-**	**3,220,500**	**400,000**	**3,472,500**	**3,707,000**	**4,068,000**	**-**	**14,868,000**

Operating Cost Impact: No measurable impact.

Fund	**Prior**	**FY 2026**	**FY 2027**	**FY 2028**	**FY 2029**	**FY 2030**	**Future**	**Total**
Water	-	-	-	-	-	-	-	-

Project Manager: Gina Arnett, Senior Civil Engineer, 240-314-8517.

Notes: FY 2026 work includes design and construction of projects in various locations including within the Twinbrook Disadvantaged Community census tract. The proposed work each year is based on a prioritized list of specific water main rehabilitation and improvement projects, with cost estimates derived from recent projects.

ROCKVILLE, MARYLAND
CONSTRUCTION CONTRACT

WATER MAIN REHABILITATION

This **CONSTRUCTION CONTRACT** (this "**Construction Contract**") is entered into as of this _____ day of _____ 2026 (the "**Effective Date**") by and between **THE MAYOR AND COUNCIL OF ROCKVILLE**, a Maryland municipal corporation and body corporate, acting by and through its City Manager (the "**Mayor and Council**" or "**City**"), and **SAGRES CONSTRUCTION CORPORATION**, a Virginia corporation (the "**Contractor**"). Individually, the Mayor and Council and the Contractor may each be referred to hereinafter as the "**Party**," or collectively as the "**Parties**."

R E C I T A L S

A. **WHEREAS,** the Mayor and Council is a municipal corporation duly organized and existing under the laws of the State of Maryland with the power to carry on its business as it is now being conducted under the laws of the State of Maryland and the Rockville City Charter; and

B. **WHEREAS,** the Contractor is a corporation duly organized and in good standing in the state of Maryland, authorized to conduct business in the State of Maryland, and has the background, knowledge, experience and expertise to perform the obligations set forth in this Construction Contract; and

C. **WHEREAS,** the Mayor and Council desires to procure, on behalf of the Department of Public Works, labor, materials, equipment, tools, and services for a collection of various water main rehabilitation projects throughout the City of Rockville and other associated work on a pre-scheduled basis and as needs arise as it serves the best interest of the City; and

D. **WHEREAS,** in accordance with the City of Rockville Procurement Ordinance, on July 7, 2025, the Department of Procurement issued IFB #26-25 for water main rehabilitation and associated work; and

E. **WHEREAS,** in accordance with the Procurement Ordinance, on September 3, 2025, the Department of Procurement opened and recorded the sealed bids submitted in response to IFB #26-25, including the bid submitted by Contractor, and on November 20, 2025, in accordance with the Procurement Ordinance, the Department of Procurement determined Contractor to be among the two lowest responsive and responsible bidders; and

F. **WHEREAS**, on April 1, 2026, Contractor agreed to extend its bid and pricing through June 30, 2026; and

G. **WHEREAS,** on _____, 2026, in accordance with Section 17-39(a) of the Procurement Ordinance, the Mayor and Council authorized the expenditure of a total amount not to exceed twenty-five million dollars for work to be performed under IFB 26-25, such amount to be allocated between Contractor and a second contractor; and

H. **WHEREAS,** on _____, 2026, in accordance with Section 17-39(a) of the Procurement Ordinance, the Mayor and Council awarded this Construction Contract to the Contractor for the provision of certain construction and other services as identified in the Contract Documents pursuant to the following terms and conditions, and authorized the City Manager to execute this Construction Contract on its behalf, subject to approval as to legal form by the City Attorney.

NOW, THEREFORE, IN CONSIDERATION of the foregoing and the covenants, warranties and agreements of the Parties hereto, as are hereinafter set forth, and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged by each Party hereto, the Parties hereby agree as follows:

ARTICLE I
INCORPORATION OF RECITALS; DEFINITIONS

Section 1.01. Incorporation of Recitals. The foregoing recitals above and documents referenced herein are an integral part of this Construction Contract and set forth the intentions of the Parties and the premises on which the Parties have decided to enter into this Construction Contract. Accordingly, the foregoing recitals are fully incorporated into this Construction Contract by this reference as if fully set forth herein. In the event of any conflict between this Construction Contract and any documents referenced herein, the terms of this Construction Contract shall govern and control.

Section 1.02. Definitions. In addition to other terms defined herein, each of the following terms shall have the meaning assigned to it, such definitions to be applicable equally to the singular and the plural forms of such terms and to all genders:

"Applicable Code Requirements" means all federal, State of Maryland, Montgomery County and City of Rockville laws, statutes, building codes, ordinances and regulations of governmental authorities having jurisdiction over a Project, Work, Site, Contractor or City.

"Applications for Payment" means detailed applications for payment submitted on a standard form such as the AIA G702 form, as required by Paragraph 75 of the General Conditions and Instructions to Bidders in IFB #26-25. Applications for Payment shall not include payment for equipment or materials delivered to a Site but not installed or for materials or equipment properly stored off-site unless specifically approved by the Project Administrator. If such approval is granted, the Contractor must submit with the Application for Payment, bills of sale or other such documentation satisfactory to the City to establish the City's title to such materials or equipment or otherwise to protect the City's interest, including applicable insurance and transportation to a Site for materials and equipment stored off site. Such approvals are typically reserved for "big ticket" items that individually would exceed five percent (5%) of the bid total.

"*Chief of Construction Management*" means the person designated as the Chief of Construction Management by the Director of the City's Department of Public Works.

"*City of Rockville Change Order*" means a duly authorized instrument issued by the Purchasing Agent or her authorized designee in accordance with the Procurement Ordinance which operates to amend the scope of Work, and which may also amend the Contract Sum or the Contract Time.

"***City of Rockville Notice to Proceed***" means the written notice issued by the Purchasing Agent or her authorized designee in accordance with the Procurement Ordinance to the Contractor to begin the Work.

"*Contract Documents*" means and consists of the following documents, which are on file with the City Department of Procurement and are hereby incorporated into this Construction Contract as though fully restated by reference:

1. City of Rockville Change Order

2. Construction Contract

3. IFB #26-25 – Addenda #1, #2, #3, and #4

4. IFB #26-25 – General Terms, Conditions, and Instructions to Bidders

5. IFB #26-25 – Special Provisions, including Maryland Department of Environment Required Notes for Water Main Rehabilitation

6. IFB #26-25 – Technical Specifications

7. City of Rockville Work Authorization Letter

8. IFB#26-25 – City of Rockville Standard Details, available at https://www.rockvillemd.gov/services/construction-standards-and-details/

9. IFB #26-25 – Appendices, Announcement, Description and General Information

10. Contractor Bid

11. City of Rockville Purchase Order

12. Performance, Payment and Warranty Bonds

For purposes of construing, interpreting and resolving inconsistencies between and among the provisions of this Construction Contract, the Contract Documents shall have the order of precedence as set forth above. If a claimed inconsistency cannot be resolved through the order of precedence, the City Manager shall have the sole power to decide which document or provision shall govern as may be in the best interests of the City.

"*Contractor*" means Sagres Construction Corporation, a corporation in good standing organized under the laws of Virginia.

"***Contract Sum***" means the total amount of compensation provided for in Article III that is payable to the Contractor for the performance of the Work in accordance with the Contract Documents, including adjustments made by a City of Rockville Change Order.

"*Contract Time*" means the total number of days set forth in this Construction Contract or an associated Work Authorization Letter within which Final Completion of the Work must be achieved by Contractor, including any adjustments of time (increases or decreases) made by a City of Rockville Change Order.

"*Day*" whether capitalized or not, unless otherwise specifically provided, means calendar day, including weekends and legal holidays.

"***Delay***" means, whether capitalized or not, any circumstances involving disruption, hindrance, or interference in the performance of the Work within the Contract Time.

"***Department of Procurement***" means the City's Department of Procurement.

"*Department of Public Works*" means the City's Department of Public Works.

"*Extra Work*" means additional Work or costs due to a change in the Work that is not described in or reasonably inferable from the Contract Documents which may be the basis for an adjustment of the Contract Sum under the terms of the Contract Documents. Extra Work shall not include additional Work or costs arising from Contractor's failure to perform any of its duties or obligations under the Contract Documents.

"*Final Completion*" means the final and full completion of all Work required by the Contract Documents pursuant to a Work Authorization Letter, including all punch list items and submission of all Record Documents, to the satisfaction of the City Manager or his written designee, pursuant to Article II.

"*IFB #26-25*" means the Invitation for Bids #26-25 issued by the Department of Procurement on July 7, 2025.

"Losses" means the losses or costs that directly results from a breach of this Construction Contract.

"***Procurement Ordinance***" means Chapter 17 of the Rockville City Code, as amended.

"***Project***" means the cumulative water main rehabilitation and associated work referenced in IFB #26-25 at the rates represented on the Contractor's Bid and to be described with more particularity in one or more Work Authorization Letters.

"*Project Administrator"* means the Project Administrator identified in Section 2.02 of this Construction Contract, or such other City staff person as may be designated by the Director of the City's Department of Public Works to supervise a Project.

"*Purchasing Agent*" means the person designated as purchasing agent pursuant to the Procurement Ordinance.

"*Record Documents*" means the warranties, guarantees and other documents required to be submitted by Contractor as a condition of Final Compensation.

"*Site*" means the physical site or sites identified in a Work Authorization letter where a Project is to be constructed, including all adjacent areas for staging, storage, parking and temporary offices.

"*Substantial Completion*" means a Project has been substantially completed to permit utilization of the Project, or a substantial portion thereof, by the City for the Project's intended purpose, pursuant to Paragraph 80 of the General Conditions and Instructions to Bidders in IFB #26-25.

"*Work*" means all labor, materials, equipment, servicers, permits, fees, licenses and taxes, and all other things necessary for the Contractor to perform its obligations and complete a Project, including without limitation, any changes or additions requested by the City, in accordance with the Contract Documents and all Applicable Code Requirements.

"Work Authorization Letter" means a written notice provided by the City to the Contractor of work to be completed in accordance with Construction Contract terms. The Work Authorization Letter will describe the project, specify the date, time, and location of the preconstruction meeting, establish the construction schedule (start and end), include a set of construction drawings and provide the name of the approved material supplier.

DRAFT

"Working Day" means any calendar day other than Saturday, Sunday, or the following holidays as observed by the City of Rockville: New Year's Day, Martin Luther King's Birthday, President's Day, Memorial Day, Juneteenth, Independence Day, Labor Day, Veterans' Day, Thanksgiving Day, Thanksgiving Friday, Christmas Day, and all days of general and congressional elections throughout the State of Maryland.

Section 1.03. General. Any other capitalized term to which a meaning is expressly given in this Construction Contract shall have the meaning assigned to it, such definitions to be applicable equally to the singular and the plural forms of such terms and to all genders. The defined terms used in the preamble and recitals of this Construction Contract have been included for convenience of reference only, and the meaning, construction and interpretation of all defined terms shall be determined by reference to this Article I notwithstanding any contrary definition in the preamble or recitals hereof. The titles and headings of the sections of this Construction Contract have been inserted for convenience of reference only and are not to be considered a part hereof and shall not in any way modify or restrict any of the terms or provisions hereof or be considered or given any effect in construing this Construction Contract or any provision hereof or in ascertaining intent, if any question of intent shall arise.

End of Article I

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ARTICLE II
TERM, PERFORMANCE OF WORK AND COMPLETION OF PROJECT

Section 2.01. Contract Term. The term of this Construction Contract shall begin on the Effective Date and shall expire after one (1) year. The City reserves the right to extend this Construction Contract for a period of up to twelve (12) additional months and to renew the Contract for up to four (4) additional one (1) year periods, by notifying Contractor of such extension or renewal and confirmation of pricing in writing at least 60 days before the end of the term of this Contract and subject to Mayor and Council appropriation of adequate funds.

Section 2.02. Project Administrators. The following staff member of the Public Works Department is the City's designated "**Project Administrator**":

Gina Arnett, P.E. – Senior Civil Engineer
garnett@rockvillemd.gov; 240-314-8517

It shall be the Contractor's responsibility to ensure that the applicable Project Administrator is kept informed on the progress of a Project described in the Notice to Proceed submitted by that Project Administrator. The City Manager or designee may modify the designated Project Administrators by notifying the Contractor in writing of any such modification.

Section 2.03. Work. Contractor herein is among a call list of contractors to perform Work as needed at agreed prices. There is no guarantee of Work under this Contract. The City has elected not to designate a primary Contractor and reserves the right to schedule Work with any or all of selected Contractors at the sole discretion of the City as it serves the best interest of the City. Just as there is no guarantee of Work, Contractor is not required to accept a Work Authorization Letter. Contractor may decline a Work Authorization Letter without risk of being removed from the call list.

Section 2.04. Performance of Work. The Contractor agrees to perform all Work required for Final Completion of a Project, as specified in the Contract Documents and any associated Work Authorization Letter. The Contractor shall provide, furnish, and supply all things necessary and incidental for the timely performance of the Work, including, but not limited to, provision of all necessary labor, materials, equipment, transportation, and utilities, unless otherwise specified in the Contract Documents. Contractor also agrees to use its best efforts to complete the Work in a professional and expeditious manner and to meet or exceed the performance standards required by the Contract Documents.

Section 2.05. Progress and Completion.

(a) Time is of the Essence. Time is of the essence with respect to all time limits set forth in the Contract Documents.

(b) Work Schedule. The City shall request the performance of a Project under this Contract as follows:

(i) The City will send the Contractor water main design drawings and a budget sheet with estimated pay items and material quantities for a Project.

(ii) The Contractor will acknowledge receipt within 48 hours of the date of the City's transmittal of the design drawings and budget sheet.

(iii) Within ten (10) days of receipt of the City's design drawings and budget sheet, the Contractor will notify the City in writing of its acceptance or rejection of the Project proposed by the design drawings and budget sheet.

(iv) If the Contractor accepts the Project, within twenty-one (21) days of receipt of the City's design drawings and budget sheet, the Contractor will obtain three material quotes, establish a project schedule, and prepare bypass and phasing plans for the Project.

(v) The City will accept or reject the Contractor's proposal. If the City accepts the Contractor's proposal, the City will issue a Work Authorization Letter and will attach the approved budget sheet establishing the Project cost.

(vi) After issuance of a Work Authorization Letter, the City will issue a Purchase Order that shall serve as the Contractor's notice to proceed for the Project.

(vii) Contractor shall, subject to any extension of time in accordance with the provisions of this Construction Contract, achieve Final Completion of a Project within the timeframe indicated in the Work Authorization Letter

A. Any work performed outside the scope of a Work Authorization Letter is at the Contractor's risk and faces the probability of delayed or denied payment.

B. Any agreements or stipulations in a request for services or response that are contrary to the terms of this Agreement shall be void unless the Parties have expressly agreed in writing that such agreement shall supersede the terms of this Agreement.

(c) Work Progress.

(i) Contractor shall proceed expeditiously with adequate forces and shall achieve Final Completion within the Contract Time.

(ii) If City determines and notifies Contractor that Contractor's progress is such that Contractor will not complete the Work within the Contract Time, Contractor shall, immediately and at no additional cost to City, take all measures necessary, including working such overtime and additional shifts (other than the City's permitted construction work hours of 7:00 AM to 5:00 PM, Monday through Friday), to ensure that the Work is Substantially Completed within the Contract Time. Upon receipt of such notice from City, Contractor shall immediately respond in writing setting forth a detailed plan for accelerating the Work in a manner acceptable to City. Contractor shall not be entitled to any reimbursement or payment of costs, expenses or damages incurred as a result of an acceleration of the Work. City may also take all necessary measures to prevent the need for subsequent accelerations of the Work. Contractor shall reimburse City, or City may withhold from payment due to Contractor, sums expended by City to perform such measures.

(iii) During unfavorable weather, wet ground or other unsuitable construction conditions, Contractor shall confine the operations to Work that will not be affected adversely by such conditions. No portion of the Work shall be constructed under conditions which would affect adversely the quality thereof, unless special means or precautions are taken by Contractor to perform the Work in a proper and satisfactory manner.

(d) Delay.

(i) If the Contractor is delayed in the Work by any act of neglect of the City or by a separate contractor employed by the City, or by any changes, strikes, lockouts, fires, unusual delays in transportation or delay authorized by the City, the City shall review the cause of such delay and shall make an extension of time if warranted. All claims for extensions must be made by written notice sent to the Project Administrator within ten (10) Days after the date when the alleged cause for the extension of time occurred. All such claims shall state specifically the amount of time of the delay the Contractor believes to have suffered. If the Project Administrator does not receive such written notice within the prescribed time, the claim for extension of time shall be forfeited and invalidated. No extension of time shall be deemed granted unless the Project Administrator expressly grants an extension of time by written notice to the Contractor.

(ii) By executing this Construction Contract, the Contractor expressly waives any claim for extra monetary compensation for delays, whether ordered by the City or not, caused by delays in funding, governmental approvals, private or public companies' actions, inclement weather, site conditions, or from any cause whatsoever. The Contractor shall adjust its operation to continue the work at other locations under this Construction Contract, if available, and as directed by the City. If it is necessary to discontinue the work temporarily, the Contractor shall resume work within 48 hours of notice from the City. The City may adjust the completion date to compensate for the lost day(s) on a day-for-day basis, if the City finds that the Contractor could not make up for such lost day(s) by reallocating its forces or rescheduling the work, up to the time remaining on the original schedule at the time of shutdown.

(e) Change Orders.

(i) The City, without invalidating the contract, may issue written City of Rockville Change Orders pursuant to Section 17-40 of the Procurement Ordinance. All such changes, or additional work must be authorized in writing by the Purchasing Agent or her authorized designee prior to starting such work. Costs shall be limited to the cost of materials, labor, field supervision and field office personnel directly involved in and attributed to the change. All costs and/or credits to the City for a change in the work shall be determined by the unit price bid or by mutual agreement.

(ii) The Contractor shall do all work that may be required to complete the work contemplated by a City of Rockville Change Order at the unit prices bid or at a lump sum price to be mutually agreed upon.

(iii) The Contractor shall perform Extra Work, for which there is no quantity or price included in the Contract, whenever it is deemed necessary or desirable, to complete fully the Work as modified by a City of Rockville Change Order, and such work shall be done in accordance with the

specifications therefore, or in the best workmanlike manner as directed. Where such a price or sum cannot be agreed upon by both parties, or where this method of payment is impracticable, the Project Administrator may order the Contractor to do such work on a force account basis pursuant to Paragraph 73 of the General Conditions and Instructions to Bidders in IFB #26-25.

(iv) The Contractor may submit a written request for a City of Rockville Change Order to the Project Administrator in the event the Contractor believes a City of Rockville Change Order is warranted or desirable. The City is under no obligation to issue or respond to a requested City of Rockville Change Order.

(f) Liquidated Damages. If the Contractor fails to achieve Final Completion of the Work within the Contract Time, the Mayor and Council may assess liquidated damages on a daily basis for each day of unexcused delay in achieving Final Completion, based on the amount of four hundred dollars ($400) per Day, not including Sundays, or as otherwise specified in IFB #26-25. Liquidated damages may also be separately assessed for failure to meet milestones specified elsewhere in the Contract Documents, regardless of impact on the time for achieving Final Completion. The assessment of liquidated damages is not a penalty but considered to be a reasonable estimate of the amount of damages the Mayor and Council will suffer by delay in completion of the Work. The Mayor and Council is entitled to setoff the amount of liquidated damages assessed against any payments otherwise due to the Contractor, including, but not limited to, setoff against release of retention. If the total amount of liquidated damages assessed exceeds the amount of unreleased retention, the Mayor and Council is entitled to recover the balance from the Contractor or its sureties. Occupancy or use of a Project in whole or in part prior to Final Completion shall not operate as a waiver of City's right to assess liquidated damages.

(g) Special Damages.

(i) The Contractor shall reimburse the Mayor and Council, upon demand, for (1) any and all fines and penalties imposed on the Mayor and Council in connection with the Contractor's failure to attain Substantial Completion, Final Completion, or any other date for performance according to the Contract Time, and (2) any and all costs and expenses, including reasonable attorneys' fees, incurred by the Mayor and Council for engineering, construction observation, inspection, administrative services, or any other work or services needed or otherwise utilized or obtained after the time specified for performance.

(ii) After the Contractor achieves Substantial Completion, if the Contractor shall neglect, refuse, or fail to complete any component of the remaining Work within the Contract Time, the Contractor shall reimburse the Mayor and Council for any and all costs and expenses, including reasonable attorneys' fees, incurred by the Mayor and Council for engineering, construction observation, inspection, administrative services, or any other work or services needed or otherwise utilized or obtained after the time specified for Work to be completed and ready for final payment.

(iii) The special damages imposed in this Section are supplemental to any liquidated damages for delayed completion established in the Construction Contract.

(iv) The Mayor and Council may, but in no event be obligated to, complete all or any portion of the Work not timely performed in full by the Contractor, on behalf of the Contractor and at the Contractor's sole cost and expense. The Contractor shall, on demand, reimburse the Mayor and Council the positive difference, if any, between (i) all costs and expenses incurred by the Mayor and Council in

connection with so performing on behalf of Contractor, including reasonable attorneys' fees, and (ii) the Contract Sum.

(h) Other Remedies. The Mayor and Council is entitled to any and all available legal and equitable remedies the Mayor and Council may have where the Mayor and Council's damages are caused by any reason other than the Contractor's failure to achieve Substantial Completion or Final Completion of the entire Work within the Contract Time.

End of Article II

ARTICLE III
COMPENSATION AND PAYMENT

Section 3.01. Contract Sum.

(a) The Contractor shall be compensated for Final Completion of all Projects in compliance with the Contract Documents an amount not-to-exceed **Twenty-five Million and 00/100 DOLLARS ($25,000,000.00)** in accordance with the unit costs in the Bid Pricing Form (reproduced and attached as **Exhibit A**). Subject to the terms of this Construction Contract, any Work performed or expenses incurred for which payment would result in a total exceeding the Contract Sum shall be at no cost to the Mayor and Council.

(b) The Mayor and Council appropriates funds on a fiscal year basis; the City's fiscal year runs from July 1 through June 30. Funds have been appropriated for the first year of this Construction Contract through the end of the fiscal year, June 30, 2026. All payments made under this Construction Contract after June 30, 2026, are contingent upon appropriation and encumbrance of funds. If the Mayor and Council fails to approve an appropriation to fund this Construction Contract for a subsequent fiscal year, the Mayor and Council may terminate this Construction Contract without further cost to the City by providing notice of such termination in writing to Contractor within thirty (30) days of the first day of that subsequent fiscal year.

Section 3.02. Payment Procedures.

(a) Applications for Payment.

(i) The Contractor shall submit to the Project Administrator an Application for Payment for all Work performed, including tasks and deliverables completed, and expenses incurred during the preceding month. The Application for Payment must be accompanied by supporting data and documents substantiating the Contractor's right to payment and reflecting a five percent (5%) retainage, where retainage is required by the Chief of Construction Management.

(ii) The Project Administrator will independently review the Applications for Payment submitted by the Contractor to determine whether the Work performed and expenses incurred are in compliance with the provisions of the Contract Documents. Except as to any charges for Work performed or expenses incurred by the Contractor which are disputed by the City, the City will use its best efforts to cause the Contractor to be paid within thirty (30) days of receipt the Contractor's correct and undisputed Application for Payment. In the event any charges or expenses are disputed by the City, the original Application for Payment shall be returned by the City to the Contractor for correction and resubmission.

(iii) The Contractor shall submit a detailed invoice for payment at the end of each month for all work completed and accepted by the City during that month as follows:

Dan Stevens – Chief of Construction Management
Department of Public Works
850 Avery Road
Rockville, MD 20851
Telephone 240-314-8552
Email: dstevens@rockvillemd.gov

No retainage will be withheld from monthly payments unless deemed necessary by the Chief of Construction Management. Should the Contractor fail to keep up with clean-up and restoration work, if deemed necessary by the Chief of Construction Management, 5 percent (5%) of each monthly payment will be withheld until the Contractor shows progress in keeping up with restoration and clean-up work.

(iv) *Electronic Payment Option*. The City's Vendor ACH Payment Program allows payments to be deposited directly into a designated financial institution account. Funds will be deposited into the account identified automatically and on time. There is no additional cost to participate. All transactions are conducted in a secure environment.

(v) *Payment to Subcontractor*.

A. Within seven (7) days after receipt of amounts paid by the City for work performed by a subcontractor under this Construction Contract, the Contractor shall either: (A) pay the subcontractor for the proportionate share of the total payment received from the City attributable to the work performed by the subcontractor under this Construction Contract; or (B) notify the City and the subcontractor, in writing, of the Contractor's intention to withhold all or a part of the subcontractor's payment and the reason for non-payment. In no event shall the City be liable for the Contractor's failure to pay a subcontractor. It is the Contractor's responsibility to ensure that no lien for work performed by the Contractor or subcontractor is placed on the City.

B. The Mayor and Council may make or withhold progress payments pursuant to Paragraph 75 of the General Conditions and Instructions to Bidders in IFB #26-25, or as otherwise provided in IFB #26-25.

C. The Contractor shall promptly pay each subcontractor and supplier for work completed upon receipt of payment from the City the amount to which said subcontractor is entitled, reflecting any percentage retained from payments to the Contractor on account of each subcontractor's work. The Contractor shall, by an appropriate agreement with each subcontractor, require each subcontractor to make prompt payments to his subcontractors in a similar manner. The City shall be under no obligation to pay or to see to the payment of any moneys to any subcontractor except as may otherwise be required by law.

(b) Final Payment.

(i) Upon reaching Substantial Completion for each Projects pursuant to the terms of a Work Authorization Letter, the Contractor may submit a final Application for Final Payment pursuant to Paragraph 76 of the General Conditions and Instructions to Bidders in IFB #26-25.

(ii) No retainage will be withheld from payment unless deemed necessary by the Chief of Construction Management.

(iii) Within thirty (30) Days after the approval of the final payment request, the City will pay to the Contractor the amount remaining after deducting from the total amount of the final

estimate all such sums as have hereto before been paid to the Contractor under the provision of the Contract and also such amounts as the City has or may be authorized under the Contract to reserve or retain.

(iv) Neither the final payment nor the remaining retainage shall become due until the Contractor submits to the Project Administrator:

A. An affidavit that all payrolls, bills for materials and equipment and other indebtedness connected with the work for which the City or his property might in any way be responsible, have been paid;

B. Consent of surety to final payment;

C. If requested, data establishing payment or satisfaction of obligations, such as receipt, release and waivers of liens arising out of the Contract; and

D. All punch list items are completed to the satisfaction of the Project Administrator.

(v) If any subcontractor refuses to furnish a release or waiver of liens required by the City, the Contractor may furnish a bond satisfactory to the City to indemnify him against any such lien. If any such lien remains unsatisfied after all payments are made, the Contractor shall refund to the City all moneys that the latter may be compelled to pay in discharging such lien, including all costs and reasonable attorney fees.

(vi) All guarantees and warranties required by this Construction Contract shall be furnished by the Contractor and shall be delivered to the Project Administrator before final payment is made.

(vii) Acceptance by the Contractor of final payment shall operate as a release to the Mayor and Council and every officer and agent thereof, from all claims and liabilities to the Contractor for anything done or furnished or relating to the work under the Contract Documents.

(c) Release of Retainage. Upon the expiration of one hundred and twenty (120) Days succeeding the date of the City's acceptance of the Work and subject to the conditions for release of retainage in Paragraph 76 of the General Conditions and Instructions to Bidders in IFB #26-25, the City will pay to the Contractor all sums reserved or retained, less such amount as it may be empowered under the provisions of the Contract to retain.

Section 3.03. Waiver. Payment to the Contractor for Work performed and expenses incurred for pursuant to this Construction Contract shall not be deemed to waive defects in the Work performed by the Contractor.

Section 3.04. Errors and Omissions. The Contractor is solely responsible for costs, including, but not limited to, increases in the cost of performing the Work, arising from or caused by the Contractor's errors and omissions, as applicable, including, but not limited to, the costs of corrections of such errors and omissions, any change order markup costs, or costs arising from delay caused by the errors and omissions or unreasonable delay in correcting the errors and omissions.

End of Article III

ARTICLE IV.
CONTRACTOR COVENANTS AND OBLIGATIONS

Section 4.01. Contractor Qualifications. The Contractor covenants that it, its employees, agents and subcontractors, if any, have and shall maintain during the term of this Construction Contract all licenses, permits, qualifications, insurance and approvals of whatever nature that are legally required to perform the Work.

Section 4.02. Standard of Care. The Contractor covenants that the Work shall be performed by qualified, experienced and well-supervised personnel. All services performed in connection with this Construction Contract shall be performed in a manner consistent with the standard of care under Maryland law applicable to those who specialize in providing such services for projects of the type, scope, and complexity of the Projects.

Section 4.03. Compliance with Law. The Contractor covenants that it shall keep itself informed concerning and shall perform all Work in accordance with all ordinances, resolutions, rules, and regulations of the City and any applicable Federal, State of Maryland or Montgomery County, Maryland laws and regulations in effect at the time the Work is performed.

Section 4.04. Licenses, Permits, Fees and Assessments. The Contractor covenants that it shall obtain at its sole cost and expense such licenses, permits and approvals that are identified in a Work Authorization Letter as the Contractor's responsibility. The Contractor shall have the sole obligation to pay for any fees, assessments and taxes, plus applicable penalties and interest, which may be imposed by law and arise from or are necessary for the Contractor's performance of the Work required under the Contract Documents, and shall indemnify, defend and hold harmless the City, its officers, employees or agents of the City, against any such fees, assessments, taxes, penalties or interest levied, assessed or imposed against the City.

Section 4.05. Conflict of Interest. The Contractor covenants that neither it, nor any officer or principal of its firm, has or shall acquire any interest, directly or indirectly, which would conflict in any manner with the interests of the City or which would in any way hinder the Contractor's performance of Work. The Contractor further covenants that in the performance of the Work, no person having any such interest shall be employed by it as an officer, employee, agent or subcontractor without the express written consent of the City Manager. The Contractor agrees to avoid conflicts of interest or the appearance of any conflicts of interest with the interests of the City in the performance of this Construction Contract. The Contractor further covenants that, in the performance of this Construction Contract, it will not employ subcontractors or other persons or parties having such an interest. The Contractor certifies that no person who has or will have any financial interest under this Construction Contract is a member, officer or employee of the City; this provision will be interpreted in accordance with the applicable provisions of the Rockville City Code, as amended from time to time. The Contractor agrees to notify the City Manager or designee if any conflict arises.

Section 4.06. Compliance with ADA. The Contractor covenants and agrees that pursuant to the Americans with Disabilities Act of 1990, as amended (the "**ADA**"), programs, services and other activities provided by a public entity to the public, whether directly or through a contractor or subcontractor, are required to be accessible to the disabled public. The Contractor will perform the Work specified in this Construction Contract in a manner that complies with the ADA and any other applicable federal, state and local disability rights laws and regulations, as amended from time to time. The

Contractor will not discriminate against persons with disabilities in the performance of the Work, benefits or activities provided under the Contract Documents.

Section 4.07. Design Errors or Omissions. The Contractor acknowledges that prior to executing this Construction Contract, the Contractor reviewed the drawings, specifications and other Contract Documents and have notified the City of any errors, omissions, or discrepancies in the documents of which it was aware. Contractor shall not make or be entitled to any claim for any adjustment to the Contract Time or the Contract Sum for errors or omissions in the Construction Documents that Contractor discovered or, in the exercise of its standard of care as a contractor and not as a design professional, should reasonably have discovered using ordinary diligence, and did not bring to the attention of the City in a timely manner.

Section 4.08. Differing Site Conditions.

(a) The Contractor shall promptly, and before such conditions are disturbed, give a written notice to the Project Administrator of (1) subsurface or latent physical conditions at a Site which differ materially from those indicated in this Construction Contract, or (2) unknown physical conditions at a Site, of an unusual nature, which differ materially from those ordinarily encountered and generally recognized as inhering in work of the character provided for in this Construction Contract.

(b) The Project Administrator shall investigate a Site's conditions promptly after receiving the notice. If the conditions do materially so differ and cause an increase or decrease in the Contractor's cost of, or the time required for, performing any part of the work under this Construction Contract, whether or not changed as a result of the conditions, an equitable adjustment shall be made under this Construction Contract and the Construction Contract modified in writing accordingly.

(c) No request by the Contractor for an equitable adjustment to the Construction Contract under this clause shall be allowed, unless the Contractor has given the written notice required; *provided*, that the time prescribed in (a) above for giving written notice may be extended by the Project Administrator.

(d) No request by the Contractor for an equitable adjustment to the contract for differing site conditions shall be allowed if made after final payment under this Construction Contract.

Section 4.09. External Funding Requirements. Contractor acknowledges that this Construction Contract is being funded in part through two external funding sources: the Maryland Department of the Environment's Drinking Water State Revolving Loan Fund program and the U.S. Environmental Protection Agency Region Three Community Grants program. Contractor agrees to adhere to the requirements for these funding sources as provided on pages 200 through 269 of IFB # 26-25, or as may be otherwise required by the State of Maryland or the U.S. Environmental Protection Agency.

End of Article IV

ARTICLE V.
RECORDS, REPORTS, AUDIT, AND RELEASE OF INFORMATION

Section 5.01. Records. The Contractor shall keep and require its subcontractors, if any, to keep, such ledgers books of accounts, invoices, vouchers, canceled checks, records, reports, studies, documents or other information relating to the disbursements charged to City and Work performed hereunder (the "**Books and Records**"), as shall be necessary to enable the Project Administrator to evaluate the performance of the Work. All such documents shall be maintained in accordance with generally accepted accounting principles and shall be complete and detailed. The City Manager and his designee shall have full and free access to such Books and Records at all times during normal business hours of the City of Rockville, including the right to inspect, copy, audit and make records and transcripts from such records. Such records shall be maintained for a period of five (5) years following Final Completion of a Project, and the City shall have access to such records in the event any audit is required. In the event of dissolution of the Contractor's business, custody of the Books and Records shall be given to City, and access may be provided by the Contractor's successor in interest.

Section 5.02. Reports. The Contractor shall periodically prepare and submit to the Project Administrator such reports concerning the Work as the Project Administrator shall require. The Contractor hereby acknowledges that the Final Completion of all Projects is a priority for the City. For this reason, the Contractor agrees that if the Contractor becomes aware of any facts, circumstances, techniques, or events that may or will materially increase or decrease the cost of the Work, the Contractor shall promptly notify the Project Administrator of said fact, circumstance, technique or event and the estimated increased or decreased cost related thereto.

Section 5.03. Right to Audit. The City retains the right to review and audit, and the reasonable right of access to the Contractor's and any subcontractor's premises, to review and audit the Contractor 's or subcontractor's compliance with the provisions of the Contract Documents (the "**City's Audit Right**"). The City's Audit Right includes the right to inspect, photocopy, and retain copies of the Books and Records, outside of the Contractor 's premises if deemed necessary by the City in its sole discretion. The City shall keep these Books and Records confidential to the extent permitted by law.

Section 5.04. Confidentiality and Release of Information.

(a) All information gained or work product produced by the Contractor in performance the Work shall be considered confidential, unless such information is in the public domain or already known to the Contractor. The Contractor shall not release or disclose any such information or work product to persons or entities other than the City without prior written authorization from the City Manager.

(b) The Contractor, its officers, employees, agents or subcontractors, shall not, without prior written authorization from the City Manager or unless requested by the City Attorney, voluntarily provide documents, declarations, letters of support, testimony at depositions, response to interrogatories or other information concerning the work performed under the Contract Documents. Response to a subpoena or court order shall not be considered "voluntary" provided the Contractor gives City notice of such court order or subpoena.

(c) If the Contractor, or any officer, employee, agent or subcontractor of the Contractor, provides any information or work product in violation of this Construction Contract, then the City shall

have the right to reimbursement and indemnity from the Contractor for any damages, costs and fees, including attorneys' fees, caused by or incurred as a result of the Contractor's conduct.

(d) The Contractor shall promptly notify the City Attorney should the Contractor, its officers, employees, agents or subcontractors be served with any summons, complaint, subpoena, notice of deposition, request for documents, interrogatories, request for admissions or other discovery request, court order or subpoena from any party regarding this Construction Contract and the Work performed hereunder. The City Attorney or his designee retains the right, but has no obligation, to represent the Contractor or be present at any deposition, hearing or similar proceeding. The Contractor agrees to cooperate fully with the City and to provide the City with the opportunity to review any response to discovery requests provided by the Contractor. However, this right to review any such response does not imply or mean the right by the City to control, direct, or rewrite said response.

End of Article V

ARTICLE VI.
INSURANCE AND INDEMNIFICATION

Section 6.01. Insurance Requirement.

(a) Prior to execution of this Construction Contract by the City, the Contractor must obtain, at its sole cost and expense, and keep in force and effect during the term of this Construction Contract, including all extensions, an insurance policy meeting the requirements of Section III: Special Terms and Conditions of IFB #26-25, as evidenced at the time of the execution of this Construction Contract by a certificate of insurance provided to the Risk Manager for the City of Rockville (the "**Risk Manager**").

(b) In the event the Contractor subcontracts any portion of the Work, the contract between the Contractor and such subcontractor shall require the subcontractor to maintain the same policies of insurance that the Contractor is required to maintain pursuant to subsection 6.01(a), and such certificates and endorsements shall be provided to the Risk Manager.

Section 6.02. Indemnification.

(a) To the full extent permitted by law, the Contractor agrees to indemnify, defend and hold harmless the Mayor and Council and its appointed officers, employees and agents against, and will hold and save them and each of them harmless from, any and all actions, either judicial, administrative, arbitration or regulatory claims, damages to persons or property, losses, costs, penalties, obligations, errors, omissions or liabilities whether actual or threatened (herein "**Claims or Liabilities**") that may be asserted or claimed by any person, firm or entity arising out of or in connection with the negligent performance of the work, operations or activities provided herein of the Contractor, its officers, employees, agents, subcontractors, or invitees, or any individual or entity for which the Contractor is legally liable ("**Indemnors**"), or arising from the Contractor's reckless or willful misconduct, or arising from the Contractor's Indemnors' negligent performance of or failure to perform any term, provision, covenant or condition under the Contract Documents, and in connection therewith:

(b) The Contractor will defend any action or actions filed in connection with any of said Claims or Liabilities and will pay all costs and expenses, including legal costs and attorneys' fees incurred in connection therewith;

(c) The Contractor will promptly pay any judgment rendered against the Mayor and Council, its appointed officers, agents or employees for any such Claims or Liabilities arising out of or in connection with the negligent performance of or failure to perform such work, operations or activities of the Contractor hereunder; and the Contractor agrees to save and hold the Mayor and Council, its appointed officers, agents, and employees harmless therefrom; and

(d) In the event the Mayor and Council, its appointed officers, agents or employees is made a party to any action or proceeding filed or prosecuted against the Contractor for such damages or other claims arising out of or in connection with the negligent performance of or failure to perform the work, operation or activities of the Contractor hereunder, the Contractor agrees to pay to the Mayor and Council, its appointed officers, agents or employees, any and all costs and expenses incurred by the Mayor and Council, its appointed officers, agents or employees in such action or proceeding, including but not limited to, legal costs and attorneys' fees.

(e) The Contractor shall incorporate similar indemnity agreements with its subcontractors and if it fails to do so the Contractor shall be fully responsible to indemnify the City hereunder therefore, and failure of the City to monitor compliance with these provisions shall not be a waiver hereof. This indemnification includes Claims or Liabilities arising from any negligent or wrongful act, error or omission, or reckless or willful misconduct of the Contractor in the performance of services hereunder. The provisions of this Section do not apply to Claims or Liabilities occurring as a result of City's sole negligence or willful acts or omissions, but, to the fullest extent permitted by law, shall apply to claims and liabilities resulting in part from City's negligence, except that design professionals' indemnity hereunder shall be limited to claims and liabilities arising out of the negligence, recklessness or willful misconduct of the design professional. The indemnity obligation shall be binding on successors and assigns of the Contractor and shall survive termination of this Construction Contract.

Section 6.03. Sufficiency of Insurer or Surety. Insurance or bonds required by the Contract Documents shall be satisfactory only if issued by companies qualified to do business in Maryland, rated "A" or better in the most recent edition of Best Rating Guide, The Key Rating Guide or in the Federal Register, and only if they are of a financial category Class VII or better, unless such requirements are waived by the Risk Manager due to unique circumstances. If this Construction Contract continues for more than three (3) years duration, or in the event the Risk Manager determines that the Work to be performed under the Contract Documents creates an increased or decreased risk of loss to the City, the Contractor agrees that the minimum limits of the insurance policies and the performance bond (if any) may be changed accordingly upon receipt of written notice from the Risk Manager; provided that the Contractor shall have the right to appeal a determination of increased coverage by the Risk Manager to the City Manager within 10 days of receipt of notice from the Risk Manager.

End of Article VI

ARTICLE VII.
REPRESENTATIONS AND WARRANTIES; CERTIFICATION

Section 7.01. Contractor's Representations. As a material inducement to the Mayor and Council's entry into this Construction Contract, the Contractor hereby (i) makes the following representations and warranties to the Mayor and Council, as of the Effective Date, (ii) covenants that until the expiration or earlier termination of this Construction Contract, upon learning of any fact or condition which would cause any of the warranties and representations in this Construction Contract not to be true, the Contractor shall immediately give written notice of such fact or condition to the Mayor and Council, (iii) acknowledges that the Mayor and Council shall rely upon the Contractor's representations made herein notwithstanding any investigation made by or on behalf of the Mayor and Council, and (iv) agrees that such representations and warranties shall survive termination of this Construction Contract:

(a) Organization. The Contractor is a duly organized and validly existing corporation and is in good standing under the laws of the State of Maryland and has the power and authority to carry on its business in the State of Maryland.

(b) Authority of the Contractor. The Contractor has full power and authority to execute and deliver this Construction Contract, to execute and deliver the Contract Documents and all other documents or instruments executed and delivered, or to be executed and delivered, pursuant to this Construction Contract, and to perform and observe the terms and provisions of all of the above.

(c) Authority of Persons Executing Documents. This Construction Contract and the other Contract Documents and all other documents or instruments executed and delivered or to be executed and delivered pursuant to this Construction Contract have been (to the extent scheduled to be delivered as of the date hereof) or will be (to the extent scheduled to be delivered subsequent to the date hereof) executed and delivered by persons who are duly authorized to execute and deliver the same for and on behalf of the Contractor, and all actions required under the Contractor's organizational documents and applicable governing law for the authorization, execution, delivery and performance of this Construction Contract and the other Contract Documents and all other documents or instruments executed and delivered, or to be executed and delivered, pursuant to this Construction Contract, have been or will be duly taken prior to delivery of each document or instrument.

(d) Valid Binding Agreements. This Construction Contract and the other Contract Documents and all other documents or instruments which have been executed and delivered pursuant to or in connection with this Construction Contract constitute or, if not yet executed or delivered, will when so executed and delivered constitute, legal, valid and binding obligations of the Contractor enforceable against it in accordance with their respective terms.

(e) No Breach of Law or Agreement. Neither the execution nor delivery of this Construction Contract and the other Contract Documents or any other documents or instruments executed and delivered, or to be executed or delivered, pursuant to this Construction Contract, nor the performance of any provision, condition, covenant or other term hereof or thereof, will conflict with or result in a breach of any statute, rule or regulation, or any judgment, decree or order of any court, board, commission or agency whatsoever binding on the Contractor, or any provision of the organizational documents of the Contractor, or will materially conflict with or constitute a material breach of or a material default under any agreement to which Contractor is a party.

(f) Compliance with Laws; Consents and Approvals. The Contractor shall comply with all applicable laws, ordinances, rules and regulations of the federal government, the State of Maryland, Montgomery County, Maryland, and the City of Rockville, and shall comply with all applicable directions, rules and regulations of the fire marshal, health officers, building inspectors and other officers of any such government or agency.

(g) No Pending Litigation, Etc. Neither Contractor nor any principal (or beneficiary) of Contractor is subject to any pending, threatened or current litigation, merger or acquisition, corporate or other restructuring or financial oversight.

(h) No Bankruptcy, Insolvency. Neither Contractor nor any of Contractor's principals (or beneficiaries) is currently subject to any voluntary or involuntary bankruptcy or other insolvency, reorganization, bankruptcy, receivership or other similar proceeding, Contractor has no knowledge of any of the same pending or being imminent, none of such parties have been subject to any of the same at any time during the 10 year period immediately preceding the Effective Date, and Contractor has not made an assignment for the benefit of its creditors.

(i) No Violation of Order, Etc. Contractor is not in violation of any order, decree or judgment arising out of, connected with or otherwise related to the design, construction, operation or management of any facility, building, project or system.

Section 7.02. Contractor's Certifications. The Contractor certifies to the Mayor and Council that it has not engaged in corrupt, fraudulent, collusive, or coercive practices in competing for or in executing this Construction Contract. For the purposes of this Section 7.02: "**corrupt practice**" means the offering, giving, receiving, or soliciting of anything of value likely to influence the action of a public official in the bidding process or in this Construction Contract execution; "**fraudulent practice**" means an intentional misrepresentation of facts made (a) to influence the bidding process or the execution of the Contract to the detriment of the Mayor and Council, (b) to establish Bid or Contract prices at artificial non-competitive levels, or (c) to deprive the Mayor and Council of the benefits of free and open competition; "**collusive practice**" means a scheme or arrangement between two or more bidders, with or without the knowledge of the Mayor and Council or City of Rockville staff, a purpose of which is to establish bid prices at artificial, non-competitive levels; and "**coercive practice**" means harming or threatening to harm, directly or indirectly, persons or their property to influence their participation in the bidding process or affect the execution of this Construction Contract.

End of Article VII

ARTICLE VIII.
DEFAULTS AND REMEDIES

Section 8.01. Default.

(a) Notice of Default. In the event that the Mayor and Council determines, in its sole discretion, that Contractor has failed or refused to perform any of the obligations set forth in the Contract Documents, or is in breach of any provision of the Contract Documents, the City Manager may give written notice of default to the Contractor in the manner specified for the giving of notices in the Construction Contract, with a copy to Contractor's performance bond surety.

(b) Opportunity to Cure. Except for emergencies, the Contractor shall cure any default in performance of its obligations under the Contract Documents within five (5) Working Days (or such shorter time as the City Manager may reasonably require) after receipt of written notice. However, if the breach cannot be reasonably cured within such time, the Contractor will commence to cure the breach within five (5) Working Days (or such shorter time as the City Manager may reasonably require) and will diligently and continuously prosecute such cure to completion within a reasonable time, which shall in no event be later than ten (10) Working Days after receipt of such written notice.

Section 8.02. Mayor and Council's Rights and Remedies.

(a) Remedies Upon Default. If the Contractor fails to cure any default of this Construction Contract within the time period set forth above in Section 8.01, then the Mayor and Council may pursue any remedies available under law or equity, including, without limitation, the following:

(i) *Delete Certain Services*. The Mayor and Council may, without terminating the Construction Contract, delete certain portions of the Work, reserving to itself all rights to Losses related thereto.

(ii) *Perform and Withhold*. The Mayor and Council may, without terminating the Construction Contract, engage others to perform the Work or portion of the Work that has not been adequately performed by the Contractor and withhold the cost thereof to the Mayor and Council from future payments to the Contractor, reserving to itself all rights to Losses related thereto.

(iii) *Suspend the Construction Contract*. The Mayor and Council may, without terminating the Construction Contract and reserving to itself all rights to Losses related thereto, suspend all or any portion of this Construction Contract for as long a period of time as the Mayor and Council determines, in its sole discretion, appropriate, in which event the Mayor and Council shall have no obligation to adjust the Contract Sum or Contract Time, and shall have no liability to the Contractor for damages if the Mayor and Council directs Contractor to resume Work.

(iv) *Terminate the Construction Contract for Default*. The Mayor and Council shall have the right to terminate this Construction Contract, in whole or in part, upon the failure of Contractor to promptly cure any default as required by Section 8.01. The Mayor and Council's election to terminate this Construction Contract for default shall be communicated by giving the Contractor a written notice of termination in the manner specified for the giving of notices in the Construction Contract. Any notice of termination given to the Contractor by the Mayor and Council shall be effective immediately, unless otherwise provided therein.

(v) *Invoke the Performance Bond*. The Mayor and Council may, with or without terminating the Construction Contract and reserving to itself all rights to Losses related thereto, exercise its rights under the Performance Bond.

(vi) *Additional Provisions*. All of the Mayor and Council's rights and remedies under this Construction Contract are cumulative and shall be in addition to those rights and remedies available in law or in equity. Designation in the Contract Documents of certain breaches as material shall not waive the Mayor and Council's authority to designate other breaches as material nor limit the Mayor and Council's right to terminate this Construction Contract or prevent the Mayor and Council from terminating the Contract Documents for breaches that are not material. The Mayor and Council's determination of whether there has been noncompliance with the Construction Contract so as to warrant exercise by the Mayor and Council of its rights and remedies for default under this Construction Contract, shall be binding on all Parties. No termination or action taken by the Mayor and Council after such termination shall prejudice any other rights or remedies of the Mayor and Council provided by law or equity or by the Contract Documents upon such termination; and the Mayor and Council may proceed against the Contractor to recover all liquidated damages and Losses suffered by the Mayor and Council.

(b) Delays by Sureties. Time being of the essence in the performance of the Work, if the Contractor's surety fails to arrange for completion of the Work in accordance with the Performance Bond, within seven (7) Days from the date of the notice of termination, the Contractor's surety shall be deemed to have waived its right to complete the Work under this Construction Contract, and the Mayor and Council may immediately make arrangements for the completion of the Work through use of its own forces, by hiring a replacement contractor, or by any other means that the Mayor and Council determines advisable under the circumstances. The Contractor and its surety shall be jointly and severally liable for any additional cost incurred by the Mayor and Council to complete the Work following termination. In addition, the Mayor and Council shall have the right to use any materials, supplies, and equipment belonging to the Contractor and located at a Site for the purposes of completing the remaining Work.

(c) Damages to Mayor and Council.

(i) *For Contractor's Default*. The Mayor and Council will be entitled to recovery of all Losses under law or equity in the event of the Contractor's default under the Contract Documents.

(ii) *Compensation for Losses*. In the event that the Mayor and Council's Losses arise from the Contractor's default under the Contract Documents, the Mayor and Council shall be entitled to deduct the cost of such Losses from monies otherwise payable to the Contractor. If the Losses incurred by the Mayor and Council exceed the amount payable, the Contractor shall be liable to the Mayor and Council for the difference and shall promptly remit same to the Mayor and Council.

(d) Suspension by Mayor and Council.

(i) *Suspension for Convenience*. The Mayor and Council may, at any time and from time to time, without cause, order the Contractor, in writing, to suspend, delay, or interrupt the Work in whole or in part for such period of time, up to an aggregate of fifty percent (50%) of the Contract Time. The order shall be specifically identified as a Suspension Order by the Mayor and Council. Upon receipt of a Suspension Order, the Contractor shall, at the Mayor and Council's expense, comply with the order and take all reasonable steps to minimize costs allocable to the Work covered by the Suspension Order. During the Suspension or extension of the Suspension, if any, the Mayor and Council shall either cancel the Suspension Order or, by Change Order, delete the Work covered by the Suspension Order. If a Suspension Order is canceled or expires, the Contractor shall resume and continue with the Work. A Change Order will be issued to cover any adjustments of the Contract Sum or the Contract Time

necessarily caused by such suspension. A Suspension Order shall not be the exclusive method for the Mayor and Council to stop the Work.

(ii) *Suspension for Cause*. In addition to all other remedies available to the Mayor and Council, if the Contractor fails to perform or correct work in accordance with the Contract Documents, the Mayor and Council may immediately order the Work, or any portion thereof, suspended until the cause for the suspension has been eliminated to the Mayor and Council's satisfaction. The Contractor shall not be entitled to an increase in Contract Time or Contract Sum for a suspension occasioned by the Contractor's failure to comply with the Contract Documents. The Mayor and Council's right to suspend the Work shall not give rise to a duty to suspend the Work, and the Mayor and Council's failure to suspend the Work shall not constitute a defense to the Contractor's failure to comply with the requirements of the Contract Documents.

(e) Termination Without Cause. The Mayor and Council may, at its sole discretion and without cause, terminate this Construction Contract in part or in whole upon written notice to the Contractor. The termination is effective ten (10) Days after the notice is issued, unless a different time is given in the notice. The compensation allowed under this Section 8.02(e) shall be the Contractor's sole and exclusive compensation for such termination, and the Contractor waives any claim for other compensation or losses, including, but not limited to, loss of anticipated profits, loss of revenue, lost opportunity, or other consequential, direct, indirect or incidental damages of any kind resulting from termination without cause. Termination pursuant to this provision does not relieve the Contractor or its sureties from any of their obligations for Losses arising from or related to the Work performed by the Contractor.

(i) *Compensation*. Following such termination and within forty-five (45) Days after receipt of a billing from the Contractor seeking payment of sums authorized by Section 8.02(e), the Mayor and Council shall pay the following to the Contractor as Contractor's sole compensation for performance of the Work:

A. For Work Performed. The amount of the Contract Sum allocable to the portion of the Work properly performed by the Contractor as of the date of termination, less sums previously paid to Contractor.

B. For Close-out Costs. Reasonable costs of the Contractor and its subcontractors: (i) Demobilizing and (ii) Administering the close-out of its participation in a Project (including, without limitation, all billing and accounting functions, not including attorney or expert fees) for a period of no longer than thirty (30) Days after receipt of the notice of termination.

C. For Fabricated Items. Previously unpaid cost of any items delivered to a Site which were fabricated for subsequent incorporation in the Work.

D. Profit Allowance. An allowance for profit calculated as four percent (4%) of the sum of the above items, provided Contractor can prove a likelihood that it would have made a profit if the Construction Contract had not been terminated.

(ii) *Subcontractors*. The Contractor shall include provisions in all of its subcontracts, purchase orders and other contracts permitting termination for convenience by Contractor on terms that are consistent with this Construction Contract and that afford no greater rights of recovery against Contractor than are afforded to Contractor against City under this Section.

(f) Loss of Federal or State Funding. In the event federal or state funding used to pay for the Work under this Construction Contract is reduced, withdrawn, frozen or otherwise cannot be made in full, this Construction Contract shall automatically terminate, unless both Parties agree to a modification of the obligations under this Construction Contract. The effective date of such termination shall be ninety (90) Days after the Contractor receives written notice of the reduction in payment, unless available funds are insufficient to continue payments in full during the ninety (90) Day period. A reduction in federal or state funding does not reduce monies due and owing to the Contractor on or before the effective date of the termination of the Agreement.

(g) Contractor's Duties Upon Termination. Upon receipt of a notice of termination pursuant to this Section 8.02, the Contractor shall, unless the notice directs otherwise, do the following:

(i) Immediately discontinue the Work to the extent specified in the notice;

(ii) Place no further orders or subcontracts for materials, equipment, services or facilities, except as may be necessary for completion of such portion of the Work that is not discontinued;

(iii) Provide to the Mayor and Council a description in writing, no later than fifteen (15) Days after receipt of the notice of termination, of all subcontracts, purchase orders and contracts that are outstanding, including, without limitation, the terms of the original price, any changes, payments, balance owing, the status of the portion of the Work covered and a copy of the subcontract, purchase order or contract and any written changes, amendments or modifications thereto, together with such other information as the Mayor and Council may determine necessary in order to decide whether to accept assignment of or request the Contractor to terminate the subcontract, purchase order or contract;

(iv) Promptly assign to the Mayor and Council those subcontracts, purchase orders or contracts, or portions thereof, that the Mayor and Council elects to accept by assignment and cancel, on the most favorable terms reasonably possible, all subcontracts, purchase orders or contracts, or portions thereof, that the Mayor and Council does not elect to accept by assignment; and

(v) Thereafter do only such Work as may be necessary to preserve and protect Work already in progress and to protect materials, plants, and equipment on a Site or in transit thereto.

(h) Provisions Effective After Termination. Upon termination, whether for cause or for convenience, the provisions of the Contract Documents remain in effect as to any claim, indemnity obligation, warranties, guarantees, submittals of as-built drawings, instructions, or manuals, or other such rights and obligations arising prior to the termination date.

Section 8.03. Contractor's Rights and Remedies.

(a) Contractor's Remedies. Contractor may terminate this Construction Contract only upon the occurrence of one of the following:

1. *For Work Stoppage*. The Work is stopped for sixty (60) consecutive Days, through no act or fault of the Contractor, any subcontractor, or any employee or agent of the Contractor or any subcontractor, due to issuance of an order of a court or other public authority other than the Mayor and Council having jurisdiction or due to an act of government, such as a declaration of a national emergency making material unavailable. This provision shall not apply to any work stoppage resulting from the Mayor and Council's issuance of a suspension notice issued either for cause or for convenience.

2. *For Mayor and Council's Non-Payment*. If the Mayor and Council does not pay the Contractor undisputed sums within ninety (90) Days after receipt of notice from the Contractor, the Contractor may terminate this Construction Contract (30) Days following a second notice to the Mayor and Council of the Contractor's intention to terminate the Construction Contract.

(b) Damages to Contractor. In the event of termination for cause by the Contractor, the Mayor and Council shall pay the Contractor the sums provided for in Paragraph 8.02(e)(i) above. Contractor agrees to accept such sums as its sole and exclusive compensation and agrees to waive any claim for other compensation or Losses, including, but not limited to, loss of anticipated profits, loss of revenue, lost opportunity, or other consequential, direct, indirect and incidental damages, of any kind.

End of Article VIII

ARTICLE IX.
MISCELLANEOUS PROVISIONS

Section 9.01. Notices, Demands, and Communications Between the Parties. Formal notices, demands, and communications between the Contractor and Mayor and Council shall be given either by (a) personal service, (b) delivery by reputable overnight document delivery service such as Federal Express that provides a receipt showing date and time of delivery, or (c) mailing utilizing a certified or first class mail postage prepaid service of the United States Postal Service that provides a receipt showing date and time of delivery, addressed to:

To the Mayor and Council:

Mayor and Council of Rockville
c/o Office of the City Clerk
111 Maryland Avenue
Rockville, Maryland 20850
Attn: Sara Taylor-Ferrell, City Clerk / Director of Council Operations

With copies to:

Office of the City Attorney
111 Maryland Avenue
Rockville, Maryland 20850
Attn: City Attorney

Office of the City Manager
111 Maryland Avenue
Rockville, Maryland 20850
Attn: Jeff Mihelich, City Manager

Department of Public Works
111 Maryland Avenue
Rockville, Maryland 20850
Attn: Craig Simoneau, Director

To the Contractor:

Sagres Construction Corporation
3680 Wheeler Ave., Suite 300
Alexandria, VA 22304
Attn: Behzad Burhanuddin, Director of Operations

With copies to:

Sagres Construction Corporation
3680 Wheeler Ave., Suite 300
Alexandria, VA 22304
Attn: Luka Dragacevac, Senior Project Manager

Notices personally delivered shall be deemed effective upon receipt or refusal thereof. Notices given by a reputable overnight document delivery service shall be deemed effective one (1) Working Day after delivery by such service. Notices mailed shall be deemed effective on the third (3rd) Working Day

following deposit in the United States mail. Such written notices, demands, and communications shall be sent in the same manner to such other addresses as any Party may from time to time designate in writing.

The Parties' respective contacts for emergencies are as follows:

City of Rockville
Dan Stevens
Chief, Construction Management
Telephone: (240) 743-7003
Office: 240-314-8552
dstevens@rockvillemd.gov

Sagres Construction Corporation
Luka Dragacevac
Senior Project Manager
Telephone: (703)-864-3389
Office: (804) 533-0156
Luka@sagresconstruction.com

Section 9.02. Relationship of Parties. The provisions of this Construction Contract are intended solely for the purpose of defining the relative rights of the Parties and no relationship of partnership, joint venture or other joint enterprise shall be deemed to be created hereby by and among the Parties pursuant to the Construction Contract.

Section 9.03. Interpretation. The terms of the Construction Contract shall be construed in accordance with the meaning of the language used and as a whole according to its fair meaning, and shall not be construed for or against any Party by reason of the authorship of the Construction Contract or any other rule of construction which might otherwise apply. The Section headings are for purposes of convenience only and shall not be construed to limit or extend the meaning of the Construction Contract.

Section 9.04. Non-Liability of Officials, Employees and Agents. No member of the Mayor and Council or any of its respective officers, employees, successors, or agents shall be personally liable to the Contractor in the event of any default or breach by the Mayor and Council or for any amount which may become due to the Contractor or its respective successors or assigns or on any obligation under the terms of the Construction Contract.

Section 9.05. No Third-Party Beneficiaries. No provision of the Construction Contract shall be construed to confer any rights upon any person or entity who is not a Party hereto, whether a third-party beneficiary or otherwise.

Section 9.06. Parties Bound. Except as otherwise limited herein, the provisions of the Construction Contract shall be binding upon and inure to the benefit of the Parties and their heirs, executors, administrators, legal representatives, successors, and assigns.

Section 9.07. Severability. If any term, provision, covenant, or condition of the Construction Contract is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remainder of the Construction Contract shall not be affected thereby to the extent such remaining provisions are not rendered impractical to perform taking into consideration the purposes of the Construction Contract. In the event that all or any portion of the Construction Contract is found to be unenforceable, the Construction Contract or that portion which is found to be unenforceable shall be deemed to be a statement of intention by the Parties; and the Parties further agree that in such event, and to the maximum extent permitted by law, they shall take all steps necessary to comply with such procedures or requirements as may be necessary in order to make valid the Construction Contract or that portion which is found to be unenforceable.

Section 9.08. Prohibition Against Transfers. The Mayor and Council is entering into this Construction Contract in reliance upon the stated experience and qualifications of the Contractor and its subcontractors set forth in its Bid. Accordingly, Contractor shall not assign, hypothecate, or transfer this Construction

Contract or any interest therein directly or indirectly, by operation of law or otherwise without the prior written consent of the Mayor and Council. Any assignment, hypothecation, or transfer without said consent shall be null and void and shall be deemed a substantial breach of contract and grounds for default in addition to any other legal or equitable remedy available to the Mayor and Council.

The sale, assignment, transfer, or other disposition of any of the issued and outstanding capital stock of the Contractor that shall result in changing the control of Contractor, shall be construed as an assignment of this Construction Contract. Control means more than fifty percent (50%) of the voting power of the corporation or other entity.

Section 9.09. Governing Law. The Construction Contract and all other Contract Documents are entered into and shall be construed in accordance with and governed by the laws of the State of Maryland without regard to choice-of-law rules. The Parties consent to the jurisdiction and venue of the Circuit Court for Montgomery County, Maryland.

Section 9.10. Tax Exemption. The City is exempt from the payment of any federal excise or any Maryland sales tax.

Section 9.11. Local Government. Notwithstanding anything herein contained to the contrary, Contractor acknowledges the Mayor and Council is a political subdivision and its obligations hereunder are given only to the extent permitted by applicable law, contingent upon the appropriation and encumbrance of funding, and subject to the notice requirements and damages limitations stated in applicable law, including, but not limited to, the Local Government Tort Claims Act, Md. Code Ann., Ct & Jud. Proc. § 5-301, et seq. (2013 Repl. Vol.), as amended from time to time.

Section 9.12. Construction Documents. All Construction Documents referred to in the Construction Contract are by such references fully incorporated herein.

Section 9.13. Entire Agreement, Waivers and Amendments. The Construction Contract integrates all of the terms and conditions mentioned herein, or incidental hereto, and supersedes all negotiations and previous agreements between the Parties with respect to the Projects and the Work. All waivers of the provisions of the Construction Contract must be in writing and signed by the appropriate authorities of the Party to be charged, and all amendments and modifications hereto must be in writing and signed by the appropriate authorities of the Parties.

Section 9.14. Counterparts. The Construction Contract may be executed in counterparts, each of which shall be deemed to be original, and such counterparts shall constitute one and the same instrument.

Section 9.15. Electronic Signatures. This Construction Contract may be executed by electronic signature, which will be construed as an original signature for all purposes and have the same force and effect as an original signature. For these purposes, "electronic signature" means electronically scanned and transmitted versions (e.g., via pdf file or facsimile transmission) of an original signature, or signatures electronically inserted via software such as DocuSign or Adobe Sign.

Section 9.16. No Waiver of Sovereign Immunity by Mayor and Council. Notwithstanding any other provisions of the Construction Contract to the contrary, nothing in the Construction Contract nor any action taken by the Mayor and Council pursuant to the Construction Contract nor any document which arises out of the Construction Contract shall constitute or be construed as a waiver of either the sovereign immunity or governmental immunity of the City of Rockville's elected and appointed officials, officers, and employees.

Section 9.17. Contract Disputes. Any dispute concerning the interpretation of this Construction Contract shall be resolved pursuant to Section 17-173 of the Rockville City Code. Pending final adjudication of such dispute, the Contractor shall proceed diligently with performance of the Work pursuant to this Construction Contract.

Section 9.19. Federal and State Funding. Funding for this Construction Contract is being provided by federal and state grant and loan funds. The Mayor and Council's obligations under the Construction Contract are subject to the timely disbursement of such funds, as described in Section 8.02(f).

End of Article IX

(Signature page to follow)

IN WITNESS WHEREOF, the Mayor and Council and the Contractor have each executed, or caused to be duly executed, this Construction Contract, in the name and behalf of each of them (acting individually or by their respective officers or appropriate legal representatives thereunto duly authorized) as of the day and year first written above.

MAYOR AND COUNCIL

Approved as to form:

THE MAYOR AND COUNCIL OF ROCKVILLE, a body corporate and municipal corporation of the State of Maryland

_____ By: _____

Cynthia Walters, Acting City Attorney

Jeff Mihelich, City Manager

SAGRES CONSTRUCTION CORPORATION

a Virginia corporation

By: _____

Dejan Dragacevac, Vice President

EXHIBIT A

BID PRICING FORM

IFB 26-25 Addendum 4

INVITATION FOR BIDS #26-25
WATER MAIN REHABILITATION PROGRAM - EXTERNALLY FUNDED PROJECTS

SECTION V: BID PRICING FORM

THIS FORM MUST BE COMPLETED AND INCLUDED WITH THE BID SUBMITTAL. FAILURE TO SUBMIT THIS FORM SHALL DEEM THE BIDDER NON-RESPONSIVE.

IN ACCORDANCE WITH ALL TERMS, SPECIFICATIONS AND REQUIREMENTS, WE PROPOSE TO FURNISH ALL LABOR, EQUIPMENT, MATERIALS AND SERVICES AND THE PERFORMANCE OF ALL WORK NECESSARY FOR THE PROJECT. PROVIDE PRICING BELOW TO INCLUDE OVERHEAD, PROFIT, TAXES, INSURANCE AND OTHER APPLICABLE FEES AND COSTS. ALTERATIONS TO THIS FORM OR BID ALTERNATES (UNLESS OTHERWISE SPECIFIED) ARE NOT ACCEPTABLE. LINE ITEMS LEFT BLANK OR MARKED "$0" SHALL DEEM THIS BID NON-RESPONSIVE.

BID PRICE TABLE A – Water Main Rehabilitation Program

PAY ITEM	ITEM DESCRIPTION	QTY	UNIT OF MEASURE	UNIT COST	EXTENDED COST
1a	Install 6" thru 12" DIP Water Main; Trench Depth = 0 to 6-foot	20,000	LINEAR FOOT	$125.00	$2,500,000.00
1b	Install 6" thru 12" DIP Water Main; Trench Depth = 6 to 9-foot	700	LINEAR FOOT	$100.00	$70,000.00
1c	Install 16" DIP Water Main; Trench Depth = 0 to 6-foot	500	LINEAR FOOT	$100.00	$50,000.00
1d	Install 16" DIP Water Main; Trench Depth = 6 to 9-foot	500	LINEAR FOOT	$100.00	$50,000.00
2a	Install 6", 8" or 12" Water (Gate) Valves	100	EACH	$350.00	$35,000.00
2a	Install 16" Water (Butterfly) Valves	10	EACH	$350.00	$3,500.00
3	Install Fire Hydrants	50	EACH	$3,000.00	$150,000.00
4	Install 1" and 2" Corporation	200	EACH	$500.00	$100,000.00
5	Install 1" and 2" House Connection, copper type K.	1,600	LINEAR FOOT	$80.00	$128,000.00
6	Install Water Meter Crocks	50	EACH	$500.00	$25,000.00

EXHIBIT A

BID PRICING FORM

IFB 26-25 Addendum 4

PAY ITEM	ITEM DESCRIPTION	QTY	UNIT OF MEASURE	UNIT COST	EXTENDED COST
7	Furnish and Install 6.0-inch Hot Mix Asphalt (HMA) Surface Course (12.5 mm)	14,000	SQUARE YARD	$45.00	$630,000.00
8	Furnish and Install Graded Aggregate Base (GAB)	15,000	TONS	$40.00	$600,000.00
9	Furnish and Install Inlet Protection	40	EACH	$200.00	$8,000.00
10	Furnish and Install Silt Fence	1,500	LINEAR FEET	$4.00	$6,000.00
11	Furnish and Install MSHA #57 Stone	1,000	TON	$40.00	$40,000.00
12	Remove and Replace Concrete Curb and Gutter	700	LINEAR FEET	$75.00	$52,500.00
13	Remove and Replace Concrete Sidewalk	600	SQUARE YARD	$90.00	$54,000.00
14	Remove and Replace Concrete Driveway Apron	35	CUBIC YARD	$500.00	$17,500.00
*15	Furnish and Install Unfinished Concrete *Contingent Item	45	CUBIC YARD	$500.00	$22,500.00
*16	Water Valve Vault *Contingent Item	5	EACH	$5,500.00	$27,500.00
17	Furnish Test Pits – Water Service Line Materials	40	EACH	$250.00	$10,000.00
18	Temporary Traffic Control for Roads with Speed Limit over 35 mph	150	LINEAR FEET	$200.00	$30,000.00
19	Install Temporary 4" Water Main Bypass Loop for Commercial Areas	6,000	LINEAR FEET	$20.00	$120,000.00
20	Remove Existing Water Main in State Highway Administration ROW	100	LINEAR FEET	$40.00	$4,000.00

EXHIBIT A

BID PRICING FORM

IFB 26-25 Addendum 4

PAY ITEM	ITEM DESCRIPTION	QTY	UNIT OF MEASURE	UNIT COST	EXTENDED COST
21	Abandonment in Place of Existing Water Main	6,500	LINEAR FEET	$5.00	$32,500.00
22	Tree Removal >6" to <=12"	10	EACH	$400.00	$4,000.00
23	Tree Removal >12" to <=18"	10	EACH	$900.00	$9,000.00
24	Tree Removal >18" to <=24"	20	EACH	$1,250.00	$25,000.00
25	Tree Removal >24"	10	EACH	$2,000.00	$20,000.00
26	Removal and Disposal of Asbestos Concrete Materials	6,500	LINEAR FEET	$13.00	$84,500.00
27	Root Pruning	50	LINEAR FEET	$20.00	$1,000.00
28	Night Work	600	LINEAR FEET	$50.00	$30,000.00
29	Permanent Pavement Markings	7,000	LINEAR FEET	$4.00	$28,000.00
WATER MAIN REHABILITATION TOTAL – A					$4,967,500.00

*Indicates Contingent Item

Write the Total Bid Price for the **Water Main Rehabilitation Program** in words:

Four million, nine hundred sixty seven thousand, five hundred dollars and zero cents

EXCEPTIONS

All exceptions taken to the specifications contained in this document must be clearly indicated in the space provided below. Unless noted as an exception, the bidder will be held responsible for providing each component or standard called for.

The City Manager for the City of Rockville, Maryland retains the exclusive right to approve or reject any exception taken to the specifications contained in this bid. It is hereby agreed that if this bid is rejected due to an exception taken to a specification by the bidder, the rejection taken will be final and no further action may be taken.

Do you claim an exception to any specification to this bid? If yes, please explain.

No

COMPLETE AND RETURN WITH BID

ROCKVILLE, MARYLAND
CONSTRUCTION CONTRACT

WATER MAIN REHABILITATION

This **CONSTRUCTION CONTRACT** (this "**Construction Contract**") is entered into as of this _____ day of _____ 2026 (the "**Effective Date**") by and between **THE MAYOR AND COUNCIL OF ROCKVILLE**, a Maryland municipal corporation and body corporate, acting by and through its City Manager (the "**Mayor and Council**" or "**City**"), and **CROWN CONSTRUCTION SERVICE, INC**., a Maryland corporation (the "**Contractor**"). Individually, the Mayor and Council and the Contractor may each be referred to hereinafter as the "**Party**," or collectively as the "**Parties**."

R E C I T A L S

A. **WHEREAS,** the Mayor and Council is a municipal corporation duly organized and existing under the laws of the State of Maryland with the power to carry on its business as it is now being conducted under the laws of the State of Maryland and the Rockville City Charter; and

B. **WHEREAS,** the Contractor is a corporation duly organized and in good standing in the state of Maryland, authorized to conduct business in the State of Maryland, and has the background, knowledge, experience and expertise to perform the obligations set forth in this Construction Contract; and

C. **WHEREAS,** the Mayor and Council desires to procure, on behalf of the Department of Public Works, labor, materials, equipment, tools, and services for a collection of various water main rehabilitation projects throughout the City of Rockville and other associated work on a pre-scheduled basis and as needs arise as it serves the best interest of the City; and

D. **WHEREAS,** in accordance with the City of Rockville Procurement Ordinance, on July 7, 2025, the Department of Procurement issued IFB #26-25 for water main rehabilitation and associated work; and

E. **WHEREAS,** in accordance with the Procurement Ordinance, on September 3, 2025, the Department of Procurement opened and recorded the sealed bids submitted in response to IFB #26-25, including the bid submitted by Contractor, and on November 20, 2025, in accordance with the Procurement Ordinance, the Department of Procurement determined Contractor to be among the two lowest responsive and responsible bidders; and

F. **WHEREAS**, on April 1, 2026, Contractor agreed to extend its bid and pricing through June 30, 2026; and

G. **WHEREAS,** on _____, 2026, in accordance with Section 17-39(a) of the Procurement Ordinance, the Mayor and Council authorized the expenditure of a total amount not to exceed twenty-five million dollars for work to be performed under IFB 26-25, such amount to be allocated between Contractor and a second contractor; and

H. **WHEREAS,** on _____, 2026, in accordance with Section 17-39(a) of the Procurement Ordinance, the Mayor and Council awarded this Construction Contract to the Contractor for the provision of certain construction and other services as identified in the Contract Documents pursuant to the following terms and conditions, and authorized the City Manager to execute this Construction Contract on its behalf, subject to approval as to legal form by the City Attorney.

NOW, THEREFORE, IN CONSIDERATION of the foregoing and the covenants, warranties and agreements of the Parties hereto, as are hereinafter set forth, and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged by each Party hereto, the Parties hereby agree as follows:

ARTICLE I
INCORPORATION OF RECITALS; DEFINITIONS

Section 1.01. Incorporation of Recitals. The foregoing recitals above and documents referenced herein are an integral part of this Construction Contract and set forth the intentions of the Parties and the premises on which the Parties have decided to enter into this Construction Contract. Accordingly, the foregoing recitals are fully incorporated into this Construction Contract by this reference as if fully set forth herein. In the event of any conflict between this Construction Contract and any documents referenced herein, the terms of this Construction Contract shall govern and control.

Section 1.02. Definitions. In addition to other terms defined herein, each of the following terms shall have the meaning assigned to it, such definitions to be applicable equally to the singular and the plural forms of such terms and to all genders:

"Applicable Code Requirements" means all federal, State of Maryland, Montgomery County and City of Rockville laws, statutes, building codes, ordinances and regulations of governmental authorities having jurisdiction over a Project, Work, Site, Contractor or City.

"Applications for Payment" means detailed applications for payment submitted on a standard form such as the AIA G702 form, as required by Paragraph 75 of the General Conditions and Instructions to Bidders in IFB #26-25. Applications for Payment shall not include payment for equipment or materials delivered to a Site but not installed or for materials or equipment properly stored off-site unless specifically approved by the Project Administrator. If such approval is granted, the Contractor must submit with the Application for Payment, bills of sale or other such documentation satisfactory to the City to establish the City's title to such materials or equipment or otherwise to protect the City's interest, including applicable insurance and transportation to a Site for materials and equipment stored off site. Such approvals are typically reserved for "big ticket" items that individually would exceed five percent (5%) of the bid total.

"*Chief of Construction Management*" means the person designated as the Chief of Construction Management by the Director of the City's Department of Public Works.

"*City of Rockville Change Order*" means a duly authorized instrument issued by the Purchasing Agent or her authorized designee in accordance with the Procurement Ordinance which operates to amend the scope of Work, and which may also amend the Contract Sum or the Contract Time.

"***City of Rockville Notice to Proceed***" means the written notice issued by the Purchasing Agent or her authorized designee in accordance with the Procurement Ordinance to the Contractor to begin the Work.

"*Contract Documents*" means and consists of the following documents, which are on file with the City Department of Procurement and are hereby incorporated into this Construction Contract as though fully restated by reference:

1. City of Rockville Change Order

2. Construction Contract

3. IFB #26-25 – Addenda #1, #2, #3, and #4

4. IFB #26-25 – General Terms, Conditions, and Instructions to Bidders

5. IFB #26-25 – Special Provisions, including Maryland Department of Environment Required Notes for Water Main Rehabilitation

6. IFB #26-25 – Technical Specifications

7. City of Rockville Work Authorization Letter

8. IFB#26-25 – City of Rockville Standard Details, available at https://www.rockvillemd.gov/services/construction-standards-and-details/

9. IFB #26-25 – Appendices, Announcement, Description and General Information

10. Contractor Bid

11. City of Rockville Purchase Order

12. Performance, Payment and Warranty Bonds

For purposes of construing, interpreting and resolving inconsistencies between and among the provisions of this Construction Contract, the Contract Documents shall have the order of precedence as set forth above. If a claimed inconsistency cannot be resolved through the order of precedence, the City Manager shall have the sole power to decide which document or provision shall govern as may be in the best interests of the City.

"*Contractor*" means Crown Construction Service, Inc., a corporation in good standing organized under the laws of Maryland.

"***Contract Sum***" means the total amount of compensation provided for in Article III that is payable to the Contractor for the performance of the Work in accordance with the Contract Documents, including adjustments made by a City of Rockville Change Order.

"*Contract Time*" means the total number of days set forth in this Construction Contract or an associated Work Authorization Letter within which Final Completion of the Work must be achieved by Contractor, including any adjustments of time (increases or decreases) made by a City of Rockville Change Order.

"*Day*" whether capitalized or not, unless otherwise specifically provided, means calendar day, including weekends and legal holidays.

"***Delay***" means, whether capitalized or not, any circumstances involving disruption, hindrance, or interference in the performance of the Work within the Contract Time.

"***Department of Procurement***" means the City's Department of Procurement.

"*Department of Public Works*" means the City's Department of Public Works.

"*Extra Work*" means additional Work or costs due to a change in the Work that is not described in or reasonably inferable from the Contract Documents which may be the basis for an adjustment of the Contract Sum under the terms of the Contract Documents. Extra Work shall not include additional Work or costs arising from Contractor's failure to perform any of its duties or obligations under the Contract Documents.

"*Final Completion*" means the final and full completion of all Work required by the Contract Documents pursuant to a Work Authorization Letter, including all punch list items and submission of all Record Documents, to the satisfaction of the City Manager or his written designee, pursuant to Article II.

"*IFB #26-25*" means the Invitation for Bids #26-25 issued by the Department of Procurement on July 7, 2025.

"Losses" means the losses or costs that directly results from a breach of this Construction Contract.

"***Procurement Ordinance***" means Chapter 17 of the Rockville City Code, as amended.

"***Project***" means the cumulative water main rehabilitation and associated work referenced in IFB #26-25 at the rates represented on the Contractor's Bid and to be described with more particularity in one or more Work Authorization Letters.

"*Project Administrator"* means the Project Administrator identified in Section 2.02 of this Construction Contract, or such other City staff person as may be designated by the Director of the City's Department of Public Works to supervise a Project.

"*Purchasing Agent*" means the person designated as purchasing agent pursuant to the Procurement Ordinance.

"*Record Documents*" means the warranties, guarantees and other documents required to be submitted by Contractor as a condition of Final Compensation.

"*Site*" means the physical site or sites identified in a Work Authorization letter where a Project is to be constructed, including all adjacent areas for staging, storage, parking and temporary offices.

"*Substantial Completion*" means a Project has been substantially completed to permit utilization of the Project, or a substantial portion thereof, by the City for the Project's intended purpose, pursuant to Paragraph 80 of the General Conditions and Instructions to Bidders in IFB #26-25.

"*Work*" means all labor, materials, equipment, servicers, permits, fees, licenses and taxes, and all other things necessary for the Contractor to perform its obligations and complete a Project, including without limitation, any changes or additions requested by the City, in accordance with the Contract Documents and all Applicable Code Requirements.

"Work Authorization Letter" means a written notice provided by the City to the Contractor of work to be completed in accordance with Construction Contract terms. The Work Authorization Letter will describe the project, specify the date, time, and location of the preconstruction meeting, establish the construction schedule (start and end), include a set of construction drawings and provide the name of the approved material supplier.

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"Working Day" means any calendar day other than Saturday, Sunday, or the following holidays as observed by the City of Rockville: New Year's Day, Martin Luther King's Birthday, President's Day, Memorial Day, Juneteenth, Independence Day, Labor Day, Veterans' Day, Thanksgiving Day, Thanksgiving Friday, Christmas Day, and all days of general and congressional elections throughout the State of Maryland.

Section 1.03. General. Any other capitalized term to which a meaning is expressly given in this Construction Contract shall have the meaning assigned to it, such definitions to be applicable equally to the singular and the plural forms of such terms and to all genders. The defined terms used in the preamble and recitals of this Construction Contract have been included for convenience of reference only, and the meaning, construction and interpretation of all defined terms shall be determined by reference to this Article I notwithstanding any contrary definition in the preamble or recitals hereof. The titles and headings of the sections of this Construction Contract have been inserted for convenience of reference only and are not to be considered a part hereof and shall not in any way modify or restrict any of the terms or provisions hereof or be considered or given any effect in construing this Construction Contract or any provision hereof or in ascertaining intent, if any question of intent shall arise.

End of Article I

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ARTICLE II
TERM, PERFORMANCE OF WORK AND COMPLETION OF PROJECT

Section 2.01. Contract Term. The term of this Construction Contract shall begin on the Effective Date and shall expire after one (1) year. The City reserves the right to extend this Construction Contract for a period of up to twelve (12) additional months and to renew the Contract for up to four (4) additional one (1) year periods, by notifying Contractor of such extension or renewal and confirmation of pricing in writing at least 60 days before the end of the term of this Contract and subject to Mayor and Council appropriation of adequate funds.

Section 2.02. Project Administrators. The following staff member of the Public Works Department is the City's designated "**Project Administrator**":

Gina Arnett, P.E. – Senior Civil Engineer
garnett@rockvillemd.gov; 240-314-8517

It shall be the Contractor's responsibility to ensure that the applicable Project Administrator is kept informed on the progress of a Project described in the Notice to Proceed submitted by that Project Administrator. The City Manager or designee may modify the designated Project Administrators by notifying the Contractor in writing of any such modification.

Section 2.03. Work. Contractor herein is among a call list of contractors to perform Work as needed at agreed prices. There is no guarantee of Work under this Contract. The City has elected not to designate a primary Contractor and reserves the right to schedule Work with any or all of selected Contractors at the sole discretion of the City as it serves the best interest of the City. Just as there is no guarantee of Work, Contractor is not required to accept a Work Authorization Letter. Contractor may decline a Work Authorization Letter without risk of being removed from the call list.

Section 2.04. Performance of Work. The Contractor agrees to perform all Work required for Final Completion of a Project, as specified in the Contract Documents and any associated Work Authorization Letter. The Contractor shall provide, furnish, and supply all things necessary and incidental for the timely performance of the Work, including, but not limited to, provision of all necessary labor, materials, equipment, transportation, and utilities, unless otherwise specified in the Contract Documents. Contractor also agrees to use its best efforts to complete the Work in a professional and expeditious manner and to meet or exceed the performance standards required by the Contract Documents.

Section 2.05. Progress and Completion.

(a) Time is of the Essence. Time is of the essence with respect to all time limits set forth in the Contract Documents.

(b) Work Schedule. The City shall request the performance of a Project under this Contract as follows:

(i) The City will send the Contractor water main design drawings and a budget sheet with estimated pay items and material quantities for a Project.

(ii) The Contractor will acknowledge receipt within 48 hours of the date of the City's transmittal of the design drawings and budget sheet.

(iii) Within ten (10) days of receipt of the City's design drawings and budget sheet, the Contractor will notify the City in writing of its acceptance or rejection of the Project proposed by the design drawings and budget sheet.

(iv) If the Contractor accepts the Project, within twenty-one (21) days of receipt of the City's design drawings and budget sheet, the Contractor will obtain three material quotes, establish a project schedule, and prepare bypass and phasing plans for the Project.

(v) The City will accept or reject the Contractor's proposal. If the City accepts the Contractor's proposal, the City will issue a Work Authorization Letter and will attach the approved budget sheet establishing the Project cost.

(vi) After issuance of a Work Authorization Letter, the City will issue a Purchase Order that shall serve as the Contractor's notice to proceed for the Project.

(vii) Contractor shall, subject to any extension of time in accordance with the provisions of this Construction Contract, achieve Final Completion of a Project within the timeframe indicated in the Work Authorization Letter

A. Any work performed outside the scope of a Work Authorization Letter is at the Contractor's risk and faces the probability of delayed or denied payment.

B. Any agreements or stipulations in a request for services or response that are contrary to the terms of this Agreement shall be void unless the Parties have expressly agreed in writing that such agreement shall supersede the terms of this Agreement.

(c) Work Progress.

(i) Contractor shall proceed expeditiously with adequate forces and shall achieve Final Completion within the Contract Time.

(ii) If City determines and notifies Contractor that Contractor's progress is such that Contractor will not complete the Work within the Contract Time, Contractor shall, immediately and at no additional cost to City, take all measures necessary, including working such overtime and additional shifts (other than the City's permitted construction work hours of 7:00 AM to 5:00 PM, Monday through Friday), to ensure that the Work is Substantially Completed within the Contract Time. Upon receipt of such notice from City, Contractor shall immediately respond in writing setting forth a detailed plan for accelerating the Work in a manner acceptable to City. Contractor shall not be entitled to any reimbursement or payment of costs, expenses or damages incurred as a result of an acceleration of the Work. City may also take all necessary measures to prevent the need for subsequent accelerations of the Work. Contractor shall reimburse City, or City may withhold from payment due to Contractor, sums expended by City to perform such measures.

(iii) During unfavorable weather, wet ground or other unsuitable construction conditions, Contractor shall confine the operations to Work that will not be affected adversely by such conditions. No portion of the Work shall be constructed under conditions which would affect adversely the quality thereof, unless special means or precautions are taken by Contractor to perform the Work in a proper and satisfactory manner.

(d) Delay.

(i) If the Contractor is delayed in the Work by any act of neglect of the City or by a separate contractor employed by the City, or by any changes, strikes, lockouts, fires, unusual delays in transportation or delay authorized by the City, the City shall review the cause of such delay and shall make an extension of time if warranted. All claims for extensions must be made by written notice sent to the Project Administrator within ten (10) Days after the date when the alleged cause for the extension of time occurred. All such claims shall state specifically the amount of time of the delay the Contractor believes to have suffered. If the Project Administrator does not receive such written notice within the prescribed time, the claim for extension of time shall be forfeited and invalidated. No extension of time shall be deemed granted unless the Project Administrator expressly grants an extension of time by written notice to the Contractor.

(ii) By executing this Construction Contract, the Contractor expressly waives any claim for extra monetary compensation for delays, whether ordered by the City or not, caused by delays in funding, governmental approvals, private or public companies' actions, inclement weather, site conditions, or from any cause whatsoever. The Contractor shall adjust its operation to continue the work at other locations under this Construction Contract, if available, and as directed by the City. If it is necessary to discontinue the work temporarily, the Contractor shall resume work within 48 hours of notice from the City. The City may adjust the completion date to compensate for the lost day(s) on a day-for-day basis, if the City finds that the Contractor could not make up for such lost day(s) by reallocating its forces or rescheduling the work, up to the time remaining on the original schedule at the time of shutdown.

(e) Change Orders.

(i) The City, without invalidating the contract, may issue written City of Rockville Change Orders pursuant to Section 17-40 of the Procurement Ordinance. All such changes, or additional work must be authorized in writing by the Purchasing Agent or her authorized designee prior to starting such work. Costs shall be limited to the cost of materials, labor, field supervision and field office personnel directly involved in and attributed to the change. All costs and/or credits to the City for a change in the work shall be determined by the unit price bid or by mutual agreement.

(ii) The Contractor shall do all work that may be required to complete the work contemplated by a City of Rockville Change Order at the unit prices bid or at a lump sum price to be mutually agreed upon.

(iii) The Contractor shall perform Extra Work, for which there is no quantity or price included in the Contract, whenever it is deemed necessary or desirable, to complete fully the Work as modified by a City of Rockville Change Order, and such work shall be done in accordance with the

specifications therefore, or in the best workmanlike manner as directed. Where such a price or sum cannot be agreed upon by both parties, or where this method of payment is impracticable, the Project Administrator may order the Contractor to do such work on a force account basis pursuant to Paragraph 73 of the General Conditions and Instructions to Bidders in IFB #26-25.

(iv) The Contractor may submit a written request for a City of Rockville Change Order to the Project Administrator in the event the Contractor believes a City of Rockville Change Order is warranted or desirable. The City is under no obligation to issue or respond to a requested City of Rockville Change Order.

(f) Liquidated Damages. If the Contractor fails to achieve Final Completion of the Work within the Contract Time, the Mayor and Council may assess liquidated damages on a daily basis for each day of unexcused delay in achieving Final Completion, based on the amount of four hundred dollars ($400) per Day, not including Sundays, or as otherwise specified in IFB #26-25. Liquidated damages may also be separately assessed for failure to meet milestones specified elsewhere in the Contract Documents, regardless of impact on the time for achieving Final Completion. The assessment of liquidated damages is not a penalty but considered to be a reasonable estimate of the amount of damages the Mayor and Council will suffer by delay in completion of the Work. The Mayor and Council is entitled to setoff the amount of liquidated damages assessed against any payments otherwise due to the Contractor, including, but not limited to, setoff against release of retention. If the total amount of liquidated damages assessed exceeds the amount of unreleased retention, the Mayor and Council is entitled to recover the balance from the Contractor or its sureties. Occupancy or use of a Project in whole or in part prior to Final Completion shall not operate as a waiver of City's right to assess liquidated damages.

(g) Special Damages.

(i) The Contractor shall reimburse the Mayor and Council, upon demand, for (1) any and all fines and penalties imposed on the Mayor and Council in connection with the Contractor's failure to attain Substantial Completion, Final Completion, or any other date for performance according to the Contract Time, and (2) any and all costs and expenses, including reasonable attorneys' fees, incurred by the Mayor and Council for engineering, construction observation, inspection, administrative services, or any other work or services needed or otherwise utilized or obtained after the time specified for performance.

(ii) After the Contractor achieves Substantial Completion, if the Contractor shall neglect, refuse, or fail to complete any component of the remaining Work within the Contract Time, the Contractor shall reimburse the Mayor and Council for any and all costs and expenses, including reasonable attorneys' fees, incurred by the Mayor and Council for engineering, construction observation, inspection, administrative services, or any other work or services needed or otherwise utilized or obtained after the time specified for Work to be completed and ready for final payment.

(iii) The special damages imposed in this Section are supplemental to any liquidated damages for delayed completion established in the Construction Contract.

(iv) The Mayor and Council may, but in no event be obligated to, complete all or any portion of the Work not timely performed in full by the Contractor, on behalf of the Contractor and at the Contractor's sole cost and expense. The Contractor shall, on demand, reimburse the Mayor and Council the positive difference, if any, between (i) all costs and expenses incurred by the Mayor and Council in

connection with so performing on behalf of Contractor, including reasonable attorneys' fees, and (ii) the Contract Sum.

(h) Other Remedies. The Mayor and Council is entitled to any and all available legal and equitable remedies the Mayor and Council may have where the Mayor and Council's damages are caused by any reason other than the Contractor's failure to achieve Substantial Completion or Final Completion of the entire Work within the Contract Time.

End of Article II

ARTICLE III
COMPENSATION AND PAYMENT

Section 3.01. Contract Sum.

(a) The Contractor shall be compensated for Final Completion of all Projects in compliance with the Contract Documents an amount not-to-exceed **Twenty-five Million and 00/100 DOLLARS ($25,000,000.00)** in accordance with the unit costs in the Bid Pricing Form (reproduced and attached as **Exhibit A**). Subject to the terms of this Construction Contract, any Work performed or expenses incurred for which payment would result in a total exceeding the Contract Sum shall be at no cost to the Mayor and Council.

(b) The Mayor and Council appropriates funds on a fiscal year basis; the City's fiscal year runs from July 1 through June 30. Funds have been appropriated for the first year of this Construction Contract through the end of the fiscal year, June 30, 2026. All payments made under this Construction Contract after June 30, 2026, are contingent upon appropriation and encumbrance of funds. If the Mayor and Council fails to approve an appropriation to fund this Construction Contract for a subsequent fiscal year, the Mayor and Council may terminate this Construction Contract without further cost to the City by providing notice of such termination in writing to Contractor within thirty (30) days of the first day of that subsequent fiscal year.

Section 3.02. Payment Procedures.

(a) Applications for Payment.

(i) The Contractor shall submit to the Project Administrator an Application for Payment for all Work performed, including tasks and deliverables completed, and expenses incurred during the preceding month. The Application for Payment must be accompanied by supporting data and documents substantiating the Contractor's right to payment and reflecting a five percent (5%) retainage, where retainage is required by the Chief of Construction Management.

(ii) The Project Administrator will independently review the Applications for Payment submitted by the Contractor to determine whether the Work performed and expenses incurred are in compliance with the provisions of the Contract Documents. Except as to any charges for Work performed or expenses incurred by the Contractor which are disputed by the City, the City will use its best efforts to cause the Contractor to be paid within thirty (30) days of receipt the Contractor's correct and undisputed Application for Payment. In the event any charges or expenses are disputed by the City, the original Application for Payment shall be returned by the City to the Contractor for correction and resubmission.

(iii) The Contractor shall submit a detailed invoice for payment at the end of each month for all work completed and accepted by the City during that month as follows:

Dan Stevens – Chief of Construction Management
Department of Public Works
850 Avery Road
Rockville, MD 20851
Telephone 240-314-8552
Email: dstevens@rockvillemd.gov

No retainage will be withheld from monthly payments unless deemed necessary by the Chief of Construction Management. Should the Contractor fail to keep up with clean-up and restoration work, if deemed necessary by the Chief of Construction Management, 5 percent (5%) of each monthly payment will be withheld until the Contractor shows progress in keeping up with restoration and clean-up work.

(iv) *Electronic Payment Option*. The City's Vendor ACH Payment Program allows payments to be deposited directly into a designated financial institution account. Funds will be deposited into the account identified automatically and on time. There is no additional cost to participate. All transactions are conducted in a secure environment.

(v) *Payment to Subcontractor*.

A. Within seven (7) days after receipt of amounts paid by the City for work performed by a subcontractor under this Construction Contract, the Contractor shall either: (A) pay the subcontractor for the proportionate share of the total payment received from the City attributable to the work performed by the subcontractor under this Construction Contract; or (B) notify the City and the subcontractor, in writing, of the Contractor's intention to withhold all or a part of the subcontractor's payment and the reason for non-payment. In no event shall the City be liable for the Contractor's failure to pay a subcontractor. It is the Contractor's responsibility to ensure that no lien for work performed by the Contractor or subcontractor is placed on the City.

B. The Mayor and Council may make or withhold progress payments pursuant to Paragraph 75 of the General Conditions and Instructions to Bidders in IFB #26-25, or as otherwise provided in IFB #26-25.

C. The Contractor shall promptly pay each subcontractor and supplier for work completed upon receipt of payment from the City the amount to which said subcontractor is entitled, reflecting any percentage retained from payments to the Contractor on account of each subcontractor's work. The Contractor shall, by an appropriate agreement with each subcontractor, require each subcontractor to make prompt payments to his subcontractors in a similar manner. The City shall be under no obligation to pay or to see to the payment of any moneys to any subcontractor except as may otherwise be required by law.

(b) Final Payment.

(i) Upon reaching Substantial Completion for each Projects pursuant to the terms of a Work Authorization Letter, the Contractor may submit a final Application for Final Payment pursuant to Paragraph 76 of the General Conditions and Instructions to Bidders in IFB #26-25.

(ii) No retainage will be withheld from payment unless deemed necessary by the Chief of Construction Management.

(iii) Within thirty (30) Days after the approval of the final payment request, the City will pay to the Contractor the amount remaining after deducting from the total amount of the final

estimate all such sums as have hereto before been paid to the Contractor under the provision of the Contract and also such amounts as the City has or may be authorized under the Contract to reserve or retain.

(iv) Neither the final payment nor the remaining retainage shall become due until the Contractor submits to the Project Administrator:

A. An affidavit that all payrolls, bills for materials and equipment and other indebtedness connected with the work for which the City or his property might in any way be responsible, have been paid;

B. Consent of surety to final payment;

C. If requested, data establishing payment or satisfaction of obligations, such as receipt, release and waivers of liens arising out of the Contract; and

D. All punch list items are completed to the satisfaction of the Project Administrator.

(v) If any subcontractor refuses to furnish a release or waiver of liens required by the City, the Contractor may furnish a bond satisfactory to the City to indemnify him against any such lien. If any such lien remains unsatisfied after all payments are made, the Contractor shall refund to the City all moneys that the latter may be compelled to pay in discharging such lien, including all costs and reasonable attorney fees.

(vi) All guarantees and warranties required by this Construction Contract shall be furnished by the Contractor and shall be delivered to the Project Administrator before final payment is made.

(vii) Acceptance by the Contractor of final payment shall operate as a release to the Mayor and Council and every officer and agent thereof, from all claims and liabilities to the Contractor for anything done or furnished or relating to the work under the Contract Documents.

(c) Release of Retainage. Upon the expiration of one hundred and twenty (120) Days succeeding the date of the City's acceptance of the Work and subject to the conditions for release of retainage in Paragraph 76 of the General Conditions and Instructions to Bidders in IFB #26-25, the City will pay to the Contractor all sums reserved or retained, less such amount as it may be empowered under the provisions of the Contract to retain.

Section 3.03. Waiver. Payment to the Contractor for Work performed and expenses incurred for pursuant to this Construction Contract shall not be deemed to waive defects in the Work performed by the Contractor.

Section 3.04. Errors and Omissions. The Contractor is solely responsible for costs, including, but not limited to, increases in the cost of performing the Work, arising from or caused by the Contractor's errors and omissions, as applicable, including, but not limited to, the costs of corrections of such errors and omissions, any change order markup costs, or costs arising from delay caused by the errors and omissions or unreasonable delay in correcting the errors and omissions.

End of Article III

ARTICLE IV.
CONTRACTOR COVENANTS AND OBLIGATIONS

Section 4.01. Contractor Qualifications. The Contractor covenants that it, its employees, agents and subcontractors, if any, have and shall maintain during the term of this Construction Contract all licenses, permits, qualifications, insurance and approvals of whatever nature that are legally required to perform the Work.

Section 4.02. Standard of Care. The Contractor covenants that the Work shall be performed by qualified, experienced and well-supervised personnel. All services performed in connection with this Construction Contract shall be performed in a manner consistent with the standard of care under Maryland law applicable to those who specialize in providing such services for projects of the type, scope, and complexity of the Projects.

Section 4.03. Compliance with Law. The Contractor covenants that it shall keep itself informed concerning and shall perform all Work in accordance with all ordinances, resolutions, rules, and regulations of the City and any applicable Federal, State of Maryland or Montgomery County, Maryland laws and regulations in effect at the time the Work is performed.

Section 4.04. Licenses, Permits, Fees and Assessments. The Contractor covenants that it shall obtain at its sole cost and expense such licenses, permits and approvals that are identified in a Work Authorization Letter as the Contractor's responsibility. The Contractor shall have the sole obligation to pay for any fees, assessments and taxes, plus applicable penalties and interest, which may be imposed by law and arise from or are necessary for the Contractor's performance of the Work required under the Contract Documents, and shall indemnify, defend and hold harmless the City, its officers, employees or agents of the City, against any such fees, assessments, taxes, penalties or interest levied, assessed or imposed against the City.

Section 4.05. Conflict of Interest. The Contractor covenants that neither it, nor any officer or principal of its firm, has or shall acquire any interest, directly or indirectly, which would conflict in any manner with the interests of the City or which would in any way hinder the Contractor's performance of Work. The Contractor further covenants that in the performance of the Work, no person having any such interest shall be employed by it as an officer, employee, agent or subcontractor without the express written consent of the City Manager. The Contractor agrees to avoid conflicts of interest or the appearance of any conflicts of interest with the interests of the City in the performance of this Construction Contract. The Contractor further covenants that, in the performance of this Construction Contract, it will not employ subcontractors or other persons or parties having such an interest. The Contractor certifies that no person who has or will have any financial interest under this Construction Contract is a member, officer or employee of the City; this provision will be interpreted in accordance with the applicable provisions of the Rockville City Code, as amended from time to time. The Contractor agrees to notify the City Manager or designee if any conflict arises.

Section 4.06. Compliance with ADA. The Contractor covenants and agrees that pursuant to the Americans with Disabilities Act of 1990, as amended (the "**ADA**"), programs, services and other activities provided by a public entity to the public, whether directly or through a contractor or subcontractor, are required to be accessible to the disabled public. The Contractor will perform the Work specified in this Construction Contract in a manner that complies with the ADA and any other applicable federal, state and local disability rights laws and regulations, as amended from time to time. The

Contractor will not discriminate against persons with disabilities in the performance of the Work, benefits or activities provided under the Contract Documents.

Section 4.07. Design Errors or Omissions. The Contractor acknowledges that prior to executing this Construction Contract, the Contractor reviewed the drawings, specifications and other Contract Documents and have notified the City of any errors, omissions, or discrepancies in the documents of which it was aware. Contractor shall not make or be entitled to any claim for any adjustment to the Contract Time or the Contract Sum for errors or omissions in the Construction Documents that Contractor discovered or, in the exercise of its standard of care as a contractor and not as a design professional, should reasonably have discovered using ordinary diligence, and did not bring to the attention of the City in a timely manner.

Section 4.08. Differing Site Conditions.

(a) The Contractor shall promptly, and before such conditions are disturbed, give a written notice to the Project Administrator of (1) subsurface or latent physical conditions at a Site which differ materially from those indicated in this Construction Contract, or (2) unknown physical conditions at a Site, of an unusual nature, which differ materially from those ordinarily encountered and generally recognized as inhering in work of the character provided for in this Construction Contract.

(b) The Project Administrator shall investigate a Site's conditions promptly after receiving the notice. If the conditions do materially so differ and cause an increase or decrease in the Contractor's cost of, or the time required for, performing any part of the work under this Construction Contract, whether or not changed as a result of the conditions, an equitable adjustment shall be made under this Construction Contract and the Construction Contract modified in writing accordingly.

(c) No request by the Contractor for an equitable adjustment to the Construction Contract under this clause shall be allowed, unless the Contractor has given the written notice required; *provided*, that the time prescribed in (a) above for giving written notice may be extended by the Project Administrator.

(d) No request by the Contractor for an equitable adjustment to the contract for differing site conditions shall be allowed if made after final payment under this Construction Contract.

Section 4.09. External Funding Requirements. Contractor acknowledges that this Construction Contract is being funded in part through two external funding sources: the Maryland Department of the Environment's Drinking Water State Revolving Loan Fund program and the U.S. Environmental Protection Agency Region Three Community Grants program. Contractor agrees to adhere to the requirements for these funding sources as provided on pages 200 through 269 of IFB # 26-25, or as may be otherwise required by the State of Maryland or the U.S. Environmental Protection Agency.

End of Article IV

ARTICLE V.
RECORDS, REPORTS, AUDIT, AND RELEASE OF INFORMATION

Section 5.01. Records. The Contractor shall keep and require its subcontractors, if any, to keep, such ledgers books of accounts, invoices, vouchers, canceled checks, records, reports, studies, documents or other information relating to the disbursements charged to City and Work performed hereunder (the "**Books and Records**"), as shall be necessary to enable the Project Administrator to evaluate the performance of the Work. All such documents shall be maintained in accordance with generally accepted accounting principles and shall be complete and detailed. The City Manager and his designee shall have full and free access to such Books and Records at all times during normal business hours of the City of Rockville, including the right to inspect, copy, audit and make records and transcripts from such records. Such records shall be maintained for a period of five (5) years following Final Completion of a Project, and the City shall have access to such records in the event any audit is required. In the event of dissolution of the Contractor's business, custody of the Books and Records shall be given to City, and access may be provided by the Contractor's successor in interest.

Section 5.02. Reports. The Contractor shall periodically prepare and submit to the Project Administrator such reports concerning the Work as the Project Administrator shall require. The Contractor hereby acknowledges that the Final Completion of all Projects is a priority for the City. For this reason, the Contractor agrees that if the Contractor becomes aware of any facts, circumstances, techniques, or events that may or will materially increase or decrease the cost of the Work, the Contractor shall promptly notify the Project Administrator of said fact, circumstance, technique or event and the estimated increased or decreased cost related thereto.

Section 5.03. Right to Audit. The City retains the right to review and audit, and the reasonable right of access to the Contractor's and any subcontractor's premises, to review and audit the Contractor 's or subcontractor's compliance with the provisions of the Contract Documents (the "**City's Audit Right**"). The City's Audit Right includes the right to inspect, photocopy, and retain copies of the Books and Records, outside of the Contractor 's premises if deemed necessary by the City in its sole discretion. The City shall keep these Books and Records confidential to the extent permitted by law.

Section 5.04. Confidentiality and Release of Information.

(a) All information gained or work product produced by the Contractor in performance the Work shall be considered confidential, unless such information is in the public domain or already known to the Contractor. The Contractor shall not release or disclose any such information or work product to persons or entities other than the City without prior written authorization from the City Manager.

(b) The Contractor, its officers, employees, agents or subcontractors, shall not, without prior written authorization from the City Manager or unless requested by the City Attorney, voluntarily provide documents, declarations, letters of support, testimony at depositions, response to interrogatories or other information concerning the work performed under the Contract Documents. Response to a subpoena or court order shall not be considered "voluntary" provided the Contractor gives City notice of such court order or subpoena.

(c) If the Contractor, or any officer, employee, agent or subcontractor of the Contractor, provides any information or work product in violation of this Construction Contract, then the City shall

have the right to reimbursement and indemnity from the Contractor for any damages, costs and fees, including attorneys' fees, caused by or incurred as a result of the Contractor's conduct.

(d) The Contractor shall promptly notify the City Attorney should the Contractor, its officers, employees, agents or subcontractors be served with any summons, complaint, subpoena, notice of deposition, request for documents, interrogatories, request for admissions or other discovery request, court order or subpoena from any party regarding this Construction Contract and the Work performed hereunder. The City Attorney or his designee retains the right, but has no obligation, to represent the Contractor or be present at any deposition, hearing or similar proceeding. The Contractor agrees to cooperate fully with the City and to provide the City with the opportunity to review any response to discovery requests provided by the Contractor. However, this right to review any such response does not imply or mean the right by the City to control, direct, or rewrite said response.

End of Article V

ARTICLE VI.
INSURANCE AND INDEMNIFICATION

Section 6.01. Insurance Requirement.

(a) Prior to execution of this Construction Contract by the City, the Contractor must obtain, at its sole cost and expense, and keep in force and effect during the term of this Construction Contract, including all extensions, an insurance policy meeting the requirements of Section III: Special Terms and Conditions of IFB #26-25, as evidenced at the time of the execution of this Construction Contract by a certificate of insurance provided to the Risk Manager for the City of Rockville (the "**Risk Manager**").

(b) In the event the Contractor subcontracts any portion of the Work, the contract between the Contractor and such subcontractor shall require the subcontractor to maintain the same policies of insurance that the Contractor is required to maintain pursuant to subsection 6.01(a), and such certificates and endorsements shall be provided to the Risk Manager.

Section 6.02. Indemnification.

(a) To the full extent permitted by law, the Contractor agrees to indemnify, defend and hold harmless the Mayor and Council and its appointed officers, employees and agents against, and will hold and save them and each of them harmless from, any and all actions, either judicial, administrative, arbitration or regulatory claims, damages to persons or property, losses, costs, penalties, obligations, errors, omissions or liabilities whether actual or threatened (herein "**Claims or Liabilities**") that may be asserted or claimed by any person, firm or entity arising out of or in connection with the negligent performance of the work, operations or activities provided herein of the Contractor, its officers, employees, agents, subcontractors, or invitees, or any individual or entity for which the Contractor is legally liable ("**Indemnors**"), or arising from the Contractor's reckless or willful misconduct, or arising from the Contractor's Indemnors' negligent performance of or failure to perform any term, provision, covenant or condition under the Contract Documents, and in connection therewith:

(b) The Contractor will defend any action or actions filed in connection with any of said Claims or Liabilities and will pay all costs and expenses, including legal costs and attorneys' fees incurred in connection therewith;

(c) The Contractor will promptly pay any judgment rendered against the Mayor and Council, its appointed officers, agents or employees for any such Claims or Liabilities arising out of or in connection with the negligent performance of or failure to perform such work, operations or activities of the Contractor hereunder; and the Contractor agrees to save and hold the Mayor and Council, its appointed officers, agents, and employees harmless therefrom; and

(d) In the event the Mayor and Council, its appointed officers, agents or employees is made a party to any action or proceeding filed or prosecuted against the Contractor for such damages or other claims arising out of or in connection with the negligent performance of or failure to perform the work, operation or activities of the Contractor hereunder, the Contractor agrees to pay to the Mayor and Council, its appointed officers, agents or employees, any and all costs and expenses incurred by the Mayor and Council, its appointed officers, agents or employees in such action or proceeding, including but not limited to, legal costs and attorneys' fees.

(e) The Contractor shall incorporate similar indemnity agreements with its subcontractors and if it fails to do so the Contractor shall be fully responsible to indemnify the City hereunder therefore, and failure of the City to monitor compliance with these provisions shall not be a waiver hereof. This indemnification includes Claims or Liabilities arising from any negligent or wrongful act, error or omission, or reckless or willful misconduct of the Contractor in the performance of services hereunder. The provisions of this Section do not apply to Claims or Liabilities occurring as a result of City's sole negligence or willful acts or omissions, but, to the fullest extent permitted by law, shall apply to claims and liabilities resulting in part from City's negligence, except that design professionals' indemnity hereunder shall be limited to claims and liabilities arising out of the negligence, recklessness or willful misconduct of the design professional. The indemnity obligation shall be binding on successors and assigns of the Contractor and shall survive termination of this Construction Contract.

Section 6.03. Sufficiency of Insurer or Surety. Insurance or bonds required by the Contract Documents shall be satisfactory only if issued by companies qualified to do business in Maryland, rated "A" or better in the most recent edition of Best Rating Guide, The Key Rating Guide or in the Federal Register, and only if they are of a financial category Class VII or better, unless such requirements are waived by the Risk Manager due to unique circumstances. If this Construction Contract continues for more than three (3) years duration, or in the event the Risk Manager determines that the Work to be performed under the Contract Documents creates an increased or decreased risk of loss to the City, the Contractor agrees that the minimum limits of the insurance policies and the performance bond (if any) may be changed accordingly upon receipt of written notice from the Risk Manager; provided that the Contractor shall have the right to appeal a determination of increased coverage by the Risk Manager to the City Manager within 10 days of receipt of notice from the Risk Manager.

End of Article VI

ARTICLE VII.
REPRESENTATIONS AND WARRANTIES; CERTIFICATION

Section 7.01. Contractor's Representations. As a material inducement to the Mayor and Council's entry into this Construction Contract, the Contractor hereby (i) makes the following representations and warranties to the Mayor and Council, as of the Effective Date, (ii) covenants that until the expiration or earlier termination of this Construction Contract, upon learning of any fact or condition which would cause any of the warranties and representations in this Construction Contract not to be true, the Contractor shall immediately give written notice of such fact or condition to the Mayor and Council, (iii) acknowledges that the Mayor and Council shall rely upon the Contractor's representations made herein notwithstanding any investigation made by or on behalf of the Mayor and Council, and (iv) agrees that such representations and warranties shall survive termination of this Construction Contract:

(a) Organization. The Contractor is a duly organized and validly existing corporation and is in good standing under the laws of the State of Maryland and has the power and authority to carry on its business in the State of Maryland.

(b) Authority of the Contractor. The Contractor has full power and authority to execute and deliver this Construction Contract, to execute and deliver the Contract Documents and all other documents or instruments executed and delivered, or to be executed and delivered, pursuant to this Construction Contract, and to perform and observe the terms and provisions of all of the above.

(c) Authority of Persons Executing Documents. This Construction Contract and the other Contract Documents and all other documents or instruments executed and delivered or to be executed and delivered pursuant to this Construction Contract have been (to the extent scheduled to be delivered as of the date hereof) or will be (to the extent scheduled to be delivered subsequent to the date hereof) executed and delivered by persons who are duly authorized to execute and deliver the same for and on behalf of the Contractor, and all actions required under the Contractor's organizational documents and applicable governing law for the authorization, execution, delivery and performance of this Construction Contract and the other Contract Documents and all other documents or instruments executed and delivered, or to be executed and delivered, pursuant to this Construction Contract, have been or will be duly taken prior to delivery of each document or instrument.

(d) Valid Binding Agreements. This Construction Contract and the other Contract Documents and all other documents or instruments which have been executed and delivered pursuant to or in connection with this Construction Contract constitute or, if not yet executed or delivered, will when so executed and delivered constitute, legal, valid and binding obligations of the Contractor enforceable against it in accordance with their respective terms.

(e) No Breach of Law or Agreement. Neither the execution nor delivery of this Construction Contract and the other Contract Documents or any other documents or instruments executed and delivered, or to be executed or delivered, pursuant to this Construction Contract, nor the performance of any provision, condition, covenant or other term hereof or thereof, will conflict with or result in a breach of any statute, rule or regulation, or any judgment, decree or order of any court, board, commission or agency whatsoever binding on the Contractor, or any provision of the organizational documents of the Contractor, or will materially conflict with or constitute a material breach of or a material default under any agreement to which Contractor is a party.

(f) Compliance with Laws; Consents and Approvals. The Contractor shall comply with all applicable laws, ordinances, rules and regulations of the federal government, the State of Maryland, Montgomery County, Maryland, and the City of Rockville, and shall comply with all applicable directions, rules and regulations of the fire marshal, health officers, building inspectors and other officers of any such government or agency.

(g) No Pending Litigation, Etc. Neither Contractor nor any principal (or beneficiary) of Contractor is subject to any pending, threatened or current litigation, merger or acquisition, corporate or other restructuring or financial oversight.

(h) No Bankruptcy, Insolvency. Neither Contractor nor any of Contractor's principals (or beneficiaries) is currently subject to any voluntary or involuntary bankruptcy or other insolvency, reorganization, bankruptcy, receivership or other similar proceeding, Contractor has no knowledge of any of the same pending or being imminent, none of such parties have been subject to any of the same at any time during the 10 year period immediately preceding the Effective Date, and Contractor has not made an assignment for the benefit of its creditors.

(i) No Violation of Order, Etc. Contractor is not in violation of any order, decree or judgment arising out of, connected with or otherwise related to the design, construction, operation or management of any facility, building, project or system.

Section 7.02. Contractor's Certifications. The Contractor certifies to the Mayor and Council that it has not engaged in corrupt, fraudulent, collusive, or coercive practices in competing for or in executing this Construction Contract. For the purposes of this Section 7.02: "**corrupt practice**" means the offering, giving, receiving, or soliciting of anything of value likely to influence the action of a public official in the bidding process or in this Construction Contract execution; "**fraudulent practice**" means an intentional misrepresentation of facts made (a) to influence the bidding process or the execution of the Contract to the detriment of the Mayor and Council, (b) to establish Bid or Contract prices at artificial non-competitive levels, or (c) to deprive the Mayor and Council of the benefits of free and open competition; "**collusive practice**" means a scheme or arrangement between two or more bidders, with or without the knowledge of the Mayor and Council or City of Rockville staff, a purpose of which is to establish bid prices at artificial, non-competitive levels; and "**coercive practice**" means harming or threatening to harm, directly or indirectly, persons or their property to influence their participation in the bidding process or affect the execution of this Construction Contract.

End of Article VII

ARTICLE VIII.
DEFAULTS AND REMEDIES

Section 8.01. Default.

(a) Notice of Default. In the event that the Mayor and Council determines, in its sole discretion, that Contractor has failed or refused to perform any of the obligations set forth in the Contract Documents, or is in breach of any provision of the Contract Documents, the City Manager may give written notice of default to the Contractor in the manner specified for the giving of notices in the Construction Contract, with a copy to Contractor's performance bond surety.

(b) Opportunity to Cure. Except for emergencies, the Contractor shall cure any default in performance of its obligations under the Contract Documents within five (5) Working Days (or such shorter time as the City Manager may reasonably require) after receipt of written notice. However, if the breach cannot be reasonably cured within such time, the Contractor will commence to cure the breach within five (5) Working Days (or such shorter time as the City Manager may reasonably require) and will diligently and continuously prosecute such cure to completion within a reasonable time, which shall in no event be later than ten (10) Working Days after receipt of such written notice.

Section 8.02. Mayor and Council's Rights and Remedies.

(a) Remedies Upon Default. If the Contractor fails to cure any default of this Construction Contract within the time period set forth above in Section 8.01, then the Mayor and Council may pursue any remedies available under law or equity, including, without limitation, the following:

(i) *Delete Certain Services*. The Mayor and Council may, without terminating the Construction Contract, delete certain portions of the Work, reserving to itself all rights to Losses related thereto.

(ii) *Perform and Withhold*. The Mayor and Council may, without terminating the Construction Contract, engage others to perform the Work or portion of the Work that has not been adequately performed by the Contractor and withhold the cost thereof to the Mayor and Council from future payments to the Contractor, reserving to itself all rights to Losses related thereto.

(iii) *Suspend the Construction Contract*. The Mayor and Council may, without terminating the Construction Contract and reserving to itself all rights to Losses related thereto, suspend all or any portion of this Construction Contract for as long a period of time as the Mayor and Council determines, in its sole discretion, appropriate, in which event the Mayor and Council shall have no obligation to adjust the Contract Sum or Contract Time, and shall have no liability to the Contractor for damages if the Mayor and Council directs Contractor to resume Work.

(iv) *Terminate the Construction Contract for Default*. The Mayor and Council shall have the right to terminate this Construction Contract, in whole or in part, upon the failure of Contractor to promptly cure any default as required by Section 8.01. The Mayor and Council's election to terminate this Construction Contract for default shall be communicated by giving the Contractor a written notice of termination in the manner specified for the giving of notices in the Construction Contract. Any notice of termination given to the Contractor by the Mayor and Council shall be effective immediately, unless otherwise provided therein.

(v) *Invoke the Performance Bond*. The Mayor and Council may, with or without terminating the Construction Contract and reserving to itself all rights to Losses related thereto, exercise its rights under the Performance Bond.

(vi) *Additional Provisions*. All of the Mayor and Council's rights and remedies under this Construction Contract are cumulative and shall be in addition to those rights and remedies available in law or in equity. Designation in the Contract Documents of certain breaches as material shall not waive the Mayor and Council's authority to designate other breaches as material nor limit the Mayor and Council's right to terminate this Construction Contract or prevent the Mayor and Council from terminating the Contract Documents for breaches that are not material. The Mayor and Council's determination of whether there has been noncompliance with the Construction Contract so as to warrant exercise by the Mayor and Council of its rights and remedies for default under this Construction Contract, shall be binding on all Parties. No termination or action taken by the Mayor and Council after such termination shall prejudice any other rights or remedies of the Mayor and Council provided by law or equity or by the Contract Documents upon such termination; and the Mayor and Council may proceed against the Contractor to recover all liquidated damages and Losses suffered by the Mayor and Council.

(b) Delays by Sureties. Time being of the essence in the performance of the Work, if the Contractor's surety fails to arrange for completion of the Work in accordance with the Performance Bond, within seven (7) Days from the date of the notice of termination, the Contractor's surety shall be deemed to have waived its right to complete the Work under this Construction Contract, and the Mayor and Council may immediately make arrangements for the completion of the Work through use of its own forces, by hiring a replacement contractor, or by any other means that the Mayor and Council determines advisable under the circumstances. The Contractor and its surety shall be jointly and severally liable for any additional cost incurred by the Mayor and Council to complete the Work following termination. In addition, the Mayor and Council shall have the right to use any materials, supplies, and equipment belonging to the Contractor and located at a Site for the purposes of completing the remaining Work.

(c) Damages to Mayor and Council.

(i) *For Contractor's Default*. The Mayor and Council will be entitled to recovery of all Losses under law or equity in the event of the Contractor's default under the Contract Documents.

(ii) *Compensation for Losses*. In the event that the Mayor and Council's Losses arise from the Contractor's default under the Contract Documents, the Mayor and Council shall be entitled to deduct the cost of such Losses from monies otherwise payable to the Contractor. If the Losses incurred by the Mayor and Council exceed the amount payable, the Contractor shall be liable to the Mayor and Council for the difference and shall promptly remit same to the Mayor and Council.

(d) Suspension by Mayor and Council.

(i) *Suspension for Convenience*. The Mayor and Council may, at any time and from time to time, without cause, order the Contractor, in writing, to suspend, delay, or interrupt the Work in whole or in part for such period of time, up to an aggregate of fifty percent (50%) of the Contract Time. The order shall be specifically identified as a Suspension Order by the Mayor and Council. Upon receipt of a Suspension Order, the Contractor shall, at the Mayor and Council's expense, comply with the order and take all reasonable steps to minimize costs allocable to the Work covered by the Suspension Order. During the Suspension or extension of the Suspension, if any, the Mayor and Council shall either cancel the Suspension Order or, by Change Order, delete the Work covered by the Suspension Order. If a Suspension Order is canceled or expires, the Contractor shall resume and continue with the Work. A Change Order will be issued to cover any adjustments of the Contract Sum or the Contract Time

necessarily caused by such suspension. A Suspension Order shall not be the exclusive method for the Mayor and Council to stop the Work.

(ii) *Suspension for Cause*. In addition to all other remedies available to the Mayor and Council, if the Contractor fails to perform or correct work in accordance with the Contract Documents, the Mayor and Council may immediately order the Work, or any portion thereof, suspended until the cause for the suspension has been eliminated to the Mayor and Council's satisfaction. The Contractor shall not be entitled to an increase in Contract Time or Contract Sum for a suspension occasioned by the Contractor's failure to comply with the Contract Documents. The Mayor and Council's right to suspend the Work shall not give rise to a duty to suspend the Work, and the Mayor and Council's failure to suspend the Work shall not constitute a defense to the Contractor's failure to comply with the requirements of the Contract Documents.

(e) Termination Without Cause. The Mayor and Council may, at its sole discretion and without cause, terminate this Construction Contract in part or in whole upon written notice to the Contractor. The termination is effective ten (10) Days after the notice is issued, unless a different time is given in the notice. The compensation allowed under this Section 8.02(e) shall be the Contractor's sole and exclusive compensation for such termination, and the Contractor waives any claim for other compensation or losses, including, but not limited to, loss of anticipated profits, loss of revenue, lost opportunity, or other consequential, direct, indirect or incidental damages of any kind resulting from termination without cause. Termination pursuant to this provision does not relieve the Contractor or its sureties from any of their obligations for Losses arising from or related to the Work performed by the Contractor.

(i) *Compensation*. Following such termination and within forty-five (45) Days after receipt of a billing from the Contractor seeking payment of sums authorized by Section 8.02(e), the Mayor and Council shall pay the following to the Contractor as Contractor's sole compensation for performance of the Work:

A. For Work Performed. The amount of the Contract Sum allocable to the portion of the Work properly performed by the Contractor as of the date of termination, less sums previously paid to Contractor.

B. For Close-out Costs. Reasonable costs of the Contractor and its subcontractors: (i) Demobilizing and (ii) Administering the close-out of its participation in a Project (including, without limitation, all billing and accounting functions, not including attorney or expert fees) for a period of no longer than thirty (30) Days after receipt of the notice of termination.

C. For Fabricated Items. Previously unpaid cost of any items delivered to a Site which were fabricated for subsequent incorporation in the Work.

D. Profit Allowance. An allowance for profit calculated as four percent (4%) of the sum of the above items, provided Contractor can prove a likelihood that it would have made a profit if the Construction Contract had not been terminated.

(ii) *Subcontractors*. The Contractor shall include provisions in all of its subcontracts, purchase orders and other contracts permitting termination for convenience by Contractor on terms that are consistent with this Construction Contract and that afford no greater rights of recovery against Contractor than are afforded to Contractor against City under this Section.

(f) Loss of Federal or State Funding. In the event federal or state funding used to pay for the Work under this Construction Contract is reduced, withdrawn, frozen or otherwise cannot be made in full, this Construction Contract shall automatically terminate, unless both Parties agree to a modification of the obligations under this Construction Contract. The effective date of such termination shall be ninety (90) Days after the Contractor receives written notice of the reduction in payment, unless available funds are insufficient to continue payments in full during the ninety (90) Day period. A reduction in federal or state funding does not reduce monies due and owing to the Contractor on or before the effective date of the termination of the Agreement.

(g) Contractor's Duties Upon Termination. Upon receipt of a notice of termination pursuant to this Section 8.02, the Contractor shall, unless the notice directs otherwise, do the following:

(i) Immediately discontinue the Work to the extent specified in the notice;

(ii) Place no further orders or subcontracts for materials, equipment, services or facilities, except as may be necessary for completion of such portion of the Work that is not discontinued;

(iii) Provide to the Mayor and Council a description in writing, no later than fifteen (15) Days after receipt of the notice of termination, of all subcontracts, purchase orders and contracts that are outstanding, including, without limitation, the terms of the original price, any changes, payments, balance owing, the status of the portion of the Work covered and a copy of the subcontract, purchase order or contract and any written changes, amendments or modifications thereto, together with such other information as the Mayor and Council may determine necessary in order to decide whether to accept assignment of or request the Contractor to terminate the subcontract, purchase order or contract;

(iv) Promptly assign to the Mayor and Council those subcontracts, purchase orders or contracts, or portions thereof, that the Mayor and Council elects to accept by assignment and cancel, on the most favorable terms reasonably possible, all subcontracts, purchase orders or contracts, or portions thereof, that the Mayor and Council does not elect to accept by assignment; and

(v) Thereafter do only such Work as may be necessary to preserve and protect Work already in progress and to protect materials, plants, and equipment on a Site or in transit thereto.

(h) Provisions Effective After Termination. Upon termination, whether for cause or for convenience, the provisions of the Contract Documents remain in effect as to any claim, indemnity obligation, warranties, guarantees, submittals of as-built drawings, instructions, or manuals, or other such rights and obligations arising prior to the termination date.

Section 8.03. Contractor's Rights and Remedies.

(a) Contractor's Remedies. Contractor may terminate this Construction Contract only upon the occurrence of one of the following:

1. *For Work Stoppage*. The Work is stopped for sixty (60) consecutive Days, through no act or fault of the Contractor, any subcontractor, or any employee or agent of the Contractor or any subcontractor, due to issuance of an order of a court or other public authority other than the Mayor and Council having jurisdiction or due to an act of government, such as a declaration of a national emergency making material unavailable. This provision shall not apply to any work stoppage resulting from the Mayor and Council's issuance of a suspension notice issued either for cause or for convenience.

2. *For Mayor and Council's Non-Payment*. If the Mayor and Council does not pay the Contractor undisputed sums within ninety (90) Days after receipt of notice from the Contractor, the Contractor may terminate this Construction Contract (30) Days following a second notice to the Mayor and Council of the Contractor's intention to terminate the Construction Contract.

(b) Damages to Contractor. In the event of termination for cause by the Contractor, the Mayor and Council shall pay the Contractor the sums provided for in Paragraph 8.02(e)(i) above. Contractor agrees to accept such sums as its sole and exclusive compensation and agrees to waive any claim for other compensation or Losses, including, but not limited to, loss of anticipated profits, loss of revenue, lost opportunity, or other consequential, direct, indirect and incidental damages, of any kind.

End of Article VIII

ARTICLE IX.
MISCELLANEOUS PROVISIONS

Section 9.01. Notices, Demands, and Communications Between the Parties. Formal notices, demands, and communications between the Contractor and Mayor and Council shall be given either by (a) personal service, (b) delivery by reputable overnight document delivery service such as Federal Express that provides a receipt showing date and time of delivery, or (c) mailing utilizing a certified or first class mail postage prepaid service of the United States Postal Service that provides a receipt showing date and time of delivery, addressed to:

To the Mayor and Council:

Mayor and Council of Rockville
c/o Office of the City Clerk
111 Maryland Avenue
Rockville, Maryland 20850
Attn: Sara Taylor-Ferrell, City Clerk / Director of Council Operations

With copies to:

Office of the City Attorney
111 Maryland Avenue
Rockville, Maryland 20850
Attn: City Attorney

Office of the City Manager
111 Maryland Avenue
Rockville, Maryland 20850
Attn: Jeff Mihelich, City Manager

Department of Public Works
111 Maryland Avenue
Rockville, Maryland 20850
Attn: Craig Simoneau, Director

To the Contractor:

Crown Construction Service, Inc
7124 Temple Hill
Temple Hills, Maryland 20748
Attn: Martin Ornelas, President

Notices personally delivered shall be deemed effective upon receipt or refusal thereof. Notices given by a reputable overnight document delivery service shall be deemed effective one (1) Working Day after delivery by such service. Notices mailed shall be deemed effective on the third (3rd) Working Day following deposit in the United States mail. Such written notices, demands, and communications shall be sent in the same manner to such other addresses as any Party may from time to time designate in writing.

The Parties' respective contacts for emergencies are as follows:

City of Rockville	Crown Construction Service, Inc.
Dan Stevens	[_____]

Chief, Construction Management	Vice President
Telephone: (240) 743-7003	Telephone: (571) 641-5822
Office: 240-314-8552	Office: (703) 313-7464
dstevens@rockvillemd.gov	[_____]

Section 9.02. Relationship of Parties. The provisions of this Construction Contract are intended solely for the purpose of defining the relative rights of the Parties and no relationship of partnership, joint venture or other joint enterprise shall be deemed to be created hereby by and among the Parties pursuant to the Construction Contract.

Section 9.03. Interpretation. The terms of the Construction Contract shall be construed in accordance with the meaning of the language used and as a whole according to its fair meaning, and shall not be construed for or against any Party by reason of the authorship of the Construction Contract or any other rule of construction which might otherwise apply. The Section headings are for purposes of convenience only and shall not be construed to limit or extend the meaning of the Construction Contract.

Section 9.04. Non-Liability of Officials, Employees and Agents. No member of the Mayor and Council or any of its respective officers, employees, successors, or agents shall be personally liable to the Contractor in the event of any default or breach by the Mayor and Council or for any amount which may become due to the Contractor or its respective successors or assigns or on any obligation under the terms of the Construction Contract.

Section 9.05. No Third-Party Beneficiaries. No provision of the Construction Contract shall be construed to confer any rights upon any person or entity who is not a Party hereto, whether a third-party beneficiary or otherwise.

Section 9.06. Parties Bound. Except as otherwise limited herein, the provisions of the Construction Contract shall be binding upon and inure to the benefit of the Parties and their heirs, executors, administrators, legal representatives, successors, and assigns.

Section 9.07. Severability. If any term, provision, covenant, or condition of the Construction Contract is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remainder of the Construction Contract shall not be affected thereby to the extent such remaining provisions are not rendered impractical to perform taking into consideration the purposes of the Construction Contract. In the event that all or any portion of the Construction Contract is found to be unenforceable, the Construction Contract or that portion which is found to be unenforceable shall be deemed to be a statement of intention by the Parties; and the Parties further agree that in such event, and to the maximum extent permitted by law, they shall take all steps necessary to comply with such procedures or requirements as may be necessary in order to make valid the Construction Contract or that portion which is found to be unenforceable.

Section 9.08. Prohibition Against Transfers. The Mayor and Council is entering into this Construction Contract in reliance upon the stated experience and qualifications of the Contractor and its subcontractors set forth in its Bid. Accordingly, Contractor shall not assign, hypothecate, or transfer this Construction Contract or any interest therein directly or indirectly, by operation of law or otherwise without the prior written consent of the Mayor and Council. Any assignment, hypothecation, or transfer without said consent shall be null and void and shall be deemed a substantial breach of contract and grounds for default in addition to any other legal or equitable remedy available to the Mayor and Council.

The sale, assignment, transfer, or other disposition of any of the issued and outstanding capital stock of the Contractor that shall result in changing the control of Contractor, shall be construed as an

assignment of this Construction Contract. Control means more than fifty percent (50%) of the voting power of the corporation or other entity.

Section 9.09. Governing Law. The Construction Contract and all other Contract Documents are entered into and shall be construed in accordance with and governed by the laws of the State of Maryland without regard to choice-of-law rules. The Parties consent to the jurisdiction and venue of the Circuit Court for Montgomery County, Maryland.

Section 9.10. Tax Exemption. The City is exempt from the payment of any federal excise or any Maryland sales tax.

Section 9.11. Local Government. Notwithstanding anything herein contained to the contrary, Contractor acknowledges the Mayor and Council is a political subdivision and its obligations hereunder are given only to the extent permitted by applicable law, contingent upon the appropriation and encumbrance of funding, and subject to the notice requirements and damages limitations stated in applicable law, including, but not limited to, the Local Government Tort Claims Act, Md. Code Ann., Ct & Jud. Proc. § 5-301, et seq. (2013 Repl. Vol.), as amended from time to time.

Section 9.12. Construction Documents. All Construction Documents referred to in the Construction Contract are by such references fully incorporated herein.

Section 9.13. Entire Agreement, Waivers and Amendments. The Construction Contract integrates all of the terms and conditions mentioned herein, or incidental hereto, and supersedes all negotiations and previous agreements between the Parties with respect to the Projects and the Work. All waivers of the provisions of the Construction Contract must be in writing and signed by the appropriate authorities of the Party to be charged, and all amendments and modifications hereto must be in writing and signed by the appropriate authorities of the Parties.

Section 9.14. Counterparts. The Construction Contract may be executed in counterparts, each of which shall be deemed to be original, and such counterparts shall constitute one and the same instrument.

Section 9.15. Electronic Signatures. This Construction Contract may be executed by electronic signature, which will be construed as an original signature for all purposes and have the same force and effect as an original signature. For these purposes, "electronic signature" means electronically scanned and transmitted versions (e.g., via pdf file or facsimile transmission) of an original signature, or signatures electronically inserted via software such as DocuSign or Adobe Sign.

Section 9.16. No Waiver of Sovereign Immunity by Mayor and Council. Notwithstanding any other provisions of the Construction Contract to the contrary, nothing in the Construction Contract nor any action taken by the Mayor and Council pursuant to the Construction Contract nor any document which arises out of the Construction Contract shall constitute or be construed as a waiver of either the sovereign immunity or governmental immunity of the City of Rockville's elected and appointed officials, officers, and employees.

Section 9.17. Contract Disputes. Any dispute concerning the interpretation of this Construction Contract shall be resolved pursuant to Section 17-173 of the Rockville City Code. Pending final adjudication of such dispute, the Contractor shall proceed diligently with performance of the Work pursuant to this Construction Contract.

Section 9.19. Federal and State Funding. Funding for this Construction Contract is being provided by federal and state grant and loan funds. The Mayor and Council's obligations under the Construction Contract are subject to the timely disbursement of such funds, as described in Section 8.02(f).

End of Article IX

(Signature page to follow)

IN WITNESS WHEREOF, the Mayor and Council and the Contractor have each executed, or caused to be duly executed, this Construction Contract, in the name and behalf of each of them (acting individually or by their respective officers or appropriate legal representatives thereunto duly authorized) as of the day and year first written above.

MAYOR AND COUNCIL

Approved as to form:

THE MAYOR AND COUNCIL OF ROCKVILLE, a body corporate and municipal corporation of the State of Maryland

_____ By: _____

Cynthia Walters, Acting City Attorney

Jeff Mihelich, City Manager

CROWN CONSTRUCTION SERVICE, INC.,

a Maryland corporation

By: _____

Martin Ornelas., President

EXHIBIT A

BID PRICING FORM

IFB 26-25 Addendum 4

INVITATION FOR BIDS #26-25
WATER MAIN REHABILITATION PROGRAM - EXTERNALLY FUNDED PROJECTS

SECTION V: BID PRICING FORM

THIS FORM MUST BE COMPLETED AND INCLUDED WITH THE BID SUBMITTAL. FAILURE TO SUBMIT THIS FORM SHALL DEEM THE BIDDER NON-RESPONSIVE.

IN ACCORDANCE WITH ALL TERMS, SPECIFICATIONS AND REQUIREMENTS, WE PROPOSE TO FURNISH ALL LABOR, EQUIPMENT, MATERIALS AND SERVICES AND THE PERFORMANCE OF ALL WORK NECESSARY FOR THE PROJECT. PROVIDE PRICING BELOW TO INCLUDE OVERHEAD, PROFIT, TAXES, INSURANCE AND OTHER APPLICABLE FEES AND COSTS. ALTERATIONS TO THIS FORM OR BID ALTERNATES (UNLESS OTHERWISE SPECIFIED) ARE NOT ACCEPTABLE. LINE ITEMS LEFT BLANK OR MARKED "$0" SHALL DEEM THIS BID NON-RESPONSIVE.

BID PRICE TABLE A – Water Main Rehabilitation Program

PAY ITEM	ITEM DESCRIPTION	QTY	UNIT OF MEASURE	UNIT COST	EXTENDED COST
1a	Install 6" thru 12" DIP Water Main; Trench Depth = 0 to 6-foot	20,000	LINEAR FOOT	$120.00	$2,400,000.00
1b	Install 6" thru 12" DIP Water Main; Trench Depth = 6 to 9-foot	700	LINEAR FOOT	$140.00	$98,000.00
1c	Install 16" DIP Water Main; Trench Depth = 0 to 6-foot	500	LINEAR FOOT	$180.00	$90,000.00
1d	Install 16" DIP Water Main; Trench Depth = 6 to 9-foot	500	LINEAR FOOT	$220.00	$110,000.00
2a	Install 6", 8" or 12" Water (Gate) Valves	100	EACH	$150.00	$15,000.00
2a	Install 16" Water (Butterfly) Valves	10	EACH	$800.00	$8,000.00
3	Install Fire Hydrants	50	EACH	$2,800.00	$140,000.00
4	Install 1" and 2" Corporation	200	EACH	$1,500.00	$300,000.00
5	Install 1" and 2" House Connection, copper type K.	1,600	LINEAR FOOT	$80.00	$128,000.00
6	Install Water Meter Crocks	50	EACH	$200.00	$10,000.00

EXHIBIT A

BID PRICING FORM

IFB 26-25 Addendum 4

PAY ITEM	ITEM DESCRIPTION	QTY	UNIT OF MEASURE	UNIT COST	EXTENDED COST
7	Furnish and Install 6.0-inch Hot Mix Asphalt (HMA) Surface Course (12.5 mm)	14,000	SQUARE YARD	$50.00	$700,000.00
8	Furnish and Install Graded Aggregate Base (GAB)	15,000	TONS	$35.00	$525,000.00
9	Furnish and Install Inlet Protection	40	EACH	$200.00	$8,000.00
10	Furnish and Install Silt Fence	1,500	LINEAR FEET	$6.00	$9,000.00
11	Furnish and Install MSHA #57 Stone	1,000	TON	$40.00	$40,000.00
12	Remove and Replace Concrete Curb and Gutter	700	LINEAR FEET	$60.00	$42,000.00
13	Remove and Replace Concrete Sidewalk	600	SQUARE YARD	$90.00	$54,000.00
14	Remove and Replace Concrete Driveway Apron	35	CUBIC YARD	$650.00	$22,750.00
*15	Furnish and Install Unfinished Concrete *Contingent Item	45	CUBIC YARD	$2,000.00	$90,000.00
*16	Water Valve Vault *Contingent Item	5	EACH	$40,000.00	$200,000.00
17	Furnish Test Pits – Water Service Line Materials	40	EACH	$950.00	$38,000.00
18	Temporary Traffic Control for Roads with Speed Limit over 35 mph	150	LINEAR FEET	$20.00	$3,000.00
19	Install Temporary 4" Water Main Bypass Loop for Commercial Areas	6,000	LINEAR FEET	$15.00	$90,000.00
20	Remove Existing Water Main in State Highway Administration ROW	100	LINEAR FEET	$60.00	$6,000.00

EXHIBIT A

BID PRICING FORM

IFB 26-25 Addendum 4

PAY ITEM	ITEM DESCRIPTION	QTY	UNIT OF MEASURE	UNIT COST	EXTENDED COST
21	Abandonment in Place of Existing Water Main	6,500	LINEAR FEET	$20.00	$130,000.00
22	Tree Removal >6" to <=12"	10	EACH	$3,000.00	$30,000.00
23	Tree Removal >12" to <=18"	10	EACH	$5,000.00	$50,000.00
24	Tree Removal >18" to <=24"	20	EACH	$6,000.00	$120,000.00
25	Tree Removal >24"	10	EACH	$8,000.00	$80,000.00
26	Removal and Disposal of Asbestos Concrete Materials	6,500	LINEAR FEET	$20.00	$130,000.00
27	Root Pruning	50	LINEAR FEET	$90.00	$4,500.00
28	Night Work	600	LINEAR FEET	$170.00	$102,000.00
29	Permanent Pavement Markings	7,000	LINEAR FEET	$7.00	$49,000.00
WATER MAIN REHABILITATION TOTAL – A					$5,822,250.00

*Indicates Contingent Item

Write the Total Bid Price for the **Water Main Rehabilitation Program** in words:

Five millions eight hundred twenty two thousand two hundred fifty dollars and zero cents

EXCEPTIONS

All exceptions taken to the specifications contained in this document must be clearly indicated in the space provided below. Unless noted as an exception, the bidder will be held responsible for providing each component or standard called for.

The City Manager for the City of Rockville, Maryland retains the exclusive right to approve or reject any exception taken to the specifications contained in this bid. It is hereby agreed that if this bid is rejected due to an exception taken to a specification by the bidder, the rejection taken will be final and no further action may be taken.

Do you claim an exception to any specification to this bid? If yes, please explain.

_____

_____

COMPLETE AND RETURN WITH BID

MAYOR AND COUNCIL Meeting Date: May 18, 2026
Agenda Item Type: CONSENT
Department: HOUSING AND COMMUNITY DEVELOPMENT
Responsible Staff: JANE LYONS-RAEDER

Subject

Approval of FY26, Year 51 Community Development Block Grant (CDBG) Contract with Montgomery County and Authorization for the City Manager to Sign the Contract

Department

Housing and Community Development

Recommendation

Staff recommend that the Mayor and Council approve the attached grant agreement and authorize the City Manager to sign the agreement with Montgomery County for Community Development Block Grant Program Year 51/FY26.

Discussion

Each year, the City of Rockville receives federal Community Development Block Grant (CDBG) funds through a cooperative agreement with Montgomery County. CDBG funds must be used for housing and community development projects that primarily benefit low- and moderate-income persons or neighborhoods. Each year, the Department of Housing and Community Development coordinates, reviews, and evaluates CDBG funding requests, and recommends funding allocations to the Mayor and Council for its consideration.

Rockville has been awarded $263,000 in CDBG funding for federal Program Year 51/FY 2026. Below is a list of awardees and the award amounts.

Applicant	Allocation
Community Reach of Montgomery County	$8,546
Habitat for Humanity Metro Maryland, Inc.	$60,000
Rockville Housing Enterprises	$94,454
City of Rockville Single-Family Rehabilitation Program	$100,000
Total	**$263,000**

Mayor and Council History

On December 9, 2024, the Mayor and Council approved the FY2026/Year 51 funding allocations and authorized the City Manager to transmit the grant application and enter into an agreement with Montgomery County for Community Development Block Grant Program Year 51/FY26 in a form approved by the City Attorney.

Next Steps

Upon the Mayor and Council authorization, staff will coordinate with Montgomery County to duly execute the contract, after which the city will receive a purchase order and notice to proceed.

Attachments

CDBG Agreement - City of Rockville FY26-Yr51

DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

Marc Elrich
County Executive

Scott Bruton
Director

July 1, 2025

Mr. Jeff Mihelich, City Manager
The Mayor and Council of Rockville
111 Maryland Avenue
Rockville, Maryland 20850-2364

RE: The City of Rockville; Year 51 (County FY26) CDBG Funded Projects
Project Nos. BG8068, BG8106, BG8107, and BG8108.
Contract No. 1184965

Dear Mr. Mihelich:

This letter is to notify you that the County has agreed to provide The Mayor and Council of Rockville, a body corporate and municipal corporation of the State of Maryland ("the City", "Contractor", or "Grantee") with County FY26 (FFY25) Community Development Block Grant (CDBG) funding in an amount not to exceed **Two Hundred Sixty-Three Thousand Dollars and no cents** (**$263,000**) to implement the four activities described below. The projects described herein are to be undertaken and administered by the City and are to benefit Montgomery County residents. This Grant Agreement represents a sub-award of federal funds (see Attachment VII-E) and, therefore, includes certain compliance requirements. This funding is subject to the terms and conditions of this letter and Attachments I-A, I-B, I-C, I-D, I-E, II, III, IV, V, VI, VII, VIII, and IX. The Contractor is a public entity as defined by the Montgomery County Code, Section 11B-41. Under Section 11B-41 of the Code, the County may enter a contract without competition with a public entity if the contract is in the best interests of the County. This letter and the enclosed attachments as listed above constitute the County's Grant Agreement with you (the "Contract"). Note: reference to "Contractor" in the Attachments to this Contract refers to the City.

In the event of a conflict among the documents comprising this Contract, for purposes of resolving conflicts the order of priority is as follows: the terms contained in this letter including the General Conditions of Contract between County and Contractor (Attachment III), the Scope of Services (Attachments I-A, I-B, I-C, I-D, I-E), the Budget and Timeline (Attachment II), Mandatory Insurance Requirements (Attachment VI), the County Wage Requirements for Services Contracts (Attachment IV), the CDBG Eligibility Documentation (Attachment V), CDBG Special Conditions (Attachment VII), the Federal Labor Standards Provisions (Attachment VIII) and the Environmental Review Record (Attachment IX).

In consideration of the services to be provided to eligible clients, the County will pay an amount not to exceed $263,000 for the approved programs and projects identified on page 2. The

City agrees to reimburse the County for all expenses incurred that are determined to be ineligible for funding and for which the federal government requires reimbursement. Reasonable compensation for goods and/or services may be made quarterly upon submission of an invoice for work satisfactorily completed, as determined by the County.

The approved programs and projects are as follows:

Activity		Contractor	Amount
I-A	BG8068/26	Rockville Single Family Rehabilitation Program	$100,000
I-B	BG8106/26	Community Reach of Montgomery County, Inc.	$8,546
I-C	BG8107/26	Habitat for Humanity Metro Maryland, Inc.	$60,000
I-D	BG8108/26	Rockville Housing Enterprises (RHE)	$94,454
		Total	$263,000

For all projects listed above: This Contract will expire when the work has been completed or 12 months from the effective date of this Contract, whichever comes first. The Contract will not become effective until the date signed by the Director of the Office of Procurement ("Director"). Work under this Contract must not begin until you receive the County's written notice to proceed. The terms of this Contract are subject to the appropriation and availability of funds including, but not limited to, any federal, state, or local grant program or other funding mechanism.

The City's satisfactory performance does not guarantee either an extension or renewal of the Contract. The Director has the authority to extend or renew the term of this Contract if it is determined by DHCA that a renewal or extension is in the best interest of the County. Any extension or renewal of this Contract must be executed by an amendment and is contingent upon the Grantee being on the recommended FY26 budget publication list. Any funds not committed and/or expended consistent with such extension plans will be subject to immediate recapture and reallocation by the County to other projects. Recapture of CDBG funds by the County may impact future annual CDBG allocations for the City.

All subcontracts awarded by the City for the approved programs and projects enumerated on page 2 must be reviewed and approved by DHCA prior to execution by the City. The County will reimburse the City for satisfactorily completed work and services, as reasonably determined by DHCA, upon periodic receipt of invoices from the City. Expenses for all projects and programs under this Contract must be incurred during the Contract term.

All invoices must be received by DHCA no later than 30 days after the expiration of the quarter in which the costs are incurred, except for those expenses incurred during the April through June quarter, which must be received no later than July 6. Invoices received by DHCA after the applicable period has expired will not be approved for payment, and the dollar value of this Contract will be reduced accordingly.

Funds must be drawn down according to the draw schedule found as Attachment I-E of this Contract. Should the rate of draw down fall below the amount indicated for any quarter, the

City must provide the County with a written explanation and a plan for ensuring that all funds are drawn down within the term of this Contract with the invoice.

The City must verify and document that at least 70% of all clients assisted with CDBG funds are income eligible. If CDBG funds are not used to assist all clients, CDBG-assisted clients must be tracked and reported separately. Adequate CDBG income documentation includes copies of federal tax returns or proof of receipt of other government benefits, such as Housing Choice Vouchers, SSI, SSDI, FARMS, TANF, Medical Assistance, and similar programs. "No-income" attestation forms are not acceptable for activities under this Contract.

Activities funded through this Contract are subject to all applicable non-discrimination laws, including laws concerning discrimination against any person based on race, color, religious creed, ancestry, national origin, sex, marital status, disability, the presence of children, source of income, sexual orientation, or age. Failure to comply with these non-discrimination requirements may result in termination of this Contract, restitution of funds to the County, and all other remedies available to the County. The City must bind its subcontractors to these non-discrimination requirements.

Please sign the following page of this Contract and return the entire Contract to me (please note that this cover letter is a part of this Contract). One fully executed copy, a Purchase Order, and a Notice to Proceed will then be returned to you for your files.

Sincerely,

Pofen Salem, Chief
Division of Finance and Administration

MAYOR AND COUNCIL OF ROCKVILLE

_____
Jeff Mihelich, City Manager

Date: _____

Federal I.D. No. 52-6001573
UEI: XZGJXFPKJ9E7

Reviewed for Legal Sufficiency by
The Office of the City Attorney

_____
Cynthia Walters, Acting City Attorney

MONTGOMERY COUNTY, MARYLAND

_____
Avinash G. Shetty, Director
Office of Procurement

Date: _____

Recommended by:

_____
Scott Bruton, Director
Department of Housing and Community Affairs

Date: _____

Approved as to Form

_____
Assistant County Attorney

Date: _____

ATTACHMENT I-A

SCOPE OF SERVICES – ROCKVILLE SINGLE FAMILY REHABILITATION PROGRAM

The City's Single Family Rehab Program must provide technical assistance and deferred loan subsidies and/or reduced interest loans to an estimated four to six (4 to 6) low- and moderate-income households within the City of Rockville to make necessary home improvements ("Single Family Program").

Community Development Block Grant (CDBG) regulations require clients served by programs funded with CDBG monies meet income eligibility criteria. The City must verify and document that all clients assisted with CDBG funds for the Single-Family Program are income eligible. If CDBG funds are not used to assist all clients, CDBG assisted clients must be tracked and reported separately. Adequate CDBG income documentation consists of copies of federal tax returns or documentation of receipt of other government income-determined benefits (Housing Choice Voucher or other rental assistance, SSI, SSDI, FARMS, TANF, Medical Assistance, etc.).

Title IV of the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) of 1996, as amended, codified at 8 U.S.C. §§ 1601-1646, governs the eligibility of noncitizens for federal, state, and local public benefits. Accordingly, upon request from the County, the City must collect and provide to the County appropriate immigration documentation of each recipient of this federal award to enable the County to verify the recipient's immigration status using the Systematic Alien Verification for Entitlements (SAVE) program or another County-approved system. The County may ask the City to assist with the verification process.

The City agrees that its compliance in all respects with all applicable federal anti-discrimination laws is material to the U.S. Government's payment decisions for purposes of section 3729(b)(4) of title 31, United States Code. The Contractor will not operate any programs that violate any applicable federal anti-discrimination laws, including Title VI of the Civil Rights Act of 1964.

REPORTING

The Contractor must submit DHCA Federally Funded Loan Set Up Form and the Request for Environmental Review Form once at the same time at the beginning of the project. Payments will not be made if any required reports have not been submitted.

ACTIVITIES

The Contractor must provide fully qualified staff to operate the Single-family Program to serve an estimated four to six households that qualify as low- to moderate-income and who lack sufficient resources to maintain their homes in accordance with applicable codes. The funds must be used to correct existing and incipient housing deficiencies and health and safety hazards. Typical repair needs are for new furnaces, roofs, broken or inefficient appliances and plumbing fixtures, dangerous tree removal, or repairs resulting from water damage or the age of the home. Almost half of the recipients are elderly and cannot physically or financially maintain their homes as a safe environment. All projects must be undertaken in full compliance with all federal, state,

and local program requirements, including ensuring all participants are appropriately licensed to perform activities, including lead paint and other environmental compliance activities. All homes constructed prior to 1978 must be tested for the presence of lead paint by a certified contractor and these test results must be addressed in scope of work write ups and included in each case file. The City must contact DHCA with any questions regarding the requirements below. NOTE: Activities under the Single-Family Rehabilitation Program are not subject to Davis-Bacon requirements. These activities must include, but are not limited to:

- Conduct outreach as necessary to ensure adequate response by eligible clients;
- Evaluate and document verification of all applicants for eligibility and include copies of verification in file;
- Request historic clearance from Maryland Historic Trust;
- Forward Historic Trust approval to DHCA so that environmental review may be completed (no work may begin until DHCA has advised the City that the environmental review has been approved);
- Work with DHCA staff to ensure that a programmatic environmental review is conducted that meets all federal and local requirements;
- Submit proposed projects to authorized City representative for approval and authorization;
- Create an individual case file for each applicant;
- Conduct a home inspection of the applicant's property and develop a detailed scope of work addressing existing and incipient code violations, energy improvements and accessibility modifications where indicated;
- Assist the applicant in soliciting competitive bids for the work;
  - Assist the applicant in drafting and executing a contract with the selected contractor which maintains a minimum of 10% retainage until the last payment for each item completed under the contract's scope of work;
- Inspect the work as it is performed and assist the applicant in approving draw payments when appropriate;
- Conduct a final inspection of the property when completed and verify all work was completed properly;
- Ensure all lien releases and permit approvals are provided before approving the final payments. Provide technical assistance, mediation and problem resolution assistance throughout the process as needed; and
- Submit DHCA Federally Funded Loan Set Up Form and final narrative summary report.

OUTCOMES / DELIVERABLES

ACTIVITY	DELIVERABLES	DOCUMENTATION
Outreach	Adequate to achieve projected completions	Copy of waiting list of eligible clients
Write-ups	Estimated 4-6	Owner/applicant write up acceptance letters
Contracts executed	Estimated 4-6	Copy of contracts

Projects Completed – provide the services in the "Activities" section above.	Estimated 4-6 projects completed during the contract term.	List of properties receiving maintenance, income eligibility and brief list of repairs at each and total cost.
Reporting	DHCA Federally Funded Loan Set Up Form, final narrative summary report, and any other federal compliance documentation requested	Reports

BUDGET

All funding provided under this Contract must be used for the specific expenses enumerated below. All funding, if any, remaining undistributed at the end of the Contract will be recaptured by DHCA and reallocated to other eligible projects. The Contractor must provide any additional funding that may be required from other sources to ensure full delivery of the services described herein.

All services under this Contract must be performed during the active term of the Contract. The Contractor must provide DHCA with the final invoice no later than 30 days following the end of the Contractor term, unless the expiration is between June 15 and June 30, in which case requests for payment must be received no later than July 6. (NOTE: No entertainment related costs maybe paid with CDBG funds). The Contractor must submit regular invoices to DHCA documenting the expenses for which reimbursement is requested. Under no circumstances may invoices be submitted less frequently than quarterly.

All invoiced costs must be supported by a copy of the original vendor invoice. All payment requests must include the following clause signed by the authorized signatory of the Contract:

"By signing this report, I certify to the best of my knowledge and belief that the report is true, complete, and accurate, and the expenditures, disbursements and cash receipts are for the purposes and objectives set forth in the terms and conditions of the federal award. I understand that receipt of this federal CDBG from the County is contingent upon the award of the federal CDBG to the County. I am aware that any false, fictitious, or fraudulent information, or the omission of any material fact, may subject me to criminal, civil or administrative penalties for fraud, false statements, false claims or otherwise."

Reimbursement of construction costs. An estimated four households at an estimated cost of $16,666 +/- per unit	$100,000
Total CDBG Funds	$100,000

All invoices must be accompanied by copies of original vendor invoices. The bidding material and Home Repair contract(s) must include all federal requirements, and the City is responsible for Rockville Single Family Rehab Program's compliance with all requirements. In the event HUD determines Rockville Single Family Rehab Program has not achieved compliance, the City will be directly responsible for paying all restitution, penalties, and/or fees determined by HUD or its designee. Rockville Single Family Rehab Program must provide the City with all contractor invoices with all requests for payment for the Home Repair and copies of lien releases before any invoice may be approved. Note: no administrative costs are included under this

Contract.

TIMELINE

The activities under this Contract must be performed during the term of the Contract, which begins on the date it is executed by the Director of the Office of Procurement. Time is of the essence. No activities that occur before the Notice to Proceed is issued, or after the expiration date of the Contract will be paid.

END OF ATTACHMENT I-A

ATTACHMENT I-B

SCOPE OF SERVICES – COMMUNITY REACH OF MONTGOMERY COUNTY

Community Reach of Montgomery County, Inc. (CRM) must complete repairs and maintenance (Rehab Project) at Rockland House located at 2004 Rockland Avenue to continue providing a suitable living environment for individuals experiencing homelessness and in need of access to supportive services.

The subcontract between the City and Community Reach of Montgomery County, Inc. must be reviewed and approved by DHCA prior to execution. Community Development Block Grant (CDBG) regulations require clients served by programs funded with CDBG monies meet income eligibility criteria. Community Reach of Montgomery County, Inc. must verify and document that all clients assisted with CDBG funds through this activity are income eligible. Adequate CDBG income documentation consists of copies of federal tax returns or documentation of receipt of other government income-determined benefits (Housing Choice Voucher or other rental assistance, SSI, SSDI, FARMS, TANF, Medical Assistance, etc.).

Title IV of the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) of 1996, as amended, codified at 8 U.S.C. §§ 1601-1646, governs the eligibility of noncitizens for federal, state, and local public benefits. Accordingly, upon request from the County, the City must collect and provide to the County appropriate immigration documentation of each recipient of this federal award to enable the County to verify the recipient's immigration status using the Systematic Alien Verification for Entitlements (SAVE) program or another County-approved system. The County may ask the City to assist with the verification process.

The City agrees that its compliance in all respects with all applicable federal anti-discrimination laws is material to the U.S. Government's payment decisions for purposes of section 3729(b)(4) of title 31, United States Code. The Contractor will not operate any programs that violate any applicable federal anti-discrimination laws, including Title VI of the Civil Rights Act of 1964.

REPORTING

The City must submit DHCA Federally Funded Loan Set Up Form and the Request for Environmental Review Form once at the same time at the beginning of the Rehabilitation Project. Payments will not be made if any required reports have not been submitted.

ACTIVITIES

CRM must contract for repairs and maintenance to be made at their permanent supportive housing property at Rockland House located at 2004 Rockland Avenue in the Twinbrook neighborhood of Rockville. The contract should include improvements to the ventilation system and the replacement of the HVAC units. All work will be in compliance with federal, state, and local requirements. The City must contact DHCA with any questions regarding the requirements below. Specific work items include but are not limited to:

- Verify and document all residents are CDBG income eligible;
- Conduct lead testing of all surfaces to be disturbed by certified contractor and provide test results to the City prior to any bidding;
- If necessary, address all lead paint issues identified by inspection (if any) using a lead-certified contractor;
- Radon testing is not required, but mitigation is required if the method used to consider radon shows levels of 4.0 pCi/L or greater;
- Request historic clearance from Maryland Historic Trust (MHT);
- Submit request for environmental review, including MHT approval form, to DHCA for approval (no work may begin until DHCA has advised Community Ministries that the environmental review has been approved);
- Comply with the City's historic preservation requirements as outlined in the Rockville City Code and as implemented by the Historic District Commission;
- Develop a scope of work and bid documents and provide such documents to the City and DHCA prior to soliciting bids. The scope of work must be approved by Rockville Historic District Commission and include:
    - Removal, restoration, and reinstallation of all window sash and trims, including air sealing as necessary; and
    - Installation of new storm windows.
- Competitively solicit bids in compliance with all CDBG federal requirements including MBE participation;
- Ensure all contractors have a valid Maryland Home Improvement Contractor License (MHIC) and lead-safe certificate if indicated;
- Award contract to lowest responsive and responsible bidder, and enter into a contract or contracts for this work which maintain(s) a minimum of 10% retainage until the last payment for each unit;
- Verify all required permits are obtained and approved;
- Monitor construction progress and approve quality of work and periodic payments, ensuring adequate retainage is maintained throughout the project to complete unfinished work if the selected contractor fails to perform;
- Verify all work included in the contract has been satisfactorily completed prior to final payment; and
- Provide DHCA Federally Funded Loan Set Up Form and final narrative reports to the City of Rockville for submission to the County.

OUTCOMES / DELIVERABLES

ACTIVITY	DELIVERABLES	DOCUMENTATION
Income Eligibility	Verify and document client income	Copy of source documentation
Bidding	Clear scope of work, minimum of 3 bids, MBE participation	Copy of bid docs and bids received

Project Administration	Monitor progress of work and verify quality and completion	Documentation of inspections
Final inspection	Conduct final inspection and get City sign off before final invoice	Copy of signoff
Reporting	DHCA Federally Funded Loan Set Up Form submitted to the City and final narrative report	Reports

BUDGET

All funding provided under this Contract must be used for the specific expenses enumerated below. All funding, if any, remaining undistributed at the end of the Contract will be recaptured by DHCA and reallocated to other eligible projects. The Contractor must provide any additional funding that may be required from other sources to ensure full delivery of the services described herein.

All services under this Contract must be performed during the active term of the Contract. The Contractor must provide DHCA with the final invoice no later than 30 days following the end of the Contract term, unless the expiration is between June 15 and June 30, in which case requests for payment must be received no later than July 6. (NOTE: No entertainment related costs maybe paid with CDBG funds). The Contractor must submit regular invoices to DHCA documenting the expenses for which reimbursement is requested. Under no circumstances may invoices be submitted less frequently than quarterly.

All invoiced costs must be supported by a copy of the original vendor invoice. All payment requests must include the following clause signed by the authorized signatory of the Contract:

"By signing this report, I certify to the best of my knowledge and belief that the report is true, complete, and accurate, and the expenditures, disbursements and cash receipts are for the purposes and objectives set forth in the terms and conditions of the federal award. I understand that receipt of this federal CDBG from the County is contingent upon the award of the federal CDBG to the County. I am aware that any false, fictitious, or fraudulent information, or the omission of any material fact, may subject me to criminal, civil or administrative penalties for fraud, false statements, false claims or otherwise."

Rockland House maintenance and improvement projects	$8,546
Total CDBG Funds	$8,546

All invoices must be accompanied by copies of original vendor invoices. The bidding material and contract(s) for the Rehab Project must include all federal requirements and the City is responsible for CRM's compliance with all requirements. In the event HUD determines CRM has not achieved compliance, the City will be directly responsible for paying all restitution, penalties and/or fees determined by HUD or its designee. CRM must provide the City with

contractor invoices for the Rehab Project which must be included with all requests for payment, other compliance documentation, and copies of lien releases before any invoice may be approved.

TIMELINE

The activities under this Contract must be performed during the term of the Contract, which begins on the date it is executed by the Director of the Office of Procurement. Time is of the essence. No activities that occur before the execution of this Contract or after the expiration date of this Contract will be paid.

END OF ATTACHMENT I-B

ATTACHMENT I-C

SCOPE OF SERVICES – HABITAT FOR HUMANITY METRO MARYLAND, INC.

Habitat for Humanity Metro Maryland, Inc. must provide a "silent second" mortgage to two homebuyers to make their mortgage more affordable when purchasing one of the homes at 107 Fleet Street, Rockville. Each $30,000 mortgage will be interest-free and without payment unless a home is sold within the first 30 years. The funds will provide down payment/gap funding for homebuyers below 65% AMI.

The subcontract between the City and Habitat for Humanity must be reviewed and approved by DHCA prior to execution. Community Development Block Grant (CDBG) regulations require clients served by programs funded with CDBG monies meet income eligibility criteria. Habitat for Humanity must verify and document that all clients assisted with CDBG funds through this activity are income-eligible. Adequate CDBG income documentation consists of copies of federal tax returns or documentation of receipt of other government income-determined benefits (Housing Choice Voucher or other rental assistance, SSI, SSDI, FARMS, TANF, Medical Assistance, etc.).

Title IV of the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) of 1996, as amended, codified at 8 U.S.C. §§ 1601-1646, governs the eligibility of noncitizens for federal, state, and local public benefits. Accordingly, upon request from the County, the City must collect and provide to the County appropriate immigration documentation of each recipient of this federal award to enable the County to verify the recipient's immigration status using the Systematic Alien Verification for Entitlements (SAVE) program or another County-approved system. The County may ask the City to assist with the verification process.

The City agrees that its compliance in all respects with all applicable federal anti-discrimination laws is material to the U.S. Government's payment decisions for purposes of section 3729(b)(4) of title 31, United States Code. The Contractor will not operate any programs that violate any applicable federal anti-discrimination laws, including Title VI of the Civil Rights Act of 1964.

REPORTING

The City must submit DHCA Federally Funded Loan Set Up Form and the Request for Environmental Review Form once at the same time at the beginning of the Project. Payments will not be made if any required reports have not been submitted.

ACTIVITIES

Habitat for Humanity must verify that one homebuyer earns below 50% AMI and the other below 65% AMI. Habitat for Humanity must ensure a 50-year deed restriction is recorded to ensure long-term affordability. The City must contact DHCA with any questions regarding the requirements below. Specific activities include, but are not limited to:

- Verify and document income eligibility in accordance with HUD guidelines;

- Maintain eligibility and underwriting documentation in each homebuyer's file;
- Execute second mortgage and lien;
- Maintain mortgage and lien documentation;
- Ensure homebuyers complete homebuyer education and training;
- Provide DHCA Federally Funded Loan Set Up Form and a final narrative report to the City of Rockville for submission to the County.

DELIVERABLES

The City must provide documentation acceptable to DHCA of having achieved the following quantified levels of activity through the ACTIVITIES section above. In addition to submitting DHCA Federally Funded Loan Set Up Form, the City must provide DHCA with a final one-page narrative accomplishment summary, including a paragraph indicating whether the described levels of accomplishments have been reached and if not, the reason(s) why. This narrative report must be provided with the final invoice. No invoices will be paid if reports are overdue.

ACTIVITY	DELIVERABLES	DOCUMENTATION
Income Eligibility	Verify two (2) homebuyers and document client income eligibility	Copy of source documentation
Home Purchase	Two newly-built homes will be sold to income-eligible households (one at 50% AMI and one at 65% AMI)	Closing Disclosures and transaction documentation
Mortgage Assistance	Provide downpayment/gap financing to two (2) homebuyers	Loan agreements, lien documentation
Reporting	DHCA Federally Funded Loan Set Up Form submitted to the City and final narrative report	Reports

BUDGET

All funding provided under this Contract must be used for the specific expenses enumerated below. All funding, if any, remaining undistributed at the end of the Contract will be recaptured by DHCA and reallocated to other eligible projects. The Contractor must provide any additional funding that may be required from other sources to ensure full delivery of the services described herein.

All services under this Contract must be performed during the active term of the Contract. The Contractor must provide DHCA with the final invoice no later than 30 days following the end of the Contract term. The Contractor must submit regular invoices to DHCA documenting the expenses for which reimbursement is requested. Under no circumstances can invoices be submitted less frequently than quarterly.

All invoiced costs must be supported by a copy of the original vendor invoice. All payment requests must include the following clause signed by the authorized signatory of the Contract:

"By signing this report, I certify to the best of my knowledge and belief that the report is true, complete, and accurate, and the expenditures, disbursements and cash receipts are for the purposes and objectives set forth in the terms and conditions of the federal award. I understand that receipt of this federal CDBG from the County is contingent upon the award of the federal CDBG to the County. I am aware that any false, fictitious, or fraudulent information, or the omission of any material fact, may subject me to criminal, civil or administrative penalties for fraud, false statements, false claims or otherwise."

Down Payment/Gap Assistance for two (2) LMI homebuyers	$60,000
Total CDBG funds	$60,000

All invoices must be accompanied by copies of original vendor invoices. The associated expenses must include all federal requirements and the City is responsible for Habitat for Humanity's compliance with all requirements. In the event HUD determines Habitat for Humanity has not achieved compliance, the City will be directly responsible for paying all restitution, penalties and/or fees determined by HUD or its designee. Habitat for Humanity must provide the City with invoices for the Project, which must be included with all requests for payment, other compliance documentation, and copies of related documentation before any invoice may be approved.

TIMELINE

The activities under this Contract must be performed during the term of the Contract, which begins on the date it is executed by the Director of the Office of Procurement. Time is of the essence. No activities that occur before the execution of this Contract or after the expiration date of this Contract will be paid.

END OF ATTACHMENT I-C

ATTACHMENT I-D
SCOPE OF SERVICES – ROCKVILLE HOUSING ENTERPRISES

Rockville Housing Enterprises (RHE) must complete roof replacements (the Project) at 17 units at its public housing site, the David Scull Courts community (1232-1327 First Street). Because RHE is a Public Housing Agency, Davis-Bacon and Section 3 requirements apply to all phases of the Project including bidding, contractor selection, construction and close out activities. A previous environmental review for this project has already been completed and is on file at DHCA. However, additional environmental review may be necessary, and the City must contact DHCA to determine the requirements.

The subcontract between the City and RHE must be reviewed and approved by DHCA prior to execution. Community Development Block Grant (CDBG) regulations require clients served by programs funded with CDBG monies meet income eligibility criteria. RHE must verify and document that all clients assisted with CDBG funds through this activity are income eligible. Adequate CDBG income documentation consists of copies of federal tax returns or documentation of receipt of other government income-determined benefits (Housing Choice Voucher or other rental assistance, SSI, SSDI, FARMS, TANF, Medical Assistance, etc.)

Title IV of the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) of 1996, as amended, codified at 8 U.S.C. §§ 1601-1646, governs the eligibility of noncitizens for federal, state, and local public benefits. Accordingly, upon request from the County, the City must collect and provide to the County appropriate immigration documentation of each recipient of this federal award to enable the County to verify the recipient's immigration status using the Systematic Alien Verification for Entitlements (SAVE) program or another County-approved system. The County may ask the City to assist with the verification process.

The City agrees that its compliance in all respects with all applicable federal anti-discrimination laws is material to the U.S. Government's payment decisions for purposes of section 3729(b)(4) of title 31, United States Code. The Contractor will not operate any programs that violate any applicable federal anti-discrimination laws, including Title VI of the Civil Rights Act of 1964.

REPORTING

The City must submit DHCA Federally Funded Loan Set Up Form and the Request for Environmental Review Form once at the same time at the beginning of the Project. Payments will not be made if any required reports have not been submitted.

ACTIVITIES

RHE must complete roof replacements at 17 public housing units in the David Scull Courts community in compliance with federal, state and local requirements. The City must contact DHCA with any questions regarding the requirements below. Activities include, but are not limited to:

- Verify and document all property residents are CDBG income eligible;

- Solicit competitive bids including all federal requirements including, but not limited to, Davis-Bacon, MBE/MFD, Section 3, environmental review etc.;
- Provide the City with the scope of work and bid documents prior to soliciting bids;
- Award and administer the contract in a manner to ensure compliance with federal requirements;
- Award contract to the lowest responsive and responsible bidder;
- Enter into and administer a contract which maintains a minimum of 10% retainage until the last payment for each unit, including verification of:
    - Quality and amount of work in place;
    - Lien releases; and
    - Compliance with Davis-Bacon, Section 3, MBE, environmental review and all other federal requirements.
- Ensure all Davis-Bacon payrolls are provided to Rockville within seven days of the payroll reporting period for all weeks in which work is done;
- Ensure all required permits are obtained and approved;
- Inspect all work in place prior to approving payments; and
- Submit DHCA Federally Funded Loan Set Up Form and semi-annual narrative summaries.

DELIVERABLES

The Contractor must provide documentation acceptable to DHCA of having achieved the following quantified levels of activity through the ACTIVITIES section above The Contractor must provide DHCA with a final one-page narrative accomplishment summary, including a paragraph indicating whether the described levels of accomplishments have been reached and if not, the reason(s) why. This narrative report must be provided with the final invoice. No invoices will be paid to a Contractor with outstanding overdue reports.

ACTIVITY	DELIVERABLES	DOCUMENTATION
Income eligibility	Verify and document income eligibility of all client households	Documentation in client file
Roof replacements	Replacement at 17 units	Before and after photos, copies of scopes of work, summary of total final cost per unit
Beneficiary Reporting	DHCA Federally Funded Loan Set Up Form to the City	Reports
Contractor Reporting	Timely Davis Bacon, Section 3, MBE and other required federal compliance documentation	Reports

BUDGET

All funding provided under this Contract must be used for the specific expenses enumerated below. All funding, if any, remaining undistributed at the end of the Contract will be

recaptured by DHCA and reallocated to other eligible projects. The City must provide any additional funding that may be required from other sources to ensure full delivery of the services described herein.

All services under this Contract must be performed during the active term of the Contract. The City must provide DHCA with the final invoice no later than 30 days following the end of the Contract term, unless the expiration is between June 15 and June 30, in which case requests for payment must be received no later than July 6. The City must submit regular invoices to DHCA documenting the expenses for which reimbursement is requested. Under no circumstances may invoices be submitted less frequently than quarterly.

All invoiced costs must be supported by a copy of the original vendor invoice. All payment requests must include the following clause signed by the authorized signatory of the Contract:

"By signing this report, I certify to the best of my knowledge and belief that the report is true, complete, and accurate, and the expenditures, disbursements and cash receipts are for the purposes and objectives set forth in the terms and conditions of the federal award. I understand that receipt of this federal CDBG from the County is contingent upon the award of the federal CDBG to the County. I am aware that any false, fictitious, or fraudulent information, or the omission of any material fact, may subject me to criminal, civil or administrative penalties for fraud, false statements, false claims or otherwise."

Roof replacements at 17 units	$94,454
Total CDBG Funds	$94,454

All invoices must be accompanied by copies of original vendor invoices. The bidding material and Project Contract(s) must include all federal requirements, and the City is responsible for RHE's compliance with all requirements. In the event HUD determines RHE has not achieved compliance, the City will be directly responsible for paying all restitution, penalties and/or fees determined by HUD or its designee. RHE must provide the City with all contractor invoices with all requests for payment for the Project with all requests for payments, copies of Davis Bacon payrolls, other compliance documentation, and copies of lien releases before any invoice may be approved.

TIMELINE

The activities under this Contract must be performed during the term of the Contract, which begins on the date it is executed by the Director of the Office of Procurement. Time is of the essence. No activities that occur before the execution of this Contract or after the expiration date of this Contract will be paid.

END OF ATTACHMENT I-D

ATTACHMENT I-E

DRAW SCHEDULE

	Project	TOTAL	Quarter 1	Quarter 2	Quarter 3	Quarter 4
I-A	Rockville Single Family Rehabilitation Program	100,000	25,000	25,000	25,000	25,000
I-B	Community Reach of Montgomery County, Inc.	8,546	2,136.50	2,136.50	2,136.50	2,136.50
I-C	Habitat for Humanity Metro Maryland, Inc.	60,000	15,000	15,000	15,000	15,000
I-D	Rockville Housing Enterprises (RHE)	94,454	23,613.50	23,613.50	23,613.50	23,613.50
Totals		**263,000**	**65,750**	**65,750**	**65,750**	**65,750**

Funds must be drawn in accordance with the above draw schedule.

All funds must be drawn down in substantial compliance with this schedule. Drawing funds within a shorter time span is encouraged, provided all required work has been performed. Should the rate of drawdown fall below the amount indicated for any quarter, within 14 days of the end of the quarter, the City must provide the County with a written explanation and a plan for ensuring that all work required under this Contract will be accomplished and all funds drawn down within the term of this Contract.

END OF ATTACHMENT I-E

ATTACHMENT II

BUDGET AND TIMELINE

All funding provided under this contract must be used for reimbursement of the construction contractor for the above-described activities. All CDBG funding, if any, remaining undistributed at the expiration of this Contract will be recaptured by DHCA. The City must provide all additional funding as required from other sources to ensure full delivery of the services described. The City agrees to reimburse DHCA for all expenses incurred which are determined to be ineligible for CDBG funding and for which the federal government requires reimbursement.

All CDBG expenses funded for this project(s) must be incurred within the term of this Contract. All invoices must be received by DHCA no later than 30 calendar days past the expiration of the Contract term, unless the expiration is between June 15 and June 30, in which case invoices must be received no later than July 6.

All invoices must include the following signed statement:

"*By signing this report, I certify to the best of my knowledge and belief that the report is true, complete, and accurate, and the expenditures, disbursements and cash receipts are for the purposes and objectives set forth in the terms and conditions of the federal award. I understand that receipt of this federal CDBG from the County is contingent upon the award of the federal CDBG to the County. I am aware that any false, fictitious, or fraudulent information, or the omission of any material fact, may subject me to criminal, civil or administrative penalties for fraud, false statements, false claims or otherwise.*"

Activity		Contractor	Amount
I-A	BG8068/26	Rockville Single Family Rehabilitation Program	$100,000
I-B	BG8106/26	Community Reach of Montgomery County, Inc.	$8,546
I-C	BG8107/26	Habitat for Humanity Metro Maryland, Inc.	$60,000
I-D	BG8108/26	Rockville Housing Enterprises (RHE)	$94,454
		Total	$263,000

*All costs invoiced must be supported by copies of original vendor invoices(s).

TIMELINE

All activities must be performed during the term of the Contract. Time is of the essence. No activities that occur before the Notice to Proceed is issued, or after the expiration date of the Contract will be reimbursed.

CONTACTS

The City's contact person for these projects will be (Note: Notice to either will be deemed notice to both parties):

Ryan Trout, Director
Housing and Community Development
City of Rockville
111 Maryland Avenue
Rockville, MD 20850
(240) 314-8302
rtrout@rockvillemd.gov

Charles R. Dunn, CDBG Grant Administrator
Housing and Community Development
City of Rockville
111 Maryland Avenue
Rockville, MD 20850
(240) 314-8260
cdunn@rockvillemd.gov

The DHCA project monitor for these projects will be:

Katherine Canales, Senior Planning Specialist
Grants
Department of Housing & Community Affairs
1401 Rockville Pike, 4th Floor
Rockville, MD 20852
(240) 777-3631
Katherine.Canales@montgomerycountymd.gov

GENERAL CONDITIONS OF CONTRACT BETWEEN COUNTY & CONTRACTOR

1. ACCOUNTING SYSTEM AND AUDIT, ACCURATE INFORMATION

The contractor certifies that all information the contractor has provided or will provide to the County is true and correct and can be relied upon by the County in awarding, modifying, making payments, or taking any other action with respect to this contract including resolving claims and disputes. Any false or misleading information is a ground for the County to terminate this contract for cause and to pursue any other appropriate remedy. The contractor certifies that the contractor's accounting system conforms with generally accepted accounting principles, is sufficient to comply with the contract's budgetary and financial obligations, and is sufficient to produce reliable financial information.

The County may examine the contractor's and any first tier subcontractor's records to determine and verify compliance with the contract and to resolve or decide any claim or dispute arising under this contract. The contractor and any first tier subcontractor must grant the County access to these records at all reasonable times during the contract term and for 3 years after final payment. If the contract is supported to any extent with federal or state funds, the appropriate federal or state authorities may also examine these records. The contractor must include the preceding language of this paragraph in all first tier subcontracts.

2. AMERICANS WITH DISABILITIES ACT

The contractor agrees to comply with the nondiscrimination requirements of Titles II and III, and other provisions, of the Americans with Disabilities Act of 1990, Pub. Law 101-336, and ADA Amendments Act of 2008, Pub. Law 110-325, as amended, currently found at 42 U.S.C., § 12101, et seq., and 47 U.S.C., ch. 5.

3. APPLICABLE LAWS

This contract must be construed in accordance with the laws and regulations of Maryland and Montgomery County. The Montgomery County Procurement Regulations are incorporated by reference into, and made a part of, this contract. In the case of any inconsistency between this contract and the Procurement Regulations, the Procurement Regulations govern. The contractor must, without additional cost to the County, pay any necessary fees and charges, obtain any necessary licenses and permits, and comply with applicable federal, state and local laws, codes and regulations. Through signature of this contract, the contractor certifies that the contractor has filed an initial statement with the Maryland State Board of Elections in compliance with MD Code Ann., *Election Law*, §14-104(b)(1), or is not required to file an initial statement as per MD Code Ann., *Election Law*, §14-104(c)(2).

For purposes of litigation involving this contract, except for contract Disputes discussed in paragraph 8 below, exclusive venue and jurisdiction must be in the Circuit Court for Montgomery County, Maryland or in the District Court of Maryland for Montgomery County.

The County's prevailing wage law, as found at §11B-33C of the County Code, applies to certain construction and mechanical systems service contracts. To the extent applicable, the County's prevailing wage requirements are enumerated within this solicitation/contract in the "Prevailing Wage Requirements for Construction Contract Addendum to the General Conditions of Contract between County and Contractor." If applicable to this contract, the Addendum will be attached to the contract, and will be incorporated herein by reference, and made a part thereof.

Furthermore, certain non-profit and governmental entities may purchase supplies and services, similar in scope of work and compensation amounts provided for in a County contract, using their own contract and procurement laws and regulations, pursuant to the Md. State Finance and Procurement Article, Section 13-101, et. seq.

Contractor and all of its subcontractors must comply with the provisions of County Code §11B-35A and must not retaliate against a covered employee who discloses an illegal or improper action described in §11B-35A. Furthermore, an aggrieved covered employee under §11B-35A is a third-party beneficiary under this Contract, who may by civil action recover compensatory damages including interest and reasonable attorney's fees, against the contractor or one of its subcontractors for retaliation in violation of that Section.

The contractor agrees to comply with the requirements of the Displaced Service Workers Protection Act, which appears in County Code, Chapter 27, Human Rights and Civil Liberties, Article X, Displaced Service Workers Protection Act, §§ 27-64 through 27-66.

Montgomery County's Earned Sick and Safe Leave Law, found at Sections 27-76 through 27-82 of the County Code, became effective October 1, 2016. An employer doing business in the County, as defined under the statute, must comply with this law. This includes an employer vendor awarded a County contract. A vendor may obtain information regarding this law at http://www.montgomerycountymd.gov/humanrights/

4. ASSIGNMENTS AND SUBCONTRACTS

The contractor must not assign or transfer this contract, any interest herein or any claim hereunder, except as expressly authorized in writing by the Director, Office of Procurement. Unless performance is separately and expressly waived in writing by the Director, Office of Procurement, an assignment does not release the contractor from responsibility for performance of this contract. Unless otherwise provided in the contract, the contractor may not contract with any other party for furnishing any of the materials or services herein contracted for without the written approval of the Director, Office of Procurement. Any subcontract for any work hereunder must comport with the terms of this Contract and County law, and must include any other terms and conditions that the County deems necessary to protect its interests. The contractor must not employ any subcontractor that is a debarred or suspended person under County Code §11B-37. The contractor is fully responsible to the County for the acts and omissions of itself, its subcontractors and any persons either directly or indirectly employed by them. Nothing contained in the contract documents shall create any contractual relation between any subcontractor and the County, and nothing in the contract documents is intended to make any subcontractor a beneficiary of the contract between the County and the contractor.

5. CHANGES

The Director, Office of Procurement, may unilaterally change the work, materials and services to be performed. The change must be in writing and within the general scope of the contract. The contract will be modified to reflect any time or money adjustment the contractor is entitled to receive. Contractor must bring to the Contract Administrator, in writing, any claim about an adjustment in time or money resulting from a change, within 30 days from the date the Director, Office of Procurement, issued the change in work, or the claim is waived. Any failure to agree upon a time or money adjustment must be resolved under the "Disputes" clause of this contract. The contractor must proceed with the prosecution of the work as changed, even if there is an unresolved claim. No charge for any extra work, time or material will be allowed, except as provided in this section.

6. CONTRACT ADMINISTRATION

A. The contract administrator, subject to paragraph B below, is the Department representative designated by the Director, Office of Procurement, in writing and is authorized to:
   (1) serve as liaison between the County and the contractor;
   (2) give direction to the contractor to ensure satisfactory and complete performance;
   (3) monitor and inspect the contractor's performance to ensure acceptable timeliness and quality;
   (4) serve as records custodian for this contract, including wage and prevailing wage requirements;

(5) accept or reject the contractor's performance;
(6) furnish timely written notice of the contractor's performance failures to the Director, Office of Procurement, and to the County Attorney, as appropriate;
(7) prepare required reports;
(8) approve or reject invoices for payment;
(9) recommend contract modifications or terminations to the Director, Office of Procurement;
(10) issue notices to proceed; and
(11) monitor and verify compliance with any MFD Performance Plan.

B. The contract administrator is NOT authorized to make determinations (as opposed to recommendations) that alter, modify, terminate or cancel the contract, interpret ambiguities in contract language, or waive the County's contractual rights.

7. COST & PRICING DATA

Chapter 11B of the County Code and the Montgomery County Procurement Regulations require that cost & pricing data be obtained from proposed awardees/contractors in certain situations. The contractor guarantees that any cost & pricing data provided to the County will be accurate and complete. The contractor grants the Director, Office of Procurement, access to all books, records, documents, and other supporting data in order to permit adequate evaluation of the contractor's proposed price(s). The contractor also agrees that the price to the County, including profit or fee, may, at the option of the County, be reduced to the extent that the price was based on inaccurate, incomplete, or noncurrent data supplied by the contractor.

8. DISPUTES

Any dispute arising under this contract that is not disposed of by agreement must be decided under the Montgomery County Code and the Montgomery County Procurement Regulations. Pending final resolution of a dispute, the Contractor must proceed diligently with contract performance. Subject to subsequent revocation or alteration by the Director, Office of Procurement, the head of the County department, office or agency ("Department Head") of the contract administrator is the designee of the Director, Office of Procurement, for the purpose of dispute resolution. The Department Head, or his/her designee, must forward to the Director, Office of Procurement, a copy of any written resolution of a dispute. The Department Head may delegate this responsibility to another person (other than the contract administrator). A contractor must notify the contract administrator of a claim in writing, and must attempt to resolve a claim with the contract administrator prior to filing a dispute with the Director, Office of Procurement or designee. The contractor waives any dispute or claim not made in writing and received by the Director, Office of Procurement, within 30 days of the event giving rise to the dispute or claim, whether or not the contract administrator has responded to a written notice of claim or resolved the claim. The Director, Office of Procurement, must dismiss a dispute that is not timely filed. A dispute must be in writing, for specific relief, and any requested relief must be fully supported by affidavit of all relevant calculations, including cost and pricing information, records, and other information. At the County's option, the contractor agrees to be made a party to any related dispute involving another contractor.

9. DOCUMENTS, MATERIALS, AND DATA

All documents materials or data developed as a result of this contract are the County's property. The County has the right to use and reproduce any documents, materials, and data, including confidential information, used in the performance of, or developed as a result of, this contract. The County may use this information for its own purposes, including reporting to state and federal agencies. The contractor warrants that it has title to or right of use of all documents, materials or data used or developed in connection with this contract. The contractor must keep confidential all documents, materials, and data prepared or developed by the contractor or supplied by the County.

10. DURATION OF OBLIGATION

The contractor agrees that all of contractor's obligations and warranties, including all requirements imposed by the Minority Owned Business Addendum to these General Conditions, if any, which directly or indirectly are intended by their nature or by implication to survive contractor performance, do survive the completion of performance, termination for default, termination for convenience, or termination by mutual consent of the contract.

11. ENTIRE AGREEMENT

There are no promises, terms, conditions, or obligations other than those contained in this contract. This contract supersedes all communications, representations, or agreements, either verbal or written, between the parties hereto, with the exception of express warranties given to induce the County to enter into the contract.

12. ETHICS REQUIREMENTS/POLITICAL CONTRIBUTIONS

The contractor must comply with the ethics provisions contained in Chapters 11B and 19A, Montgomery County Code, which include the following:
(a) a prohibition against making or offering to make certain gifts. Section 11B-51(a).
(b) a prohibition against kickbacks. Section 11B-51(b).
(c) a prohibition against a person engaged in a procurement from employing or offering to employ a public employee. Section 11B-52 (a).
(d) a prohibition against a contractor that is providing a recommendation to the County from assisting another party or seeking to obtain an economic benefit beyond payment under the contract. Section 11B-52 (b).
(e) a restriction on the use of confidential information obtained in performing a contract. Section 11B-52 (c).
(f) a prohibition against contingent fees. Section 11B-53.

Furthermore, the contractor specifically agrees to comply with Sections 11B-51, 11B-52, 11B-53, 19A-12, and/or 19A-13 of the Montgomery County Code. In addition, the contractor must comply with the political contribution reporting requirements currently codified under the Election Law at Md. Code Ann., Title 14.

13. GUARANTEE

A. Contractor guarantees for one year from acceptance, or for a longer period that is otherwise expressly stated in the County's written solicitation, all goods, services, and construction offered, including those used in the course of providing the goods, services, and/or construction. This includes a guarantee that all products offered (or used in the installation of those products) carry a guarantee against any and all defects for a minimum period of one year from acceptance, or for a longer period stated in the County's written solicitation. The contractor must correct any and all defects in material and/or workmanship that may appear during the guarantee period, or any defects that occur within one (1) year of acceptance even if discovered more than one (1) year after acceptance, by repairing, (or replacing with new items or new materials, if necessary) any such defect at no cost to the County and to the County's satisfaction.

B. Should a manufacturer's or service provider's warranty or guarantee exceed the requirements stated above, that guarantee or warranty will be the primary one used in the case of defect. Copies of manufacturer's or service provider's warranties must be provided upon request.

C. All warranties and guarantees must be in effect from the date of acceptance by the County of the goods, services, or construction.

D. The contractor guarantees that all work shall be accomplished in a workmanlike manner, and the contractor must observe and comply with all Federal, State, County and local laws, ordinances and regulations in providing the goods, and performing the services or construction.

E. Goods and materials provided under this contract must be of first quality, latest model and of current manufacture, and must not be of such age or so deteriorated as to impair their usefulness or safety. Items that are used, rebuilt, or demonstrator models are unacceptable, unless specifically requested by the County in the Specifications.

14. HAZARDOUS AND TOXIC SUBSTANCES

Manufacturers and distributors are required by federal "Hazard Communication" provisions (29 CFR 1910.1200), and the Maryland "Access to Information About Hazardous and Toxic Substances" Law, to label each hazardous material or chemical container, and to provide Material Safety Data Sheets to the purchaser. The contractor must comply with these laws and must provide the County with copies of all relevant documents, including Material Safety Data Sheets, prior to performance of work or contemporaneous with delivery of goods.

15. HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT (HIPAA) COMPLIANCE

In addition to the provisions stated above in Section 3. "Applicable Laws," contractor must comply with all requirements in the federal Health Insurance Portability and Accountability Act (HIPAA), to the extent that HIPAA is applicable to this contract. Furthermore, contractor must enter into the County's standard Business Associate Agreement or Qualified Service Organization Agreement when contractor or the County, as part of this contract, may use or disclose to one another, to the individual whose health information is at issue, or to a third-party, any protected health information that is obtained from, provided to, made available to, or created by, or for, the contractor or the County.

16. IMMIGRATION REFORM AND CONTROL ACT

The contractor warrants that both the contractor and its subcontractors do not, and shall not, hire, recruit or refer for a fee, for employment under this contract or any subcontract, an alien while knowing the alien is an unauthorized alien, or any individual without complying with the requirements of the federal Immigration and Nationality laws, including any verification and record keeping requirements. The contractor further assures the County that, in accordance with those laws, it does not, and will not, discriminate against an individual with respect to hiring, recruitment, or referral for a fee, of an individual for employment or the discharge of an individual from employment, because of the individual's national origin or, in the case of a citizen or prospective citizen, because of the individual's citizenship status.

17. INCONSISTENT PROVISIONS

Notwithstanding any provisions to the contrary in any contract terms or conditions supplied by the contractor, this General Conditions of Contract document supersedes the contractor's terms and conditions, in the event of any inconsistency.

18. INDEMNIFICATION

The contractor is responsible for any loss, personal injury, death and any other damage (including incidental and consequential) that may be done or suffered by reason of the contractor's negligence or failure to perform any contractual obligations. The contractor must indemnify and save the County harmless from any loss, cost, damage and other expenses, including attorney's fees and litigation expenses, suffered or incurred due to the contractor's negligence or failure to perform any of its contractual obligations. If requested by the County, the contractor must defend the County in any action or suit brought against the County arising out of the contractor's negligence, errors, acts or omissions under this contract. The negligence of any agent, subcontractor or employee of the contractor is deemed to be the negligence of the contractor. For the purposes of this paragraph, County includes its boards, agencies, agents, officials and employees.

19. INDEPENDENT CONTRACTOR

The contractor is an independent contractor. The contractor and the contractor's employees or agents are not agents of the County.

20. INSPECTIONS

The County has the right to monitor, inspect and evaluate or test all supplies, goods, services, or construction called for by the contract at all reasonable places (including the contractor's place of business) and times (including the period of preparation or manufacture).

21. INSURANCE

Prior to contract execution by the County, the proposed awardee/contractor must obtain at its own cost and expense the minimum insurance specified in the applicable table (See Tables A and B) or attachment to these General Conditions, with one or more insurance company(s) licensed or qualified to do business in the State of Maryland and acceptable to the County's Division of Risk Management. The minimum limits of coverage listed shall not be construed as the maximum as required by contract or as a limitation of any potential liability on the part of the proposed awardee/contractor to the County, nor shall failure by the County to request evidence of this insurance in any way be construed as a waiver of proposed awardee/contractor's obligation to provide the insurance coverage specified. Contractor must keep this insurance in full force and effect during the term of this contract, including all extensions. Unless expressly provided otherwise, Table A is applicable to this contract. The insurance must be evidenced by one or more Certificate(s) of Insurance and, if requested by the County, the proposed awardee/contractor must provide a copy of any and all insurance policies to the County. At a minimum, the proposed awardee/contractor must submit to the Director, Office of Procurement, one or more Certificate(s) of Insurance prior to award of this contract, and prior to any contract modification extending the term of the contract, as evidence of compliance with this provision. The contractor's insurance must be primary. Montgomery County, MD, including its officials, employees, agents, boards, and agencies, must be named as an additional insured on all liability policies. Contractor must provide to the County at least 30 days written notice of a cancellation of, or a material change to, an insurance policy. In no event may the insurance coverage be less than that shown on the applicable table, attachment, or contract provision for required insurance. After consultation with the Department of Finance, Division of Risk Management, the Director, Office of Procurement, may waive the requirements of this section, in whole or in part.

Please disregard TABLE A. and TABLE B., if they are replaced by the insurance requirements as stated in an attachment to these General Conditions of Contract between County and Contractor.

TABLE A. INSURANCE REQUIREMENTS
(See Paragraph #21 under the General Conditions of Contract between County and Contractor)

CONTRACT DOLLAR VALUES (IN $1,000's)

	Up to 50	Up to 100	Up to 1,000	Over 1,000
Workers Compensation (for contractors with employees)				
Bodily Injury by				

Accident (each)	100	100	100	See
Disease (policy limits)	500	500	500	Attachment
Disease (each employee)	100	100	100	
Commercial General Liability for bodily injury and property damage per occurrence, including contractual liability, premises and operations, and independent contractors	300 Attachment	500	1,000	See
Minimum Automobile Liability (including owned, hired and non owned automobiles)				
Bodily Injury				
each person	100	250	500	See
each occurrence	300	500	1,000	Attachment
Property Damage				
each occurrence	300	300	300	
Professional Liability* for errors, omissions and negligent acts, per claim and aggregate, with one year discovery period and maximum deductible of $25,000	250	500	1,000	See Attachment

Certificate Holder
Montgomery County Maryland (Contract #)
Office of Procurement
27 Courthouse Square, Ste 330
Rockville, Maryland 20850

*Professional services contracts only

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TABLE B. INSURANCE REQUIREMENTS
(See Paragraph #21 under the General Conditions of Contract between County and Contractor)

	Up to 50	Up to 100	Up to 1,000	1,000
Commercial General Liability minimum combined single limit for bodily injury and property damage per occurrence, including contractual liability, premises and operations, independent contractors, and product liability	300	500	1,000	See Attachment

Certificate Holder
Montgomery County Maryland (Contract #)
Office of Procurement
27 Courthouse Square, Ste 330
Rockville, Maryland 20850

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22. INTELLECTUAL PROPERTY APPROVAL AND INDEMNIFICATION - INFRINGEMENT

If contractor will be preparing, displaying, publicly performing, reproducing, or otherwise using, in any manner or form, any information, document, or material that is subject to a copyright, trademark, patent, or other property or privacy right, then contractor must: obtain all necessary licenses, authorizations, and approvals related to its use; include the County in any approval, authorization, or license related to its use; and indemnify and hold harmless the County related to contractor's alleged infringing or otherwise improper or unauthorized use. Accordingly, the contractor must protect, indemnify, and hold harmless the County from and against all liabilities, actions, damages, claims, demands, judgments, losses, costs, expenses, suits, or actions, and attorneys' fees and the costs of the defense of the County, in any suit, including appeals, based upon or arising out of any allegation of infringement, violation, unauthorized use, or conversion of any patent, copyright, trademark or trade name, license, proprietary right, or other related property or privacy interest in connection with, or as a result of, this contract or the performance by the contractor of any of its activities or obligations under this contract.

23. INFORMATION SECURITY

A. Protection of Personal Information by Government Agencies:

In any contract under which Contractor is to perform services and the County may disclose to Contractor personal information about an individual, as defined by State law, Contractor must implement and maintain reasonable security procedures and practices that: (a) are appropriate to the nature of the personal information disclosed to the Contractor; and (b) are reasonably designed to help protect the personal information from unauthorized access, use, modification, disclosure, or destruction. Contractor's requirement to implement and maintain reasonable security practices and procedures must include requiring any third-party to whom it discloses personal information that was originally disclosed to Contractor by the County to also implement and maintain reasonable security practices and procedures related to protecting the personal information. Contractor must notify the County of a breach of the security of a system if the unauthorized acquisition of an individual's personal information has occurred or is reasonably likely to occur, and also must share with the County all information related to the breach. Contractor must provide the above notification to the County as soon as reasonably practicable after Contractor discovers or is notified of the breach of the security of a system. Md. Code Ann., State Gov't. § 10-1301 through 10-1308 (2013).

B. Payment Card Industry Compliance:

In any contract where the Contractor provides a system or service that involves processing credit card payments (a "Payment Solution"), the Payment Solution must be Payment Card Industry Data Security Standard Compliant ("PCI-DSS Compliant"), as determined and verified by the Department of Finance, and must (1) process credit card payments through the use of a Merchant ID ("MID") obtained by the County's Department of Finance by and in the name of the County as merchant of record, or (2) use a MID obtained by and in the name of the Contractor as merchant of record.

24. NON-CONVICTION OF BRIBERY

The contractor hereby declares and affirms that, to its best knowledge, none of its officers, directors, or partners or employees directly involved in obtaining contracts has been convicted of bribery, attempted bribery, or conspiracy to bribe under any federal, state, or local law.

25. NON-DISCRIMINATION IN EMPLOYMENT

The contractor agrees to comply with the non-discrimination in employment policies and/ or provisions prohibiting unlawful employment practices in County contracts as required by Section 11B 33 and Section 27 19 of the Montgomery County Code, as well as all other applicable state and federal laws and regulations regarding employment discrimination.

The contractor assures the County that, in accordance with applicable law, it does not, and agrees that it will not, discriminate in any manner on the basis of race, color, religious creed, ancestry, national origin, age, sex, marital status, disability, or sexual orientation.

The contractor must bind its subcontractors to the provisions of this section.

26. PAYMENT AUTHORITY

No payment by the County may be made, or is due, under this contract, unless funds for the payment have been appropriated and encumbered by the County. Under no circumstances will the County pay the contractor for legal fees, late fees, or shipping fees that are not provided for in the contract. The contractor must not proceed to perform any work (provide goods, services, or construction) prior to receiving written confirmation that the County has appropriated and encumbered funds for that work. If the contractor fails to obtain this verification from the Office of Procurement prior to performing work, the County has no obligation to pay the contractor for the work.

If this contract provides for an additional contract term for contractor performance beyond its initial term, continuation of contractor's performance under this contract beyond the initial term is contingent upon, and subject to, the appropriation of funds and encumbrance of those appropriated funds for payments under this contract. If funds are not appropriated and encumbered to support continued contractor performance in a subsequent fiscal period, contractor's performance must end without further notice from, or cost to, the County. The contractor acknowledges that the County Executive has no obligation to recommend, and the County Council has no obligation to appropriate, funds for this contract in subsequent fiscal years. Furthermore, the County has no obligation to encumber funds to this contract in subsequent fiscal years, even if appropriated funds may be available. Accordingly, for each subsequent contract term, the contractor must not undertake any performance under this contract until the contractor receives a purchase order or contract amendment from the County that authorizes the contractor to perform work for the next contract term.

27. P-CARD OR SUA PAYMENT METHODS

The County is expressly permitted to pay the vendor for any or all goods, services, or construction under the contract through either a procurement card ("p-card") or a Single Use Account("SUA") method of payment, if the contractor accepts the noted payment method from any other person. In that event, the County reserves the right to pay any or all amounts due under the contract by using either a p-card (except when a purchase order is required) or a SUA method of payment, and the contractor must accept the County's p-card or a SUA method of payment, as applicable. Under this paragraph, contractor is prohibited from charging or requiring the County to pay any fee, charge, price, or other obligation for any reason related to or associated with the County's use of either a p-card or a SUA method of payment.

28. PERSONAL PROPERTY

All furniture, office equipment, equipment, vehicles, and other similar types of personal property specified in the contract, and purchased with funds provided under the contract, become the property of the County upon the end of the contract term, or upon termination or expiration of this contract, unless expressly stated otherwise.

29. TERMINATION FOR DEFAULT

The Director, Office of Procurement, may terminate the contract in whole or in part, and from time to time, whenever the Director, Office of Procurement, determines that the contractor is:

(a) defaulting in performance or is not complying with any provision of this contract;
(b) failing to make satisfactory progress in the prosecution of the contract; or
(c) endangering the performance of this contract.

The Director, Office of Procurement, will provide the contractor with a written notice to cure the default. The termination for default is effective on the date specified in the County's written notice. However, if the County determines that default contributes to the curtailment of an essential service or poses an immediate threat to life, health, or property, the County may terminate the contract immediately upon issuing oral or written notice to the contractor without any prior notice or opportunity to cure. In addition to any other remedies provided by law or the contract, the contractor must compensate the County for additional costs that foreseeably would be incurred by the County, whether the costs are actually incurred or not, to obtain substitute performance. A termination for default is a termination for convenience if the termination for default is later found to be without justification.

30. TERMINATION FOR CONVENIENCE

This contract may be terminated by the County, in whole or in part, upon written notice to the contractor, when the County determines this to be in its best interest. The termination for convenience is effective on the date specified in the County's written notice. Termination for convenience may entitle the contractor to payment for reasonable costs allocable to the contract for work or costs incurred by the contractor up to the date of termination. The contractor must not be paid compensation as a result of a termination for convenience that exceeds the amount encumbered to pay for work to be performed under the contract.

31. TIME

Time is of the essence.

32. WORK UNDER THE CONTRACT

Contractor must not commence work under this contract until all conditions for commencement are met, including execution of the contract by both parties, compliance with insurance requirements, encumbrance of funds, and issuance of any required notice to proceed.

33. WORKPLACE SAFETY

The contractor must ensure adequate health and safety training and/or certification, and must comply with applicable federal, state and local Occupational Safety and Health laws and regulations.

THIS FORM MUST NOT BE MODIFIED WITHOUT THE PRIOR APPROVAL OF THE OFFICE OF THE COUNTY ATTORNEY.

Requirements for Services Contract
Addendum to The General Conditions of Contract Between County and Contractor

A. This contract is subject to the Wage Requirements Law, found at Section 11B-33A of the Montgomery County Code ("WRL" or "11B-33A"). A County contract for the procurement of services must require the contractor and any of its subcontractors to comply with the WRL, subject to the exceptions for particular contractors noted in 11B-33A (b) and for particular employees noted in 11B-33A (f).

B. Conflicting requirements (11B-33A (h)): If any federal, state, or County law or regulation requires payment of a higher wage, that law or regulation controls. For an existing County Contract, if an applicable collective bargaining agreement (CBA) that existed prior to May 10, 2016, governs the parties, then that CBA controls. If the term of the CBA mentioned in the preceding sentence ends during the Contract, the WRL will then control.

C. A nonprofit organization that is exempt from the WRL under 11B-33A (b)(3), must specify, in each bid or proposal, the wage the organization intends to pay to those employees who will perform direct, measurable work under the contract, and any health insurance coverage the organization intends to provide to those employees. Section 11B-33A (c)(2).

D. A contractor must not split or subdivide a contract, pay an employee through a third party, or treat an employee as a subcontractor or independent contractor, to avoid the imposition of any requirement in 11B-33A. Section 11B-33A (c)(3).

E. Each contractor and subcontractor covered under the WRL must: certify that it is aware of and will comply with the applicable wage requirements; keep and submit any records necessary to show compliance; and conspicuously post notices approved and/or supplied by the County, informing employees of the requirements in 11B-33A. Section 11B-33A (i).

F. An employer must comply with the WRL during the initial term of the contract and all subsequent renewal periods, and must pay the adjusted wage rate increase required under 11B-33A (e)(2), if any, which is effective July 1 of each year. The County will adjust the wage rate by the annual average increase in the Consumer Price Index for all urban consumers for the Washington-Baltimore metropolitan area, or successor index, for the previous calendar year and must calculate the adjustment to the nearest multiple of 5 cents. Section 11B-33A (e)(2).

G. An employer must not discharge or otherwise retaliate against an employee for asserting any right, or filing a complaint of a violation, under the WRL. Section 11B-33A (i)(3).

H. The sanctions under Section 11B-33 (b), which apply to noncompliance with nondiscrimination requirements, apply with equal force and scope to noncompliance with the wage requirements of the WRL. Section 11B-33A (i)(4).

I In the event of a breach of this contract as a result of a contractor's or subcontractor's violation of the WRL, the County may seek its available remedies, which include but are not limited to liquidated damages, withholding of payment, and recoupment of audit costs that are described below. The Contractor is jointly and severally liable for any noncompliance by a subcontractor. An aggrieved employee, as a third-party beneficiary, may, by civil action against the violating Contractor or subcontractor, enforce the payment of wages due under the WRL and recover from the Contractor or subcontractor any unpaid wages with interest, a reasonable attorney's fee, and damages for any retaliation by the Contractor or subcontractor arising from the employee asserting any right, including filing a complaint under the WRL. Section 11B-33A (i)(5). Furthermore, the contractor expressly acknowledges that the County may assess liquidated damages against the Contractor in the event that it, as a covered employer, fails to pay the required wage, or violates the wage reporting or payroll records reporting requirement found at 11B-33A (g), including providing late or inaccurate payroll records.

(i) Liquidated Damages

The County may assess liquidated damages for any noncompliance by contractor or its subcontractor at the rate of 1% per day of the total contract amount, or the estimated annual contract value of a requirements contract, for each day of the violation. This liquidated damages amount in addition to the amount of any unpaid wages, with interest. The Contractor must pay to the County liquidated damages noted above, in addition to any other remedies available to the County. Contractor and County acknowledge that damages that would result to the County as a result of a breach under the WRL are difficult to reasonably ascertain, and that the liquidated damages provided for in this paragraph is a fair and reasonable estimate of damages the County would incur as a result of contractor's or subcontractor's violation of the WRL.

(ii) Withholding of Payment

If the Director determines that a provision of the WRL has been violated, the Director must issue a written decision, including imposing appropriate sanctions and assessing liquidated damages (as outlined above) and audit costs (as outlined below), and may withhold from payment due the contractor, pending a final decision, an amount sufficient to: (a) pay each employee of the contractor or subcontractor the full amount of wages due under the WRL; (b) reimburse the County for audit costs; and (c) satisfy a liability of a contractor or subcontractor for liquidated damages.

(iii) Audit Costs

If the County determines, as a result of a WRL audit, that the Contractor has violated requirements of the WRL, the Contractor must reimburse to the County the cost incurred by the County in conducting the audit. Section 11B-33A (i)(2)(C).

J. The County must conduct, and the contractor or subcontractor must comply with, random or regular audits to assure compliance with the WRL. Section 11B-33A (i)(2). The Director may conduct an on-site inspection(s) for the purpose of determining compliance. Some of the documents that may be required during an audit are listed on the Wage Requirements Law FAQ web page: https://www.montgomerycountymd.gov/PRO/DBRC/wage-requirements-law.html

K. The Contractor is in breach of this Contract if the Contractor fails to submit timely documentation demonstrating compliance with the WRL to the satisfaction of the Director, including: the Wage Requirements Law Payroll Report Form (PMMD-183), which is required to be submitted by the 14th day of the month following the end of each quarter (January, April, July, October); documents requested in conjunction with a random or regular audit by the County; or, documents otherwise requested by the Director. Section 11B-33A (g)(2).

If a contractor or subcontractor fails to submit, or is late in submitting, copies of any payroll record or other report required to be submitted under the WRL, the County may deem invoices unacceptable until the contractor or subcontractor provides the required records or reports, and may postpone processing payments due under the contract or under an agreement to finance the contract.

For any questions, please contact the Wage Requirements Law Program Manager at 240-777-9920 or WRL@montgomerycountymd.gov.

Wage Requirements Law Certification

(Montgomery County Code, Section 11B-33A)

Business Name	City of Rockville				
Address	111 Maryland Ave				
City	Rockville	State	MD	Zip Code	20850
Phone Number	240-314-8302	Fax Number			
E-Mail Address	RTROUT@ROCKVILLEMD.GOV				

Provide, in the spaces below, the contact name and information of the individual designated by your firm to monitor your compliance with the County's Wage Requirements Law, unless exempt under Section 11B-33A (b) (see Section B. below):

Contact Name	Ryan Trout	Title	Director of the Department of Housing and Community Development
Phone Number	240-314-8302	Fax Number	
E-mail Address	RTROUT@ROCKVILLEMD.GOV		

In the event that you, the "Offeror," are awarded the contract and become a Contractor, please check ☑ the box(es) below that apply, and leave all of the other boxes blank.

☐ A. Wage Requirements Compliance

This Contractor, as a "covered employer", must comply with the requirements under Montgomery County Code Section 11B-33A, "Wage Requirements" ("Wage Requirements Law" or "WRL"). Contractor and its subcontractors must pay all employees not exempt under the WRL, and who perform direct measurable work for the County, the required gross wage rate effective at the time the work is performed. For employees who are not paid an hourly wage, Contractor's compliance with the WRL must be measured by dividing the amount paid to the employee each pay period by the number of hours worked by that employee during each pay period. A covered employer must not make any deduction for any item necessary for an employee to perform the essential job function unless the deduction is permitted by Executive Regulation. The offer price(s) submitted under this solicitation include(s) sufficient funds to meet the requirements of the WRL. A "covered employer" must submit, within 14 days after the end of each quarter (by the 14th of January, April, July, and October, for the quarter ending the preceding month), certified payroll records for each payroll period and for all employees of the contractor or a subcontractor performing services under the County contract governed by the WRL. The payroll records must contain a statement signed by the contractor or subcontractor certifying that the payroll records are correct and the wage rates paid are not less than those required by the WRL. These payroll records must include the following: name, address and telephone number of the contractor or subcontractor; the name and location of the job; and each employee's name, current home address, daily straight time and overtime hours, total straight time and overtime hours for the payroll period, rate of pay, fringe benefits by type and amount, gross wages, race and gender of the employee, and the employer and the employee share of any health insurance premium provided to the employee. The Contractor must ensure that **NO** Social Security number of any person, other than the last four digits, is included on the quarterly report. A sample, blank Payroll Report Form, for your use and completion, can be found at: https://www.montgomerycountymd.gov/PRO/DBRC/wage-requirements-law.html. The above must be submitted to the Division of Business Relations and Compliance, Attn: Wage Requirements Law Program Manager (preferably via email to WRL@montgomerycountymd.gov),

Each Contractor must: keep payroll records covering work performed on a contract covered by the WRL for not less than 5 years after the work is completed; and, subject to reasonable notice, permit the County to inspect the payroll records at any reasonable time and as often as the County deems necessary. If the Contractor or subcontractor fails to submit, or is late in submitting, copies of any payroll record or other report required to be submitted under the WRL, the County may deem invoices unacceptable until the Contractor or subcontractor provides the required records or reports, and may postpone processing payments due under the contract or under an agreement to finance the contract. A violation of the WRL, including the late submission or non-submission of the information noted above, may result in action by the County, including: (a) withholding contract payments, reducing payment amounts, or otherwise assessing damages against Contractor, in an amount sufficient to: (i) pay each employee of the Contractor or subcontractor the full amount of wages due under the WRL; (ii) reimburse the County for audit costs; or (iii) satisfy a liability of a contractor or subcontractor for liquidated damages; (b) terminating the contract; or, (c) otherwise taking action to enforce the contract or the WRL. Violation of the WRL may also result in a finding of non-responsibility for a future contract, or may form the basis for debarment or suspension.

B. Exemption Status (if applicable)

This Contractor is exempt from Section 11B-33A, "Wage Requirements," because it is:

1. Reserved – [Intentionally left blank].

☐ 2. a contractor who, at the time a contract is signed, has received less than $50,000 from the County in the most recent 12-month period, and will be entitled to receive less than $50,000 from the County under that contract in the next 12-month period. Section 11B-33A (b)(1).

☐ 3. a public entity. Section 11B-33A (b)(2).

☐ 4. a non-profit organization that has qualified for an exemption from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Section 11B-33A (b)(3) **(must also complete item C below).**

☐ 5. an employer expressly precluded from complying with the WRL by the terms of any federal or state law, contract, or grant. Section 11B-33A (b)(7) (**must specify the law, or furnish a copy of the contract or grant**).

☐ C. Nonprofit Wage & Health Information

This Contractor is a non-profit organization that is exempt from coverage under Section 11B-33A (b)(3). The contractor must provide proof of its 501(c)(3) status (i.e. Letter from the IRS). Accordingly, the contractor has completed the 501(c)(3) Non-profit Organization's Employee's Wage and Health Insurance Form which is attached. See Section11B-33A(c)(2). **(must also complete box B.4. above)**

☐ D. Sole Proprietorship

Sole Proprietorships are subject to the WRL. In order to be excused from the posting and reporting requirements of the WRL, the individual who is the sole proprietor must sign the certifications below in order to attest to the fact that the Sole Proprietorship:

(1) is aware of, and will comply with, the WRL, as applicable;
(2) has no employee other than the sole proprietor; and
(3) will inform the Montgomery County Division of Business Relations and Compliance if the sole proprietor employs any worker other than the sole proprietor.

Note: A schedule C from the employer's federal tax return may be required for verification purposes.

E. Sub-Contractors

It is the prime contractor's responsibility to ensure all of its subcontractors adhere to the WRL. All subcontractors are required to submit quarterly payroll reports. It is the prime contractor's responsibility to collect these payroll reports and submit them to wrl@montgomerycountymd.gov on a quarterly basis.

☐ I intend to use Sub-Contractors if I am awarded a contract as a result of this solicitation.

☐ I do **NOT** intend to use Sub-Contractors if I am awarded a contract as a result of this solicitation. If at any time during the course of the contract I use Sub-Contractors, I understand that I am responsible for their quarterly payroll reporting.

F. Independent Contractors

☐ I intend to use Independent Contractors if I am awarded a contract as a result of this solicitation.

If this box is checked, you must complete the Wage Requirements Law Independent Contractor Certification (PMMD193) in order for your bid/offer to be considered. It can be found at: https://www.montgomerycountymd.gov/PRO/Resources/Files/SolForm/PMMD-193.pdf

☐ I do **NOT** intend to use Independent Contractors if I am awarded a contract as a result of this solicitation. If at any time during the course of the contract I use Independent Contractors, I understand and agree that I must complete the Wage Requirements Law Independent Contractor Certification (PMMD193). See above link.

Contractor Certification

CONTRACTOR SIGNATURE: Contractor submits this certification form in accordance with Section 11B-33A of the Montgomery County Code. Contractor certifies that it, and any and all of its subcontractors that perform services under the resultant contract with the County, adhere to Section 11B-33A of the Montgomery County Code.

Authorized Signature		Title of Authorized Person	
Typed or Printed Name	Jeff Mihelich	Date	

501(c)(3) Nonprofit Organization's Employee's Wage and Health Insurance Form

Business Name					
Address					
City		State		Zip Code	
Phone Number		Fax Number		E-Mail	

Please provide below the employee labor category of all employee(s) who will perform direct measurable work under this contract, the hourly wage the organization pays for that employee labor category, and any health insurance the organization intends to provide for that employee labor category:

Employee Labor Category	Wage per Hour	Name of Health Insurance Provider(s) and Plan Name* (e.g. ABC Insurer, Inc. , HMO Medical and Dental)

* IF NO HEALTH INSURANCE PLAN IS PROVIDED PLEASE STATE "NONE".

ATTACHMENT V
CDBG ELIGIBILITY DOCUMENTATION

DHCA Guideline Documentation Requirements for Eligibility Determinations of Households and Individuals who are Beneficiaries of CDBG-Funded Activities or Programs

BACKGROUND

1. CDBG programs must benefit at least 70 percent low- and moderate-income households. According to HUD regulations, low- and moderate-income households are defined as those whose incomes do not exceed the applicable Section 8 housing program low-income limit.

2. HUD establishes the Section 8 income limits for the Washington, D.C. Metropolitan Statistical Area (MSA) and advises DHCA. These income limits are periodically revised.

3. Although HUD sets income limits, HUD does not define income. HUD allows jurisdictions participating in the CDBG program to make the determination as to what should be defined as income.

4. In certain cases, strict application of Section 8 Housing Program moderate-income limits without any adjustments would cause families and household in need of assistance to be unable to make use of CDBG resources. Consequently, Montgomery County has determined that certain adjustments for medical and day care expenses associated with these households can be allowed when determining income.

5. It should be clearly understood that the majority of applicants will probably qualify based on the gross income criteria alone. The adjustable income method need only be used for those applicants who do not qualify using gross income.

PURPOSE

The following Guideline describes DHCA's definition of income for eligibility of households participating directly or benefiting directly from CDBG funded programs. This definition excludes housing programs that have different eligibility criteria.

Guidelines

1. Applicable Income Limits: For all CDBG programs that provide direct benefits, excluding housing programs, at least 70 percent of all persons or households participating in the activity must have gross or adjusted incomes that are equal to or less than the Section 8 income eligibility limits for moderate income families, as promulgated by HUD. The current Section 8/CDBG income limits are shown in the table below.

2. Definition of Household Income: A household consists of all related and unrelated persons living together in one housing unit. Roomers and boarders of any age, and related individuals who are 18 years of age or older who pay rent for rooming or boarding privileges,

will not be considered members of the household but are instead considered separate households. Where the number of persons in a household cannot be identified, the household size will be determined by counting those persons listed as members of the household on income tax returns for the last taxable year.

CDBG INCOME LIMITS (6/2025)			
Family Size	30% AMI	50% AMI	"80%" (~64% AMI)
	Very Low Income	Low Income	Moderate Income (capped)
1	$34,450	$57,400	$74,800
2	$39,350	$65,600	$85,450
3	$44,250	$73,800	$96,150
4	$49,150	$81,950	$106,800
5	$53,100	$88,550	$115,350
6	$57,050	$95,100	$123,900
7	$60,950	$101,650	$132,450
8	$64,900	$108,200	$141,000

3. Definition of Gross Income: Gross income is all income received, both taxable and non-taxable, for employed persons without additional sources of income, such as income from rental properties, etc. Gross income normally will be verified by using the latest federal income tax return filed and using the "total income" shown on the tax return. For self-employed persons receiving income from other sources such as partnerships, rental properties, etc., gross income is all income received, both taxable and non-taxable, minus direct expenses, excluding tax credits, depreciation and other forms of "sheltered" income. Gross Income may be verified by other means available to the subgrantee or DHCA.

4. Documentation for Gross Income: Proof of gross income may be established by:

   (a) Copy of the latest federal income tax return; or

   (b) Completing an Affidavit of Income, (See Sample Below); or

   (c) Evidence establishing that person assisted qualifies under another program having income qualification criteria at least as restrictive as that used for the CDBG program.

5. Definition of Adjusted Income: **This method is only to be used if the gross income test cannot be met.** Adjusted Income is gross income minus medical expenses and childcare expenses as follows:

   (a) Those medical expenses claimed on federal income tax returns over and above the 10 percent which is not allowed to be deducted by the IRS.

(b) Day care expenses associated with a disabled child or adult that are claimed for childcare credit on the household's federal income tax return. The actual amount of day care expenses claimed will be deducted.

6. Documentation of Adjusted Income: **This method is only to be used if the gross income test cannot be met.** Proof of medical expenses and day care expenses are:

   (a) A certified federal income tax return and schedules for the last taxable year. Where day care expenses exceed the maximum allowable under Federal law, proof of actual day care expenses acceptable to DHCA must be provided.

   (b) Copy of federal income tax return and schedules for the last taxable year with attached notarized affidavit, stating that the tax return is a true copy of the tax return and schedules filed with the IRS for the last taxable year.

   (c) Where no federal income tax return was filed for the last taxable year or where income has changed substantially, a notarized affidavit stating the amount of income and sources for the past year, including a statement that present income does not exceed the applicable income limit will be used. A sample is attached.

7. Monitoring: When monitoring CDBG projects, DHCA staff will review files to assure that worksheets with attachments or other forms of documentation acceptable to DHCA have been completed for all persons or households participating in the activity whose gross income exceeds the Section 8 Moderate Income Limits. For all households or persons whose income is at or below the Section 8 Moderate Income Limit, a copy of the latest federal income tax return or an affidavit of income or proof that the household/person qualifies under other programs (such as, AFDC, Public Housing, Section 8, Lunch Program and Medicaid) is required. At least 70 percent of the persons or households must meet the criteria as outlined above.

Note: Sample AFFIDAVIT OF INCOME FOLLOWS:

AFFIDAVIT OF INCOME

I (PRINT NAME)		residing at
(PRINT ADDRESS)		

Swear and attest that the following information is accurate:

INSTRUCTIONS: Find your family size and check the box next to it. Go across THAT row and check the box that describes your HOUSEHOLD INCOME from ALL ADULT RESIDENTS.

CDBG INCOME LIMITS (6/2025)			
Family Size	30% AMI	50% AMI	"80%" (~64% AMI)
	Very Low Income	Low Income	Moderate Income (capped)
1	$34,450	$57,400	$74,800
2	$39,350	$65,600	$85,450
3	$44,250	$73,800	$96,150
4	$49,150	$81,950	$106,800
5	$53,100	$88,550	$115,350
6	$57,050	$95,100	$123,900
7	$60,950	$101,650	$132,450
8	$64,900	$108,200	$141,000

I have checked that there are _____ residents in my household. The ADULT residents are:

NAME	**RELATIONSHIP**	**ANNUAL INCOME**	**SOURCE**

(Check **ONE** box)

☐ 1. I **did not** file a federal income tax form for the most recent year.

☐ 2. I **did** file a federal income tax form for the most recent year and the income reported shows the information above.

I swear, under penalty of perjury, that this information is complete and accurate.

Sworn and Signed by: _____ Date: _____

Print Signer's Name: _____ Date: _____

Witness: _____ Date: _____

FRM ATT V CDBG ELIGIB
6-11-25

MANDATORY MINIMUM INSURANCE REQUIREMENTS – ***Community Development Block Grant Projects***
I-A BG8068/26 Rockville Single Family Rehabilitation Program; I-B BG8106/26 Community Reach of Montgomery County, Inc.; I-C;BG8107/26 Habitat for Humanity Metro Maryland, Inc.; I-D BG8108/26 Rockville Housing Enterprises (RHE)

Prior to the execution of the Contract by the County, the Contractor must obtain, at their own cost and expense, the following *minimum* (not maximum) insurance coverage with an insurance company/companies licensed to conduct business in the State of Maryland and acceptable to the Division of Risk Management. This insurance must be kept in full force and effect during the term of this Contract, including all extensions. The insurance must be evidenced by a certificate of insurance, and if requested by the County, the Contractor shall provide a copy of the insurance policies and additional insured endorsements. The minimum limits of coverage listed below shall not be construed as the maximum as required by contract or as a limitation of any potential liability on the part of the Contractor to the County nor shall failure to request evidence of this insurance in any way be construed as a waiver of Contractor's obligation to provide the insurance coverage specified. The Contractor's insurance shall be primary with the County's being non-contributory. In lieu of the Contractor maintaining pollution liability coverage directly, the Contractor may satisfy this requirement by ensuring that any subcontractor performing construction or environmental work maintains the required pollution liability insurance and provide its subcontractors' certificate(s) of insurance evidencing such coverage.

Commercial General Liability (all projects)
A minimum limit of liability of ***one million dollars ($1,000,000) per occurrence and two million dollars ($2,000,000) in the aggregate*** for bodily injury, personal injury and property damage coverage per occurrence including the following coverages:

Contractual Liability
Premises and Operations
Independent Contractors & Subcontractors
Products and Completed Operations

Business Automobile Liability (I-A BG8068/26; I-B BG8106/26; I-D BG8108/26)
A minimum limit of liability of ***one million dollars ($1,000,000) combined single limit***, for bodily injury and property damage coverage per occurrence including the following:

Owned automobiles
Hired automobiles
Non-owned automobiles
Loading and unloading

Workers' Compensation/Employers' Liability
Meeting all statutory requirements of the State of Maryland Law and with the following minimum Employers' Liability limits:

Bodily Injury by Accident - $100,000 each accident
Bodily Injury by Disease - $500,000 policy limits
Bodily Injury by Disease - $100,000 each employee

Professional Liability
The Contractor must maintain professional liability insurance with limits of not less than ***one million dollars ($1,000,000) per claim***, covering errors, omissions, and negligent acts arising out of program administration, underwriting, income eligibility determinations, mortgage and lien documentation, construction scope development, inspection services, environmental and historic compliance activities, Davis-Bacon or federal labor standards monitoring, and approval of contractor payments performed under this Contract. Coverage must remain in effect for a minimum of three (3) years after completion of the Contract.

Cyber Liability
The Contractor must maintain cyber liability insurance with limits of not less than ***one million dollars ($1,000,000) per claim***, covering data breaches, unauthorized access, or other security incidents involving personally identifiable information and confidential information collected, maintained, or transmitted in connection with this Contract, including but not limited to federal tax returns, income verification documentation, mortgage and lien records, immigration verification documentation, payroll records, and federal compliance documentation, whether maintained in electronic or physical form. The policy shall expressly provide, but not be limited to coverage for the following: (i) the unauthorized use or access of a computer system; (ii) the defense of any regulatory action involving a breach of privacy; (iii) failure to protect confidential information (personal and commercial information) from disclosure; (iv) notification costs, whether or not required by statute; (v) network security liability; (vi) defense costs; and (vii) privacy liability.

Pollution Liability (I-A BG8068/26; I-B BG8106/26; I-D BG8108/26)
The Contractor must ensure that any contractor or subcontractor performing construction, rehabilitation, roof replacement, lead testing, lead remediation, or other environmental compliance activities maintains pollution liability insurance with limits of not less than ***one million dollars ($1,000,000) per occurrence***. Coverage must include bodily injury, property damage, environmental contamination, lead-based paint exposure, mold, asbestos (if encountered), and costs associated with cleanup, remediation, and disposal arising out of construction or rehabilitation activities performed under this Contract.

Crime Insurance (Employee Dishonesty / Theft of Funds)
The Contractor must maintain crime insurance, including employee dishonesty coverage, with limits not less than the amounts specified below, each stated as ***per occurrence***, covering loss of County or federal grant funds, including Community Development Block Grant (CDBG) funds, resulting from theft, fraud, embezzlement, forgery, or other dishonest acts of the Contractor's employees or agents. The policy must name Montgomery County, Maryland as loss payee.

Minimum required limits by project:

- I-A BG8068/26 – Rockville Single Family Rehabilitation Program: ***one hundred thousand dollars ($100,000) per occurrence***
- I-B BG8106/26 – Community Reach of Montgomery County, Inc.: ***eight thousand five hundred forty-six dollars ($8,546) per occurrence***
- I-C BG8107/26 – Habitat for Humanity Metro Maryland, Inc.: ***sixty thousand dollars ($60,000) per occurrence***
- I-D BG8108/26 – Rockville Housing Enterprises (RHE): ***ninety-four thousand four hundred fifty-four dollars ($94,454) per occurrence***

If a single policy is provided covering all projects, the minimum limit must be not less than ***two hundred sixty-three thousand dollars ($263,000) per occurrence***.

Subcontractor Requirements
Contractor shall require all subcontractors to obtain, and maintain, insurance with limits equal to, or greater than, those limits required within the Contract as applicable to the Project.

Additional Insured
Montgomery County, Maryland, its elected and appointed officials, officers, consultants, agents and employees, must be included as an additional insured on an endorsement to Contractor's commercial general, automobile insurance, and contractor's excess/umbrella insurance policies, if used to satisfy the Contractor's minimum insurance requirements under this contract, for liability arising out of contractor's products, goods and services provided under this Contract. The stipulated limits of coverage above shall not be construed as a limitation of any potential liability of the Contractor. Coverage pursuant to this Section shall not include any provision that would bar, restrict, or preclude coverage for claims by Montgomery County against Contractor, including but not limited to "cross-liability" or "insured vs insured" exclusion provisions.

Policy Cancellation
Should any of the above policies be cancelled before the expiration date thereof, written notice must be delivered to the County in accordance with the policy provisions.

Certificate Holder
Montgomery County, Maryland
Department of Housing and Community Affairs / Katherine Canales
1401 Rockville Pike, 4th Floor
Rockville, MD 20852

CERTIFICATE OF INSURANCE REVIEW FORM

Date: _____

PLEASE REVIEW THE FOLLOWING INFORMATION AND ATTACHMENTS TO THIS FORM FOR (CHECK ONE):

☐ PRE-BID REQUIREMENTS	☒ CONTRACT REQUIREMENTS

ATTACHMENTS: (CHECK AS APPROPRIATE)

☐	CERTIFICATE OF INSURANCE				
☒	INSURANCE REQUIREMENTS SPECIFIED IN:	☐RFP	☐ IFB	☒CONTRACT	☐AMENDMENT

RFP/IFB/CONTRACT #:	1184965	CONTRACT VALUE:	$263K
NAME OF CONTRACTOR:	The Mayor and Council of Rockville		
SERVICES PROVIDED:	***Community Development Block Grant Projects*** - I-A, BG8068/26, Rockville Single Family Rehabilitation Program; I-B, BG8106/26, Community Reach of Montgomery County, Inc.; I-C, BG8107/26, Habitat for Humanity Metro Maryland, Inc.; I-D, BG8108/26, Rockville Housing Enterprises (RHE)		
AGENCY/DIVISION:	Housing & Community Development		
CONTRACT MANAGER:	Katherine Canales	PHONE #:	FAX:

☒ THE ATTACHED SCOPE OF SERVICES REQUIRES THE FOLLOWING INSURANCE COVERAGE:		☐ THE ATTACHED CERTIFICATE OF INSURANCE:		
REQUIREMENTS:		MEETS REQUIREMENTS	DOES NOT MEET REQUIREMENTS	RECOMMEND WAIVER
☒	COMMERCIAL GENERAL LIABILITY **$1,000,000 / $2,000,000**	☐	☐	☐
☒	AUTOMOBILE LIABILITY **$1,000,000**	☐	☐	☐
☒	WORKERS' COMPENSATION & EMPLOYERS' LIABILITY	☐	☐	☐
☒	PROFESSIONAL LIABILITY **$1,000,000**	☐	☐	☐
☒	CYBER LIABILITY **$1,000,000**	☐	☐	☐
☒	POLLUTION LIABILITY (I-A BG8068/26; I-B BG8106/26; I-D BG8108/26) **$1,000,000**	☐	☐	☐
☒	CRIME **$263,000** (or individual per project)	☐	☐	☐
☒	ADDITIONAL INSURED	☐	☐	☐
☒	NOTICE OF CANCELLATION PER POLICY PROVISIONS	☐	☐	☐

PLEASE LIST THE REASON(S) FOR WAIVER, IF APPLICABLE, IN THE COMMENTS SECTION BELOW.

Comments:

_____ _____

PREPARED/APPROVED: Molly Banks Date

INSURANCE SECTION, DIVISION OF RISK MANAGEMENT

Based on Risk Management's recommendation, I approve a waiver of the above-checked items.

Approved by Contracting Officer, Procurement: _____ Date: _____

PMMD-62R Copy to Procurement

ATTACHMENT VII
CDBG SPECIAL CONDITIONS

NOTE: This Grant Agreement represents a subaward of federal funds (see Attachment VII-E) and therefore includes certain compliance requirements. This Attachment must be included in all Grant Agreements and all Sub awards within them.

1. COMPENSATION AND METHOD OF PAYMENT

Notwithstanding estimated budget figure categories appearing in Attachments I and II, the Grantee must be reimbursed only for actual work completed and expenses incurred, which are supported by documentation in a form acceptable to the Department of Housing and Community Affairs (DHCA). In all cases, these budget amounts represent the maximum amount to be paid and must not be exceeded without prior written authorization from DHCA. Attachment VII-A describes the type of documentation required for invoicing.

The Grantee must request payment by submitting to DHCA a monthly invoice that describes each item of completed work in detail, accompanied by supporting backup documentation. DHCA may withhold payment to Grantees whose performance or data reporting is not in compliance with the Grant Agreement terms.

The Grantee may request in writing that DHCA transfer funds among the budget categories reflected in Attachments I and II, provided the total dollar value of the Grant Agreement is not altered and that there is no significant change in the scope of services provided. The total amount payable under this Grant Agreement, and the dollar value, must not be increased unless approved and amended in writing in advance by the Director of DHCA.

Expenses for all projects and programs under this Grant Agreement must be incurred during the Grant Agreement term. All requests for payment must be received by DHCA no later than 30 days after the expiration of this Grant Agreement, except for those expenses incurred between June 15 and June 30 of the year of expiration, in which case payment requests must be received by DHCA no later than July 7. Invoices received by DHCA after the applicable period has expired will not be approved for payment, and the dollar value of this Grant Agreement will be reduced accordingly.

If salaries are invoiced, a timesheet indicating the number of hours billed for each day of the billing period must be provided and must be signed by both the employee and their supervisor (or other Grantee-designated second Signatory). If the employee is partially paid with any other public funds during the billing period, such time billed for such funds must be indicated on the time sheets. All other invoiced costs must be supported by a copy of the original vendor invoice. All payments must include the following clause, signed by the Signatory of the Grant Agreement:

> "*By signing this report, I certify to the best of my knowledge and belief that the report is true, complete, and accurate, and the expenditures, disbursements and cash receipts are for the purposes and objectives set forth in the terms and conditions of the federal award. I understand that receipt of this federal CDBG from the County is contingent upon the award of the federal CDBG to the County. I am aware that any false, fictitious, or fraudulent information, or the omission of any material fact, may subject me to criminal, civil or administrative penalties*

for fraud, false statements, false claims or otherwise."

2. TERM

The term of this Grant Agreement is set forth in the Memorandum or letter agreement that is a part of this agreement. Unless otherwise specified, the term is one year, commencing on the date of signature by the Montgomery County Office of Procurement. In extraordinary circumstances beyond the control of the Grantee, if DHCA determines it is in the County's best interest to do so, the Director of the Office of Procurement has the authority to extend the term of this Grant Agreement. Extensions of this Grant Agreement must be executed by an amendment and are contingent upon the Grantee being on the Grantee list.

Requests for such Grant Agreement period extensions must be made in writing prior to the Grant Agreement's expiration and must thoroughly describe the necessity for the delay. If DHCA requires it, such requests must specify in detail the steps that will be taken and establish measurable milestones that may be monitored to ensure the project will be completed during the requested time extension. Such extensions will be granted only for compelling causes and at the sole discretion of the County. Any funds not committed and/or expended as scheduled under such a plan, subject to a 30-day right for the Grantee to cure the defect, are subject to immediate recapture and reallocation by DHCA to other projects. Requests for modifications to Grant Agreement terms may adversely impact recommendations for future CDBG funding for the Grantee.

3. PROJECT INCOME

Certain income derived from this, and prior, CDBG-funded activities and projects, is classified as program income and is defined at 24 C.F.R. §570.500(a). Program income includes, but is not limited to, interests, rents, user fees, loan repayments, funds derived from the sale of property acquired or improved with CDBG funds, assessments, as well as other types of contributions.

In accordance with 24 C.F.R. §570.504, unless otherwise agreed in writing in advance by the parties, the Grantee must reflect all program income received during the invoiced period on each invoice submitted for work performed under this agreement. The Grantee, by presenting an invoice to the County, certifies that it has disclosed all program income received to that date. Any outstanding program income incurred, but not yet received, must be described with specificity in the documentation accompanying such invoice. Such program income must be applied first against the costs included in the invoice, unless an alternative arrangement has been previously approved in writing by DHCA. Adequate fiscal records must be maintained, clearly indicating the disposition of all program income, and these records must be maintained for the term described in section 7. Audit and Inspection.

4. REVIEW OF AGREEMENTS EXECUTED BY GRANTEE

To ensure compliance with all applicable HUD and other federal guidelines, the Grantee must submit all proposed contracts, agreements, subcontracts, and amendments for review and approval by DHCA prior to their execution. DHCA must conduct such reviews in a timely manner and provide written confirmation of its compliance or noncompliance with HUD requirements. Failure of the Grantee to obtain such advance approval will constitute grounds for DHCA's refusal to make payment under such agreements.

5. ATTENDANCE AT MEETINGS

The Grantee must take all reasonable and necessary steps to achieve the successful completion of the work under this Grant Agreement. Such responsibilities include, but are not limited to, arranging and/or attending any necessary meetings, and coordinating all other resources required to implement the Scope of Services under this grant agreement.

6. FINANCIAL MANAGEMENT SYSTEM

In accordance with 2 C.F.R. Part 200, the Grantee, whether a non-profit corporation or municipality, must maintain a financial management system that provides, at a minimum, for the following for all CDBG funds:

(a) Accurate, current, and complete disclosure of all financial activities under this grant agreement;
(b) Records that identify the amounts of funding authorized, obligations, unobligated balances, assets, outlays, and incomes;
(c) Effective control and accountability for all funds and for capital items purchased under this grant;
(d) A comparison of actual outlays with budgeted amounts and the relationship between performance and costs incurred;
(e) Accounting records that are supported by source documentation.

7. AUDIT AND INSPECTION

In accordance with 2 C.F.R. Part 200, a Grantee that expends $1,000,000 or more in a year in Federal awards must have a program-specific audit conducted for that year as specified in 2 C.F.R. §200.501. The Grantee must furnish DHCA with a copy of all audit reports within 30 days of receipt. If DHCA finds the audit report to contain findings or concerns, the Grantee must submit to DHCA, within 60 days of submitting the audit report, the Grantee's plan of action for correcting all noted deficiencies. Should the Grantee fail to submit a plan or follow through on the necessary remedial actions in a timely manner, the Grant Agreement may be suspended or terminated under the provisions of section 20. Suspension and Termination.

For Grantees that spend less than $1,000,000 in Federal awards, DHCA will make an individual determination based on a risk assessment of the entity if an audit is required.

The Grantee agrees that the County, the U.S. Department of Housing and Urban Development, the Controller General of the United States, and any of their duly authorized representatives must, until the expiration of 3 years after completion of the Grant Agreement, have access to and the right to examine any pertinent books, documents, papers, and records of the Grantee and all sub-awards involving transactions related to the Agreement. DHCA reserves the right to request a longer document retention period in the event it may be required on a case-by-case basis.

8. REPORTING REQUIREMENTS

In accordance with the requirements of 24 C.F.R. §570.201 and 24 C.F.R. §570.506, the Grantee must provide DHCA with the Federally Funded Loan Set Up Form at the beginning of the project, and must submit final narrative reports to DHCA. The Grantee must retain backup documentation consistent with section 7. (Audit and Inspection) has expired. Each report must

summarize the actual achievements of the project and relate these to its scope of services and stated goals. Each Loan Set Up Form report must include all the data indicated on the sample report shown in Attachment VII-B, and the Grantee must maintain backup documentation supporting the reported data. If the Grantee has negotiated and executed a sub-agreement, a fully executed Attachment VII-C, "Subcontract Activity Report," must also be included.

The Grantee recognizes that programmatic requirements undergo periodic revisions and specifically agrees to provide all other information and/or reports that may be requested by DHCA consistent with compliance with internal controls or HUD requirements and regulations.

9. EQUAL OPPORTUNITY

Note: Executive Order 14173 (2023) supersedes prior workforce nondiscrimination provisions under Executive Order 11246.

During the performance of this Grant Agreement, the Grantee agrees as follows:

(1) The Grantee will not discriminate against any employee or applicant for employment . The Grantee will take action to ensure that applicants are employed, and that employees are treated equally . Such action shall include, but not be limited to the following: Employment, upgrading, demotion, or transfer, recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The Grantee agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the contracting officer setting forth the provisions of this nondiscrimination clause.

(2) The Grantee will, in all solicitations or advertisements for employees placed by or on behalf of the Grantee, state that all qualified applicants will receive consideration for employment .

(3) The Grantee will not discharge or in any other manner discriminate against any employee or applicant for employment because such employee or applicant has inquired about, discussed, or disclosed the compensation of the employee or applicant or another employee or applicant. This provision shall not apply to instances in which an employee who has access to the compensation information of other employees or applicants as a part of such employee's essential job functions discloses the compensation of such other employees or applicants to individuals who do not otherwise have access to such information, unless such disclosure is in response to a formal complaint or charge, in furtherance of an investigation, proceeding, hearing, or action, including an investigation conducted by the employer, or is consistent with the Grantee's legal duty to furnish information.

10. SUBCONTRACTING WITH MINORITY FIRMS

It is national policy to award a fair share of contracts and subcontracts to small and minority, female, and disability owned business firms. Accordingly, affirmative steps must be taken to ensure that such businesses are utilized when possible as sources of supplies, equipment, construction, and services. Affirmative steps must include the following:

a) Including qualified small and minority businesses on solicitation lists;
b) Assuring that small and minority businesses are solicited whenever they are potential

sources;

c) When economically feasible, dividing total requirements into smaller tasks or quantities so as to permit maximum small and minority business participation;

d) Where the requirements permit, establishing delivery schedules which will encourage participation by small and minority businesses;

e) Using the services and assistance of the Small Business Administration, the Office of Minority Business Enterprise of the Department of Commerce, and the Community Services Administration as required.

If any subcontracts are to be let, the prime contractor or grantee must take the affirmative steps in (a) through (e), above.

Montgomery County's Department of Procurement has a Minority, Female and Disabled Persons Program which can be of assistance in identifying and accessing minority, female and disabled contractors. It can be reached at (240) 777-9912 / 9913 or https://www.montgomerycountymd.gov/PRO/DBRC/mfd.html.

11. AGREEMENTS WITH RELIGIOUS ORGANIZATIONS TO PROVIDE CDBG FUNDED PUBLIC SERVICES

In conjunction with, and not in substitution of, other requirements within this Agreement regarding the provision of public services with CDBG funds, pursuant to Title I of the Housing and Community Development Act of 1974, as amended, the Grantee:

a. represents that if it is, or may be deemed to be, a religious or denominational institution or organization, or is an organization operated for religious purposes which is supervised or controlled by, or in connection with, a religious or denominational institution or organization; and

b. it agrees that, in connection with such public services:

   i. It will not discriminate against any employee or applicant for employment on the basis of religion and will not limit employment or give preference in employment to persons on the basis of religion;

   ii. It will not discriminate for or against any person applying for such public services on the basis of religion and will not limit, nor determine the scope of such public services on the basis of religion;

   iii. it will provide no religious instruction or counseling, conduct no religious worship or services, engage in no religious proselytizing, nor exert any other religious influence in the provision of such public services;

   iv. the portion of a facility used to provide public services assisted in whole or in part under this Agreement shall contain no sectarian or religious symbols or decorations; and

   v. if funds received under this Agreement are used to acquire, construct, rehabilitate, or restore any facility which is owned by the Grantee, that facility must be held in trust by the faith-based organization as trustees for the beneficiaries of the project or program under which the property was acquired or improved, The faith-based

organization must record liens or other appropriate notices of record to indicate that personal or real property has been acquired or improved with federal funds and that use and disposition conditions apply to the property. Acquisition or renovation of principal places of worship is prohibited.

12. COMPLIANCE WITH OTHER FEDERAL REGULATIONS

In accordance with 24 C.F.R. §570.502 (a) and (b), the Grantee must comply with all Federal laws, regulations, and requirements, including amendments thereto, applicable to CDBG grants and/or loans and any applicable HUD guidance issued after the date of this agreement.

13. SIGNS/ADVERTISEMENTS- The Grantee must ensure that all signs, posters, pamphlets, printed materials, advertisements, and written articles concerning this program/project must include a statement acknowledging full or partial CDBG funding as appropriate.

14. LOBBYING - The Grantee agrees and certifies, with respect to lobbying, to the following:

1. No federal appropriated funds have been paid or will be paid, by or on behalf of the Grantee, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, in connection with the awarding of any federal contract, the making of any federal grant or loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any federal contract, grant, loan or cooperative agreement.
2. If any funds other than federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress or an employee of a Member of Congress in connection with this federal contract, grant, loan or cooperative agreement, the Grantee must complete and submit an executed "Disclosure Form to Report Lobbying," in accordance with instructions provided therein. Byrd Anti-Lobbying Amendment (31 U.S.C. 1352)—Contractors that apply or bid for an award exceeding $100,000 must file the required certification. Each tier certifies to the tier above that it will not and has not used Federal appropriated funds to pay any person or organization for influencing or attempting to influence an officer or employee of any agency, a member of Congress, officer or employee of Congress, or an employee of a member of Congress in connection with obtaining any Federal contract, grant or any other award covered by 31 U.S.C. 1352. Each tier must also disclose any lobbying with non-Federal funds that takes place in connection with obtaining any Federal award. Such disclosures are forwarded from tier to tier up to the non-Federal award.
3. The Grantee must require that the language of this certification be included in the award documents implementing all sub- awards at all tiers (including subcontracts, sub grants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients must certify and disclose accordingly.

15. INVENTIONS/INTELLECTUAL PROPERTY - The Grantee may copyright any work that is subject to copyright and was developed, or for which ownership was acquired, under a Federal award. The Federal awarding agency reserves a royalty-free, nonexclusive, and irrevocable right to reproduce, publish, or otherwise use the work for Federal purposes, and to authorize others to do so.

16. CAPITAL EQUIPMENT

In accordance with 2 C.F.R. §200.1, equipment is defined as tangible personal property (including information technology systems) having a useful life of more than one year and a per-unit acquisition cost that equals or exceeds the lesser of the capitalization level established by the recipient or subrecipient for financial statement purposes, or $10,000. Generally, the purchase of equipment is prohibited. Prior to purchasing any equipment, the Grantee must obtain written permission from the County. The County reserves the right to purchase such equipment through its sources of supply if such a purchase will result in cost savings. Title to the equipment must remain with the County. Recipients must submit to the County annually, during the term of this agreement (and all extensions thereof), an inventory listing of all County-owned equipment in their custody. Attachment VI-D is provided for this purpose.

Upon completion of this agreement or at such time as the equipment is no longer needed by the Grantee, disposition of the equipment must be determined in accordance with 2 C.F.R. Section 200.313, and all dispositions must be approved in writing by the County prior to implementation.

17. PLANT INSPECTION

The County may inspect the place of business or location of service delivery of the Grantee under any grant or loan agreement awarded or to be awarded by the County or any subcontractor thereunder. The unreasonable failure of a bidder or offeror to supply information promptly in connection with such an inspection may be grounds for a determination of non-responsiveness by the County and will constitute a default under the terms of this agreement.

18. NON-PARTICIPATING CDBG JURISDICTIONS

Residents of, and facilities and programs located within municipalities that have chosen not to enter into CDBG Participation Agreements with the County are ineligible for receipt of all CDBG funded activities and benefits.

19. ENTIRE AGREEMENT

This grant agreement including all attachments constitutes the entire agreement between the parties. There are no other collateral grant agreements or agreements of any kind between the parties.

20. SUSPENSION AND TERMINATION

In accordance with 2 C.F.R. §200.208 suspension or termination may occur if the grantee materially fails to comply with any terms of this award. In addition, this award may be terminated for convenience in accordance with 2 C.F.R. §200.339.

21. CONTRACTOR DEBARMENT or INELIGIBILITY – No contract may be awarded to a party listed as debarred or ineligible on the governmentwide exclusions in the System for Award Management (SAM). All entities with whom a contract or subcontract will be executed must be checked against those listings and dated verification of its status printed out prior to contract execution and included in the project file.

22. DOCUMENT AND RECORD RETENTION REQUIREMENTS

All documents, records and files must be maintained, and available for inspection on request, for a minimum period of three (3) years following the closeout of the project.

23. CONFLICT OF INTEREST

No persons who exercise or have exercised any functions or responsibilities with respect to CDBG activities, or who are in a position to participate in a decision making process or gain inside information with regard to such activities, may obtain a financial interest or benefit from a CDBG-assisted activity, or have a financial interest in any contract, subcontract, or agreement with respect to a CDBG- assisted activity, or with respect to the proceeds of the CDBG-assisted activity, either for themselves or those with whom they have business or immediate family ties, during their tenure or for one year thereafter.

NOTE. PARAGRAPHS 24 THROUGH 32 ARE APPLICABLE TO ALL FEDERALLY ASSISTED CONSTRUCTION CONTRACTS

Note: Executive Order 14173 (2023) supersedes prior nondiscrimination and affirmative-action obligations under Executive Order 11246. The construction-related clauses below are retained for continuity of federal contract language; however, compliance and enforcement must follow EO 14173.

24. AFFIRMATIVE ACTION/EQUAL OPPORTUNITY FEDERALLY ASSISTED CONSTRUCTION CONTRACTS / GRANT AGREEMENTS

Except as otherwise provided, each administering agency shall require the inclusion of the following language as a condition of any grant, contract, loan, insurance, or guarantee involving federally assisted construction which is not exempt from the requirements of the equal opportunity clause:

The applicant hereby agrees that it will incorporate or cause to be incorporated into any contract for construction work, or modification thereof, as defined in the regulations of the Secretary of Labor at 41 C.F.R. Chapter 60, which is paid for in whole or in part with funds obtained from the Federal Government or borrowed on the credit of the Federal Government pursuant to a grant, contract, loan, insurance, or guarantee, or undertaken pursuant to any Federal program involving such grant, contract, loan, insurance, or guarantee, the following equal opportunity clause:

During the performance of this contract, the Grantee agrees as follows:

(1) The Grantee will not discriminate against any employee or applicant for employment because of race, color, religion, sex, sexual orientation, gender identity, or national origin. The Grantee will take affirmative action to ensure that applicants are employed, and that employees are treated during employment without regard to their race, color, religion, sex, sexual orientation, gender identity, or national origin. Such action shall include, but not be limited to the following:

Employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The Grantee agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided setting forth the provisions of this nondiscrimination clause.

(2) The Grantee will, in all solicitations or advertisements for employees placed by or on behalf of the Grantee, state that all qualified applicants will receive consideration for

employment without regard to race, color, religion, sex, sexual orientation, gender identity, or national origin.

(3) The Grantee will not discharge or in any other manner discriminate against any employee or applicant for employment because such employee or applicant has inquired about, discussed, or disclosed the compensation of the employee or applicant or another employee or applicant. This provision shall not apply to instances in which an employee who has access to the compensation information of other employees or applicants as a part of such employee's essential job functions discloses the compensation of such other employees or applicants to individuals who do not otherwise have access to such information, unless such disclosure is in response to a formal complaint or charge, in furtherance of an investigation, proceeding, hearing, or action, including an investigation conducted by the employer, or is consistent with the Grantee's legal duty to furnish information.

(4) The Grantee will send to each labor union or representative of workers with which he has a collective bargaining agreement or other contract or understanding, a notice to be provided advising the said labor union or workers' representatives of the Grantee's commitments under this section, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

(5) The following guidelines have been superseded by Executive Order 14173. The Grantee will comply with all provisions of Executive Order 11246 of September 24, 1965, and of the rules, regulations, and relevant orders of the Secretary of Labor.

(6) The following guidelines have been superseded by Executive Order 14173. The Grantee will furnish all information and reports required by Executive Order 11246 of September 24, 1965, and by rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and will permit access to his books, records, and accounts by the administering agency and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations, and orders.

(7) The following guidelines have been superseded by Executive Order 14173. In the event of the Grantee's noncompliance with the nondiscrimination clauses of this contractor with any of the said rules, regulations, or orders, this contract may be canceled, terminated, or suspended in whole or in part and the Grantee may be declared ineligible for further Government contracts or federally assisted construction contracts in accordance with procedures authorized in Executive Order 11246 of September 24, 1965, and such other sanctions may be imposed and remedies invoked as provided in Executive Order 11246 of September 24, 1965, or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.

(8) The following guidelines have been superseded by Executive Order 14173. The Grantee will include the portion of the sentence immediately preceding paragraph (1) and the provisions of paragraphs (1) through (8) in every subcontract or purchase order unless exempted by rules, regulations, or orders of the Secretary of Labor issued pursuant to section 204 of Executive Order 11246 of September 24, 1965, so that such provisions will be binding upon each sub awardee vendor. The Grantee will take such action with respect to any subcontract or purchase order as the administering agency may

direct as a means of enforcing such provisions, including sanctions for noncompliance:

Provided, however, that in the event a Grantee becomes involved in, or is threatened with, litigation with a sub awardee or vendor as a result of such direction by the administering agency, the Grantee may request the United States to enter into such litigation to protect the interests of the United States.

The applicant further agrees that it will be bound by the above equal opportunity clause with respect to its own employment practices when it participates in federally assisted construction work: *Provided,* That if the applicant so participating is a State or local government, the above equal opportunity clause is not applicable to any agency, instrumentality or subdivision of such government which does not participate in work on or under the contract.

The applicant agrees that it will assist and cooperate actively with the administering agency and the Secretary of Labor in obtaining the compliance of Grantees and sub awardees with the equal opportunity clause and the rules, regulations, and relevant orders of the Secretary of Labor, that it will furnish the administering agency and the Secretary of Labor such information as they may require for the supervision of such compliance, and that it will otherwise assist the administering agency in the discharge of the agency's primary responsibility for securing compliance.

The following guidelines have been superseded by Executive Order 14173:

The applicant further agrees that it will refrain from entering into any contract or contract modification subject to Executive Order 11246 of September 24, 1965, with a contractor debarred from, or who has not demonstrated eligibility for, Government contracts and federally assisted construction contracts pursuant to the Executive Order and will carry out such sanctions and penalties for violation of the equal opportunity clause as may be imposed upon Grantees and sub awardees the administering agency or the Secretary of Labor pursuant to Part II, Subpart D of the Executive Order. In addition, the applicant agrees that if it fails or refuses to comply with these undertakings, the administering agency may take any or all of the following actions: Cancel, terminate, or suspend in whole or in part this grant (contract, loan, insurance, guarantee); refrain from extending any further assistance to the applicant under the program with respect to which the failure or refund occurred until satisfactory assurance of future compliance has been received from such applicant; and refer the case to the Department of Justice for appropriate legal proceedings.

25. MISCELLANEOUS MANDATORY CONSTRUCTION CONTRACT INCLUSIONS FEDERALLY ASSISTED CONSTRUCTION CONTRACTS/GRANT AGREEMENTS

The following guidelines have been superseded by Executive Order 14173:

(a) ***Subcontracts.*** Each nonexempt prime contractor or subcontractor shall include the equal opportunity clause in each of its nonexempt subcontracts.

(b) ***Inclusion of the equal opportunity clause by reference.*** The equal opportunity clause may be included by reference in all Government contracts and subcontracts, including Government bills of lading, transportation requests, contracts for deposit of

Government funds, and related instruments.

(c) ***Incorporation by operation of the order.*** By operation of the order, the equal opportunity clause shall be considered to be a part of every contract and subcontract required by the order and the regulations in this part to include such a clause whether or not it is physically incorporated in such contracts and whether or not the contract between the agency and the contractor is written.

(d) ***Adaptation of language.*** Such necessary changes in language may be made in the equal opportunity clause as shall be appropriate to identify properly the parties and their undertakings.

26. KICKBACKS - FEDERALLY ASSISTED CONSTRUCTION CONTRACTS / GRANT AGREEMENTS

The Grantee is prohibited from inducing by any means any person employed in federally funded construction or repair work to give up any part of the compensation to which he is otherwise entitled, and must comply with all other provisions of the Copeland "Anti-Kick Back" Act, 18 U.S.C. 874, supplemented by Department of Labor Regulations 29 C.F.R. Part 3.

27. LEAD BASED PAINT - FEDERALLY ASSISTED CONSTRUCTION CONTRACTS/GRANT AGREEMENTS

The use of all lead-based paint is prohibited, and the disturbance of certain existing surfaces which may potentially contain lead paint is subject to HUD LEAD-BASED PAINT POISONING PREVENTION IN CERTAIN RESIDENTIAL STRUCTURES described at 24 C.F.R. Part 35. DHCA and HUD consider reduction of exposure to lead paint hazards a priority. Grantees that disturb, or cause to be disturbed, surfaces potentially containing lead paint products must follow the specific protocols mandated by the state of Maryland and by HUD. Testing, notification and/or abatement may be required. Results of lead testing for all pre-1978 properties must be provided to DHCA prior to issuing any proposal for renovation or starting any renovation work. Additional information may be obtained by calling 1-800-424-LEAD.

28. PROCUREMENT OF RECOVERED MATERIALS - FEDERALLY ASSISTED CONSTRUCTION CONTRACTS / GRANT AGREEMENTS

Procurement of recovered materials. Contractors must comply with section 6002 of the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act. The requirements of Section 6002 include procuring only items designated in guidelines of the Environmental Protection Agency (EPA) at 40 C.F.R. part 247 that contain the highest percentage of recovered materials practicable, consistent with maintaining a satisfactory level of competition.

29. SECTION 3 - FEDERALLY ASSISTED CONSTRUCTION CONTRACTS/GRANT AGREEMENTS

HUD's Section 3 regulations were updated in 2020. Any reference to former 24 C.F.R. Part 135 shall be interpreted pursuant to the current HUD Section 3 rule at 24 C.F.R. Part 75.

The funding for the work to be performed under this grant agreement is assisted under a program providing direct Federal financial assistance from the Department of Housing and Urban Development and is subject to the requirements of Section 3 of the Housing and Urban

Development Act of 1968, as amended, and the implementing regulations at 24 C.F.R. Part 75 (which replaced former Part 135 effective November 30, 2020). Section 3 requires that to the greatest extent feasible, opportunities for training and employment be given to lower income residents of the project area, and opportunities for provision of supplies and materials in connection with the project be awarded to business concerns located in, or owned in substantial part by persons residing in, the area of the project. Because of the demographic makeup of Montgomery County, the "project area" may be defined in a manner most likely to result in the actual award of such Section 3 benefits. HUD's updated Section 3 rule at 24 C.F.R. Part 75 now defines 'Targeted Section 3 workers' using service-area–based criteria; project area definitions in this Attachment remain valid and should be applied consistent with the updated rule.

The Grantee must certify and agree that it is under no contractual or other disability which would prevent it from complying with any of the requirements referenced or specified herein. The Grantee must include this Section 3 clause in every contract and subcontract for work in connection with the federally funded project and must, at the direction of the County, take appropriate action upon a finding that the subcontractor in violation of these regulations. For clarity, all references to former Section 3 regulations at 24 C.F.R. Part 135 shall be interpreted pursuant to the current Section 3 rule codified at 24 C.F.R. Part 75. The Grantee must not award or execute any subcontract unless the subcontractor first provides the Grantee with acceptable documentation regarding its ability to comply with the requirements of these regulations.

The Grantee must send to each representative of workers or labor organization, with whom it has a collective bargaining agreement or other grant agreement or understanding, if any, a notice advising the said labor organization or workers' representative of its commitments under this Section 3 clause and must post copies of the notice in conspicuous places available to employees and applicants for employment or training.

Copies of the Section 3 regulations (now codified at 24 C.F.R. Part 75) are available from the Department of Housing and Community Affairs, 1401 Rockville Pike, Fourth Floor, Rockville, Maryland 20852, telephone number 240-777-3600. Section 3 and other federal regulations are also available on the World Wide Web at http://www.hud.gov.

30. COMPLIANCE WITH CLEAN AIR AND WATER ACT (For contracts in Excess of $100,000)

The Grantee must comply with all applicable standards, orders, and regulations issued pursuant to the Clean Air Act of 1970 (42 U.S.C. 7401 et seq.) and the Federal Water Pollution Control Act (33 U.S.C. 1251 et seq.), as amended, and subsequently related promulgated regulations and interpretations.

31. CONTRACTOR DEBARMENT/INELIGIBILITY- FEDERALLY ASSISTED CONSTRUCTION CONTRACTS/GRANT AGREEMENTS

No contract may be awarded to a party listed as debarred or ineligible on the governmentwide exclusions in the System for Award Management (SAM). All entities with whom a contract or subcontract will be executed must be checked against those listings and dated verification of its status printed out prior to contract execution and included in the project file.

32. FEDERAL LABOR STANDARDS AND OTHER FEDERAL REQUIREMENTS – FEDERALLY ASSISTED CONSTRUCTION CONTRACTS/ GRANT AGREEMENTS

For all contracts **involving construction activities exceeding $2,000** (29 C.F.R. §5.5) the Federal Labor Standards Provisions, including but not limited to all Davis-Bacon related requirements, are applicable and are made a part of this contract. The Grantee, all contractors and all subcontractors must include these provisions in all agreements relative to covered work. The Grantee is responsible for compliance with the terms thereof on the part of all contractors and subcontractors funded under this Agreement. The Grantee must guarantee and provide payment of all restitution and/or penalties incurred as a result of failure to comply with these requirements, on behalf of all tiers of contractors performing work on a covered project:

a. The "FEDERAL LABOR STANDARDS COMPLIANCE PACKET" and
b. A current project-specific Davis-Bacon Wage Rate Determination (issued for this project only) which must be posted conspicuously at the job site during all phases of construction.

Current Davis-Bacon wage determinations are published on the SAM.gov Wage Determination website. The Grantee must ensure that the applicable, project-specific wage determination is posted at the job site and incorporated into all construction contracts.

IF YOUR PROJECT INVOLVES CONSTRUCTION, THIS ATTACHMENT SHOULD BE IMMEDIATELY FOLLOWED BY A COPY OF THE "FEDERAL LABOR STANDARDS PROVISIONS ATTACHMENTS PACKET" AS WELL AS PROJECT-SPECIFIC WAGE RATE DETERMINATION. IF THESE DOCUMENTS ARE MISSING, CONTACT THE CONTRACT MONITOR BEFORE EXECUTING THIS OR ANY OTHER CONSTRUCTION- RELATED INSTRUMENT.

ATTACHMENT VII-A
DOCUMENTATION FOR INVOICING

Federal and County regulations require appropriate documentation for all requests for CDBG funds. The Grantee must submit original documentation of all expenses claimed when submitting requests for payment. The County will not process any invoices unless the proper back-up documentation is included. DHCA reserves the right to request additional or supplemental documentation for any item for which reimbursement is requested under this agreement and to withhold payment if acceptable documentation is not provided.

GENERAL REQUIREMENTS: Invoices must:

- Be on the Grantee's letterhead
- Include the Grant Agreement
- Include the Purchase Order number
- Include a Grantee Generated Invoice Number that is UNIQUE and SEQUENTIAL (such as 1, 2, 3, etc.)
- Indicate the dates of the period covered by the billing
- Describe and list the attached documentation (copies of original invoices, timesheets, etc.) and
- Be signed by the person who signed the contract (or a designee approved by DHCA in writing)
- Time sheets must reflect number of Grant hours worked each day and be signed by the employee and a designated Signatory of the Grantee. Employees partially funded with other public funds must indicate those funded hours on time sheets.

WHEN PREPARING PAYMENTS PLEASE ENSURE THAT:

- Math is correct
- The invoiced expense was incurred within the contract period (does not precede the date of the Notice to Proceed and is not after the contract expiration date)
- All reporting requirements in the Grant Agreement are current, and deliverables are being provided consistent with the contract terms
- Adequate unexpended funds remain under the contract to cover the invoice
- The categories of the billed amounts are consistent with the budget categories in the contract
- The amounts are consistent with the budget categories allocated for each line item
- The quantities reflected on the cover sheet are consistent with those in the back up information
- All necessary backup documentation is attached (timesheets, copies of original vendor invoices, receipts, etc.)
- Signed time sheets for employees without duplication of hours from other publicly funded sources
- Copies of original invoices for reimbursement

ATTACHMENT VII-B
INSTRUCTIONS FOR SUBMITTING THE DHCA FEDERALLY FUNDED LOAN SET UP FORM

The Department of Housing and Urban Development (HUD) requires all grantees to submit demographic information on clients served. Grantees must provide DHCA with the Federally Funded Loan Set up Form and final narrative reports to the City of Rockville for submission to the county.

Failure to submit complete, accurate, and timely reports may delay payments of Grantees' invoices and result in early termination of the Grant Agreement, and the recapture by DHCA of any remaining unexpended Grant Agreement monies.

FY26 CDBG INCOME LIMITS (6/2025)

Section 8 Definition: CDBG Definition: Family Size	Extremely Low Very Low (30% of median)	Very Low Low (50% of median)	Low Moderate (80% of median*)
1	$34,450	$57,400	$74,800
2	$39,350	$65,600	$85,450
3	$44,250	$73,800	$96,150
4	$49,150	$81,950	$106,800
5	$53,100	$88,550	$115,350
6	$57,050	$95,100	$123,900
7	$60,950	$101,650	$132,450
8	$64,900	$108,200	$141,000

* The CDBG moderate-income limit for Montgomery County as periodically updated by HUD, with the understanding that the name of that category (CDBG 80%) is arithmetically less than 80% of Local Area Median Income, because it is capped by a HUD formula indexing it to the Section 8 income limits. This limit is approximately 64% of AMI.

The next page is a copy of the form on which you will enter your data so you can ensure that your information is gathered and documented appropriately for submitting in this format.

DO NOT USE THIS SAMPLE FORM – DOWNLOAD THE FILLABLE PDF FORM

DHCA Federally Funded Loan Set Up Request

(To be completed with input from developer's representative before loan closing)

Property	Head of Household	Persons Benefiting (Enter No.)
Address: _____ _____ _____ _____ Number of Bedrooms $ _____ Property Value Before Rehab $ _____ Property Value After Rehab	_____ Elderly _____ Single (non-elderly) _____ Single Parent _____ Two Parents _____ Female Headed _____ Other _____ Vacant	_____ White (non-Hispanic) _____ Black (non-Hispanic) _____ Hispanic _____ Asian _____ American Indian/Alaskan Native _____ Native Hawaiian/Pacific Islander _____ American Indian/Alaskan & White
Income _____ Moderate _____ Low _____ Extremely Low _____ Percent of Median (enter %)	**Other Funds Used (amount)** _____ Private _____ State/Local _____ Other	_____ Asian & White _____ Black or Amer Indian & White _____ Amer Indian/Alaskan & Black _____ Other Multiracial _____ **Total**
Lead Safety Improvement _____ Yes _____ No **Code Violations** _____ Yes _____ No	**INFORMATION NEEDED FOR FEDERALLY FUNDED LOAN SET-UP**	**Used Energy Star Appliances - List Type** _____ _____ _____ _____ _____ _____

1. ☐ Multifamily Staff: form completed. Signature _____ Date _____
2. ☐ Grants Management Staff: reviewed for completion. Signature _____ Date _____
3. ☐ Finance Staff: information uploaded. Signature _____ Date _____

ATTACHMENT VII-C
SUBCONTRACT ACTIVITY REPORT

Submit to DHCA by 15th of the month after the quarter ends

Name of Subcontract Number 1:_____

Date of Subcontract:		Dollar Amount:	
Name of Subcontractor:			
Mailing Address			
Federal ID Number			
Subcontract for: (check one)	[ ] Construction [ ] Education/Training [ ]Other:		
Ethnic Code: (check one) 51% of Company Ownership is:			
[ ] White [ ] Black [ ] American Indian/Alaskan [ ] Hispanic [ ] Asian/Pacific Islander			

Name of Subcontract Number 2:_____

Date of Subcontract:		Dollar Amount:	
Name of Subcontractor:			
Mailing Address			
Federal ID Number			
Subcontract for: (check one)	[ ] Construction [ ] Education/Training [ ]Other:		
Ethnic Code: (check one) 51% of Company Ownership is:			
[ ] White [ ] Black [ ] American Indian/Alaskan [ ] Hispanic [ ] Asian/Pacific Islander			

CDBG Project Name:			
Report filed by:			
Title:		Date:	

FOR DHCA USE ONLY:

Project Number:		Reviewed by:	
Date:		Included in HUD Report	

ATTACHMENT VII-D
CAPITAL EQUIPMENT INVENTORY

Submit to DHCA by July 15th of each year

Reporting period: July 1, _____ to June 30, _____

Equipment Purchased	Date Purchased	Cost*
1.		
2.		
3.		
4.		
5.		
6.		
7.		
8.		
9.		
10.		

* Report all Capital equipment valued over $5,000.00 CDBG

Project Name:			
Report filed by:			
Title:		Date:	

FOR DHCA USE ONLY:

Project Number:		Reviewed by:	
Date:		Included in HUD Report	

ATTACHMENT VII-E

FY 26 (FFY 25) COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) SUBAWARD INFORMATION

Subrecipient name *Must match the name associated with UEI*	See attached grant agreement
Subrecipient unique entity identifier (UEI)	See attached grant agreement
Federal Award Identification Number (FAIN)	B25-UC-24-001
Federal Award Date	See Grant Agreement for B25-UC-24-001 on Montgomery County's Website at: https://montgomerycountymd.gov/dhca/grants/conplan.html
Subaward period of performance START DATE	The Contract will become effective upon signature of the Director, Office of Procurement ("Director").
Subaward period of performance END DATE	This Contract will expire when the work has been completed or 12 months from the effective date of this Contract
Amount of Federal Funds Obligated in the subaward	See attached grant agreement
Total Amount of Federal Funds Obligated to the subrecipient by the pass-through entity (MCG), including the current financial obligation	See attached grant agreement
Total Amount of the Federal Award committed to the subrecipient by the pass-through entity (MCG)	See attached grant agreement
Federal award project description, as required by the Federal Funding Accountability and Transparency Act (FFATA)	See Annual Action Plan posted on Montgomery County's Website at: https://montgomerycountymd.gov/dhca/grants/conplan.html
Name of the Federal agency	14.001-14.999 HOUSING AND URBAN DEVELOPMENT
Name of Pass-Through Entity (*must match name associated with Pass through entity's UEI)*	See attached grant agreement
Awarding Official Contract (Pass Through Entity)	Department of Housing and Urban Development, Montgomery County, Maryland Contact info: Katherine Canales 240-777-3631
Assistance Listings title and number; *The pass-through entity must*	Same as on attached Grant Agreement unless otherwise noted here

identify the dollar amount made available under each Federal award and the Assistance Listings Number at the time of disbursement	
Identification of whether the Federal award is for research and development	NO
Indirect cost rate for the Federal award (including if the de minimis rate is used in accordance with 2 C.F.R. §200.414)	NA

ATTACHMENT VIII
(SUBGRANTEE GRANT AGREEMENT)

PROJECT NAME: City of Rockville FY26 CDBG
GRANT AGREEMENT NUMBER: 1184965

FEDERAL LABOR STANDARDS PROVISIONS ATTACHMENTS (DAVIS BACON)

This packet of Attachments must be included with, applies to, and must be complied with for every federally funded construction related contract and subcontract (with the exceptions noted below). There are a number of requirements for all federally funded construction-based contracts which are listed or synopsized in this document. The full text of these documents is available via the internet from HUD at www.hud.gov. or through your Contract Monitor.

This packet is not intended to replace any of these applicable statutes, regulations or documents. Neither is it intended to provide a "legal interpretation" of them, some of which are fairly complex. It is, instead, designed to assist in identifying, and placing parties on notice of, these requirements in a "plain language" context.

If you are new to, and unfamiliar with, any of these requirements, there are additional step-by-step guides available. These include several Power Point presentations, an illustrated "Davis-Bacon How-To Guide" and other resources. Please contact your Contract Monitor or call 240-777-3685 to get or view these guides. You can also ask any specific questions or get individual training on these requirements by calling the same phone number.

A very brief overview of some of these requirements follows:

"DAVIS BACON WAGE REQUIREMENTS"

This is a term that broadly covers a number of federal requirements that apply to all federally funded construction related projects of 8 or more units or any PHA project whose total cost exceeds $2,000. More detail is included below (please see HUD-4010), but basically you must:

- Submit a weekly certified payroll form (see **FORM A**: Form WH-347 and Form WH-347 Instructions);
- Pay workers on a weekly (not bi-weekly) schedule;
- Pay workers a minimum hourly rate based on their activities that may or not include benefits based on a job-specific Wage Determination included below;
- Pay workers time-and-a-half for all hours over 40 worked in a week;
- Post the Wage Determination and a poster describing workers rights on all job sites;
- Ensure compliance with, and include these requirements in agreements with all, subcontractors;
- Provide weekly signed certified payrolls for all workers on covered jobs; and
- Provide additional reporting information (see **FORM B**: Form 4710 and Form 4710 instructions).

MINORITY BUSINESS ENTERPRISE (MBE) REQUIREMENTS

This data is reported on the DHCA Contract and Subcontract form previously HUD-2516 (attached). You must gather and report data for the general contractor and all subcontractors on the project. This data includes:

- The dollar amount and date of the contract or subcontract;
- The type of trade for the contract or subcontract (based on one of ten specific category codes),
- The racial/ethnic data for the contractor or subcontractor (based on one of six specific category codes);
- Whether the contractor or subcontractor is a woman-owned business;
- Whether the listed contractor is a prime contractor or a subcontractor;
- The subcontractor ID number for each prime and subcontractor (usually the federal tax ID number of the business);
- The address of each contractor and subcontractor; and
- Whether the contractor or subcontractor is a Section 3 Business Entity (see immediately following section).

SECTION 3 REQUIREMENTS

"Section 3" (of the Housing and Urban Development Act of 1968) mandates that federally funded construction and related activities take action to provide employment, training and business opportunities for low-income project area residents and businesses. This data is also reported on the DHCA Contract and Subcontract form (attached). There are specific dollar thresholds that trigger Section 3 but you should assume your project is covered if it is federally funded unless your Contract Monitor advises you otherwise. You are required to report specific information for all covered contracts, and to take specific additional affirmative actions if the dollar value of your contract exceeds $100,000. If the federal funding is a portion of the overall project cost, the ENTIRE project, regardless of funding sources, is covered.

Generally, the government entity awarding the covered funds, and you as the contractor if the contract value exceeds $100,000, must:

COMPLIANCE THRESHOLDS:

- Award a minimum of 10% of the total dollar amount of construction contracts or subcontracts to Section 3 Businesses (defined below);
- Award a minimum of 3% of the total dollar amount of non-construction contracts or subcontracts to Section 3 Businesses (defined below); and
- Hire a minimum of 30% of NEW hires on the contract or subcontract that are Section 3 residents (defined below):

OTHER REQUIREMENTS:

- Notify Section 3 Businesses and Residents about business and training opportunities;
- Notify Section 3 Businesses about available contracting opportunities;
- Notify all contractors and subcontractors on covered project of their Section 3 responsibilities;
- Include the Section 3 clause and requirements in all contracts and subcontracts;
- Facilitate training of Section 3 Residents and awarding of contracts to Section 3 Businesses;
- Cooperate with local government and HUD to achieve compliance by contractors and subcontractors;

- Ensure all contractors and subcontractors you use are not in violation of Section 3 requirements **[Make sure the contractors you are considering using are eligible – check on https://www.epls.gov/]**;
- Document compliance activities; and
- Provide data and documentation for reports.

DEFINITIONS:

- **Section 3 Business** (certified to have)
  - At least 51% owned by Sec 3 resident, or
  - At least 30% full time employees Sec 3 residents (or were within 3 years of date of first employment), or
  - Evidence of a commitment to subcontract at least 25% of the dollar award to Sec 3 Business Concerns.
- **Section 3 Resident** (certified to be)
  - Sec 3 Resident – a public housing resident or low or very-low income person within the covered assistance area
- **New Hire**
  - A full time employee for a new permanent, temporary or seasonal position created during the expenditure of Sec 3 covered assistance.

BUILD AMERICA, BUY AMERICA ACT (BABA)

Effective July 1, 2023, all iron, steel, manufactured products, and construction materials used in covered infrastructure projects must be produced in the United States. BABA may apply to some CDBG infrastructure and housing projects.

BABA applies to:

- Projects using FY23 and future CDBG funds
- Projects containing iron or steel
- Projects with total cost of $250,000 or greater
- Applies to subrecipients as well

BABA will not apply to:

- Projects that do not contain iron or steel
- Projects with total cost less than $250,000
- Projects that qualify for a HUD waiver
- https://www.hud.gov/program_offices/general_counsel/BABA for more information on requirements and available waivers

Many of the applicable regulations are referenced or described in a particular section of the Code of Federal Regulations (CFR) at 24 CFR 570: Community Development Block Grants. The following list is directly from the Table of Contents of that regulation. Items that appear in bold type are directly relevant to ALL federally funded construction contracts, unless otherwise noted.

§ Part 35 Lead-based paint. **[Do not disturb surfaces without following appropriate specific safety protocols. Test where required.]**

see [24 CFR 570 Subpart K Table of Contents] Subpart K — Other Program Requirements

§ 570.600 General

§ 570.601 Public Law 88-352 [Title VI of the Civil Rights Act of 1964]; Public Law 90-284 [the Fair Housing Act]; Executive Order 11063 [Equal Opportunity in Housing] **[there is an affirmative mandate to further the Fair Housing Act as amended]**

§ 570.602 Section 109 of the Act **["requiring that no person in the United States shall on the ground of race, color, religion, national origin, sex, age, or handicap be excluded from participation in, be denied the benefits of, or be subjected to discrimination under, any program or activity funded in whole or in part with community development funds made available pursuant to the Act."]**

§ 570.603 Labor standards. **[all workers on construction projects must be paid at least the hourly Wage Rate specified for the specific project, must be paid at least weekly, and must be paid overtime for hours worked above 40 per week -**

§ 570.604 Environmental standards.

§ 570.605 National Flood Insurance Program.

§ 570.606 Displacement, relocation, acquisition, and replacement of housing.

§ 570.607 Employment and contracting opportunities. **[contractors and subcontractors on federally funded construction contracts must take AFFIRMATIVE ACTION and avoid discrimination in "employment, upgrading, demotion or transfer, recruitment or recruitment advertising, layoff or termination, rate of pay, or other forms of compensation and selection for training and apprenticeship." You MUST ensure minority participation in the bidding process and actual contract AWARD phases; mere gestures are NOT ADEQUATE]**

[Section 3] For projects whose total cost exceeds $100,000 - You are required to make opportunities available for jobs and small local businesses owned by low-moderate-income area residents to participate in the project. This can include such things as hiring and/or providing training to local residents or contractors to work on the project and purchasing materials from local merchants. If your project is located in an area in which this is infeasible, you can also fulfill this requirement by providing these opportunities to such individuals and businesses located elsewhere within Montgomery County. Please contact your contract manager for additional details. Included with this packet is a summary sheet on 24 CFR 135, Section 3 Clause which describes this general requirement.

§ 570.608 **LEAD BASE PAINT (For Construction or Rehabilitation)** The use of all lead-base paint is prohibited, and the disturbance of certain existing surfaces which may potentially contain lead paint is subject to HUD Lead-Base Paint Regulations described at 24 C.F.R. §570.608. DHCA and HUD consider reduction of exposure to lead paint hazards a priority. Appropriate certification of all contractors is required. Grantees that disturb, or cause to be disturbed, surfaces potentially containing lead paint products must follow the specific protocols mandated by the state of Maryland and by HUD. Testing, notification and/or abatement may be required. Additional information may be obtained by calling 1-800-424-LEAD.

§ 570.609 Use of debarred, suspended or ineligible contractors or subrecipients.

§ 570.610 Uniform administrative requirements and cost principles.
§ 570.611 Conflict of interest.
§ 570.612 Executive Order 12372. [Intergovernmental Review of Federal Programs]
§ 570.613 Eligibility restrictions for certain resident aliens.
§ 570.614 Architectural Barriers Act and the Americans with Disabilities Act.

Attached please also find:

"FEDERAL LABOR STANDARDS PROVISIONS" – [HUD-4010] - document prepared by HUD: overview of the contracting and employment requirements.

"**SECTION 3 CLAUSE**" - from [24 CFR 135] - Employment Opportunities for Businesses and Lower Income Persons In Connection With Assisted Projects.

The **SPECIFIC WAGE RATE** That Applies to ***THIS*** Project. **FORM A: WH-347**

FORM B: HUD 4710

FORM C: DHCA Contract and Subcontract Activity Form (formerly HUD 2516)

FORM D: HUD-60002

A. APPLICABILITY

The Project or Program to which the construction work covered by this Contract pertains is being assisted by the United States of America, and the following Federal Labor Standards Provisions are included in this Contract pursuant to the provisions applicable to such Federal assistance.

1. Minimum wages and fringe benefits

i. All laborers and mechanics employed or working upon the site of the work (or otherwise working in construction or development of the project under a development statute), will be paid unconditionally and not less often than once a week, and without subsequent deduction or rebate on any account (except such payroll deductions as are permitted by regulations issued by the Secretary of Labor under the Copeland Act (29 CFR part 3)), the full amount of basic hourly wages and bona fide fringe benefits (or cash equivalents thereof) due at time of payment computed at rates not less than those contained in the wage determination of the Secretary of Labor which is attached hereto and made a part hereof, regardless of any contractual relationship which may be alleged to exist between the contractor and such laborers and mechanics. As provided in 29 CFR 5.5(d) and (e), the appropriate wage determinations are effective by operation of law even if they have not been attached to the contract. Contributions made or costs reasonably anticipated for bona fide fringe benefits under the Davis-Bacon Act (40 U.S.C. 3141(2)(B)) on behalf of laborers or mechanics are considered wages paid to such laborers or mechanics, subject to the provisions of paragraph (a)(1)(v) of these contract clauses; also, regular contributions made or costs incurred for more than a weekly period (but not less often than quarterly) under plans, funds, or programs which cover the particular weekly period, are deemed to be constructively made or incurred during such weekly period. Such laborers and mechanics must be paid the appropriate wage rate and fringe benefits on the wage determination for the classification(s) of work actually performed, without regard to skill, except as provided in 29 CFR 5.5(a)(4). Laborers or mechanics performing work in more than one classification may be compensated at the rate specified for each classification for the time actually worked therein: *Provided,* That the employer's payroll records accurately set forth the time spent in each classification in which work is performed. The wage determination (including any additional classifications and wage rates conformed under 29 CFR 5.5(a)(1)(iii)) and the Davis-Bacon poster (WH-1321) must be posted at all times by the contractor and its subcontractors at the site of the work in a prominent and accessible place where it can be easily seen by the workers.

ii. Frequently recurring classifications

A. In addition to wage and fringe benefit rates that have been determined to be prevailing under the procedures set forth in 29 CFR part 1, a wage determination may contain, pursuant to § 1.3(f), wage and fringe benefit rates for classifications of laborers and mechanics for which conformance requests are regularly submitted pursuant to 29 CFR 5.5(a)(1)(iii), provided that:

1. The work performed by the classification is not performed by a classification in the wage determination for which a prevailing wage rate has been determined;

2. The classification is used in the area by the construction industry; and

3. The wage rate for the classification bears a reasonable relationship to the prevailing wage rates contained in the wage determination.

B. The Administrator will establish wage rates for such classifications in accordance with 29 CFR 5.5(a)(1)(iii)(A)(3). Work performed in such a classification must be paid at no less than the wage and fringe benefit rate listed on the wage determination for such classification.

iii. Conformance

A. The contracting officer must require that any class of laborers or mechanics, including helpers, which is not listed in the wage determination and which is to be employed under the contract be

classified in conformance with the wage determination. Conformance of an additional classification and wage rate and fringe benefits is appropriate only when the following criteria have been met:

1. The work to be performed by the classification requested is not performed by a classification in the wage determination; and

2. The classification is used in the area by the construction industry; and

3. The proposed wage rate, including any bona fide fringe benefits, bears a reasonable relationship to the wage rates contained in the wage determination.

B. The conformance process may not be used to split, subdivide, or otherwise avoid application of classifications listed in the wage determination.

C. If the contractor and the laborers and mechanics to be employed in the classification (if known), or their representatives, and the contracting officer agree on the classification and wage rate (including the amount designated for fringe benefits where appropriate), a report of the action taken will be sent by the contracting officer by email to DBAconformance@dol.gov. The Administrator, or an authorized representative, will approve, modify, or disapprove every additional classification action within 30 days of receipt and so advise the contracting officer or will notify the contracting officer within the 30–day period that additional time is necessary.

D. In the event the contractor, the laborers or mechanics to be employed in the classification or their representatives, and the contracting officer do not agree on the proposed classification and wage rate (including the amount designated for fringe benefits, where appropriate), the contracting officer will, by email to DBAconformance@dol.gov, refer the questions, including the views of all interested parties and the recommendation of the contracting officer, to the Administrator for determination. The Administrator, or an authorized representative, will issue a determination within 30 days of receipt and so advise the contracting officer or will notify the contracting officer within the 30–day period that additional time is necessary.

E. The contracting officer must promptly notify the contractor of the action taken by the Wage and Hour Division under 29 CFR 5.5 (a)(1)(iii)(C) and (D). The contractor must furnish a written copy of such determination to each affected worker or it must be posted as a part of the wage determination. The wage rate (including fringe benefits where appropriate) determined pursuant to 29 CFR 5.5 (a)(1)(iii)(C) or (D) must be paid to all workers performing work in the classification under this contract from the first day on which work is performed in the classification.

iv. Fringe benefits not expressed as an hourly rate

Whenever the minimum wage rate prescribed in the contract for a class of laborers or mechanics includes a fringe benefit which is not expressed as an hourly rate, the contractor may either pay the benefit as stated in the wage determination or may pay another bona fide fringe benefit or an hourly cash equivalent thereof.

v. Unfunded plans

If the contractor does not make payments to a trustee or other third person, the contractor may consider as part of the wages of any laborer or mechanic the amount of any costs reasonably anticipated in providing bona fide fringe benefits under a plan or program, *Provided,* That the Secretary of Labor has found, upon the written request of the contractor, in accordance with the criteria set forth in 29 CFR 5.28, that the applicable standards of the Davis-Bacon Act have been met. The Secretary of Labor may require the contractor to set aside in a separate account assets for the meeting of obligations under the plan or program.

vi. Interest In the event of a failure to pay all or part of the wages required by the contract, the contractor will be required to pay interest on any underpayment of wages.

2. Withholding

i. Withholding requirements

The U. S. Department of Housing and Urban Development may, upon its own action, or must, upon written request of an authorized representative of the Department of Labor, withhold or cause to be withheld from the contractor so much of the accrued payments or advances as may be considered necessary to satisfy the liabilities of the prime contractor or any subcontractor for the full amount of wages and monetary relief, including interest, required by the clauses set forth in 29 CFR 5.5(a) for violations of this contract, or to satisfy any such liabilities required by any other Federal contract, or federally assisted contract subject to Davis-Bacon labor standards, that is held by the same prime contractor (as defined in 29 CFR 5.2). The necessary funds may be withheld from the contractor under this contract, any other Federal contract with the same prime contractor, or any other federally assisted contract that is subject to Davis-Bacon labor standards requirements and is held by the same prime contractor, regardless of whether the other contract was awarded or assisted by the same agency, and such funds may be used to satisfy the contractor liability for which the funds were withheld. In the event of a contractor's failure to pay any laborer or mechanic, including any apprentice or helper working on the site of the work (or otherwise working in construction or development of the project under a development statute) all or part of the wages required by the contract, or upon the contractor's failure to submit the required records as discussed in 29 CFR 5.5(a)(3)(iv), HUD may on its own initiative and after written notice to the contractor, sponsor, applicant, owner, or other entity, as the case may be, take such action as may be necessary to cause the suspension of any further payment, advance, or guarantee of funds until such violations have ceased.

ii. Priority to withheld funds

The Department has priority to funds withheld or to be withheld in accordance with 29 CFR 5.5(a)(2)(i) or (b)(3)(i), or both, over claims to those funds by:

- **A.** A contractor's surety(ies), including without limitation performance bond sureties and payment bond sureties;
- **B.** A contracting agency for its reprocurement costs;
- **C.** A trustee(s) (either a court-appointed trustee or a U.S. trustee, or both) in bankruptcy of a contractor, or a contractor's bankruptcy estate;
- **D.** A contractor's assignee(s);
- **E.** A contractor's successor(s); or
- **F.** A claim asserted under the Prompt Payment Act, 31 U.S.C. 3901-3907.

3. Records and certified payrolls

i. Basic record requirements

- **A. Length of record retention.** All regular payrolls and other basic records must be maintained by the contractor and any subcontractor during the course of the work and preserved for all laborers and mechanics working at the site of the work (or otherwise working in construction or development of the project under a development statute) for a period of at least 3 years after all the work on the prime contract is completed.
- **B. Information required** Such records must contain the name; Social Security number; last known address, telephone number, and email address of each such worker; each worker's correct classification(s) of work actually performed; hourly rates of wages paid (including rates of contributions or costs anticipated for bona fide fringe benefits or cash equivalents thereof of the types described in 40 U.S.C. 3141(2)(B) of the Davis-Bacon Act); daily and weekly number of hours actually worked in total and on each covered contract; deductions made; and actual wages paid.
- **C. Additional records relating to fringe benefits***.* Whenever the Secretary of Labor has found under 29 CFR 5.5(a)(1)(v) that the wages of any laborer or mechanic include the amount of any

costs reasonably anticipated in providing benefits under a plan or program described in 40 U.S.C. 3141(2)(B) of the Davis-Bacon Act, the contractor must maintain records which show that the commitment to provide such benefits is enforceable, that the plan or program is financially responsible, and that the plan or program has been communicated in writing to the laborers or mechanics affected, and records which show the costs anticipated or the actual cost incurred in providing such benefits.

D. **Additional records relating to apprenticeship** Contractors with apprentices working under approved programs must maintain written evidence of the registration of apprenticeship programs, the registration of the apprentices, and the ratios and wage rates prescribed in the applicable programs.

ii. **Certified payroll requirements**

A. **Frequency and method of submission** The contractor or subcontractor must submit weekly, for each week in which any DBA- or Related Acts-covered work is performed, certified payrolls to HUD if the agency is a party to the contract, but if the agency is not such a party, the contractor will submit the certified payrolls to the applicant, sponsor, owner, or other entity, as the case may be, that maintains such records, for transmission to HUD. The prime contractor is responsible for the submission of all certified payrolls by all subcontractors. A contracting agency or prime contractor may permit or require contractors to submit certified payrolls through an electronic system, as long as the electronic system requires a legally valid electronic signature; the system allows the contractor, the contracting agency, and the Department of Labor to access the certified payrolls upon request for at least 3 years after the work on the prime contract has been completed; and the contracting agency or prime contractor permits other methods of submission in situations where the contractor is unable or limited in its ability to use or access the electronic system

B. **Information required** The certified payrolls submitted must set out accurately and completely all of the information required to be maintained under 29 CFR 5.5(a)(3)(i)(B), except that full Social Security numbers and last known addresses, telephone numbers, and email addresses must not be included on weekly transmittals. Instead, the certified payrolls need only include an individually identifying number for each worker (*e.g.*, the last four digits of the worker's Social Security number). The required weekly certified payroll information may be submitted using Optional Form WH-347 or in any other format desired. Optional Form WH-347 is available for this purpose from the Wage and Hour Division Web site at *https://www.dol.gov/sites/dolgov/files/WHD/legacy/files/wh347.pdf* or its successor website. It is not a violation of this section for a prime contractor to require a subcontractor to provide full Social Security numbers and last known addresses, telephone numbers, and email addresses to the prime contractor for its own records, without weekly submission by the subcontractor to the sponsoring government agency (or the applicant, sponsor, owner, or other entity, as the case may be, that maintains such records).

C. **Statement of Compliance** Each certified payroll submitted must be accompanied by a "Statement of Compliance," signed by the contractor or subcontractor, or the contractor's or subcontractor's agent who pays or supervises the payment of the persons working on the contract, and must certify the following:

1. That the certified payroll for the payroll period contains the information required to be provided under 29 CFR 5.5(a)(3)(ii), the appropriate information and basic records are being maintained under 29 CFR 5.5 (a)(3)(i), and such information and records are correct and complete;
2. That each laborer or mechanic (including each helper and apprentice) working on the contract during the payroll period has been paid the full weekly wages earned, without rebate, either directly or indirectly, and that no deductions have been made either directly or indirectly

from the full wages earned, other than permissible deductions as set forth in 29 CFR part 3; and

3. That each laborer or mechanic has been paid not less than the applicable wage rates and fringe benefits or cash equivalents for the classification(s) of work actually performed, as specified in the applicable wage determination incorporated into the contract.

D. Use of Optional Form WH-347 The weekly submission of a properly executed certification set forth on the reverse side of Optional Form WH-347 will satisfy the requirement for submission of the "Statement of Compliance" required by 29 CFR 5.5(a)(3)(ii)(C).

E. Signature The signature by the contractor, subcontractor, or the contractor's or subcontractor's agent must be an original handwritten signature or a legally valid electronic signature.

F. Falsification The falsification of any of the above certifications may subject the contractor or subcontractor to civil or criminal prosecution under 18 U.S.C. 1001 and 31 U.S.C. 3729.

G. Length of certified payroll retention The contractor or subcontractor must preserve all certified payrolls during the course of the work and for a period of 3 years after all the work on the prime contract is completed.

iii. Contracts, subcontracts, and related documents The contractor or subcontractor must maintain this contract or subcontract and related documents including, without limitation, bids, proposals, amendments, modifications, and extensions. The contractor or subcontractor must preserve these contracts, subcontracts, and related documents during the course of the work and for a period of 3 years after all the work on the prime contract is completed.

iv Required disclosures and access

A. Required record disclosures and access to workers The contractor or subcontractor must make the records required under 29 CFR 5.5(a)(3)(i)–(iii), and any other documents that HUD or the Department of Labor deems necessary to determine compliance with the labor standards provisions of any of the applicable statutes referenced by 29 CFR 5.1, available for inspection, copying, or transcription by authorized representatives of HUD or the Department of Labor, and must permit such representatives to interview workers during working hours on the job.

B. Sanctions for non-compliance with records and worker access requirements If the contractor or subcontractor fails to submit the required records or to make them available, or refuses to permit worker interviews during working hours on the job, the Federal agency may, after written notice to the contractor, sponsor, applicant, owner, or other entity, as the case may be, that maintains such records or that employs such workers, take such action as may be necessary to cause the suspension of any further payment, advance, or guarantee of funds. Furthermore, failure to submit the required records upon request or to make such records available, or to permit worker interviews during working hours on the job, may be grounds for debarment action pursuant to 29 CFR 5.12. In addition, any contractor or other person that fails to submit the required records or make those records available to WHD within the time WHD requests that the records be produced will be precluded from introducing as evidence in an administrative proceeding under 29 CFR part 6 any of the required records that were not provided or made available to WHD. WHD will take into consideration a reasonable request from the contractor or person for an extension of the time for submission of records. WHD will determine the reasonableness of the request and may consider, among other things, the location of the records and the volume of production.

C. Required information disclosures Contractors and subcontractors must maintain the full Social Security number and last known address, telephone number, and email address of each covered worker, and must provide them upon request to HUD if the agency is a party to

the contract, or to the Wage and Hour Division of the Department of Labor. If the Federal agency is not such a party to the contract, the contractor, subcontractor, or both, must, upon request, provide the full Social Security number and last known address, telephone number, and email address of each covered worker to the applicant, sponsor, owner, or other entity, as the case may be, that maintains such records, for transmission to HUD, the contractor, or the Wage and Hour Division of the Department of Labor for purposes of an investigation or other compliance action.

4. Apprentices and equal employment opportunity

i. Apprentices

A. Rate of pay Apprentices will be permitted to work at less than the predetermined rate for the work they perform when they are employed pursuant to and individually registered in a bona fide apprenticeship program registered with the U.S. Department of Labor, Employment and Training Administration, Office of Apprenticeship (OA), or with a State Apprenticeship Agency recognized by the OA. A person who is not individually registered in the program, but who has been certified by the OA or a State Apprenticeship Agency (where appropriate) to be eligible for probationary employment as an apprentice, will be permitted to work at less than the predetermined rate for the work they perform in the first 90 days of probationary employment as an apprentice in such a program. In the event the OA or a State Apprenticeship Agency recognized by the OA withdraws approval of an apprenticeship program, the contractor will no longer be permitted to use apprentices at less than the applicable predetermined rate for the work performed until an acceptable program is approved.

B. Fringe benefits Apprentices must be paid fringe benefits in accordance with the provisions of the apprenticeship program. If the apprenticeship program does not specify fringe benefits, apprentices must be paid the full amount of fringe benefits listed on the wage determination for the applicable classification. If the Administrator determines that a different practice prevails for the applicable apprentice classification, fringe benefits must be paid in accordance with that determination.

C. Apprenticeship ratio The allowable ratio of apprentices to journeyworkers on the job site in any craft classification must not be greater than the ratio permitted to the contractor as to the entire work force under the registered program or the ratio applicable to the locality of the project pursuant to 29 CFR 5.5(a)(4)(i)(D). Any worker listed on a payroll at an apprentice wage rate, who is not registered or otherwise employed as stated in 29 CFR 5.5(a)(4)(i)(A), must be paid not less than the applicable wage rate on the wage determination for the classification of work actually performed. In addition, any apprentice performing work on the job site in excess of the ratio permitted under this section must be paid not less than the applicable wage rate on the wage determination for the work actually performed.

D. Reciprocity of ratios and wage rates Where a contractor is performing construction on a project in a locality other than the locality in which its program is registered, the ratios and wage rates (expressed in percentages of the journeyworker's hourly rate) applicable within the locality in which the construction is being performed must be observed. If there is no applicable ratio or wage rate for the locality of the project, the ratio and wage rate specified in the contractor's registered program must be observed.

ii Equal employment opportunity The use of apprentices and journeyworkers under this part must be in conformity with the equal employment opportunity requirements of Executive Order 11246, as amended, and 29 CFR part 30.

5 Compliance with Copeland Act requirements. The contractor shall comply with the requirements of 29 CFR part 3, which are incorporated by reference in this contract.

6 Subcontracts. The contractor or subcontractor must insert in any subcontracts the clauses contained in 29 CFR 5.5(a)(1) through (11), along with the applicable wage determination(s) and such other clauses or contract modifications as the U.S. Department of Housing and
Urban Development may by appropriate instructions require, and a clause requiring the subcontractors to include these clauses and wage determination(s) in any lower tier subcontracts. The prime contractor is responsible for the compliance by any subcontractor or lower tier subcontractor with all the contract clauses in this section. In the event of any violations of these clauses, the prime contractor and any subcontractor(s) responsible will be liable for any unpaid wages and monetary relief, including interest from the date of the underpayment or loss, due to any workers of lower-tier subcontractors, and may be subject to debarment, as appropriate.

7 Contract termination: debarment. A breach of the contract clauses in 29 CFR 5.5 may be grounds for termination of the contract, and for debarment as a contractor and a subcontractor as provided in 29 CFR 5.12.

8 Compliance with Davis-Bacon and Related Act requirements. All rulings and interpretations of the Davis-Bacon and Related Acts contained in 29 CFR parts 1, 3, and 5 are herein incorporated by reference in this contract.

9 Disputes concerning labor standards. Disputes arising out of the labor standards provisions of this contract shall not be subject to the general disputes clause of this contract. Such disputes shall be resolved in accordance with the procedures of the Department of Labor set forth in 29 CFR parts 5, 6, and 7. Disputes within the meaning of this clause include disputes between the contractor (or any of its subcontractors) and the contracting agency, the U.S. Department of Labor, or the employees or their representatives.

10. Certification of eligibility.

i. By entering into this contract, the contractor certifies that neither it nor any person or firm who has an interest in the contractor's firm is a person or firm ineligible to be awarded Government contracts by virtue of 40 U.S.C. 3144(b) or 29 CFR 5.12(a).

ii. No part of this contract shall be subcontracted to any person or firm ineligible for award of a Government contract by virtue of 40 U.S.C. 3144(b) or 29 CFR 5.12(a).

iii. The penalty for making false statements is prescribed in the U.S. Code, Title 18 Crimes and Criminal Procedure, 18 U.S.C. 1001.

11 Anti-retaliation It is unlawful for any person to discharge, demote, intimidate, threaten, restrain, coerce, blacklist, harass, or in any other manner discriminate against, or to cause any person to discharge, demote, intimidate, threaten, restrain, coerce, blacklist, harass, or in any other manner discriminate against, any worker or job applicant for:

- **i.** Notifying any contractor of any conduct which the worker reasonably believes constitutes a violation of the DBA, Related Acts, or 29 CFR parts 1, 3, or 5;
- **ii.** Filing any complaint, initiating or causing to be initiated any proceeding, or otherwise asserting or seeking to assert on behalf of themselves or others any right or protection under the DBA, Related Acts, or 29 CFR parts 1, 3, or 5;
- **iii.** Cooperating in any investigation or other compliance action, or testifying in any proceeding under the DBA, Related Acts, or 29 CFR parts 1, 3, or 5; or
- **iv.** Informing any other person about their rights under the DBA, Related Acts, or 29 CFR parts 1, 3, or 5.

B. Contract Work Hours and Safety Standards Act (CWHSSA)

The Agency Head must cause or require the contracting officer to insert the following clauses set forth in 29 CFR 5.5(b)(1), (2), (3), (4), and (5) in full, or (for contracts covered by the Federal Acquisition Regulation) by reference, in any contract in an amount in excess of $100,000 and subject to the overtime provisions of the Contract Work Hours and Safety Standards Act. These clauses must

be inserted in addition to the clauses required by 29 CFR 5.5(a) or 4.6. As used in this paragraph, the terms "laborers and mechanics" include watchpersons and guards.

1. **Overtime requirements.** No contractor or subcontractor contracting for any part of the contract work which may require or involve the employment of laborers or mechanics shall require or permit any such laborer or mechanic in any workweek in which he or she is employed on such work to work in excess of forty hours in such workweek unless such laborer or mechanic receives compensation at a rate not less than one and one-half times the basic rate of pay for all hours worked in excess of forty hours in such workweek.
2. **Violation; liability for unpaid wages; liquidated damages.** In the event of any violation of the clause set forth in 29 CFR 5.5(b)(1) the contractor and any subcontractor responsible therefor shall be liable for the unpaid wages and interest from the date of the underpayment. In addition, such contractor and subcontractor shall be liable to the United States (in the case of work done under contract for the District of Columbia or a territory, to such District or to such territory), for liquidated damages. Such liquidated damages shall be computed with respect to each individual laborer or mechanic, including watchpersons and guards, employed in violation of the clause set forth in 29 CFR 5.5(b)(1), in the sum of $31 for each calendar day on which such individual was required or permitted to work in excess of the standard workweek of forty hours without payment of the overtime wages required by the clause set forth in 29 CFR 5.5(b)(1).
3. **Withholding for unpaid wages and liquidated damages**

i. **Withholding process** The U.S Department of Housing and Urban Development or the recipient of Federal assistance may, upon its own action, or must, upon written request of an authorized representative of the Department of Labor, withhold or cause to be withheld from the contractor so much of the accrued payments or advances as may be considered necessary to satisfy the liabilities of the prime contractor or any subcontractor for any unpaid wages; monetary relief, including interest; and liquidated damages required by the clauses set forth in 29 CFR 5.5(b) on this contract, any other Federal contract with the same prime contractor, or any other federally assisted contract subject to the Contract Work Hours and Safety Standards Act that is held by the same prime contractor (as defined in 29 CFR 5.2). The necessary funds may be withheld from the contractor under this contract, any other Federal contract with the same prime contractor, or any other federally assisted contract that is subject to the Contract Work Hours and Safety Standards Act and is held by the same prime contractor, regardless of whether the other contract was awarded or assisted by the same agency, and such funds may be used to satisfy the contractor liability for which the funds were withheld.

ii **Priority to withheld funds** The Department has priority to funds withheld or to be withheld in accordance with 29 CFR 5.5(a)(2)(i) or (b)(3)(i), or both, over claims to those funds by:

- **A.** A contractor's surety(ies), including without limitation performance bond sureties and payment bond sureties;
- **B.** A contracting agency for its reprocurement costs;
- **C.** A trustee(s) (either a court-appointed trustee or a U.S. trustee, or both) in bankruptcy of a contractor, or a contractor's bankruptcy estate;
- **D.** A contractor's assignee(s);
- **E.** A contractor's successor(s); or
- **F.** A claim asserted under the Prompt Payment Act, 31 U.S.C. 3901-3907.

4. ***Subcontracts***. The contractor or subcontractor must insert in any subcontracts the clauses set forth in 29 CFR 5.5(b)(1) through (5) and a clause requiring the subcontractors to include these clauses in any lower tier subcontracts. The prime contractor is responsible for compliance by any subcontractor or lower tier subcontractor with the clauses set forth in 29 CFR 5.5(b)(1) through (5). In the event of any violations of these clauses, the prime contractor and any subcontractor(s) responsible will be liable for any unpaid wages and monetary relief, including interest from the date of the underpayment or loss,

due to any workers of lower-tier subcontractors, and associated liquidated damages and may be subject to debarment, as appropriate.

5 Anti-retaliation It is unlawful for any person to discharge, demote, intimidate, threaten, restrain, coerce, blacklist, harass, or in any other manner discriminate against, or to cause any person to discharge, demote, intimidate, threaten, restrain, coerce, blacklist, harass, or in any other manner discriminate against, any worker or job applicant for:

- **i.** Notifying any contractor of any conduct which the worker reasonably believes constitutes a violation of the Contract Work Hours and Safety Standards Act (CWHSSA) or its implementing regulations in 29 CFR part 5;
- **ii.** Filing any complaint, initiating or causing to be initiated any proceeding, or otherwise asserting or seeking to assert on behalf of themselves or others any right or protection under CWHSSA or 29 CFR part 5;
- **iii.** Cooperating in any investigation or other compliance action, or testifying in any proceeding under CWHSSA or 29 CFR part 5; or
- **iv.** Informing any other person about their rights under CWHSSA or 29 CFR part 5.

C. CWHSSA required records clause In addition to the clauses contained in 29 CFR 5.5(b), in any contract subject only to the Contract Work Hours and Safety Standards Act and not to any of the other laws referenced by 29 CFR 5.1, the Agency Head must cause or require the contracting officer to insert a clause requiring that the contractor or subcontractor must maintain regular payrolls and other basic records during the course of the work and must preserve them for a period of 3 years after all the work on the prime contract is completed for all laborers and mechanics, including guards and watchpersons, working on the contract. Such records must contain the name; last known address, telephone number, and email address; and social security number of each such worker; each worker's correct classification(s) of work actually performed; hourly rates of wages paid; daily and weekly number of hours actually worked; deductions made and actual wages paid. Further, the Agency Head must cause or require the contracting officer to insert in any such contract a clause providing that the records to be maintained under this paragraph must be made available by the contractor or subcontractor for inspection, copying, or transcription by authorized representatives of the (write the name of agency) and the Department of Labor, and the contractor or subcontractor will permit such representatives to interview workers during working hours on the job.

D. Incorporation of contract clauses and wage determinations by reference Although agencies are required to insert the contract clauses set forth in this section, along with appropriate wage determinations, in full into covered contracts, and contractors and subcontractors are required to insert them in any lower-tier subcontracts, the incorporation by reference of the required contract clauses and appropriate wage determinations will be given the same force and effect as if they were inserted in full text.

E. Incorporation by operation of law The contract clauses set forth in this section (or their equivalent under the Federal Acquisition Regulation), along with the correct wage determinations, will be considered to be a part of every prime contract required by the applicable statutes referenced by 29 CFR 5.1 to include such clauses, and will be effective by operation of law, whether or not they are included or incorporated by reference into such contract, unless the Administrator grants a variance, tolerance, or exemption from the application of this paragraph. Where the clauses and applicable wage determinations are effective by operation of law under this paragraph, the prime contractor must be compensated for any resulting increase in wages in accordance with applicable law.

F. HEALTH AND SAFETY

The provisions of this paragraph (F) are applicable where the amount of the prime contract exceeds **$100,000**.

1. No laborer or mechanic shall be required to work in surroundings or under working conditions which are unsanitary, hazardous, or dangerous to his or her health and safety, as determined under construction safety and health standards promulgated by the Secretary of Labor by regulation.
2. The contractor shall comply with all regulations issued by the Secretary of Labor pursuant to 29 CFR Part 1926 and failure to comply may result in imposition of sanctions pursuant to the Contract Work Hours and Safety Standards Act, (Public Law 91-54, 83 Stat 96), 40 U.S.C. § 3701 et seq.
3. The contractor shall include the provisions of this paragraph in every subcontract, so that such provisions will be binding on each subcontractor. The contractor shall take such action with respect to any subcontractor as the Secretary of Housing and Urban Development or the Secretary of Labor shall direct as a means of enforcing such provisions.

SECTION 3 CLAUSE
(24 CFR Part 135-38)

All Section 3 covered contracts shall include the following clause (referred to as the Section 3 clause):

A. The work to be performed under this contract is subject to the requirements of Section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701 u (Section 3). The purpose of section 3 is to ensure that employment and other economic opportunities generated by HUD assistance or HUD-assisted projects covered by section 3, shall to the greatest ex-tent feasible, be directed to low- and very low-income persons, particularly persons who are recipients of HUD assistance for housing.

B. The parties to this contract agree to comply with HUD's regulations in 24 CFR part 135, which implements section 3. As evidenced by their execution of this contract, the parties to this contract certify that they are under no contractual or other impediment that would prevent them from complying with the part 135 regulations.

C. The contractor agrees to send to each labor organization or representative of workers with which the contractor has a collective bargaining agreement or other understanding, if any, a notice advising the labor organization or workers's representative of the contractor's commitments under this section 3 clause, and will post copies of the notice in conspicuous places at the work site where both employees and applicants for training and employment positions can see the notice. The notice shall describe the section 3 preference, shall set forth minimum number and job titles subject to hire, availability of apprenticeship and training positions, the qualifications for each; and the name and location of the person(s) taking applications for each of the positions; and the anticipated date the work shall begin.

D. The contractor agrees to include this section 3 clause in every subcontract subject to compliance with regulations in 24 CFR part 135, and agrees to take appropriated action, as provided in an applicable provision of the subcontract or in this section 3 clause, upon a finding that the subcontractor is in violation of the regulations in 24 CFR part 135. The contractor will not subcontract with any subcontractor where the contractor has notice or knowledge that the subcontractor has been found in violation of the regulations in 24 CFR part 135.

E. The contractor will certify that any vacant employment positions, including training positions, that are filled (1) after the contractor is selected but before the contract is executed, and (2) with persons other than those to whom the regulations of 24 CFR part 135 require employment opportunities to be directed, were not filled to circumvent the contractor's obligations under 24 CFR part 135.

F. Noncompliance with HUD's regulations in 24 CFR part 135 may result in sanctions, termination of the contract for default, and debarment or suspension from future HUD assisted contracts.

G. With respect to work performed in connection with section 3 covered Indian housing assistance, section 7(b) of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450e) also applies to the work to be performed under this contract Section 7(b) requires that to the greatest extent feasible (i) preference and opportunities for training and employment shall be given to Indians, and (ii) preference in the award of contract and subcontracts shall be given to Indian organizations and Indian-owned Economic Enterprises. Parties to this contract that are subject to the provisions of section 3 and section 7(b) agree to comply with section 3 to the maximum extent feasible, but not in derogation of compliance with section 7(b).

BEFORE EXECUTING CONTRACT *INSERT THE:*

GENERAL WAGE DECISION

(for **THIS** project) :

This is the specific listing of minimum wage rates applicable to **THIS** project. (It is not applicable to, and may not be used for, any other project). All pages of this Wage Decision must be prominently displayed in a location readily accessible to all workers on covered projects at all times, and accompanied by the posters previously referenced. **Please carefully review the work classifications listed to ensure there is a category for all persons who will be performing work at the site.** Contact the Contract Monitor administering this grant with any questions or to obtain missing classifications. **If additional classifications are required, it is important to notify the Contract Monitor IMMEDIATELY so that construction is not delayed.**

THERE SHOULD BE A DATED PROJECT-SPECIFIC WAGE RATE DETERMINATION FOR THIS PROJECT ATTACHED IMMEDIATELY FOLLOWING THIS PAGE - IF NOT, CONTACT THE CONTRACT MONITOR IMMEDIATELY

U.S. Department of Labor
Wage and Hour Division

Davis-Bacon and Related Acts Weekly Certified Payroll Form

(For Contractor's Optional Use; See Instructions at www.dol.gov/whd/forms/wh347instr.htm)

Unless otherwise noted, the information requested is specific to the named project below.

Persons are not required to respond to the collection of information unless it displays a currently valid OMB control number.

U.S. Wage and Hour Division

Rev. January 2025
OMB No.: 1235-0008
Expires: 01/31/2028

☐ SUBMISSION OF FINAL DBRA CERTIFIED PAYROLL FORM ☐ PRIME CONTRACTOR ☐ SUBCONTRACTOR

PROJECT NAME	PROJECT NO. or CONTRACT NO.	CERTIFIED PAYROLL NO.	PRIME CONTRACTOR'S/SUBCONTRACTOR'S BUSINESS NAME
PROJECT LOCATION	**WAGE DETERMINATION NO.**	**WEEK ENDING DATE**	**PRIME CONTRACTOR'S/SUBCONTRACTOR'S BUSINESS ADDRESS**

(1A)	(1B)	(1C)	(1D)	(1E)	(2)	(3)	(4)		(5)	(6A)	(6B)	(6C)	(7A)	(7B)	(8)				(9)
WORKER ENTRY NO.	WORKER LAST NAME	WORKER FIRST NAME	WORKER MIDDLE INITIAL	WORKER IDENTIFYING NO.	(J) JOURNEYWORKER (RA) REGISTERD APPRENTICE	LABOR CLASSIFICATION	ST = STRAIGHT TIME OT = OVERTIME	(TOP) DAYS OF WORK WEEK (BOTTOM) DATES HOURS WORKED EACH DAY	TOTAL HOURS WORKED FOR WEEK	HOURLY WAGE RATE PAID FOR ST AND OT	TOTAL FRINGE BENEFIT CREDIT	PAYMENT IN LIEU OF FRINGE BENEFITS	GROSS AMT EARNED	GROSS AMT EARNED FOR **ALL WORK**	DEDUCTIONS FOR **ALL WORK**				NET PAY TO WORKER FOR **ALL WORK**
															TAX WITH-HOLDINGS	FICA	OTHER (MUST SPECIFY, SEE INSTRUCTIONS)	TOTAL DEDUCTIONS	
							ST												
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While use of Form WH-347 itself is optional, covered contractors and subcontractors performing work on Federal or federally assisted construction contracts are required by the DBRA regulations and the contract clauses to submit payroll information on a weekly basis. The Copeland Act (40 U.S.C. § 3145) requires contractors and subcontractors performing work on Federal or federally financed construction contracts to, on a weekly basis, "furnish a statement on the wages paid each employee during the prior week." U.S. Department of Labor (DOL) Regulations at 29 C.F.R. § 5.5(a)(3)(ii) require contractors and subcontractors to submit weekly certified payrolls to the appropriate Federal agency if the agency is a party to the contract (or, if the agency is not such a party, to the applicant, sponsor, owner, or other entity, as the case may be, that maintains such records, for transmission to the Federal agency). Each certified payroll must be accompanied by a signed "Statement of Compliance" (e.g., page 2 of the WH-347 or another document with identical wording) indicating that the certified payrolls are accurate and complete, and that each laborer or mechanic has been paid not less than the required Davis-Bacon prevailing wage rate(s) (including any fringe benefits) for the work performed. DOL and contracting agencies receiving this information review the information to determine whether workers have received legally required wages and fringe benefits.

Public Burden Statement

We estimate that it will take an average of 55 minutes to complete this collection, including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. If you have any comments regarding these estimates or any other aspect of this collection, including suggestions for reducing this burden, send them to the Administrator, Wage and Hour Division, U.S. Department of Labor, Room S3502, 200 Constitution Avenue, N.W. Washington, D.C. 20210

(over)

PROJECT NAME	PROJECT NO. or CONTRACT NO.	PAYROLL NO.	PRIME CONTRACTOR'S/SUBCONTRACTOR'S BUSINESS NAME
PROJECT LOCATION		**WEEK ENDING DATE**	**CERTIFYING OFFICIAL's NAME AND TITLE**

I paid or supervised the payment of the laborers or mechanics working on the above project during the stated time period. I certify the following:

☐ The payroll information submitted with this statement is correct and complete for the above project during the above period, and the wage and fringe benefit rates paid to the workers, including credit taken for the reasonably anticipated costs of a bona fide fringe benefit plan, fund or program, are not less than the applicable wage and fringe benefits rates for the classification(s) of work actually performed, as specified in the wage determination(s) incorporated into the contract.

☐ All regular payrolls and all other basic records that the contractor is required to maintain for this payroll period are complete and accurate and will be made available upon request from the agency or the Department of Labor.

☐ The classifications reported for each laborer or mechanic are the classification(s) of work that each worker actually performed.

☐ Any workers paid as apprentices during the above period are duly registered in a bona fide apprenticeship program registered with the Office of Apprenticeship, Employment and Training Administration, United States Department of Labor ("OA"), or a State Apprenticeship Agency ("SAA") recognized by Department of Labor. I have verified the registered apprenticeship program information provided below as accurate and applicable to any apprentices identified on page 1 of this form.

APPRENTICESHIP PROGRAM NAME	REGISTERED		NAME OF LABOR CLASSIFICATION
	☐ OA	☐ SAA	
	☐ OA	☐ SAA	
	☐ OA	☐ SAA	

☐ Fringe benefits have been paid in cash and/or to bona fide fringe benefit plans, funds, or programs. Where the contractor is claiming an hourly credit for their contributions to or reasonably anticipated costs of a bona fide fringe benefit plan, fund, or program, provide plan information and the hourly credit claimed for each worker listed on the previous page of this form.

HOURLY CREDIT FOR FRINGE BENEFITS

If an amount is listed in (6B) on the first page of this certified payroll form, enter the hourly credit claimed under each plan name, type and number for each worker and check whether the plan is funded or unfunded.

NAME OF WORKER	FB NAME / FB TYPE / PLAN NO. / ☐ Funded ☐ Unfunded	FB NAME / FB TYPE / PLAN NO. / ☐ Funded ☐ Unfunded	FB NAME / FB TYPE / PLAN NO. / ☐ Funded ☐ Unfunded	FB NAME / FB TYPE / PLAN NO. / ☐ Funded ☐ Unfunded	FB NAME / FB TYPE / PLAN NO. / ☐ Funded ☐ Unfunded	FB NAME / FB TYPE / PLAN NO. / ☐ Funded ☐ Unfunded	TOTAL HOURLY CREDIT
	Hourly Credit $	Hourly Credit $	Hourly Credit $	Hourly Credit $	Hourly Credit $	Hourly Credit $	$
	Hourly Credit $	Hourly Credit $	Hourly Credit $	Hourly Credit $	Hourly Credit $	Hourly Credit $	$
	Hourly Credit $	Hourly Credit $	Hourly Credit $	Hourly Credit $	Hourly Credit $	Hourly Credit $	$
	Hourly Credit $	Hourly Credit $	Hourly Credit $	Hourly Credit $	Hourly Credit $	Hourly Credit $	$
	Hourly Credit $	Hourly Credit $	Hourly Credit $	Hourly Credit $	Hourly Credit $	Hourly Credit $	$
	Hourly Credit $	Hourly Credit $	Hourly Credit $	Hourly Credit $	Hourly Credit $	Hourly Credit $	$
	Hourly Credit $	Hourly Credit $	Hourly Credit $	Hourly Credit $	Hourly Credit $	Hourly Credit $	$
	Hourly Credit $	Hourly Credit $	Hourly Credit $	Hourly Credit $	Hourly Credit $	Hrly Credit $	$

☐ All workers on the project have been paid the full weekly wages earned, and no rebates or deductions have been or will be made either directly or indirectly, other than permissible deductions as defined in 29 CFR part 3.

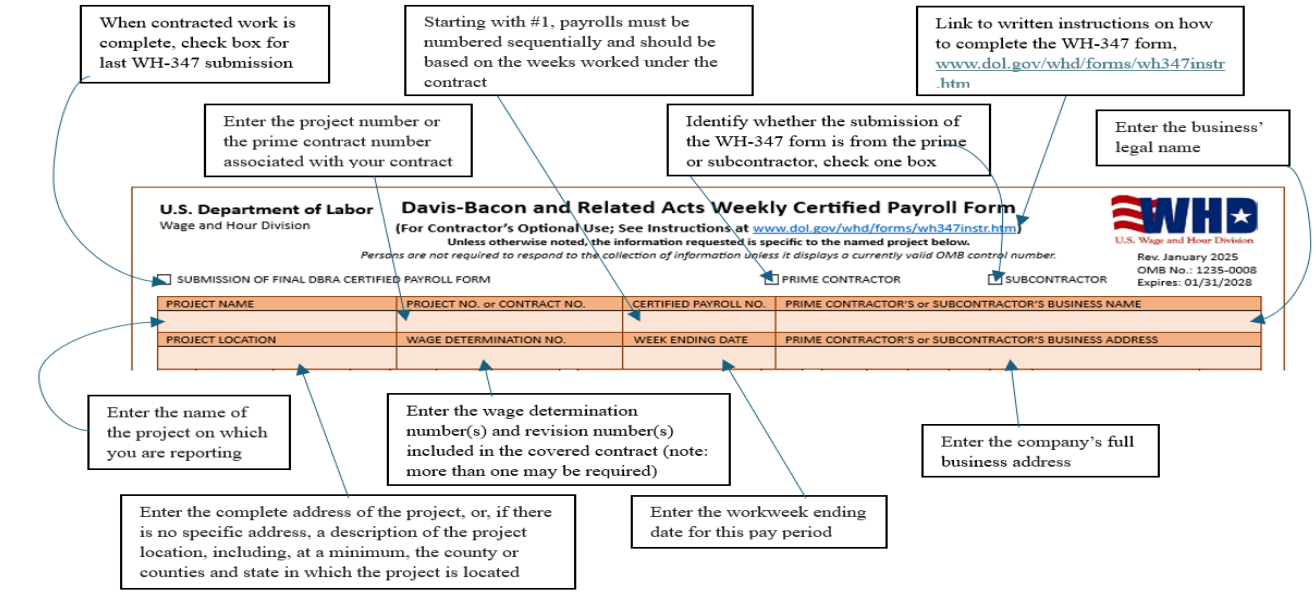
ADDITIONAL REMARKS

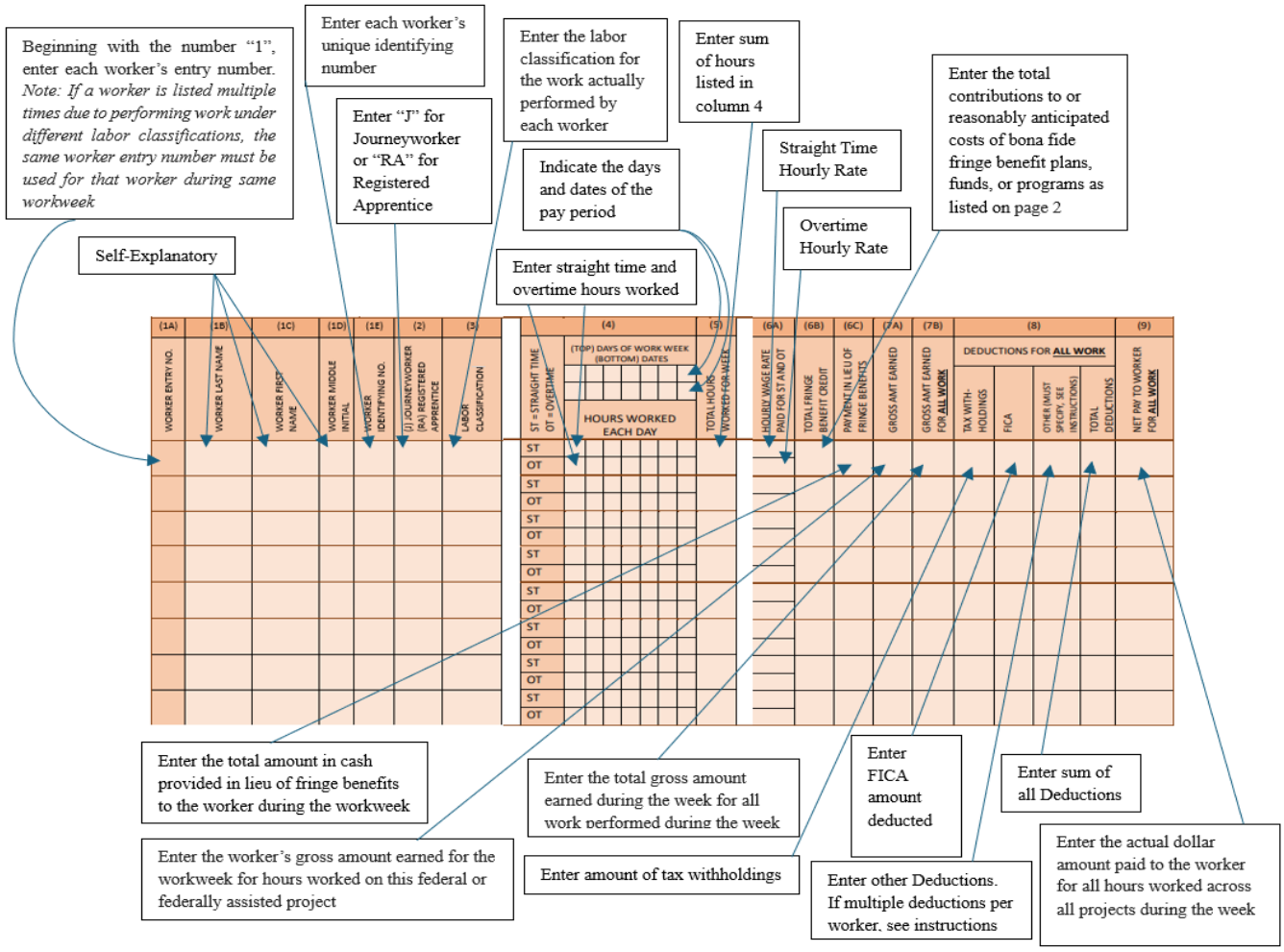
SIGNATURE OF CERTIFYING OFFICIAL	DATE	TELEPHONE NUMBER	EMAIL ADDRESS
		(___) ___-____	

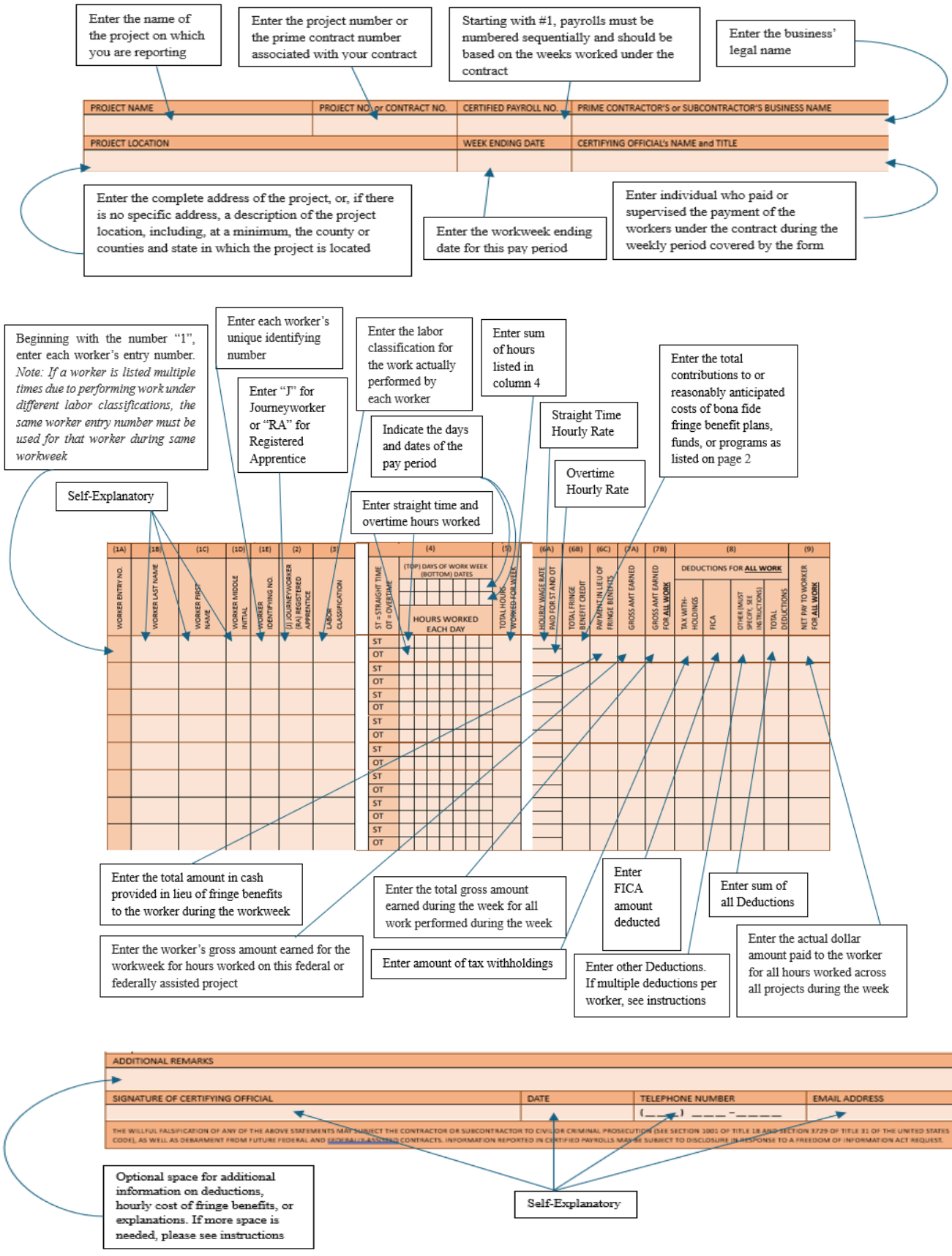
THE WILLFUL FALSIFICATION OF ANY OF THE ABOVE STATEMENTS MAY SUBJECT THE CONTRACTOR OR SUBCONTRACTOR TO CIVIL OR CRIMINAL PROSECUTION (SEE SECTION 1001 OF TITLE 18 AND SECTION 3729 OF TITLE 31 OF THE UNITED STATES CODE), AS WELL AS DEBARMENT FROM FUTURE FEDERAL AND FEDERALLY-ASSISTED CONTRACTS. INFORMATION REPORTED IN CERTIFIED PAYROLLS MAY BE SUBJECT TO DISCLOSURE IN RESPONSE TO A FREEDOM OF INFORMATION ACT REQUEST.

How to correctly fill out the Davis-Bacon and Related Acts Weekly Certified Payroll WH-347 Form

The completion of the WH-347 Davis Bacon and Related Acts Weekly Certified Payroll Form is optional; The required weekly certified payroll information may be submitted using Optional Form WH-347 or in any other format desired.






Enter the name of the project on which you are reporting
Enter the project number or the prime contract number associated with your contract
Starting with #1, payrolls must be numbered sequentially and should be based on the weeks worked under the contract
Enter the business' legal name
PROJECT NAME
PROJECT NO. or CONTRACT NO.
CERTIFIED PAYROLL NO.
PRIME CONTRACTOR'S or SUBCONTRACTOR'S BUSINESS NAME
PROJECT LOCATION
WEEK ENDING DATE
CERTIFYING OFFICIAL's NAME and TITLE
Enter the complete address of the project, or, if there is no specific address, a description of the project location, including, at a minimum, the county or counties and state in which the project is located
Enter the workweek ending date for this pay period
Enter individual who paid or supervised the payment of the workers under the contract during the weekly period covered by the form
Beginning with the number "1", enter each worker's entry number. Note: If a worker is listed multiple times due to performing work under different labor classifications, the same worker entry number must be used for that worker during same workweek
Enter each worker's unique identifying number
Enter "J" for Journeyworker or "RA" for Registered Apprentice
Enter the labor classification for the work actually performed by each worker
Enter sum of hours listed in column 4
Indicate the days and dates of the pay period
Straight Time Hourly Rate
Overtime Hourly Rate
Enter the total contributions to or reasonably anticipated costs of bona fide fringe benefit plans, funds, or programs as listed on page 2
Self-Explanatory
Enter straight time and overtime hours worked
(1A) WORKER ENTRY NO.
(1B) WORKER LAST NAME
(1C) WORKER FIRST NAME
(1D) WORKER MIDDLE INITIAL
(1E) WORKER IDENTIFYING NO.
(2) (J) JOURNEYWORKER (RA) REGISTERED APPRENTICE
(3) LABOR CLASSIFICATION
(4) ST = STRAIGHT TIME OT = OVERTIME
(TOP) DAYS OF WORK WEEK (BOTTOM) DATES
HOURS WORKED EACH DAY
(5) TOTAL HOURS WORKED FOR WEEK
(6A) HOURLY WAGE RATE PAID FOR ST AND OT
(6B) TOTAL FRINGE BENEFIT CREDIT
(6C) PAYMENT IN LIEU OF FRINGE BENEFITS
(7A) GROSS AMT EARNED
(7B) GROSS AMT EARNED FOR ALL WORK
(8) DEDUCTIONS FOR ALL WORK
TAX WITHHOLDINGS
FICA
OTHER (MUST SPECIFY, SEE INSTRUCTIONS)
TOTAL DEDUCTIONS
(9) NET PAY TO WORKER FOR ALL WORK
ST
OT
Enter the total amount in cash provided in lieu of fringe benefits to the worker during the workweek
Enter the worker's gross amount earned for the workweek for hours worked on this federal or federally assisted project
Enter the total gross amount earned during the week for all work performed during the week
Enter amount of tax withholdings
Enter FICA amount deducted
Enter other Deductions. If multiple deductions per worker, see instructions
Enter sum of all Deductions
Enter the actual dollar amount paid to the worker for all hours worked across all projects during the week
ADDITIONAL REMARKS
SIGNATURE OF CERTIFYING OFFICIAL
DATE
TELEPHONE NUMBER
EMAIL ADDRESS
THE WILLFUL FALSIFICATION OF ANY OF THE ABOVE STATEMENTS MAY SUBJECT THE CONTRACTOR OR SUBCONTRACTOR TO CIVIL OR CRIMINAL PROSECUTION (SEE SECTION 1001 OF TITLE 18 AND SECTION 3729 OF TITLE 31 OF THE UNITED STATES CODE), AS WELL AS DEBARMENT FROM FUTURE FEDERAL AND FEDERALLY ASSISTED CONTRACTS. INFORMATION REPORTED IN CERTIFIED PAYROLLS MAY BE SUBJECT TO DISCLOSURE IN RESPONSE TO A FREEDOM OF INFORMATION ACT REQUEST.
Optional space for additional information on deductions, hourly cost of fringe benefits, or explanations. If more space is needed, please see instructions
Self-Explanatory

FORM A – FORM WH-347 Instructions

Instructions for Completing Payroll Form, WH-347

General: Form WH-347 has been made available for the convenience of contractors and subcontractors required by their Federal or Federally-aided construction-type contracts and subcontracts to submit weekly payrolls. Properly filled out, this form will satisfy the requirements of Regulations, Parts 3 and 5 (29 C.F.R., Subtitle A), as to payrolls submitted in connection with contracts subject to the Davis-Bacon and related Acts.

While completion of Form WH-347 is optional, it is mandatory for covered contractors and subcontractors performing work on Federally financed or assisted construction contracts to respond to the information collection contained in 29 C.F.R. §§ 3.3, 5.5(a). The Copeland Act (40 U.S.C. § 3145) requires contractors and subcontractors performing work on Federally financed or assisted construction contracts to "furnish weekly a statement with respect to the wages paid each employee during the preceding week." U.S. Department of Labor (DOL) Regulations at 29 C.F.R. § 5.5(a)(3)(ii) require contractors to submit weekly a copy of all payrolls to the Federal agency contracting for or financing the construction project, accompanied by a signed "Statement of Compliance" indicating that the payrolls are correct and complete and that each laborer or mechanic has been paid not less than the proper Davis-Bacon prevailing wage rate for the work performed. DOL and federal contracting agencies receiving this information review the information to determine that employees have received legally required wages and fringe benefits.

Under the Davis-Bacon and related Acts, the contractor is required to pay not less than prevailing wage, including fringe benefits, as predetermined by the Department of Labor. The contractor's obligation to pay fringe benefits may be met either by payment of the fringe benefits to bona fide benefit plans, funds or programs or by making payments to the covered workers (laborers and mechanics) as cash in lieu of fringe benefits.

This payroll provides for the contractor to show on the face of the payroll all monies to each worker, whether as basic rates or as cash in lieu of fringe benefits, and provides for the contractor's representation in the statement of compliance on the payroll (as shown on page 2) that he/she is paying for fringe benefits required by the contract and not paid as cash in lieu of fringe benefits. Detailed instructions concerning the preparation of the payroll follow:

Contractor or Subcontractor: Fill in your firm's name and check appropriate box.

Address: Fill in your firm's address.

Payroll No.: Beginning with the number "1", list the payroll number for the submission.

For Week Ending: List the workweek ending date.

Project and Location: Self-explanatory.

Project or Contract No.: Self-explanatory.

Column 1 - Name and Individual Identifying Number of Worker: Enter each worker's full name and an individual identifying number (e.g., last four digits of worker's social security number) on each weekly payroll submitted.

Column 2 - No. of Withholding Exemptions: This column is merely inserted for the employer's convenience and is not a requirement of Regulations, Part 3 and 5.

Column 3 - Work Classifications: List classification descriptive of work actually performed by each laborer or mechanic. Consult classification and minimum wage schedule set forth in contract specifications. If additional classifications are deemed necessary, see Contracting Officer or Agency representative. An individual may be shown as having worked in more than one classification provided an accurate breakdown or hours worked in each classification is maintained and shown on the submitted payroll by use of separate entries.

Column 4 - Hours worked: List the day and date and straight time and overtime hours worked in the applicable boxes. On all contracts subject to the Contract Work Hours Standard Act, enter hours worked in excess of 40 hours a week as "overtime".

Column 5 - Total: Self-explanatory

Column 6 - Rate of Pay (Including Fringe Benefits): In the "straight time" box for each worker, list the actual hourly rate paid for straight time worked, plus cash paid in lieu of fringe benefits paid. When recording the straight time hourly rate, any cash paid in lieu of fringe benefits may be shown separately from the basic rate. For example, "$12.25/.40" would reflect a $12.25 base hourly rate plus $0.40 for fringe benefits. This is of assistance in correctly computing overtime. See "Fringe Benefits" below. When overtime is worked, show the overtime hourly rate paid plus any cash in lieu of fringe benefits paid in the "overtime" box for each worker; otherwise, you may skip this box. See "Fringe Benefits" below. Payment of not less than time and one-half the basic or regular rate paid is required for overtime under the Contract Work Hours Standard Act of 1962 if the prime contract exceeds $100,000. In addition to paying no less than the predetermined rate for the classification which an individual works, the contractor must pay amounts predetermined as fringe benefits in the wage decision made part of the contract to approved fringe benefit plans, funds or programs or shall pay as cash in lieu of fringe benefits. See "FRINGE BENEFITS" below.

Column 7 - Gross Amount Earned: Enter gross amount earned on this project. If part of a worker's weekly wage was earned on projects other than the project described on this payroll, enter in column 7 first the amount earned on the Federal or Federally assisted project and then the gross amount earned during the week on all projects, thus "$163.00/$420.00" would reflect the earnings of a worker who earned $163.00 on a Federally assisted construction project during a week in which $420.00 was earned on all work.

Column 8 - Deductions: Five columns are provided for showing deductions made. If more than five deduction are involved, use the first four columns and show the balance deductions under "Other" column; show actual total under "Total Deductions" column; and in the attachment to the payroll describe the deduction(s) contained in the "Other" column. All deductions must be in accordance with the provisions of the Copeland Act Regulations, 29 C.F.R., Part 3. If an individual worked on other jobs in addition to this project, show actual deductions from his/her weekly gross wage, and indicate that deductions are based on his gross wages.

Column 9 - Net Wages Paid for Week: Self-explanatory.

Totals - Space has been left at the bottom of the columns so that totals may be shown if the contractor so desires.

Statement Required by Regulations, Parts 3 and 5: While the "statement of compliance" need not be notarized, the statement (on page 2 of the payroll form) is subject to the penalties provided by 18 U.S.C. § 1001, namely, a fine, possible imprisonment of not more than 5 years, or both. Accordingly, the party signing this statement should have knowledge of the facts represented as true.

Items 1and 2: Space has been provided between items (1) and (2) of the statement for describing any deductions made. If all deductions made are adequately described in the "Deductions" column above, state "*See* Deductions column in this payroll." *See* "FRINGE BENEFITS" below for instructions concerning filling out paragraph 4 of the statement.

Item 4 FRINGE BENEFITS - Contractors who pay all required fringe benefits: If paying all fringe benefits to approved plans, funds, or programs in amounts not less than were determined in the applicable wage decision of the Secretary of Labor, show the basic cash hourly rate and overtime rate paid to each worker on the face of the payroll and check paragraph 4(a) of the statement on page 2 of the WH-347 payroll form to indicate the payment. Note any exceptions in section 4(c).

Contractors who pay no fringe benefits: If not paying all fringe benefits to approved plans, funds, or programs in amounts of at least those that were determined in the applicable wage decision of the Secretary of Labor, pay any remaining fringe benefit amount to each laborer and mechanic and insert in the "straight time" of the "Rate of Pay" column of the payroll an amount not less than the predetermined rate for each classification plus the amount of fringe benefits determined for each classification in the application wage decision. Inasmuch as it is not necessary to pay time and a half on cash paid in lieu of fringe benefits, the overtime rate shall be not less than the sum of the basic predetermined rate, plus the half time premium on basic or regular rate, plus the required cash in lieu of fringe benefits at the straight time rate. In addition, check paragraph 4(b) of the statement on page 2 the payroll form to indicate the payment of fringe benefits in cash directly to the workers. Note any exceptions in section 4(c).

Use of Section 4(c), Exceptions

Any contractor who is making payment to approved plans, funds, or programs in amounts less than the wage determination requires is obliged to pay the deficiency directly to the covered worker as cash in lieu of fringe benefits. Enter any exceptions to section 4(a) or 4(b) in section 4(c). Enter in the Exception column the craft, and enter in the Explanation column the hourly amount paid each worker as cash in lieu of fringe benefits and the hourly amount paid to plans, funds, or programs as fringe benefits. The contractor must pay an amount not less than the predetermined rate plus cash in lieu of fringe benefits as shown in section 4(c) to each such individual for all hours worked (unless otherwise provided by applicable wage determination) on the Federal or Federally assisted project. Enter the rate paid and amount of cash paid in lieu of fringe benefits per hour in column 6 on the payroll. See paragraph on "Contractors who pay no fringe benefits" for computation of overtime rate.

Semi-Annual Labor Standards Enforcement Report - Local Contracting Agencies (HUD Programs)	U.S. Department of Housing and Urban Development Office of Davis-Bacon and Labor Standards	**HUD FORM 4710** OMB Approval Number 2501-0019 (Exp. 12-31-2027)

Agency Name:	Agency Type: [e.g., CDBG, PHA, TDHE/IHA]	State:	DBLS Agency ID #: (HUD Use Only)

Period Covered: Check One and Enter Year

☐ **Period 1**: October 1, _____ to March 31, _____

☐ **Period 2**: April 1, _____ to September 30, _____

Agency Contact Person:	Agency Contact Phone/E-mail:

PART I – NEW CONTRACTING ACTIVITY

Pertains ONLY to contracts awarded during the reporting period.

1. Number of prime contracts subject to the Davis-Bacon and Related Acts (DBRA) and/or the Contract Work Hours and Safety Standards Act (CWHSSA) awarded this period
   Note: Do not include contracts included in previous semi-annual reports _____

2. Total dollar amount of prime contracts reported in item 1 above _____

PART II - ENFORCEMENT ACTIVITY

Identify all enforcement activity that occurred within this reporting period. Enforcement activity applies to newly awarded contracts listed in Part I and any existing contracts subject to DBRA and/or CWHSSA not previously reported.

1. Number of contractors against whom **complaints** were received: _____
2. Number of investigations completed: _____
3. Number of contractors found in violation: _____
4. Amount of back wages found due: DBRA _____
   CWHSSA _____
5. Amount of back wages paid: DBRA _____
   CWHSSA _____
6. Total number of employees paid wage restitution under the DBRA and/or CWHSSA: _____
7. Total amount of liquidated damages assessed: _____

Public reporting burden for this collection of information is estimated to average 1 hour per response, including the time for reviewing instructions, searching existing data sources, gathering, and maintaining data needed, and completing and reviewing the collection of information. The information is considered non-sensitive and does not require special protection. The agency may not collect this information, and you are not required to complete this form, unless it displays a currently valid OMB control number.

All Federal agencies administering programs subject to Davis-Bacon wage provisions are required by U.S. Department of Labor (DOL) regulations (29 CFR 5.7(b)) to submit a report of all new covered contracts and all enforcement activities each six months. In order for HUD to comply with this requirement, it must collect contract and enforcement information from local agencies that administer HUD-assisted programs subject to Davis-Bacon requirements. HUD requests that local agencies complete and submit a Semi-annual Enforcement Report every six months.

Local agencies and HUD must retain a copy of the Semi-Annual Enforcement Report in its files.

Please follow these instructions while compiling the Semi-Annual Labor Standards Enforcement Report for Local Contracting Agencies (HUD Programs) (form HUD-4710).

Introduction

Department of Labor (DOL) Regulations 29 CFR §5.7(b) require Federal agencies administering programs subject to Davis-Bacon and Related Act (DBRA) and Contract Work Hours and Safety Standards Act (CWHSSA) labor standards to furnish a Semi-Annual Labor Standards Enforcement Report to the Administrator of the Wage and Hour Division. Some HUD programs are administered by state, tribal, or local agencies for labor standards compliance. HUD must collect information from such agencies in order to capture enforcement activities for all HUD programs in its reports to DOL.

Reporting Periods: **Period 1** **October 1 through March 31**
Period 2 **April 1 through September 30**

Report Format: Each agency report consists of two parts:

Part I concerns contracting activity for work awarded during the reporting period;

Part II concerns enforcement activity for all contracts, regardless of the award date.

The HUD Davis-Bacon and Labor Standards (DBLS) staff for your area will send a courtesy reminder shortly before the due date about preparing the report and will remind you of the date

your report is due. However, you should maintain accurate records throughout the year of relevant contract information so that you can submit the report in a timely manner.

Definitions and Guidance

Part I - Contracting Activity - This part concerns only contracts that were awarded during this period. Do not include contracts that were awarded prior to this period even though the contracts may still be underway. Do include work subject to purchase orders or other forms of agreement, even if there is no formal contract award.

Item 1. Enter the total number of prime contracts subject to DBRA/CWHSSA awarded during this period. Track contracts by award date or by start of construction - do not track by bid opening date.

Public Housing Authorities (PHAs), Tribally designated Housing Entities (TDHEs)/Indian Housing Authorities (IHAs): Include force account work that is subject to DBRA/CWHSSA.

Item 2. Enter the total dollar amount of all the contracts and/or PHA/TDHE/IHA force account work reported in Item 1.

Part II - Enforcement Activity - ***Identify all enforcement activity that occurred within this reporting period subject to DBRA and/or CWHSSA.***

Item 1. Enter the number of contractors (including subcontractors and lower-tier subcontractors) against whom complaints were received during the report period.

Item 2. Enter the number of contractors (including subcontractors and lower-tier subcontractors) that you completed an investigation of, either due to a complaint or due to contract monitoring that you conducted.

Item 3. Enter the number of contractors (including subcontractors and lower-tier subcontractors) that you found in violation during your investigation or during your contract monitoring.

Item 4. Enter the total amount of back wages you found due.
Make separate entries for DBRA covered work and CWHSSA overtime work.

Item 5: Enter the total amount of back wages that were paid.*
Make separate entries for DBRA covered work and for CWHSSA overtime work.

Item 6: Enter the total number of employees who were paid wage restitution.
Make separate entries for DBRA covered work and for CWHSSA overtime work.

Item 7: Enter the total amount of liquidated damages assessed for CWHSSA overtime violations.

*Enter information relative to wage restitution that was collected and/or disbursed during the report period. This includes restitution disbursed by the agency, restitution reported on certified payroll correction reports, and/or amounts collected but not disbursed because workers could not be found. Report straight time wage restitution separately from Contract Work Hours and Safety Standards Act (CWHSSA) overtime wage restitution.

FORM C – DHCA Contract and Subcontract Activity Form (formerly HUD 2516, with instructions)

NOTE: The data and instructions for this form are provided below. The format has been modified to enhance readability on letter size paper. A copy of the form follows.

1. Grantee/ProjectOwner/Developer/Sponsor/Builder/Agency
2. Location (City, State, Zip Code)
3. Name of Contact Person & Phone Number (including Area Code)
4. Reporting Period [ ] Oct 1 – Sep 30 (Annual –FY).
5. Program Code (for Public and Indian Housing Only) (see "5. Program Codes" below)
6. Date Submitted to Field Office.
7. (Tabular Format)

    7a. Grant/Project Number or HUD Case Number or other identification of property, subdivision dwelling unit, etc.
    7b. Amount of Contract or Subcontract
    7c. Type of Trade Code (see "7c. Type of Trade Codes: Housing/Public Housing below) 7d. Contractor or Subcontractor Business Racial/Ethnic (See "7d: Racial/Ethnic Codes" below)
    7e. Woman Owned Business (Yes or No)
    7f. Prime Contractor Identification (ID) Number
    7g. Section 3 (Yes or No) for Prime Contractor
    7h. Subcontractor Identification (ID Number)
    7i. Section 3 (Yes or No) for Subcontractor
    7j. Contractor/Subcontractor Names and Address

5. Program Codes (Complete for Housing and Public and Indian Housing Programs only):
1= All insured, including Section 8
2= Flexible Subsidy
3= Section 8 Noninsured, Non-HFDA
4= Insured (Management)
5= Section 202
6= HUD-Held (Management)
7= Public/India Housing
8= Section 811

7c Type of Trade Codes: Housing/Public Housing
1= New Construction
2= Substantial Rehab
3= Repair
4= Service
5= Project Management
6= Professional
7= Tenant Services
8= Education/Training
9= Arch/Engrg. Appraisal
0= Other

7d: Racial/Ethnic Codes
1= White Americans
2= Black Americans
3= Native Americans
4= Hispanic Americans
5= Asian/Pacific Americans
6= Hasidic Jews

This report is to be completed by grantees, developers, sponsors, builders, agencies, and/or project owners for reporting contract and subcontract activities of $10,000 or more under the following programs: Community Development Block Grants (entitlement and

small cities); Urban Development Action Grants, Housing Development Grants; Multifamily Insured and Noninsured; Public and Indian Housing Authorities,; and contracts entered into by recipients of CDBG rehabilitation assistance.

Contracts/subcontracts of less than $10,000 need be reported only if such contracts represent a significant portion of your total contracting activity. Include only contracts executed during this reporting period.

This form has been modified to capture Section 3 contract data in columns 7g and 7i. Section 3 requires that the employment and other economic opportunities generated by HUD financial assistance for housing and community development programs shall, to the greatest extent feasible, be directed towards low- and very low-income persons, particularly those who are recipients of government assistance for housing. Recipients using this form to report Section 3 contract data must also use Part I of form HUD-60002 (see **Form D** Attached) to report employment and training opportunities data.

DHCA Contract and Subcontract Activity form is to be completed for public and Indian housing and most community development programs. Form HUD-60002 is to be completed by all other HUD programs including State administered community development programs covered under Section 3. A Section 3 Contractor/subcontractor is a business concern that provides economic opportunities to low and very low-income residents of the metropolitan area (or nonmetropolitan county), including a business concern that is 51 person or more owned by low-income residents;
or provides subcontracting or business development opportunities to businesses owned by low or low-income residents. Low and very low-income residents; include participants in Youthbuild programs established under Subtitle D of Title IV of the Cranston-Gonzalez National Affordable Housing Act.

The terms "low-income persons" and "very-low-income persons" have the same meanings given the terms in section 3(b)(2) of the United States Housing Act of 1937. Low-income persons means families (including single persons) whose incomes do not exceed 80 percent of the median income for the area, as determined by the Secretary, with adjustments for smaller and larger families, except that the Secretary may establish income ceilings higher or lower than 80 percent of the median for the area on the basis of the Secretary's findings that such variations are necessary because of prevailing levels of construction costs or unusually high or low-income families. Very low-income families (including single persons) whose incomes do not exceed 50 percent of the median family income for the area, as determined by the Secretary with adjustments for smaller and larger families, except that the secretary may establish income ceilings higher or lower than 50 percent of the median for the area on the basis of the Secretary's findings that such variations are necessary because of unusually high or low family incomes.

Complete item 7h. Only once for each contractor/subcontractor on each semi-annual report.

Enter the prime contractor's ID in items 7f. for all contacts and subcontracts. Include only contracts expected during this reporting period. PHAs/IHAS are to report all contracts/subcontracts.

Community Development Programs Instructions:

1. **Grantee:** Enter the name of the unit of government submitting this report.

3. **Contact Person:** Enter name and phone of person responsible for maintaining and submitting contract/subcontract data.

7a **Grant Number:** Enter the HUD Community Development Block Grant Identification Number (with dashes) For example: B-32-MC-25-0034. For Entitlement Programs and Small City multi-year comprehensive programs, enter the latest approved grant number.

7b. **Amount of Contract/Subcontract:** Enter the dollars amount rounded to the nearest dollar. If subcontractor ID number is provided in 7f, the dollar figure would be for the subcontract only and not for the prime contract.

7c. **Type of Trade:** Enter the numeric codes which best indicates the contractor's/subcontractor's service. If subcontractor ID number is provided in 7f., the type of trade code would be for the subcontractor only and not for the prime contractor.

7d. **Business Racial/Ethnic/Gender Code:** Enter the numeric code which indicates the racial/ethnic/gender character of the owner(s) and controller(s) of 51% of the business. When 51% or more is not owned and controlled by any single racial/ethnic/gender category, enter the code which seems most appropriate. If the subcontractor ID number is provided, the code would apply to the subcontractor and not to the prime contractor.

7e. **Woman Owned Business:** Enter Yes or No.

7f. **Contractor Identification (ID) Number:** Enter the Employer (IRS) Number of the Prime Contractor as the unique identifier for prime recipient of HUD funds. Note that the Employer (IRS) Number must be provided for each contract/subcontract awarded.

7g. **Section 3 Contractor:** Enter Yes or No.

7h. **Subcontractor Identification (ID) Number:** Enter the Employer (IRS) Number of the subcontractor as the unique identifier for each subcontract awarded from HUD funds. When the subcontractor ID Number is provided, the respective Prime Contractor ID Number must also be
provided.

7i. **Section 3 Contractor:** Enter Yes or No.

7j. **Contractor/Subcontractor Name and Address:** Enter this information for each firm receiving contract/subcontract activity only one time on each report for each firm

(FORM FOLLOWS)

MONTGOMERY COUNTY, MARYLAND
Department of Housing and Community Affairs

Contract and Subcontract Activity

1. Grantee/Project Owner/Developer/Sponsor/Builder/Agency	Check if:		2. Location (City, State Zip Code)
	PH		
	IH		
	CPD		
	Housing		

3a. Name of Contact Person	3b. Phone Number (Including Area Code)	4. Reporting Period ☐	5. Program Code (Not applicable for CPD programs.) See explanation of Codes at bottom of Page Use a separate sheet for each program code.	6. Date Submitted to DHCA

Grant/Project Number or HUD Case Number or other identification of property, subdivision, dwelling unit, etc. 7a.	Amount of Contract or Subcontact 7b.	Type of Trade Code (See below) 7c.	Contractor or Subcontractor Business Racial/Ethnic (See below) 7d.	Woman Owned Business (Yes or No) 7e.	Prime Contractor Identification (ID) Number 7f.	Sec. 3 7g.	Subcontractor Identification (ID) Number 7h	Sec. 3 7i.	Contractor/Subcontractor Name and Address 7j.				
									Name	Street	City	State	Zip

7c: Type of Trade Codes:

CPD:
1 = New Construction
2 = Education/Training
3 = Other

Housing/Public Housing:
1 = New Construction
2 = Substantial Rehab.
3 = Repair
4 = Service
5 = Project Mangt.
6 = Professional
7 = Tenant Services
8 = Education/Training
9 = Arch./Engrg. Appraisal
0 = Other

7d: Racial/Ethnic Codes:
1 = White Americans
2 = Black Americans
3 = Native Americans
4 = Hispanic Americans
5 = Asian/Pacific Americans
6 = Hasidic Jews

5: Program Codes (Complete for Housing and Public and Indian Housing programs only):
1 = All Insured, including Section8
2= Flexible Subsidy
3 = Section 8 Noninsured, Non-HFDA
4 = Insured (Management)
5 = Section 202
6 = HUD-Held (Management)
7 = Public/India Housing
8 = Section 811

FORM D

Section 3 Summary Report

Economic Opportunities for
Low – and Very Low-Income Persons

U.S. Department of Housing
and Urban Development
Office of Fair Housing
And Equal Opportunity

OMB Approval No: 2529-0043
(exp. 11/30/2010)

HUD Field Office:

Section back of page for Public Reporting Burden statement

1. Recipient Name & Address: (street, city, state, zip)	2. Federal Identification: (grant no.)	3. Total Amount of Award:
	4. Contact Person	5. Phone: (Include area code)
	6. Length of Grant:	7. Reporting Period:
8. Date Report Submitted:	9. Program Code: (Use separate sheet for each program code)	10. Program Name:

Part I: Employment and Training (** Columns B, C and F are mandatory fields. Include New Hires in E &F)

A Job Category	B Number of New Hires	C Number of New Hires that are Sec. 3 Residents	D % of Aggregate Number of Staff Hours of New Hires that are Sec. 3 Residents	E % of Total Staff Hours for Section 3 Employees and Trainees	F Number of Section 3 Trainees
Professionals					
Technicians					
Office/Clerical					
Construction by Trade (List) Trade					
Trade					
Trade					
Trade					
Trade					
Other (List)					
Total					

* Program Codes
1 = Flexible Subsidy
2 = Section 202/811
3 = Public/Indian Housing
A = Development,
B = Operation
C = Modernization
4 = Homeless Assistance
5 = HOME
6 = HOME State Administered
7 = CDBG Entitlement
8 = CDBG State Administered
9 = Other CD Programs
10 = Other Housing Programs

form HUD 60002 (6/2001)
Ref 24 CFR 135

Part II: Contracts Awarded

1. Construction Contracts:

A. Total dollar amount of all contracts awarded on the project	$
B. Total dollar amount of contracts awarded to Section 3 businesses	$
C. Percentage of the total dollar amount that was awarded to Section 3 businesses	%
D. Total number of Section 3 businesses receiving contracts	

2. Non-Construction Contracts:

A. Total dollar amount all non-construction contracts awarded on the project/activity	$
B. Total dollar amount of non-construction contracts awarded to Section 3 businesses	$
C. Percentage of the total dollar amount that was awarded to Section 3 businesses	%
D. Total number of Section 3 businesses receiving non-construction contracts	

Part III: Summary

Indicate the efforts made to direct the employment and other economic opportunities generated by HUD financial assistance for housing and community development programs, to the greatest extent feasible, toward low-and very low-income persons, particularly those who are recipients of government assistance for housing. (Check all that apply.)

_____ Attempted to recruit low-income residents through: local advertising media, signs prominently displayed at the project site, contracts with the community organizations and public or private agencies operating within the metropolitan area (or nonmetropolitan county) in which the Section 3 covered program or project is located, or similar methods.

_____ Participated in a HUD program or other program which promotes the training or employment of Section 3 residents.

_____ Participated in a HUD program or other program which promotes the award of contracts to business concerns which meet the definition of Section 3 business concerns.

_____ Coordinated with Youthbuild Programs administered in the metropolitan area in which the Section 3 covered project is located.

_____ Other; describe below.

Public reporting for this collection of information is estimated to average 2 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. This agency may not collect this information, and you are not required to complete this form, unless it displays a currently valid OMB number.

Section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701u, mandates that the Department ensures that employment and other economic opportunities generated by its housing and community development assistance programs are directed toward low- and very-low income persons, particularly those who are recipients of government assistance housing. The regulations are found at 24 CFR Part 135. The information will be used by the Department to monitor program recipients' compliance with Section 3, to assess the results of the Department's efforts to meet the statutory objectives of Section 3, to prepare reports to Congress, and by recipients as self-monitoring tool. The data is entered into a database and will be analyzed and distributed. The collection of information involves recipients receiving Federal financial assistance for housing and community development programs covered by Section 3. The information will be collected annually to assist HUD in meeting its reporting requirements under Section 808(e)(6) of the Fair Housing Act and Section 916 of the HCDA of 1992. An assurance of confidentiality is not applicable to this form. The Privacy Act of 1974 and OMB Circular A-108 are not applicable. The reporting requirements do not contain sensitive questions. Data is cumulative; personal identifying information is not included.

Form HUD-60002, **Section 3 Summary Report, Economic Opportunities for Low- and Very Low-Income Persons.**

Instructions: This form is to be used to report annual accomplishments regarding employment and other economic opportunities provided to low- and very low-income persons under Section 3 of the Housing and Urban Development Act of 1968. The Section 3 regulations apply to any ***public and Indian housing programs*** that receive: (1) development assistance pursuant to Section 5 of the U.S. Housing Act of 1937; (2) operating assistance pursuant to Section 9 of the U.S. Housing Act of 1937; or (3) modernization grants pursuant to Section 14 of the U.S. Housing Act of 1937 and to recipients of housing and community development assistance in excess of $200,000 expended for: (1) housing rehabilitation (including reduction and abatement of lead-based paint hazards); (2) housing construction; or (3) other public construction projects; and to ***contracts and subcontracts in excess of $100,000*** awarded in connection with the Section-3-covered activity.

Form HUD-60002 has three parts, which are to be completed for all programs covered by Section 3. Part I relates to ***employment and training***. The recipient has the option to determine numerical employment/training goals either on the basis of the number of hours worked by new hires (columns B, D, E and F). Part II of the form relates to ***contracting***, and Part III summarizes recipients' ***efforts*** to comply with Section 3.

Recipients or contractors subject to Section 3 requirements must maintain appropriate documentation to establish that HUD financial assistance for housing and community development programs were directed toward low- and very low-income persons.* A recipient of Section 3 covered assistance shall submit one copy of this report to HUD Headquarters, Office of Fair Housing and Equal Opportunity. Where the program providing assistance requires an annual performance report, this Section 3 report is to be submitted at the same time the program performance report is submitted. Where an annual performance report is not required, this Section 3 report is to be submitted by January 10 and, if the project ends before December 31, within 10 days of project completion. ***Only Prime Recipients are required to report to HUD. The report must include accomplishments of all recipients and their Section 3 covered contractors and subcontractors.***

HUD Field Office: Enter the Field Office name .

1. Recipient: Enter the name and address of the recipient submitting this report.
2. Federal Identification: Enter the number that appears on the award form (with dashes). The award may be a grant, cooperative agreement or contract.
3. Dollar Amount of Award: Enter the dollar amount, rounded to the nearest dollar, received by the recipient.

4 & 5. Contact Person/Phone: Enter the name and telephone number of the person with knowledge of the award and the recipient's implementation of Section 3.

6. Reporting Period: Indicate the time period (months and year) this report covers.
7. Date Report Submitted: Enter the appropriate date.
8. Program Code: Enter the appropriate program code as listed at the bottom of the page.
9. Program Name: Enter the name of HUD Program corresponding with the "Program Code" in number 8.

Part I: Employment and Training Opportunities

Column A: Contains various job categories. Professionals are defined as people who have special knowledge of an occupation (i.e. supervisors, architects, surveyors, planners, and computer programmers). For construction positions, list each trade and provide data in columns B through F for each trade where persons were employed. The category of "Other" includes occupations such as service workers.

Column B: (Mandatory Field) Enter the number of new hires for each category of workers identified in Column A in connection with this award. New hire refers to a person who is not on the contractor's or recipient's payroll for employment at the time of selection for the Section 3 covered award or at the time of receipt of Section 3 covered assistance.

Column C: (Mandatory Field) Enter the number of Section 3 new hires for each category of workers identified in Column A in connection with this award. Section 3 new hire refers to a Section 3 resident who is not on the contractor's or recipient's payroll for employment at the time of selection for the Section 3 covered award or at the time of receipt of Section 3 covered assistance.

Column D: Enter the percentage of all the staff hours of new hires (Section 3 residents) in connection with this award.

Column E: Enter the percentage of the total staff hours worked for Section 3 employees and trainees (including new hires) connected with this award. Include staff hours for part-time and full-time positions.

Column F: (Mandatory Field) Enter the number of Section 3 residents that were trained in connection with this award.

Part II: Contract Opportunities

Block 1: Construction Contracts

Item A: Enter the total dollar amount of all contracts awarded on the project/program.

Item B: Enter the total dollar amount of contracts connected with this project/program that were awarded to Section 3 businesses.

Item C: Enter the percentage of the total dollar amount of contracts connected with this project/program awarded to Section 3 businesses.

Item D: Enter the number of Section 3 businesses receiving awards.

Block 2: Non-Construction Contracts

Item A: Enter the total dollar amount of all contracts awarded on the project/program.

Item B: Enter the total dollar amount of contracts connected with this project awarded to Section 3 businesses.

Item C: Enter the percentage of the total dollar amount of contracts connected with this project/program awarded to Section 3 businesses.

Item D: Enter the number of Section 3 businesses receiving awards.

Part III: Summary of Efforts – Self -explanatory

Submit one (1) copy of this report to the HUD Headquarters Office of Fair Housing and Equal Opportunity, at the same time the performance report is submitted to the program office. The Section 3 report is submitted by January 10. Include only contracts executed during the period specified in item 8. PHAs/IHAs are to report all contracts/subcontracts.

* The terms "low-income persons" and very low-income persons" have the same meanings given the terms in section 3 (b) (2) of the United States Housing Act of 1937. ***Low-income persons*** mean families (including single persons) whose incomes do not exceed 80 percent of the median income for the area, as determined by the Secretary, with adjustments for smaller and larger families, except that

The Secretary may establish income ceilings higher or lower than 80 percent of the median for the area on the basis of the Secretary's findings such that variations are necessary because of prevailing levels of construction costs or unusually high- or low-income families. ***Very low-income persons*** mean low-income families (including single persons) whose incomes do not exceed 50 percent of the median family income area, as determined by the Secretary with adjustments or smaller and larger families, except that the Secretary may establish income ceilings higher or lower than 50 percent of the median for the area on the basis of the Secretary's findings that such variations are necessary because of unusually high or low family incomes.

Reporting on Section 3 Activities

U.S. Department of Housing and Urban Development
Office of Field Policy and Management

OMB Control Number: 2501-0042
(Exp. 06/30/2025)

Public reporting for this collection of information is estimated to average 3 hours per response, including the time for reviewing instructions, searching existing data sources. gathering and maintaining the data needed and completing and reviewing the collection of information. This agency may not collect this information, and you are not required to complete this form, unless it displays a currently valid OMB Number. Section 3 of the Housing and Urban Development Act of 1968. as amended, U.S.C. 1701u. mandates that the Department ensures that employment and other. economic opportunities generated by its housing and community development assistance programs are directed toward low-and very low-income persons, particularly those who are recipients of government assistance for housing. The regulations are found at 24 CFR Part 75. The information will be used by the Department to monitor program recipient's compliance with Section 3, to assess the results of the Department's efforts to meet the statutory objectives of Section 3, to prepare reports to Congress, and by recipients as a self-monitoring tool. The data is entered into a database and will be analyzed and made available to the public upon request. The collection of information involves recipients receiving Federal financial assistance for housing and community development programs covered by Section 3. The information will be collected annually to assist HUD in meeting its reporting requirements under Section 808(e)(6) of the Fair Housing Act and Section 916 of the HCDA of 1992. An assurance of confidentiality is not applicable to this form. The Privacy Act of 1974 and OMB Circular A-108 are not applicable. The reporting requirements do not contain sensitive questions. Data is cumulative: personal identifying information is not included.

Identifying Information Regarding the Section 3 Report

Agency Name:
Address:
Contact Name:
Contact E-mail:
Housing Authority Code:

☐ This is an agency-wide annual report Housing Authority Fiscal Year:

☐ Check here if there are multiple authorities applying Section 3 to this project and provide identifying information below.
For public housing authorities, the ID number is the PIC Agency number.
For CDBG/HOME participating jurisdictions, the ID number is the IDIS number.
For RAD transactions, it is the PIC DDA number.

Name of Primary Authority:
ID Number:
Name of Primary Authority:
ID Number:

Are you a small PHA (under 250 units) ☐

If agency identified as a small public housing authority (with fewer than 250 public housing units) please elect whether you would like to complete the Section 3 labor hours or qualitiative reporting

Section 3 Labor Hours

Total Labor Hours:
Section 3 Worker Hours:
Public Housing Targeted Worker Hours:
Other Funding Targeted Worker Hours:

Formula: Did the reporting agency meet or exceed the safe harbor benchmarks? Yes/No

Nature of Agency Efforts

This section is not required if, based on the labor hours reporting above, the reporting agency met or exceeded the safe harbor benchmarks . Check all that apply.
Maintain records available for HUD review to document any efforts checked.

☐ Engaged in outreach efforts to generate job applicants who are Targeted Section 3 workers.
☐ Provided training or apprenticeship opportunities.
☐ Provided technical assistance to help Section 3 workers compete for jobs (e.g., resume assistance, coaching).
☐ Provided or connected Section 3 workers with assistance in seeking employment including: drafting resumes, preparing for interviews, and finding job opportunities connecting residents to job placement services.
☐ Held one or more job fairs.
☐ Provided or referred Section 3 workers to services supporting work readiness and retention (e.g., work readiness activities, interview clothing, test fees, transportation, child care).
☐ Provided assistance to apply for/or attend community college, a four-year educational institution, or vocational/technical training.
☐ Assisted Section 3 workers to obtain financial literacy training and/or coaching.
☐ Engaged in outreach efforts to identify and secure bids from Section 3 business concerns.
☐ Provided technical assistance to help Section 3 business concerns understand and bid on contracts.
☐ Divided contracts into smaller jobs to facilitate participation by Section 3 business concerns.
☐ Provided bonding assistance, guaranties, or other efforts to support viable bids from Section 3 business concerns.
☐ Promoted use of business registries designed to create opportunities for disadvantaged and small businesses.
☐ Other. (mandatory field if Other is selected)

For Preference Only- Not for submission

DHCA Environmental Review Request

Attachment IX

(To be completed with input from developer's representative before loan closing)

Project Address: _____ _____ _____ Number of Bedrooms For multifamily rehab projects: $_____ Property Value Before Rehab** $_____ Property Value After Rehab** **Estimated Total Rehabilitation Project Cost:** $_____	**Unit Type** ☐ Single Family ☐ Multifamily ☐ Condominium	**Activity Type** _____ Acquisition and Financing* _____ Rehabilitation* _____ Acquisition and Rehabilitation* _____ New Construction* _____ Demolition* _____ Project-Based Vouchers ("PBV") **Year Property was Built:** _____
Funding Source (amount) CDBG: $_____ HOME: $_____ Capital Fund Program (CPF): $_____ FHA Risk Sharing: $_____ Project-Based Vouchers (PBV): $_____ OTHER: $_____ **Funding Year:** _____ **Estimated Total Project Cost** (HUD and non-HUD funds): $_____	**DHCA approval date for the project (for multifamily projects only):** _____ _____	**Current and future use of the project** _____ Residential to Residential _____ Residential to Non-Residential _____ Non-Residential to Residential
Lead Based Paint testing ☐ Yes ☐ No **Any notable existing condition** ☐ No ☐ Yes, please specify _____ _____	**INFORMATION NEEDED FOR ENVIRONMENTAL REVIEW**	**Project Description/Scope of work*** _____ _____ _____ _____ _____ _____ _____

Notes:

*Attach photos of the property/site for submission to the Maryland Historic Trust for **all requests.**

*Attach one page scope of work/project description for **all requests.**

*Attach Phase 1 Site Assessment for **Multifamily Rehabilitation projects only.**

*Multifamily staff will coordinate response from Project Developer/Owner or Manager.

1. ☐ Project Developer/Owner or Manager: form completed, photos, scope/description, and Phase 1 (if needed) attached

Signature _____ Date _____

2. ☐ Grants Management Staff: reviewed for completion

Signature _____Date_____

MAYOR AND COUNCIL Meeting Date: May 18, 2026
Agenda Item Type: CONSENT
Department: CITY CLERK/DIRECTOR OF COUNCIL OPERATIONS OFFICE
Responsible Staff: SARA TAYLOR-FERRELL

Subject

Approval of Minutes

Department

City Clerk/Director of Council Operations Office

Recommendation

Staff recommends that the Mayor and Council approve the following minutes:

April 27, 2026 (Regular- Meeting No. 11-26)
May 4, 2026 (Regular- Meeting No. 12-26)

Attachments

MAYOR AND COUNCIL Meeting Date: May 18, 2026
Agenda Item Type: INTRODUCTION AND POSSIBLE ADOPTION
Department: HOUSING AND COMMUNITY DEVELOPMENT
Responsible Staff: JANE LYONS-RAEDER

Subject

Adoption of an Ordinance to Amend Chapter 18 of the Rockville City Code, entitled "Rental Facilities and Landlord-Tenant Relations"

Department

Housing and Community Development

Recommendation

Staff recommends that the Mayor and Council introduce and adopt the proposed Ordinance amending Chapter 18 of the Rockville City Code, entitled "Rental Facilities and Landlord-Tenant Relations" (Attachment A). As such the following actions should be taken: the Ordinance should first be introduced, and then a motion to waive the layover period should be made. If the motion to waive the layover period is approved by six affirmative votes, a motion to adopt the Ordinance may then proceed. The proposed effective date is January 1, 2027.

Change in Law or Policy

Upon its effective date of January 1, 2027, the draft City Code Chapter 18, Rental Facilities and Landlord-Tenant Relations will significantly modify the laws that govern landlord obligations and tenant rights for residential rental facilities.

Discussion

BACKGROUND

In Fall 2024, a comprehensive rewrite of City Code Chapter 18, Rental Facilities and Landlord-Tenant Relations was identified as a key action in the city's Housing Strategies Work Plan as a way to further housing stability. While supply and subsidy strategies can help to improve housing affordability, only stability strategies will ensure fair and equal treatment of tenants. As the city experiences a growing number of tenants, stability strategies will help to reduce displacement and ensure that everyone in the community can reap the benefits of the city's growth and investments.

Research and engagement for the Chapter 18 rewrite commenced in Spring 2025. The goals for the rewrite were established as follows:

- Provide clarity on existing code elements.
- Consider alignment with surrounding jurisdictions' codes.
- Improve housing stability and opportunities for tenancy agency.
- Require greater transparency for tenants.
- Ensure alignment with the state of Maryland law.
- Review local and national best practices.
- Better connect data collection and city goals.

COMMUNITY ENGAGEMENT

Below is a summary of what was learned through the Chapter 18 rewrite's community engagement process, including the challenges faced by landlords and tenants, general feedback, and responses to proposed code changes. Common themes significantly differed depending on whether the individual was representing the perspective of a tenant or landlord, and so have been organized as such. For more details about the community engagement activities, see Attachment B. Public comments and correspondence can be found in Attachment C.

Takeaways from Tenant Engagement

Challenges and General Feedback

- Consistent, strong desire for a rent stabilization policy borne from high rent prices and uncertainty around or experiences with large rent increases.
- Maintenance response times.
- Fees (particularly technology, amenity, and hold fees).
- Lack of air conditioning requirements.
- Discrepancies between city and county protections, such as a temporary relocation assistance policy in cases where a rental unit is not safe to occupy.
- Interest in an online map of rental properties to display information about rental license status and history, code enforcement history, rental rates, rent increase history, landlord contact information, and complaints made by tenants.
- Incorrect rent ledgers.
- Lack of protection against retaliation.
- Accurate utility billing.
- Other residents smoking.
- Desire to be able to more easily terminate leases early.

Responses to Proposed Code

- Excitement around banning algorithmic rent pricing and restricting junk fees.
- Disappointment regarding the exclusion of a rent stabilization policy.
- Questions about how rent increase information will be collected and displayed.
- Concerns around the six-month cut off for a unit being unsafe to occupy before permanent relocation assistance triggers.

Takeaways from Landlord Engagement

Challenges and General Feedback

- Increasing costs (e.g., taxes, insurance, fees, HOA/condo payments).
- Length and difficulty of eviction proceedings.
- Difficulty and cost of rental license application process, particularly challenges with passing inspections.
- Responsiveness of city staff and lack of clear points of contact.
- Keeping up with and adhering to code requirements.
- Tenant behavior.
- Squatters.
- Responsibility of paying water bill when a tenant moves out.
- Frequent confusion about the city's Voluntary Rent Guidelines, usually due to confusion with Montgomery County's rent stabilization requirements.
- Challenges working with Rockville Housing Enterprises.
- Difficulty adhering to the state's requirements to put the security deposit in a certain type of bank account.
- Strong desire for a lease template and educational resources, such as webinars and handbooks, to better understand all city and state requirements. Suggestion for resources to be provided when receiving or renewing rental license.

Responses to Proposed Code

- General feeling of bias towards tenants in city code, including in the proposed changes, and administration of landlord-tenant affairs program.
- Concern at proposed requirement to offer tenants a two-year lease term. If having to offer a two-year lease term, many landlords wanted to reserve the ability to increase the rent during the two-year term, which they would be allowed to do under the current proposal, but would have to provide a 90-day increase notice.
- Concern around proposed restriction on asking about prospective tenants' eviction history. Several landlords suggested a policy to not allow asking about eviction history from more than a certain number of years ago.
- Concern around proposed repair and deduct policy to allow tenants to make repairs without landlord approval.
- Question and concern around relocation assistance requirements. Concerns were particularly focused on the cost of the permanent relocation payment and determination of responsibility.
- Desire to allow a fee for returned checks and to allow an increased lock out fee for repeated occurrences.

NOTABLE CODE CHANGES

The following section describes notable changes to Chapter 18. All recommended changes and additions to the current code and complete draft code language can be found in Attachment A.

Algorithmic Rent Pricing Ban: Ban the practice of algorithmic rent pricing generally, following best practices of other jurisdictions, as a means of ensuring that rents are set competitively and fairly.

Court Costs and Legal Fees: Prohibit rental leases from requiring a tenant to pay legal costs or attorney fees other than those awarded in court. Any lease that requires a tenant to pay legal fees must specify that attorney fees are not a part of rent and obligate the landlord to pay the tenant's attorney fees if the tenant is the prevailing legal party. This policy ensures tenants are not saddled with additional legal costs, including in cases where the tenant needs to pay a certain amount to stop their eviction.

Criminal Background Check Restrictions: In a previous work session, staff recommended adopting Montgomery County's restrictions on criminal background checks for prospective tenants. Staff has since learned that city code already incorporates the entirety of Montgomery County Code Chapter 27, Human Rights and Civil Liberties, which includes the provisions around criminal background check restrictions.

Data Reporting: Require all rental properties to submit certain data to the city through the rental licensing process. Smaller apartment complexes and properties owned by non-profits would no longer be exempt from data reporting. In addition, data would be reported at the time of rental license renewal instead of monthly. This streamlines data collection as well as brings data collection into alignment with city goals for data analysis.

Early Lease Termination: Allow tenants to terminate a lease with 30 days' written notice in certain situations, listed below. This change specifies the reasons outside of a tenant's control why a tenant may want to terminate a lease early, allowing tenants to more easily understand in which situations they may be able to take advantage of this right. The lease may provide that in the event of termination for such cause, the tenant is liable for a reasonable termination charge not to exceed one month's rent.

- Involuntary changes in employment from the D.C. area *(currently included);*
- The unit is deemed not fit for occupancy for 60 days due to the landlord's failure to correct a violation affecting the immediate health and safety of the tenant within 30 days after being ordered to do so by the city;
- The landlord's rental license has been revoked within the previous 60 days for reasons related to the tenant's unit;
- The landlord has failures to make certain repairs required to correct a violation that affects the health and safety of the tenant;
- Domestic violence against the tenant or tenant's dependent;
- Death of a primary wage earner;
- Change in disability status;
- Entry into an inpatient substance abuse or mental health treatment program; or
- For other reasonable cause beyond the tenant's control *(currently included)*.

Eviction History: Ban landlords from asking about past eviction history on rental applications. Landlords would still be able to look up a prospective tenant's eviction history through other means of publicly available records. This would keep landlords' evaluation of prospective tenants focused on their ability to pay at the time of application, rather than on past financial challenges.

Fee Transparency: Require landlords to disclose fees to tenants when advertising rental units, prior to lease signing and at lease renewal, and in the lease agreement itself.

- *In Advertising:* Require landlords to disclose all mandatory fees whenever a price is advertised or displayed, including online, as well as whether utilities are included in the monthly rental payment. Monthly mandatory fees may be included in or stated with the monthly rental rate. If mandatory fees are due at a different time from the rent, the amount of the fee and the time at which it is due must be separately stated.
- *Prior to Lease Signing and At Lease Renewal:* Require landlords to fully disclose all fees prior to the lease agreement being certified by both parties and at the time of lease renewal. This may include disclosure at the time of lease signing. The disclosure should include whether the fee is mandatory or optional, the basis for the fee, the amount, and the frequency at which the fee must be paid. Additionally, the landlord should disclose estimated utility costs.
- *In Lease Agreement:* Require residential lease agreements, including lease renewals, to define mandatory fees and note the total monthly charge including rent and any mandatory fees. Landlord must also clearly state which utilities the tenant is responsible for, if utility payments are not included in the monthly rent payment.

Fee Restrictions: Restrict the types of fees that tenants may be charged to the following:

- Application fee *(cost restricted by state law to $25 and can only retain actual cost for credit check and other expenses arising out of the application)*
- Bicycle parking fee *(1/6 of any motor parking fee for bike lockers and 1/10 of motor parking fee for any other bicycle parking space)*
- Common ownership community penalties
- Internet, technology, cable television *(cannot be mandatory)*
- Lost key fee *(actual cost plus $25)*
- Lock out fee *(actual cost)*
- Motor vehicle or motorcycle parking fee
- Optional fees *(when consented to by tenant)*
- Pet fee *(refundable deposit and non-refundable monthly fee)*
- Secure storage fee *(unless within, attached to, or associated with unit)*

This creates clear parameters for what fees can and cannot be charged. It would also bring Rockville into alignment with Montgomery County's fee restrictions, without some of the caps placed on certain fees, such as for motor vehicle or motorcycle parking.

Guarantor Requirements: Allow landlords to require a guarantor, but if a guarantor is required, the landlord must provide the reason in writing, creating greater transparency.

Lease Collection: Require landlords to submit standard leases to the city at the time of rental license application or renewal. Currently, a copy of "any type of lease used by any landlord" is supposed to be filed with the city. This change brings the code into alignment with current practice and staff capacity.

Lease Receipt: Reduce the amount of time the landlord must provide the tenant with an executed copy of the lease from 10 days to three business days after its execution so that tenants may be assured of their upcoming living situation as soon as reasonably possible.

Lease Review: Require landlords to provide prospective tenants with a copy of their proposed lease at least two (2) days prior to the day of its execution, unless the prospective tenant requests a shorter time. This will allow tenants time to review the lease and its contents before committing to its terms.

Non-Electronic Payments: Require landlords to offer a method for tenants to make payments via nonelectronic or web-based methods without being charged any additional fees. Some residents may not have access to the internet and should not be penalized as such.

Meaningful fines: Increase certain fines for violations via a fine resolution to allow for a range of fines up to $5,000, depending on the violation. Currently, all violations incur a $100 fine.

Relocation Assistance: Establish a requirement for landlords to provide tenants with relocation assistance wen rental units become unfit to occupy or when tenants are displaced due to other qualifying circumstances.

Temporary Relocation Assistance:

- Required when the city deems a rental unit cannot be safely occupied or when a landlord must temporarily recover possession to comply with housing, health, building, fire, or safety laws.
- Does not apply in situations where the displacement is caused by a natural disaster or other incident beyond control of the landlord.
- Depending on the amount of time the displacement is expected to be, the tenant may be placed in a hotel, provided with alternate comparable housing (including a unit transfer), or given per diem money for temporary housing and expenses.

Permanent Relocation Assistance:

- Required when:
    - The unit will be demolished, redeveloped, substantially renovated, or changed in use, requiring a tenant household earning less than 50% of the area median income to move prior to the end of their lease term.
    - A rental license is suspended or revoked and the landlord chooses to cease renting the facility.
    - The tenant decides to end their tenancy following a temporary relocation that has lasted/will last more than six months.
    - The city issues an order for permanent relocation because the unit will not be able to be safely occupied for at least six months.
- Not required when the tenant agrees to a lease transfer to a different unit at the same property or when a tenant is legally evicted.

- Relocation payment would include:
    - Security deposit returned in full;
    - Pro rata rent for remainder of month;
    - Cash equivalent of three months' fair market rent for a unit of comparable size;
    - All actual reasonable moving and storage costs; and
    - An additional sum for households where at least one tenant is over 62 years of age, handicapped, disabled, or a legally dependent child.

Rent Increase Notice: Remove the requirement for landlords to provide the Director of the Department of Housing and Community Development (DHCD) with rent increase information for individual units. The department would be able to receive the information necessary to monitor general rent increase trends by collecting other data. Landlords would still be required to provide rent increase notice and information to the applicable tenant.

Repair and Deduct: Allow tenants to make repairs at their own cost and then deduct the cost of repairs from the rent, up to a maximum of two months' rent. This would only be allowed in situations where the landlord has failed to make repairs within a reasonable amount of time (typically 24-28 hours for emergencies and 15-30 days for other repairs).

Tenant Organizing: Prohibit landlords from charging tenant organizations fees for the use of meeting rooms or common areas. This is to support tenant organizations that may not have the funds to rent meeting spaces.

Two-Year Lease Terms: Require a landlord to offer tenants a two-year lease term at initial lease signing and renewal. The option of a two-year lease term would provide additional security for tenants because they would potentially be able to lock-in rental rates and lease terms for a longer time period, and landlords would have lower risk of vacancy and tenant turnover. Landlords would still be able to increase rents during a multi-year lease term, as long as there is a provision regarding the option in the lease and a 90-day notice is provided.

Impact Statements

Impact statements for Montgomery County Bill 8-26, Landlord-Tenant Relations – Prohibition Against Price Coordination and Rent-Setting Algorithms, which is largely similar to the proposed language for City Code Chapter 18, Rental Facilities and Landlord-Tenant Relations, can be found in Attachment D.

Equity

Staff anticipate the action would have a positive impact on racial equity and social justice due to the general expansion of tenant rights and impact on housing stability.

Research has shown a myriad of benefits associated with housing stability, including better mental and physical health due to less stress and the traumatic experience of being

evicted, economic security because households are more likely to be able to keep living in the community where they are already working, educational outcomes since children do not have to move schools and disrupt their learning environment, social connections due to households staying in one place for longer, and community diversity because the families that are first to be displaced are too often disproportionately Black and Hispanic. Conversely, the costs of housing insecurity can be significant. Specifically among young children, housing insecurity is associated with poor health, lower weight, and developmental risk.[1]

In Rockville, tenants are disproportionately of historically marginalized racial or ethnic groups. Most significantly, only 11.4% of total housing units in the city are occupied by Black or African American households, but nearly 20% of renter housing units are occupied by Black or African American households.[2]

Table 1. Percent of All Households and Renter-Occupied Households by Race and Ethnicity, City of Rockville (2024)

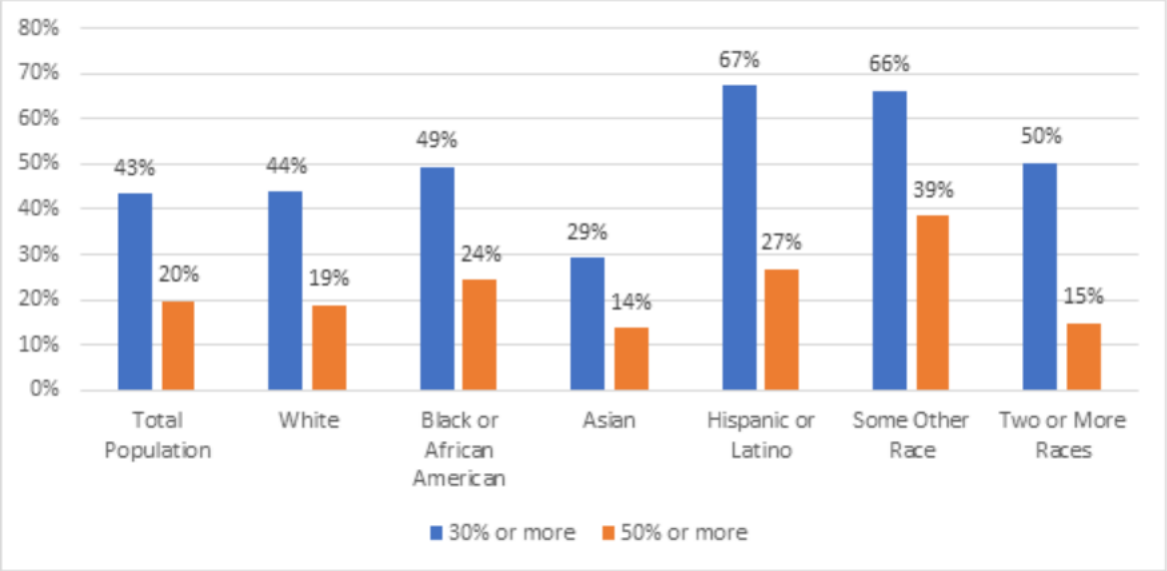
Race or Ethnicity	*All Households*	*Renter-Occupied Households*
Total	100%	45.1%
Asian	24.7%	27.8%
Black or African American	11.4%	19.8%
Hispanic or Latino	9.0%	12.0%
White	52.9%	39.4%
Some Other Race	3.5%	5.3%
Two or More Races	7.2%	6.9%

Source: U.S. Census, 2024 ACS 5-Year Estimates S2502

Additionally, the median income of renters is about $100,000 less than homeowners: $86,690 versus $186,717.[3] As of 2024, 53% of Rockville renters were considered housing cost-burdened, paying more than 30% of their income for housing, and over 20% are considered severely housing cost-burdened, paying more than 50% of their income for housing.[4] Hispanic or Latino, "Some Other Race," mixed-race, and Black households are disproportionately housing cost burdened (Figure 1), so would stand to benefit the most from policies like banning algorithmic rent pricing and restricting fees that would potentially lessen financial burden.

[1] https://ajph.aphapublications.org/doi/full/10.2105/AJPH.2011.300139
[2] U.S. Census 2024 ACS 1-Year Estimates S2502

Figure 1. Gross Rent as a Percentage of Household Income, By Race (2021)



Source: U.S. Census, 2021 ACS 5-Year Estimates B25070

The city does not collect data on landlord demographics, so whether or not changes to city code may disproportionately impact certain racial or ethnic groups of landlords cannot be fully analyzed.

Environment

There are no significant environmental impacts anticipated.

Economy

The action item is expected to have a neutral impact on the economy.

The additional requirements placed on landlords may result in fewer landlords, particularly small landlords, choosing to rent in Rockville, which would have a negative impact on the city's economy. On the other hand, existing landlords with many or large properties may need additional staff capacity to comply with the new code, especially when first implementing the changes into regular operations and protocols. This would create economic activity, although it could also put upward pressure on rents. Additionally, if the code is seen as too arduous for prospective landlords to uphold, developers may target investments elsewhere, resulting in foregone economic growth.

For tenants, the additional protections afforded to them in the proposed code may positively impact the local economy by improving housing stability. Individuals and households could focus more energy on non-housing related matters, such as education or job training, and divert funds from junk fees to other household needs, improving overall quality of life and economic stability. Transparency measures may also create a more competitive rental marketplace, resulting in slight downward pressure on rents or more favorable lease terms to tenants.

Mayor and Council History

Housing is one of the Mayor and Council's five focus areas. In June 2024, a high-level briefing was presented outlining the city's housing crisis and policy landscape. Later in 2024, there were three work sessions on the city's housing strategies, during which updating City Code Chapter 18, Rental Facilities and Landlord-Tenant Relations was approved by the Mayor and Council as one of the strategies.

The following work sessions related to Chapter 18 were held previously:

- June 16, 2025 - An initial work session specifically related to transparency. During that work session, staff presented preliminary recommendations on data collection and reporting requirements, lease requirements, and other posting requirements.
- November 10, 2025 - During a work session on rental licensing inspections, staff recommended an enhanced inspections program that does not require codification in the updated chapter.
- December 8, 2025 - Staff presented proposed changes to current code as well as new policies related to algorithmic rent pricing, court costs and legal fees, fee transparency and restrictions, guarantor requirements, and repair and deduct.
- February 23, 2026 – Staff provided follow-up research to questions raised at the December 8 work session and proposed new policies related to background check restrictions, relocation assistance, and penalties.

Feedback from previous work sessions is reflected in staff's proposed draft of Chapter 18, in addition to stakeholder input.

Public Notification and Engagement

See Attachment B for the Community Engagement Report and Attachment C for Public Comments and Correspondence.

Next Steps

Following the adoption of the proposed Ordnance, staff will work with the City Attorney's Office to develop and promulgate pertinent regulations. In addition, staff will create a Landlord-Tenant Handbook and other educational materials that will allow both landlords and tenants to clearly understand their rights and responsibilities as well as city resources.

Attachments

Attachment A_ Proposed Chapter 18 Ordinance, Attachment B - Community Engagement Report, Attachment C – Public Comments and Correspondence, Attachment D – Impact Statements for Montgomery County Bill 8-26, Presentation

ORDINANCE NO._____

ORDINANCE: To Amend Chapter 18 of the Rockville City Code, entitled "Rental Facilities and Landlord-Tenant Relations," to Add New Policies and Make Various Modifications to Improve the Administration of this Chapter

BE IT ORDAINED BY THE MAYOR AND COUNCIL OF ROCKVILLE, MARYLAND as follows:

SECTION I - That Chapter 18 of the Rockville City Code, entitled "Rental Facilities and Landlord-Tenant Relations," be amended as follows:

Chapter 18

RENTAL FACILITIES AND LANDLORD-TENANT RELATIONS

ARTICLE I. IN GENERAL

Sec. 18.1 Definitions

The following words, terms and phrases, when used in this ~~chapter~~ Chapter, ~~shall~~ have the meanings ascribed to them in this ~~section~~ Section, except where the context clearly indicates a different meaning~~:~~. Words or terms not defined n this Section are defined by their common dictionary meaning.

Accessory ~~apartment~~ Dwelling Unit (ADU) means a ~~second~~ dwelling unit approved under City Code Chapter 25 that is subordinate to a ~~that is part of, or attached to, an existing~~ detached single-unit ~~detached~~ dwelling ~~unit~~ and which contains cooking, eating, sanitation, and sleeping facilities for one household. ~~An accessory apartment is subordinate to the main dwelling unit.~~

* * *

City Manager means the City Manager or any employee, department, officer or agency of the City designated by the City Manager to carry out the duties and responsibilities ascribed to the City Manager under this ~~chapter~~ Chapter.

Commission means Commission on Landlord-Tenant Affairs as defined and established in Article II of this Chapter.

Defective tenancy means any condition in a rental facility constituting a violation of the terms of the lease (including a reduction or elimination of service or equipment for which the landlord has responsibility to maintain and which had been provided at the commencement of the tenancy), any provision of this ~~chapter~~ Chapter, or any applicable law, ordinance, regulation or

code, or where a landlord or tenant otherwise fails to comply with or violates any provision of this ~~chapter~~ Chapter.

Dwelling unit means a building, or portion thereof, providing ~~complete living facilities~~ cooking, eating, sanitation, and sleeping facilities for ~~not more than~~ one ~~(1) family~~ household~~, as defined by chapter 25 (Zoning)~~. "Dwelling unit" includes accessory apartments. "Dwelling unit" also includes property that is available for use in connection with the occupancy of the dwelling unit.

~~Cross reference(s)—Zoning definitions, § 25.03.02.~~

Fit for Occupancy means that a dwelling unit and property of which the dwelling unit is a part are free from serious defects or conditions that constitute, or will constitute if not promptly corrected, a fire hazard or other serious and substantial threat to the life, health, or safety of occupants of the dwelling unit as defined in accordance with the provisions of the Real Property Article of the Annotated Code of Maryland § 8-212.

~~*Inn*~~ *Hotel* means any structure or combination of related structures operated as a single entity containing rooms or suites of rooms designed and intended primarily for the temporary lodging of guests, and which are available to the general public for compensation. For purposes of this ~~chapter~~ Chapter, such rooms or suites of rooms ~~shall~~ will be considered to be dwelling units.

Household means:

(1) A single person;

(2) Two or more persons, all of whom are related to each other by blood, marriage, domestic partnership, adoption, guardianship or other duly authorized custodial relationship, and not more than two other unrelated persons as long as all of the occupants are living together as a single housekeeping group in a dwelling unit; or

(3) A group of not more than five persons who are not collectively related to each other by blood, marriage, domestic partnership, adoption, guardianship, or other duly authorized custodial relationship, and are living together as a single housekeeping group in a dwelling unit.

Inspection means an examination of a rental facility or any part thereof as the City Manager deems appropriate to carry out the purposes of this ~~chapter~~ Chapter.

* * *

~~*Multiple-unit dwelling* means a building containing three (3) or more dwelling units, which may or may not share a common entry.~~

Multi-unit building means a building containing five or more dwelling units under common ownership and operated as a single entity where dwelling units are rented on at least a monthly basis.

* * *

Owner means:

* * *

(2) Any person who, alone or jointly or severally with others, ~~shall~~must have the charge, care, or control of any structure as executor, administrator, trustee or guardian of the estate of the owner.

(3) Any person whose name appears on the property tax bill.

Person means an individual, association, firm, partnership, corporation, or government agency.

Rent means the fixed, periodic payment amount ~~charged~~ a tenant owes for the right to possession, ~~and~~ use, or occupancy of a dwelling unit within a rental facility (rental premises), including any required recurrent charge ~~therefor~~ and any required charge for the use of services and property in connection ~~therewith~~ with the rental facility that are not otherwise prohibited by this Chapter.

Rental facility means any structure or portion thereof, or combination of related structures and appurtenances, operated as a single entity, which contains one or more dwelling units that are rented on at least a monthly basis ~~the owner or operator thereof provides for a consideration one (1) or more dwelling units~~. "Rental facility" includes ~~rental multiple unit dwelling~~ multi-unit buildings, single-unit dwelling ~~units~~, ~~accessory apartments~~ ADUs, ~~inns,~~ and hotels~~, motels, individual condominium or cooperative dwelling units, etc~~. "Rental facility" does not include nursing homes, hospices, and other residential medical or psychiatric care facilities.

~~*Rental multiple unit dwelling (apartment)* means a multiple unit dwelling building operated as a single entity where dwelling units are rented on a minimum of a monthly basis. "Multiple rental unit dwelling" does not include multiple unit dwelling buildings containing condominium or cooperative dwelling units, or other attached dwelling units, where such units are under different ownership.~~

Rental license means a license to operate a rental facility in accordance with this Chapter.

Security deposit means any payment of money~~, including the payment of the last month's rent in advance of the time it is due,~~ given to the landlord to be used against nonpayment of rent or damage to the leased premises.

Single ~~dwelling~~ -unit dwelling means:

(1) ~~a~~A building containing not more than one ~~(1)~~ dwelling unit plus no more than one ~~(1) accessory apartment~~ ADU approved ~~by special exception~~ pursuant to ~~chapter~~ Chapter 25 ~~(Zoning)~~.

(2) ~~For purposes of this chapter only, "single dwelling unit" also includes attached~~ A single dwelling unit within a building with multiple dwelling units where each dwelling unit is ~~the units are~~ under separate ownership, including townhouses and cooperative and condominium units ~~within a multiple unit dwelling.~~; and

(3) A single dwelling unit within a building with two to four dwelling units where all dwelling units are owned by a single owner or entity.

* * *

Sec. 18-2. Purposes and policies.

The underlying purposes and policies of this ~~chapter~~ Chapter are:

* * *

(2) To promote health, safety, and wellbeing by encouraging ~~encourage~~ landlords and tenants to maintain and improve the quality of housing in the City;

(3) To assure fair and equitable relations between landlords and tenants~~.~~; and

(4) To improve housing stability and opportunities for tenant agency.

Sec. 18-3. Applicability.

This ~~chapter~~ Chapter ~~shall~~ will apply to all rental facilities within the City and to all leases and rental agreements concerning rental facilities within the City, wherever executed. This ~~chapter~~ Chapter ~~shall~~ will apply to rental facilities owned and/or operated by any public housing authority, and to rental facilities which are subject to Federal or State law, rule or regulation only to the extent that Federal or State law, rule or regulation does not conflict with and is not inconsistent with the provisions and requirements of this ~~chapter~~ Chapter.

Sec. 18-4. Interpretation.

(a) The provisions of this ~~chapter~~ Chapter ~~shall~~ will be liberally interpreted so as to effectuate its underlying purposes and policies.

(b) The provisions and requirements of this ~~chapter~~ Chapter ~~shall~~ will be in addition to any provision or requirement of any other applicable law, rule or regulation and it ~~shall~~ will not be deemed to interfere with, abrogate, annul, or otherwise affect in any manner any agreements between parties, unless such agreements conflict with the provisions of this ~~chapter~~ Chapter.

(c) To the extent that the provisions of this ~~chapter~~ Chapter conflict with state general public law, state law ~~shall~~ will prevail.

(d) Any reference to law in this Chapter includes any amendments to that law.

(e) All provisions of this Chapter are severable. A finding by a court that any provision of this Chapter is unconstitutional or otherwise void does not affect the validity of the remaining portions of this Chapter, unless the court finds that the remaining valid provisions alone are incomplete and incapable of being executed.

Sec. 18-5. Penalty.

A violation of any provision of this ~~chapter~~ Chapter ~~shall~~ constitutes a municipal infraction. No penalty ~~shall~~ will be imposed for that period of time when an alleged violation is the subject of an investigation or before the Commission on Landlord-Tenant Affairs, or when the violation is the subject of an order which is complied with or when a good faith effort is made to correct the violation or comply with an order.

Sec. 18-6. Ceasing operations in lieu of compliance.

Where a person, rather than comply with an order of the Commission on Landlord-Tenant Affairs, chooses to cease to conduct or operate a rental facility, the person must ~~shall~~ give any tenant occupying the ~~premises in question~~ rental facility ~~sixty (~~60~~)~~ days' written notice to vacate the premises, the period to begin on the first day of the month following service of the notice. A copy of the notice must be delivered to the City Manager. No penalty will be imposed during the ~~sixty (~~60~~)~~ day period that tenants have to vacate the facility, provided that the holder of the license to conduct or operate the rental facility relinquishes it and submits it to the City Manager.

~~**Sec. 18-7. Failure to comply with summons.**~~

~~Failure to comply with a summons issued pursuant to this chapter shall be unlawful and shall be subject to appropriate legal action being taken by the City Attorney on behalf of the Commission on Landlord-Tenant Affairs as may be necessary to enforce the summons.~~

Secs. 18-~~8~~7—18-20. Reserved.

ARTICLE II. ADMINISTRATION

DIVISION 1. GENERALLY

Sec. 18-21. Functions of City Manager.

The City Manager shall have the authority and duty:

(1) To issue, deny, revoke or suspend licenses required by this ~~chapter~~ Chapter, and to conduct any investigation necessary ~~thereto~~;

(2) To initiate and conduct investigations and conciliations of any alleged or apparent violation of this ~~chapter~~ Chapter or any complaint filed ~~hereunder~~ pursuant to this Chapter;

* * *

(4) To assist the Commission on Landlord-Tenant Affairs in carrying out its duties and implementing the mandate of Commission rules and~~/or~~ regulations promulgated pursuant to the provisions of this ~~chapter~~ Chapter~~.~~; and

(5) To promulgate administrative procedures governing the licensure and inspection of rental facilities pursuant to this Chapter, including at a minimum:

a. The number of dwelling units within a multi-unit building that must be inspected before issuance of a new rental license or renewal of an existing rental license;

b. An enhanced inspection program for rental facilities that have failed inspections performed under this Chapter or have otherwise been subject to notices of violation or citations under this Chapter or Chapter 5, Article XII (Property Maintenance Code);

c. Procedures for declaring a rental facility not fit for occupancy; and

d. The administration of the relocation assistance program set forth under this Chapter.

* * *

DIVISION 2. COMMISSION ON LANDLORD-TENANT AFFAIRS

* * *

Sec. 18-37. Composition and appointment.

(a) Membership. The Commission on Landlord-Tenant Affairs ~~shall~~ consists of seven ~~(7)~~ members and three alternate members who reside within the City, or in the case of landlords and operators, who own or operate rental facilities within the City, and who are appointed by the Mayor, subject to the confirmation of the Council. ~~Two (2) of the members shall be landlords or operators of rental facilities selected from nominations made by organizations representing landlords. Two (2) of the members shall be tenants whose livelihood does not derive in whole or in significant part from the ownership and/or management of rental property, selected from nominations made by organizations representing tenants. Three (3) members shall be selected from the public at large from persons who are neither tenants nor landlords nor whose livelihood is derived in whole or in significant part from the ownership and/or management of rental property. Prior to selected representatives of landlords and tenants, recommendations for members shall be requested from all organizations within the City representing either landlords or tenants. If no nominations are received within a time limit specified by the Mayor, appointments may be made without nominations.~~ The members are to represent three groups as follows:

(1) Two of the members must be landlords or operators of rental facilities;

(2) Two of the members must be tenants whose livelihood does not derive in whole or in significant part from the ownership or management of rental property;

(3) Three of the members must be selected from the public at large from persons who are neither tenants nor landlords nor whose livelihood is derived in whole or in significant part from the ownership or management of rental property; and

(4) There must be one alternate member for each group. The alternate members must be nominated in the same manner prescribed for other members of the Commission.

(b) Prior to selected representatives of landlords and tenants, recommendations for members and alternate members ~~shall~~ may be requested from all organizations within the City representing either landlords or tenants. If no nominations are received within a time limit specified by the Mayor, appointments may be made without nominations.

(c) Alternate members will have voting privileges only when acting in the stead of an absent Commission member of the group which the alternate represents.

~~(b) To assist the commission in the expeditious disposition of its duties and responsibilities and to ensure that each of the aforementioned groups is adequately represented, there shall be one (1) alternate member for each group. The alternate members shall be hereafter nominated, appointed and confirmed in the same manner prescribed for other members of the Commission as set forth in subsections (a) and (b) of this section. Each alternate member of the Commission shall continue to serve until a successor has been appointed and has been confirmed. Alternate members shall have voting privileges only when acting in the stead of an absent Commission member of the group which the alternate represents.~~

(~~e~~d) Qualification. For the purpose of subsection (a) of this ~~section~~ Section, the livelihood of a member ~~shall~~ will be deemed to be derived in significant part from the ownership ~~and/~~or management of rental property when the member or the member's spouse or the minor child of either the member or the member's spouse, jointly or severally, owns a total of more than three ~~(3)~~ percent of the invested capital or capital stock of any group, firm, corporation or association owning or managing rental property or receives a total combined compensation of more than ~~five thousand dollars (~~$5,000.00~~)~~ per year from any individual, group, firm, corporation or association owning or managing rental property.

(e) Chairperson.

(1) Appointment. The Commission must elect a Chairperson from among its appointed members.

a. In the event the Chairperson is unable to attend a hearing or meeting, the chairperson will designate one member or alternate member to serve as chairperson.

(2) Term. The Chairperson serves a term of one year and is eligible for reelection.

Sec. 18-38. Terms of members.

The terms of the members and alternate members of the Commission ~~on Landlord-Tenant Affairs shall~~ will be for three ~~(3)~~ years. Each member and alternate member of the ~~commission~~ Commission ~~shall~~ will continue to serve until a successor has been appointed and confirmed. The term of any member of the Commission ~~shall~~ must immediately terminate in the event that member changes status as a landlord, a tenant, or a member of the public at large or ceases to reside or own or operate any rental facility within the City.

Sec. 18-39. Powers and duties generally

In addition to any other power, duty or responsibility provided in this ~~chapter~~ Chapter, the Commission ~~on Landlord-Tenant Affairs shall~~ will:

(1) Be empowered to enforce the provisions of this ~~chapter~~ Chapter through any appropriate means, including but not limited to:

* * *

b. The imposition of an award of money damages against a landlord or tenant for the benefit of either as may be provided for in this ~~chapter~~ Chapter;

* * *

d. The investigation and conciliation of any violations of this ~~chapter~~ Chapter or any complaints filed ~~hereunder~~ and the investigation of any matter relating to any license to operate a rental facility;

* * *

f. Requesting appropriate legal action be taken by the Office of the City ~~Attorney's office~~;

(2) Hear appeals from decisions of the City Manager as provided for in this ~~chapter~~ Chapter;

(3) Have the power to summon the attendance of all witnesses and the production of all documents and information it deems necessary. A summons so issued must be signed by the chairperson of the Commission or the chairperson's designee and ~~shall~~ will require the attendance of named persons ~~and/~~or the production of relevant documents and records;

(4) Subject to the approval of the Council, the Commission ~~shall~~ will adopt and amend rules and~~/or~~ regulations which ~~shall~~ must not conflict with this ~~chapter~~ Chapter or any other applicable law or regulation, as the Commission deems necessary to implement the provisions of this ~~chapter~~ Chapter, including but not limited to provisions for calling and conducting meetings, hearings and appeals held pursuant

to this ~~chapter~~ Chapter and for issuing findings, opinions and orders, and provisions dealing with the use and function of alternate members; and

* * *

Sec. 18-40. Meetings; quorum; voting.

(a) The ~~chairperson~~ Chairperson, in conjunction with the City Manager, ~~shall~~ will schedule meetings of the Commission ~~as frequently as may be~~ when necessary for the Commission to perform duties or as may be provided by any rules ~~and/~~or regulations adopted by the Commission.

(b) The Commission may provide in its rules and~~/or~~ regulations for the conducting of business in a noncontested matter or where not objected to by the parties involved by polling the Commission or Commission panel by ~~telephone~~ electronic communication or otherwise.

(c) When a member is absent, the alternate member who represents the same group ~~shall~~ will be counted for purposes of a quorum and ~~shall~~ may participate in the Commission proceeding in place of the absent member.

Sec. 18-41. Commission panels.

(a) Following a majority vote of those members of the Commission ~~on Landlord-Tenant Affairs~~ present that the action is warranted by the size of the caseload or length of required hearings, the chairperson of the Commission may designate three ~~(3)~~ members of the Commission, one ~~(1) of whom shall be a~~ tenant member, one ~~(1) of whom shall be a~~ landlord member and one ~~(1) of whom shall be a~~ public-at-large member, to sit as a panel to conduct a hearing on any complaint or appeal pending before the Commission. The ~~chairperson~~ Chairperson shall designate one (1) panel member to serve as panel chairperson. Depending upon the extent to which panels are used, the chairperson of the Commission will endeavor to rotate panel membership from time to time among members of the Commission.

(b) In the event any matter is heard by a Commission panel designated pursuant to this ~~section~~ Section, all panel members so designated must be present to conduct the hearing, except that an appropriate alternate Commission member may substitute for a panel member, and all official action by the panel ~~shall~~ must be taken by the vote of not less than two ~~(2)~~ members of the panel.

(c) Except as may be otherwise provided in this ~~chapter~~ Chapter or in rules ~~and/~~or regulations adopted by the Commission, the provisions of this chapter pertaining to the conduct of hearings before the Commission ~~shall~~ apply to hearings conducted by Commission panels.

* * *

(e) If a Commission panel is unable to decide any complaint or appeal pending before it due to a tie vote resulting from the failure of any panel member to vote, such complaint or

appeal ~~shall~~ must be referred to the entire Commission for a decision by it based upon the record established before the Commission panel.

* * *

DIVISION 3. COMPLAINT

Sec. 18-56. Filing.

(a) Any landlord or tenant who has reason to believe that a defective tenancy exists ~~and/~~or has been created or permitted to exist by the other party to the lease ~~or rental arrangement~~, may file a written complaint with the City Manager, which complaint ~~shall~~ must state the name and address of the alleged offending landlord or tenant, the rental facility in question, and the particulars of the alleged defective tenancy or violation.

(b) A complaint may be filed only after the complainant has given the alleged offending party written notice of the alleged defective tenancy and such party has failed to make a good faith effort to rectify the defective condition within one ~~(1)~~ week after the notice has been given.

* * *

Sec. 18-57. Investigation.

Upon the filing of any complaint under this ~~chapter~~ Chapter, the City Manager ~~shall~~ will make such investigation as is deemed appropriate to ascertain whether there are reasonable grounds to believe that the allegation is true and to determine whether a defective tenancy exists. If at any time after a complaint is filed, the City Manager believes the health, safety, welfare or well-being of a tenant is placed in immediate and present danger, he ~~shall be~~ is authorized to take immediate action to provide appropriate relief including notification to the Commission ~~on Landlord-Tenant Affairs~~ which shall determine in accordance with its rules and~~/or~~ regulations whether or not an emergency meeting of the Commission is necessary.

Sec. 18-58. Procedure following investigation; conciliation.

(a) If the City Manager, in investigating a complaint, determines that there are no reasonable grounds to believe that a defective tenancy exists, the City Manager ~~shall~~ will ~~so~~ inform the complainant in writing. ~~Commission on Landlord-Tenant Affairs, in writing, and the Commission may, in its discretion, determine whether or not the complaint is bona fide, and order dismissal of the complaint, or order such further investigation as deemed appropriate, provided that no complaint shall be dismissed without a hearing if objection is made thereto by the complaining party.~~

(b) If the complainant objects to the determination of the City Manager and requests further review or hearing to appeal the determination:

(1) The City Manager will so inform the Commission, in writing;

(2) The Commission may, in its discretion, determine whether or not the complaint is bona fide by completing a preliminary review of the evidence provided by both parties;

(3) Order dismissal of the complaint, or order such further investigation as deemed appropriate; and

(4) The parties will be notified in writing that the complaint has been dismissed or further investigation has been deemed appropriate. No formal Decision and Order is required.

(~~b~~c) If the City Manager, in investigating a complaint, determines that there are reasonable grounds to believe that a defective tenancy exists~~:, the City Manager shall attempt to conciliate the matter by methods of initial conference and persuasion with all interested parties and such representatives as the parties may choose to assist them. Conciliation conferences shall be informal and confidential and nothing said or done during such initial conferences shall prejudice the rights of the parties.~~

(1) The City Manager will attempt to conciliate the matter by methods of initial conference and persuasion with all interested parties and such representatives as the parties may choose to assist them.

(2) Conciliation conferences are informal and confidential and nothing said or done during such initial conferences will prejudice the rights of the parties.

Sec. 18-59. Conciliated complaints.

(a) If a complaint under this ~~chapter~~ Chapter is conciliated, the terms of conciliation agreed to by the parties may be reduced to writing and incorporated into a consent agreement to be signed by the parties. The agreement ~~shall be~~ is for conciliation purposes only and does not constitute an admission by any party that a violation of this ~~chapter~~ Chapter has occurred or that a defective tenancy exists.

(b) It ~~shall be~~ is unlawful to fail to adhere to any provision contained in a consent agreement. Any failure by the Commission ~~on Landlord-Tenant Affairs~~ to enforce a violation of any provision of a consent agreement ~~shall~~ does not constitute a waiver of any rights of the nonviolating party or the Commission contained in such agreement.

Sec. 18-60. Failure to conciliate complaints.

The City Manager shall notify the Commission ~~on Landlord-Tenant Affairs~~ and the Commission may thereafter schedule a hearing to determine whether a defective tenancy exists, if the City Manager:

* * *

(2) Fails to effect an informal conciliation agreement or formal consent agreement; or

* * *

Upon the request of one of the parties, the Commission may schedule a hearing to determine whether a defective tenancy exists after receiving the above notification from the City Manager.

* * *

DIVISION 4. COMMISSION HEARINGS AND ACTIONS

Sec. 18-76. Hearings generally.

(a) When a hearing before the Commission ~~on Landlord-Tenant Affairs~~ or a Commission panel deals with a controversy arising under the provisions of this ~~chapter~~ Chapter, the Commission ~~shall~~ will serve upon the person against whom a complaint has been filed (designated as the "respondent") a summons and a statement of charges and ~~shall~~ will serve upon all interested parties a notice of the time and place of hearing. The respondent or an authorized representative ~~thereof~~ may file such statement with the Commission prior to the hearing date as may be deemed necessary in support of respondent's position.

(b) The hearing ~~shall~~ will be open to the public; except, that either the ~~complaining party~~ complainant or the respondent may request, in writing, a private hearing, which may be granted at the discretion of the Commission.

(c) The hearing ~~shall~~ must be held not less than ~~twelve (~~12~~)~~ days and not more than ~~thirty (~~30~~)~~ days after service of the statement of charges and summons, unless otherwise agreed to by the parties. The ~~commission~~ Commission ~~shall have~~ has the power to summon all witnesses it deems necessary. The summons so issued must be signed by the chairperson of the Commission or a designee and ~~shall~~ will require the attendance of named persons and the production of relevant documents and records.

(d) The ~~complaining party~~ complainant and the respondent may, at their option, appear before the Commission in person or by duly authorized representatives and may have the assistance of an attorney. The parties may present testimony and evidence which shall be given under oath or by affirmation.

(e) The Commission ~~shall~~ must keep a full record of the hearing which record, if the hearing is public, ~~shall~~ must be open to inspection by any person, and, upon request by any principal party to the proceeding, the Commission shall furnish ~~shall~~ must party with a copy of the hearing record at such charges as are necessary to meet the costs.

* * *

Sec. 18-77. Relief pending commission hearing.

If, at any time after a complaint has been filed, the Commission ~~on Landlord-Tenant Affairs~~ believes that appropriate civil action to preserve the status quo or to prevent irreparable harm appears advisable, the Commission may refer the matter to the City Attorney to bring any action

necessary to preserve such status quo or to prevent such irreparable harm, including but not limited to temporary restraining orders and preliminary injunctions.

Sec. 18-78. Failure to comply with summons.

It is unlawful for a person to fail to comply with a summons issued pursuant to this Chapter. On behalf of the Commission, the City Attorney may take any appropriate legal action to enforce a summons issued pursuant to this Chapter.

Sec. 18-~~78~~79. Defective tenancy not found.

If, at the conclusion of the hearing, the Commission ~~on Landlord-Tenant Affairs~~ or Commission panel determines, upon the preponderance of the evidence of record, that the respondent has not violated or caused a defective tenancy or has not allowed a defective tenancy to continue for an unreasonable period of time, the Commission or Commission panel ~~shall~~ will state and ~~publish~~ issue its findings, including whether or not the complaint was bona fide and issue an order dismissing the complaint or an order providing any other action deemed appropriate.

Sec. 18-~~79~~80. Violation or defective tenancy found.

(a) If, at the conclusion of the hearing, the Commission ~~on Landlord-Tenant Affairs~~ or Commission panel determines, upon the preponderance of the evidence of record, that a defective tenancy exists, the Commission or Commission panel ~~shall~~ will state its findings and issue an order. Such order ~~shall~~ will require the respondent to cease and desist from such unlawful conduct and to take such appropriate action as will effectuate the purposes of this ~~chapter~~ Chapter. The order shall also contain a notice that if the Commission determines that the respondent has not, after ~~f~~ifteen ~~(~~15~~)~~ calendar days following service of the Commission's order or Commission panel's order, made a good faith effort to comply with the order, the Commission may cause a municipal infraction citation to be issued and~~/or~~ refer the matter to the City Attorney for enforcement.

(b) Where the Commission or Commission panel finds that a landlord has caused a defective tenancy, the Commission or Commission panel may order one ~~(1)~~ or more or all or part of the following remedies to benefit all affected tenants:

(1) Immediate termination of the~~ir~~ relevant leases, and return of the~~ir~~ security deposits and all rental monies already paid to the landlord from the period the landlord was notified of the condition, and relief from any and all future obligations under the terms of the leases. Where the termination of a lease is ordered, the dwelling unit ~~shall~~ must be vacated within a reasonable period of time.

a. If a landlord imposes a security deposit in excess of the equivalent of one month rent per dwelling unit, an award of up to three times the extra amount charged, plus reasonable attorney's fees as permitted by Maryland law.

(2) An award of damages to be paid by the landlord sustained as a result of the defective tenancy, such damages being determined as the actual damage or loss. In the case of damages to persons or property, an award for damages shall not exceed ~~two thousand~~

~~dollars ($2,000.00)~~ $5,000 per affected dwelling unit. In the case of loss of services or equipment for which the landlord has responsibility to maintain and which had been provided at the commencement of tenancy, damages may be awarded in an amount equal to the value of the amenity lost and~~/or~~ a reduction in rent may be ordered in an amount commensurate with the actual cost savings accruable to the landlord as a result of the reduction of services or equipment.

* * *

(c) Where the Commission or Commission panel finds that a tenant has caused a defective tenancy, the landlord may be entitled to one ~~(1)~~ or more or all or part of the following remedies as ordered by the Commission or Commission panel:

* * *

(2) An award of damages to be paid by the tenant to the landlord sustained as a result of the defective tenancy, such damages being determined as the actual damage or loss but not exceeding ~~two thousand dollars ($2,000.00)~~ $5,000.00 with a credit for any damages which may have been deducted from the security deposit;

(3) Other remedies as may be available to the landlord under ~~state~~ Maryland law.

(d) Any award of damages or money under this ~~section~~ Section not paid within ~~thirty (~~30~~)~~ days from such award may be enforced by the landlord or tenant to whom the award was granted in any court of competent jurisdiction, and any such court is authorized to grant judgment for such monies plus interest from the date of the award.

Sec. 18-~~80~~81. Failure to comply with orders.

It is a violation to fail to comply with any order issued by the Commission ~~on Landlord-Tenant Affairs~~ or a Commission panel ~~thereof~~.

Sec. 18-~~81~~82. Appeal to court.

Any person aggrieved by a final action of the Commission ~~on Landlord-Tenant Affairs~~ rendered under this ~~chapter~~ Chapter may appeal to the Circuit Court for the County in accordance with the Maryland Rules as set forth in Title 7, Chapter 200.

Secs. 18-~~82~~83—18-95. Reserved.

ARTICLE III. RENTAL FACILITY REQUIREMENTS

DIVISION 1. GENERALLY

Sec. 18-96. Occupancy limit.

A dwelling unit within a rental facility may not be rented to or occupied by more than one household.

Secs. 18-~~96~~97—18-110. Reserved.

DIVISION 2. LICENSE

Sec. 18-111. License required ~~Required~~.

~~It shall be unlawful to conduct or operate within the City a rental facility without having first obtained a license to operate or conduct such rental facility. It shall be unlawful to operate a rental facility within the city under an expired, revoked, or suspended license.~~

(a) A person may not operate a rental facility without a valid rental license under this Chapter.

(b) A person may not operate a rental facility under an expired, revoked, or suspended rental license.

Sec. 18-112. ~~Classes~~ Types of rental licenses.

There ~~shall be~~ are the following classes of rental ~~facility~~ licenses:

(1) ~~Innkeeper's license~~ Hotel License;

(2) ~~Rental multiple-unit dwelling (apartment) license~~ Multi-Unit Building License;

(3) ~~Single-dwelling unit rental license. Where a single-dwelling unit contains, or is attached to an accessory apartment, a single-dwelling unit rental license may only be issued for that part of the building excluding the accessory apartment. In no case may a rental license be issued for a single-dwelling unit and for an accessory apartment on the same lot~~ ADU License; and

(4) ~~Accessory apartment rental unit license. No license may be issued for an accessory apartment where another rental residential use exists on the same lot~~ Single-Unit Dwelling License.

Sec. 18-113. Application; fees.

(a) Application for a rental license ~~required hereunder shall~~ must be made by or on behalf of the owner of the rental facility on a form provided by the City and ~~shall~~ must be accompanied by a fee as may be provided by resolution of the Council.

(b) If the owner of the rental facility is a corporation, the corporation ~~shall~~ must be qualified to do business in ~~the State~~ Maryland as provided by State law.

(c) All corporate owners and owners residing outside ~~the State shall~~ of the District of Columbia, Maryland or Virginia must have an agent ~~as defined herein~~, who ~~shall~~ resides in the ~~State~~ District of Columbia, Maryland or Virginia, and ~~shall certify to the City Manager~~ provides the name, address and telephone number of such agent on the rental license application and ~~shall~~ must keep such information current by notifying the City Manager of any change.

Sec. 18-114. ~~Inspections~~ Rental license issuance and renewal.

(a) ~~A rental facility must be inspected upon the receipt of a completed application for a rental facility license and before issuance or renewal of a rental facility license.~~ The City Manager may only issue or renew a rental license upon finding that:

(1) The applicant submitted a complete rental license application, including payment of all required fees;

(2) If the rental facility is a detached single-unit dwelling or ADU, no other dwelling unit on the same lot as the rental facility is rented or offered for rent;

(3) An inspection of the rental facility conducted in accordance with this Chapter confirms that the rental facility complies with this Article and Chapter 5, Article XII (Property Maintenance Code); and

(4) Any violations of the City Code identified during the rental facility inspection have been addressed as required by the City Manager

~~(b) As a condition of receiving a rental facility license, a landlord must also allow the rental facility to be inspected:~~

~~(1) Upon a reasonable suspicion of a violation of this chapter or any other section of the City Code.~~

~~(2) To verify that a violation of this chapter or any other section of the City Code has been abated.~~

~~(c) The City is deemed to have reasonable suspicion of a violation if it receives a credible complaint of a violation or has documented evidence that a violation may exist.~~

~~(d) The City must provide at least seventy-two (72) hours written notice before any inspection of a rental facility by certified mail sent to the landlord's last known address and by posting at the main entrance of the rental facility.~~

~~(e) If a violation of this chapter or any other section of the City Code is noted during the inspection, the City must notify the landlord in writing of the nature of the violation and the time within which the violation must be abated. The City may require the rental facility to be reinspected to verify that the violation has been abated.~~

~~(f) A landlord is deemed to have violated this chapter if a City inspector is refused entry to the landlord's rental facility to conduct an inspection that has been properly noticed under this section. Each day an inspector is refused entry to conduct a properly noticed inspection is a separate violation.~~

(b) Rental licenses must be renewed as follows:

(1) Hotel and multi-unit building rental licenses must be renewed annually; and

(2) Single-unit dwelling and ADU rental licenses must be renewed every two years.

a. ADU rental licenses require an annual ADU certification fee under City Code Chapter 25.

(c) The operator of a rental facility must apply to renew the rental license at least 30 days before the expiration date of the current rental license.

(d) The City Manager may extend the expiration date of a rental license once, for a maximum of 60 days, to facilitate abatement of violations observed during a rental facility inspection.

Sec. 18-115. Rental facility inspections.

(a) Upon submission of an application for a new rental license or a rental license renewal, the applicant must allow the City Manager to inspect the rental facility in accordance with this Chapter.

(b) As a condition of receiving a rental license, a landlord must also allow the rental facility to be inspected:

(1) Upon a reasonable suspicion of a violation of this Chapter or any other Section of the City Code.

(2) To verify that a violation of this Chapter or any other Section of the City Code has been abated.

(c) The City is deemed to have reasonable suspicion of a violation if it receives a credible complaint of a violation or has documented evidence that a violation may exist.

(d) The City must provide at least 72 hours written notice before any inspection of a rental facility by certified mail sent to the landlord's last known address and by posting at the main entrance of the rental facility.

(e) A landlord is deemed to have violated this Chapter if a City inspector is refused entry to the landlord's rental facility to conduct an inspection that has been properly noticed under this Section. Each day an inspector is refused entry to conduct a properly noticed inspection is a separate violation.

(f) If a violation of this Chapter or any other Section of the City Code is noted during an inspection, the City Manager must notify the landlord in writing of the nature of the violation and the time within which the violation must be abated. The City Manager may require the rental facility to be reinspected to verify the violation has been abated.

(g) If an inspection indicates that any rental facility does not comply with all applicable laws, the City Manager must notify the landlord in writing and order correction within a specified period of time. If the landlord does not correct the violation in the specified period of time, the City Manager may:

(1) Authorize a tenant to:

a. have the violation corrected by a licensed contractor as required by the Maryland Home Improvement Commission; and

b. deduct the reasonable cost of the repair up to the amount of two months' rent, from the tenant's rent; or

(2) Revoke the license or take other remedial action.

~~**Sec. 18-115. Renewal.**~~

~~Licenses issued under this division for single-family dwellings shall be renewable every two (2) years and all other licenses issued under this division shall be renewable annually at fees~~

~~as may be provided by resolution of the Council. Applications for the renewal of licenses shall be made at least thirty (30) days prior to the expiration date of the existing license.~~

Sec. 18-116. ~~Form; display~~ Display of rental license.

(a) ~~The person to whom any rental facility license is issued shall display it~~ The operator of a hotel or multi-unit building must display a valid rental license in the lobby, vestibule, rental office or other prominent public place on the rental facility premises ~~for which the license is issued~~ during the entire period ~~it~~ the rental license is in effect. ~~A telephone number where the operator or representative thereof may, in fact, be reached at all times shall be included on the license. In the case of a single-family dwelling rental unit, it is sufficient if a copy of the license is provided the tenant.~~

(b) The landlord of a single-unit detached dwelling or ADU must provide a copy of a valid rental license to all tenants of the rental facility.

(c) A rental license must include the telephone number where at which the operator, landlord, agent or representative thereof may, in fact, be reached at all times.

Sec. 18-117. Transferability.

(a) A rental license holder must give the City Manager written notification of any change in address or transfer of property ownership within ~~ten (~~10~~)~~ days of such change or transfer.

(b) ~~No~~ A rental license is not transferable. Upon sale of a rental facility, the license held by the previous owner becomes void. If the rental facility is currently rented or offered for rent, the new owner ~~shall file an application for~~ must receive approval of a new rental ~~facility~~ license ~~accompanied by the appropriate fee~~.

(c) Whenever the ownership of the rental facility changes ~~hands~~, ~~it shall be the duty of~~ the transferor ~~to~~ must notify all tenants of the rental facility of the name, address and office location of the transferee and of the transferee's agent.

Sec. 18-118. Denial, revocation or suspension.

(a) A rental ~~facility~~ license may be revoked or suspended ~~and a renewal may be denied~~ at any time by the City Manager if the landlord after ~~ten (~~10~~)~~ working days' written notice fails to eliminate or to initiate good faith efforts to eliminate violations of this ~~chapter~~ Chapter or of other applicable laws, rules or regulations. Revocation, denial or suspension of a license ~~shall be~~ is in addition to, and not in substitution for, such other penalties as may be provided for violations by any ordinance. A license ~~shall~~ may be revoked only for that portion of a building or group of buildings in which a defective tenancy is found to exist.

(b) The City Manager must deny an application for a new rental ~~facility~~ license or a renewal of a rental ~~facility~~ license if: ~~the applicant has been cited for three (3) or more violations of this chapter or other section of the City Code related to the rental, use, or construction of a rental facility within the past two (2) years, unless the applicant remediated each violation to the satisfaction of the City Manager within thirty (30) days of citation.~~

(1) The applicant has been cited for three violations of this Chapter or other Section of the City Code related to the rental, use, or construction of a rental facility within the past two years, unless the applicant remediated each violation to the satisfaction of the City Manager within 30 days of citation; or

(2) The City Manager determines that the rental facility has been the subject of a citation issued within the past two years for a violation of this Chapter or other Section of the City Code that presents a serious threat to the health, safety, and welfare of the public or occupants of the rental facility.

(c) ~~In the event that~~ If a rental license is revoked or suspended or any application for rental license renewal is denied, and the ~~landlord of the premises for which the license had been issued or applied for~~ applicant chooses to cease renting the rental facility ~~regulated hereunder~~, ~~he shall~~ the landlord must give any tenants occupying the ~~premises in question~~ rental facility ~~sixty (~~60~~)~~ days' written notice to vacate the premises, such period to begin on the first day of the month following service of such notice. In addition, a copy of the notice must be delivered to the City Manager.

Sec. 18-119. Administrative appeals.

~~(a)~~ Any person aggrieved by a~~n~~ final action of the City Manager under ~~the provisions of this article~~ this Article, not including notice of violations or citations, may appeal to the Circuit Court for the County in accordance with the Maryland Rules as set forth in Title 7, Chapter 200.~~, within ten (10) working days of receipt of written notice of such action, appeal such action to the Commission on Landlord-Tenant Affairs by filing a notice of appeal with the City Clerk. Except in the case of the revocation of a license, an appeal shall not operate to stay the action of the City Manager unless the action is stayed by order of the Commission for good cause shown.~~

~~(b) Within fifteen (15) working days of the filing of the notice of appeal the Commission, or a panel designated pursuant to section 18-43 shall conduct a hearing at which time an opportunity to be heard shall be given to the person aggrieved. The hearing shall be open to the public and records and minutes shall be maintained by the Commission.~~

~~(c) Unless otherwise provided by Commission rules or regulations, the Commission or Commission panel shall by order, within ten (10) working days after such hearing, either reverse, modify or affirm the action appealed and shall issue its findings, opinions, and orders in writing and provide a copy thereof to the parties involved.~~

* * *

DIVISION 3. MINIMUM FACILITIES REQUIREMENTS

Sec. 18-126. ~~Inns~~ Hotels.

All persons required under this ~~chapter~~ Chapter to obtain an ~~innkeeper's~~ hotel license ~~shall~~ must provide a central desk staffed at least 16 hours per day and the following minimum facilities and services in each room offered for occupancy:

~~(1) Daily change of bedroom and bathroom linens in each dwelling unit, unless the occupant thereof otherwise requests, but in no event shall bedroom and bathroom linens remain unchanged for more than three (3) successive days;~~

~~(2) Daily maid service in each dwelling unit unless the occupant thereof otherwise requests, but in no event shall maid service not be provided for more than three (3) successive days;~~

~~(3) Telephone service to each dwelling unit with a central switchboard maintained at least twenty-four (24) hours per day;~~

(~~4~~1) One ~~(1)~~ chest of drawers ~~per dwelling unit~~;

(~~5~~2) One ~~(1)~~ single bed per ~~person~~ occupant or one ~~(1)~~ double bed per two ~~(2) persons occupying the dwelling unit~~ occupants;

(~~6~~3) Two ~~(2)~~ chairs ~~per dwelling unit~~;

(~~7~~4) Curtains or venetian blinds on all windows;

(~~8~~5) Two ~~(2)~~ lamps ~~per dwelling unit~~; and

(~~9~~6) ~~A central desk staffed at least sixteen (16) hours per day~~ Electrical smoke detectors as required by City Code Chapter 5.

Sec. 18-127. Rental multiple-unit dwellings.

All persons required under this ~~chapter~~ Chapter to obtain a ~~rental multiple-unit dwelling (apartment house)~~ multi-unit building license ~~shall~~must provide the following minimum facilities and services:

(1) ~~The operator or representative thereof residing on the premises of the rental facility licensed. In the case of a structure or combination of related structures containing less than one hundred (100) dwelling units, there may be provided in lieu of the operator a notice posted conspicuously in all public areas advising the occupants of a local telephone number where the operator may, in fact, be reached at all times~~ If the multi-unit building or a combination of multi-unit buildings operated as a single entity contain 100 or more dwelling units, the rental facility operator or a representative of the operator must reside on the premises of the rental facility;

(2) If the multi-unit building or a combination of multi-unit buildings operated as a single entity contain fewer than 100 dwelling units, either:

a. The rental facility operator or a representative of the operator must reside on the premises of the rental facility; or

b. A notice must be posted conspicuously in all public areas within the rental facility advising the occupants of a local telephone number where the operator or operator's representative may be reached at all times;

(~~2~~3) One ~~(1)~~ receptacle for the receipt of mail per dwelling unit;

(~~3~~4) One ~~(1)~~ bathroom per dwelling unit containing a water closet, lavatory, and either a bathtub or a shower supplied with hot and cold water at all times ~~per dwelling unit~~; and

(4 5) Operational kitchen facilities in ~~each~~ the dwelling unit, including a four ~~(4)~~ burner stove with oven or equivalent appliance, refrigerator with freezing compartment and sink with hot and cold running water, unless the lessee~~, in fact,~~ provides the same~~.~~; and

(6) Electrical smoke detectors as required by City Code Chapter 5.

Sec. 18-128. ~~Single dwelling units~~ Single-Unit Dwellings.

All persons required under this ~~chapter~~ Chapter to obtain a single~~-~~ ~~dwelling~~ unit dwelling license shall provide the following minimum facilities and services:

(1) One ~~(1)~~ receptacle for the receipt of mail per dwelling unit;

(2) One ~~(1)~~ bathroom within the dwelling unit containing a water closet, lavatory and either a bathtub or a shower supplied with hot and cold water at all times ~~per dwelling unit~~;

(3) Operational kitchen facilities in ~~each~~ the dwelling unit, including a four ~~(4)~~ burner stove with oven or equivalent appliance, refrigerator with freezing compartment, and sink with hot and cold running water, unless the lessee~~, in fact,~~ provides the same; ~~and~~

(4) A copy of a notice advising the occupants of a local telephone number where the operator or operator's representative may be reached at all times~~.~~; and

(5) Electrical smoke detectors as required by City Code Chapter 5.

Sec. 18-129. ~~Accessory apartments~~ADUs.

All persons required under this ~~chapter~~ Chapter to obtain an ~~accessory apartment~~ ADU ~~rental unit~~ license ~~shall~~ must provide the following minimum facilities and services:

(1) One ~~(1)~~ bathroom within the ~~accessory apartment~~ ADU containing a water closet, lavatory and either a bathtub or a shower supplied with hot and cold water at all times;

(2) Operational ~~cooking~~ kitchen facilities within the ~~accessory apartment~~ ADU including a ~~four (4)~~ two burner stove with oven or equivalent appliance, refrigerator with freezing compartment, and sink with hot and cold running water, unless the lessee provides the same;

(3) Every ~~accessory apartment~~ ADU ~~shall~~ must have safe, unobstructed means of egress leading to safe and open space at ground level, as required by the ~~Building~~ City Code Chapter 5;

(4) Every ~~accessory apartment~~ ADU ~~shall~~ must contain ~~an~~ electrical smoke detectors ~~which is operable at all times~~ as required by City Code Chapter 5.

* * *

ARTICLE IV. LANDLORD-TENANT RIGHTS AND OBLIGATIONS

* * *

DIVISION 2. LEASES

Sec. 18-146. Contents.

All leases or agreements for the occupancy of a dwelling unit in a rental facility located in the City, except those subject to the requirement of a~~n innkeeper's~~ hotel license, must:

(1) Be offered for a~~n initial~~ term of ~~one (1)~~two years to be accepted at the prospective tenant's option, unless a reasonable cause exists for offering a~~n initial~~ term ~~of~~ other than ~~one (1)~~two years; provided:

a. For purposes of this paragraph, "reasonable cause" means those situations which would create undue hardship or expense for a landlord to enter into a ~~one (1)~~two year lease. Such situations may include the sale of a dwelling unit with settlement to occur within a ~~one (1)~~two year period, a bona fide contract to sell within a ~~one (1)~~two year period or a planned conversion to a condominium or cooperative within a ~~one (1)~~two year period. When the landlord claims such a cause, a statement citing the reasonable cause and advising the prospective tenant of his right to challenge the statement by filing a complaint with the City Manager ~~shall~~ must be included as an addendum to the lease, signed and dated by the parties and a copy given to the prospective tenant;

b. Nothing ~~herein shall~~ in this Article precludes the parties from negotiating a lease of duration either longer or shorter than ~~one (1)~~two years after the prospective tenant has been offered, and has refused, a lease of ~~one (1)~~two years' duration as previously described;

(2) Not contain a waiver of notice to quit. In the event a landlord serves notice not to renew a lease and the tenant requests the reason for such failure to renew, the landlord ~~shall~~ will be held harmless from related charges of libel ~~related thereto~~;

* * *

(4) Contain a provision acknowledging the landlord's responsibility for maintenance of the ~~premises~~ rental facilities and incorporating by reference City Code ~~chapters~~ Chapter 9 ~~(fire safety code)~~, Chapter 25 ~~(zoning and planning)~~ and ~~chapter~~ Chapter 5 ~~(buildings and building regulations)~~, ~~articles~~ Articles V, X and XII ~~of this Code~~, as amended, as an express warranty of habitability and covenant to repair;

(5) Except as provided in paragraph (4) of this ~~section~~ Section, contain no provision incorporating a collateral agreement or provision by reference unless a copy ~~thereof~~ is affixed to all copies of the lease;

* * *

~~(7) Contain no provision for penalty for late payment in excess of five (5) percent of the amount of rent due for the rental period for which payment is delinquent;~~

(~~8~~7) Contain no waiver of any of the protections afforded under this ~~chapter~~ Chapter;

(~~9~~8) Contain no provision authorizing the lessor to take possession of the leased premises or the tenant's personal property ~~herein~~ without the benefit of formal legal process;

(~~10~~9) Contain a provision requiring itemization of all charges for repair of damages to the ~~premises~~ rental facilities, whether claimed by the landlord or by the tenant, and providing that such charges ~~shall~~ must be substantiated upon written request;

(~~11~~10) Contain a provision for the deposit of all security deposits in accordance with the provisions of the Real Property Article of the Annotated Code of Maryland;

(~~12~~11) Contain a copy of the current, valid rental license, with notification to the tenant of the location of a copy of the rental ~~facility~~ license where it can be inspected by the tenant on an ongoing basis;

(~~13~~12) Contain a provision providing for a minimum of ~~ten (~~10~~)~~ days before which time late fees, which ~~shall~~ must not be in excess of five ~~(5)~~ percent of the total delinquent rent, may not be charged;

(~~14~~13) Contain a covenant that the landlord will deliver the leased premises and all common areas in a clean, safe and sanitary condition, free of rodents and vermin, and in compliance with all applicable laws. In the case of a condominium or cooperative housing structure, the landlord ~~shall be~~ is responsible for delivery of only the dwelling unit in a clean, safe and sanitary condition, free of rodents and vermin and in complete compliance with all applicable laws;

(~~15~~14) Contain a provision requiring written receipts for all cash or money orders paid by the tenant to the landlord for rent, security deposit or otherwise;

(~~16~~15) Contain a provision requiring that the landlord may exercise his right of access to any dwelling unit, only after due and reasonable notice to the tenant in writing at least 24 hours in advance of inspection or repairs~~, and without objection from the tenant~~, in order to make necessary repairs, decorations, alterations or improvements, or to supply services; to exhibit the dwelling unit to prospective purchasers, mortgagees or tenants only during normal business hours (7:00 am to 7:00 pm), including ~~weekends~~ Saturdays, except as otherwise may be agreed upon by the parties; providing that nothing in this paragraph ~~shall~~ prevents the landlord from entering any leased premises in an emergency situation or, after due notice when the landlord has good cause to believe the tenant may have damaged the ~~premises~~ rental facilities or may be in violation of this ~~chapter~~ Chapter;

(~~17~~16) Contain a provision permitting the tenant to sublease with the landlord's written permission, which permission ~~shall~~ must not be unreasonably withheld, except in condominium and cooperative housing structures where applicable legal documents and rules and regulations prohibit subleasing;

(~~18~~17) Contain no provision for a lien on behalf of the landlord on the tenant's ~~chattels~~ possessions, except as provided by the Real Property Article of the Annotated Code of Maryland;

(~~19~~18) Contain a provision permitting the lease to be terminated upon ~~thirty (~~30~~)~~ days' written notice to the landlord due to:~~ an involuntary change of employment from the Washington metropolitan area or for other reasonable cause beyond the tenant's control. The lease may provide that in the event of termination for such cause, the tenant shall be liable for a reasonable termination charge not to exceed one (1) month's rent;~~

a. an involuntary change of employment from the Washington metropolitan area;

b. the dwelling unit being deemed not fit for occupancy for 60 days by the City Manager not caused by the tenant, or as a result of the landlord's failure to correct a violation of applicable law that adversely affects the immediate health and safety of the tenant in the tenant's unit or a common area available for use by the tenant, within 30 days after being ordered to do so by the City Manager;

c. the landlord's rental license has been suspended or revoked for reasons related to the tenant's unit within the previous 60 days;

d. the landlord has failed to make certain repairs required to correct a violation that affects the health and safety of the tenant;

e. domestic violence against the tenant or the tenant's dependent;

f. death of a primary wage earner;

g. change in disability status;

h. entry into an inpatient substance abuse or mental health treatment program; or

i. for other reasonable cause beyond tenant's control.

The lease may provide that in the event of termination for such cause, the tenant shall be liable for a reasonable termination charge not to exceed one month's rent

(~~20~~19) Contain a provision requiring the landlord to give the tenant ~~ninety (~~90~~)~~ days' written notice of any rent increase.

(20) Contain no agreement by a tenant to:

a. waiver the right to a trial by jury;

b. pay court costs that exceed actual costs awarded by a court; or

c. pay legal costs or attorney fees other than those awarded by a court after the court finds that the fees and costs are reasonable.

(21) If it contains an obligation for a tenant to pay a landlord's attorney's fees must:

a. provide that attorney's fees are not part of the tenant's rent and need not be paid to redeem the premises in a nonpayment of rent action; and

b. obligate the landlord to pay the tenant's attorney's fees if the tenant is the prevailing party in the legal action and fees are awarded by a court.

(~~21~~22) Contain a provision referencing the City's right to inspect the rental facility ~~under section 18-114~~ Article III of this Chapter and requiring the tenant to allow such an inspection.

(~~22~~23) Comply with ~~subsection~~ Subsection 18-180(d) (Radon testing).

Sec. 18-147. Additional leasing requirements.

(a) Where the lease is in writing, the tenant ~~shall~~ must be provided with an executed copy ~~thereof~~ within ~~ten (10)~~ three days of its execution.

~~(b) A copy of any type of lease used by any landlord shall be filed with the City Manager.~~

(~~e~~b) ~~After the effective date of the ordinance from which this chapter is derived, all landlords~~ Landlords, including prospective landlords must ~~shall~~ give all prospective tenants a copy of their proposed lease at least two days prior to the day of its execution unless the prospective tenant requests a shorter time. ~~Prospective landlords shall give all prospective tenants a copy of their proposed lease.~~ Prospective tenants ~~shall~~ have the right to examine the proposed lease on the premises of their choosing.

(~~d~~c) When giving notice of past due rent, when issuing a written quit and vacate notice, and immediately upon the institution of any judicial proceeding to regain the leased premises, all landlords ~~shall~~ must inform tenants that general information regarding evictions is available from the City Manager.

(~~e~~d) Landlords are prohibited from imposing more than one ~~(1)~~ rent increase per unit in any ~~twelve~~ (12~~)~~ month period if that unit is continuously rented by the same tenant.

(e) Any renewal offer letter provided must include rent which matches the rent listed in the lease.

(f) If the rental unit is located in a common ownership community, the landlord shall provide all prospective tenants with a copy of the common ownership community's bylaws.

(g) In the lease, landlord must define the total monthly charge, including rent and any mandatory fees. The lease must state clearly which utilities the tenant is responsible for.

(h) If a landlord requires a guarantor on a lease for a particular tenant, the landlord must provide the reason to the tenant in writing at the time the landlord requests a guarantor.

Sec. 18-148. Price coordination and algorithmic devices.

(a) *Definitions.* In this section, the following terms have the meanings indicated:

Algorithmic device means a product or service that:

(1) uses one or more algorithms to perform calculations;

(2) uses non-public competitor data concerning historical or contemporaneous rents, rent changes, supply levels, occupancy rates, or lease or rental contract termination and renewal dates from two or more landlords; and

(3) recommends rents, fees, rental terms, renewal terms, or occupancy levels for a dwelling unit.

It does not include:

(1) a periodic report, published not more than once a month, that publishes existing rental data in an aggregated and anonymous manner without recommending rental prices, fees, rental terms, or occupancy levels for future leases;

(2) a product or service used for the purpose of establishing rent or income limits in accordance with an affordable housing program of the local, State, or federal government; or

(3) a product or service used by a person who is the landlord of only one rental unit in the City.

Price coordination means:

(1) collecting from two or more landlords, with or without the exchange of money or other valuable consideration, historical or contemporaneous data concerning rents, rent changes, fees, supply levels, occupancy rates, or lease or rental contract termination and renewal dates; and

(2) recommending rents, fees, rental terms, or occupancy levels based on the analysis or processing of the data using an algorithmic device.

It does not include:

(1) generating or using a report, published not more than once a month, of existing rental data in an aggregated and anonymous manner, without recommending rents, fees, rental terms, or occupancy levels for future leases;

(2) providing or using data for the purpose of establishing rent or income limits in accordance with an affordable housing program of local, State, or Federal government; or

(3) the provision or use of data by a person who is a landlord of only one rental unit in the City.

(b) Prohibition. A landlord must not:

(1) use an algorithmic device regarding the rent, fees, or any other rental term for a dwelling unit within the City;

(2) engage in price coordination regarding the rent, fees, or any other rental term for a dwelling unit within the City;

(3) agree with any other person not to compete with respect to the rent, fees, or any other rental term for a dwelling unit within the City; or

(4) subscribe to or pay for an algorithmic device or price coordination services with respect to the rent, fees, or any other rental term for a dwelling unit within the City.

(c) Penalties and enforcement. Each violation of Subsection (b) shall constitute a municipal infraction.

Secs. 18-149. Miscellaneous.

(a) A landlord must provide a tenant the tenant's entire rental payment history within seven days of the tenant's written request.

(b) Landlord is prohibited from including a question on eviction history on the rental unit application.

(c) If a dwelling unit is a moderately priced dwelling unit regulated under City Code Chapter 13.5 and the tenant no longer meets the income requirements, the landlord may terminate the lease pursuant to that Chapter

Secs. 18-~~148~~ 150—18-160. Reserved.

DIVISION 3. TENANT RIGHTS AND OBLIGATIONS

Sec. 18-161. Rights.

(a) Tenants ~~shall~~ have the right:

(1) To self-organization;

(2) To form, join, meet or assist one another within or without tenant organizations, independently of property management, landlords, or landlord's agent;

(3) To meet and confer through representatives of ~~their~~ the tenants' ~~own~~ choosing with landlords;

(4) To engage in other concerted activities for the purpose of mutual aid and protection; ~~and~~

(5) To distribute information; and

(~~5~~6) To refrain from any and all such activities.

(b) Tenants and tenant organizations ~~shall~~ have the right of free assembly in the meeting rooms and other areas suitable for meetings within a rental facility, where such facilities are available, during reasonable hours and upon reasonable notice to the landlord, for the purpose of conducting tenant organization meetings. The landlord may not charge tenant organizations a ~~reasonable~~ fee for the use of the meeting rooms or common areas ~~but such charge must not be in excess of the regular schedule of fees for such facility to other groups~~ for meetings of the tenant organization. The landlord may ~~also~~ impose reasonable terms and conditions upon the use of such meeting rooms or common areas as long as such terms and conditions do not constitute a subterfuge to undermine the purposes of this ~~section~~ Section.

(c) Tenants and ~~resident~~ tenant organizations ~~shall~~ have the right to distribute freely and post in centrally located areas of a rental facility literature concerning landlord-tenant issues, provided the literature is properly identified as to its origin.

(d) Tenant organizations ~~shall~~ have standing to file complaints under any provisions of this ~~chapter~~ Chapter in a representative capacity on behalf of those tenants who have authorized

such representation. Nothing ~~herein~~ in this Article shall be construed to permit any tenants' organization to represent exclusively any tenant or class of tenants unless authorized to do so specifically.

(e) A landlord may not prohibit tenant organization activities from occurring on the premises of the rental facility,

Sec. 18-162. Obligations.

Each tenant, at all times, ~~shall~~ must comply with all obligations imposed upon tenants by applicable provisions of all Federal, State or City statutes, codes, regulations or ordinances, including, but not limited to obligations imposed on tenants under ~~chapter~~ Chapter 5, ~~article~~ Article XII, and in particular ~~shall~~ must:

(1) Keep that part of the ~~premises~~ rental facility which he or she occupies and uses as clean, sanitary and safe as the conditions of the premises permit;

(2) Dispose from ~~his~~ tenant's dwelling unit all rubbish, garbage and other organic or flammable waste in a clean and sanitary manner;

(3) Keep all plumbing fixtures as clean and sanitary as ~~his~~ tenant's condition permits;

* * *

(5) Not permit any person on the ~~premises~~ rental facility with ~~his~~ tenant's permission to willfully or wantonly destroy, deface, damage, impair or remove any part of the structure or dwelling unit or the facilities, equipment or appurtenances ~~thereto~~, nor ~~himself or herself~~ may the tenant do any such thing;

* * *

Secs. 18-163. Regulation of fees.

(a) A landlord is prohibited from charging a fee for the following:

(1) Payment of rent or other fees via either non-electronic or electronic means.

(2) Services and amenities previously included in the rent for the dwelling unit or provided to current or prior tenants at no cost;

(3) Services or amenities related to the performance of any repairs, maintenance tasks or other work for which the landlord has a duty to perform to maintain the habitability of the dwelling unit;

(4) Any charge for which the landlord failed to request from the tenant after more than 45 days; and

(5) Any administrative or processing fees for utilities, including trash.

(b) A landlord must refund to the tenant any money paid by tenant in excess of actual cost of rent or other required fees.

(c) Regulated Fees. Except as provided in subsection (a) and Section 18-146 and as otherwise permitted by law, including regulations, landlords are limited to charging the following fees on dwelling units:

(1) Application fee. In accordance with Section 8-213 of the Real Property Article, Annotated Code of Maryland, a landlord of a dwelling unit must not retain a fee or charge a fee of more than the landlord's actual cost for a credit check and other expenses arising out of the application for rental of the dwelling unit.

(2) Bicycle parking fee. A landlord may charge a tenant a bicycle parking fee as follows:

a. not to exceed one-sixth of any motor vehicle parking fee for a secure, fully enclosed bicycle locker; or

b. not to exceed one-tenth of any motor parking fee for any other bicycle parking space.

(3) Common ownership community penalties. A landlord may pass on a penalty issued by a common ownership community if the tenant is found in violation of the bylaws of a common ownership community for which the dwelling unit is located.

(4) Internet or cable television.

a. A landlord must not require a tenant to pay an internet or cable television fee. If a tenant voluntarily opts for either service, the landlord must bill the tenant no more than the amount that the internet or cable television provider charges the landlord, without any additional fees. If multiple tenants opt into the service, the landlord must divide the cost to the landlord of the internet or cable television equally by the number of units opting into the service. The fee cannot include any common area services.

b. A landlord must provide a tenant documentation of the total cost paid by the landlord for internet or cable television service and the calculation of the fee charged to the tenant.

(5) Late fee. Late fees must comply with Section 18-146 of the City Code.

(6) Lost key fee. A landlord must not assess or collect from the tenant any fee or charge for the replacement of a mechanical or electronic key exceeding the actual duplication or replacement cost plus $25.

(7) Lock out fee. A landlord must not assess or collect from the tenant any lockout fee or charge exceeding $25. In the event the landlord engages a third-party service provider for the lockout service, the landlord may charge the tenant a fee not exceeding the actual charge incurred for the service. The landlord must provide a tenant with verifiable documented evidence detailing the actual costs associated with the service.

(8) Motor vehicle or motorcycle parking fee.

a. A landlord must not impose a parking fee on a tenant unless the tenant has expressly opted to use the parking facilities.

b. This Section does not require a landlord to charge rent or fees for motor vehicle or motorcycle parking.

(9) Pet fee.

a. A landlord may require the tenant to pay a monthly pet fee per pet and maintain with the landlord during each rental term a pet deposit. A landlord must not assess or collect from the tenant of a dwelling unit any additional fee, charge, or deposit in connection with the tenant having a pet present in the dwelling unit. The pet deposit must be held in escrow by the owner.

b. The pet deposit must be returned in full within 45 days after the termination of the tenancy unless costs are incurred by the landlord as a result of damages in the dwelling unit relating to the presence of the pet(s). The tenant may choose to use any balance toward a deposit for an ensuing lease term.

c. If any portion of the pet deposit is withheld, the landlord must present, within 45 days after the termination of the tenancy, a written list of the damages claimed under this section with an itemized statement and proof of the cost incurred.

(10) Secure storage unit accessible only by tenant. A landlord must not assess or collect from the tenant of a dwelling unit any fee or charge for storage located within or attached to or associated with the dwelling unit.

(d) Exceptions. A landlord may charge fees for other services after a tenant affirmatively opts in via written, informed consent after receiving a disclosure containing:

(1) a description of the service or amenity;

(2) the amount of the fee for the service or amenity; and

(3) how the tenant can cancel or opt out of the service or amenity.

(e) Implementation.

(1) Prior to signing the lease, the landlord must provide tenant with all fees for the lease term unless they relate to an optional service opted into by the tenant.

(2) Regulated fees in Subsection (c) and fees that fall under the exception in subsection (d) may only be increased once in a 12-month period and any increases require a 90-day written notice.

Secs. 18-~~163~~164—18-175. Reserved.

DIVISION 4. LANDLORD RIGHTS AND OBLIGATIONS

* * *

Sec. 18-177. Obligation to maintain rental facility and provide services.

(a) The landlord, at all times, ~~shall~~ must reasonably provide for the maintenance of the health, safety and welfare of all tenants and of all individuals properly on the premises of a rental facility which obligations ~~shall~~ must include, but not be limited to, the following:

* * *

(2) Keeping all areas of the building, grounds, facilities and appurtenances in a clean, sanitary and safe condition unless provision is made for tenant responsibility ~~thereof~~ by the lease, law, ordinance, or regulation;

* * *

(5) Providing and maintaining appropriate receptacles and conveniences for the removal of ashes, rubbish and garbage, and arranging for the frequent removal of such waste, except in the case of detached single-unit ~~detached~~ dwelling ~~units~~;

(6) Supplying water and hot water as reasonably required by the tenant and supplying adequate heat as provided by ~~chapter~~ City Code Chapter 5 ~~(buildings and building regulations)~~, ~~article~~ Article XIII. In the case of condominium or cooperative dwelling units, water, hot water, and adequate heat must be provided by the landlord to the extent that the landlord has responsibility to provide such services; and

(7) Complying with ~~section~~ Section 18-180 (~~radon~~Radon testing).

(b) When the duty imposed by paragraph (a)(1) of this ~~section~~ Section is incompatible with, or greater than, the duty imposed by any other provisions of this ~~section~~ Section, the landlord's duty shall be determined by reference to paragraph (a)(1).

Sec. 18-178. Relocation assistance requirements.

(a) Definitions. In this Section, the following terms have the meaning indicated:

Comparable housing means a replacement dwelling unit that is reasonably comparable to an existing dwelling unit in size, number of bedrooms and bathrooms, accessibility, price, location (which may be in either Rockville or Montgomery County), proximity to services and institutions upon which the displaced tenant depends, and amenities, including the allowance for pets should the tenant have pets.

Displaced tenant means any tenant who vacates a dwelling unit in the City for any of the reasons in subsection (b) or (c) of this Section.

Minor child means a person younger than eighteen years of age.

Permanent relocation means the relocation of a tenant due to permanent termination of tenancy, in which case the tenant will not reoccupy the unit for six months or more.

Person with disabilities means any person who is receiving benefits from a Federal, State, or local government, or from a private entity on account of a permanent disability that prevents the person from engaging in regular, full-time employment.

Temporary relocation means the relocation of a tenant for less than six months because the dwelling unit is deemed not fit for occupancy and where tenancy has not been terminated.

(b) Temporary relocation assistance.

(1) A landlord must provide temporary relocation assistance to a tenant:

a. Before temporarily taking possession of the tenant's dwelling unit to comply with housing, health, building, fire, or safety laws of the State of Maryland or the City; or

b. Within 24 hours of receipt of a notice from the City that the tenant's dwelling unit is not fit for occupancy.

(2) Notwithstanding subsection (b)(1), above, a landlord is not required to provide temporary relocation assistance where:

a. The tenant has a week-to-week tenancy;

b. Displacement is caused by a natural disaster or other incident beyond the control of the landlord, such as a vehicle accident, criminal activity, public utility failure, or adjacent building failure; or

c. The tenant's failure to uphold their responsibilities under the lease has led to the property becoming not fit for occupancy.

(3) When required to provide temporary relocation assistance under this subsection (b), a landlord must comply with the following requirements.

a. If the temporary relocation is for 30 days or less, the landlord must:

i. place the tenant in a safe and sanitary hotel or equivalent;

ii. provide the tenant with per diem money for temporary housing and expenses; or

iii. provide the tenant with alternate comparable housing.

b. If the temporary relocation is for more than 30 days but less than six months, the landlord must:

i. Provide the tenant with per diem money for temporary housing and expenses;

ii. Provide the tenant with alternate comparable housing; or

iii. Any combination of i. and ii. above necessary to satisfy needs of the tenant.

c. For all situations of temporary relocation, the landlord must provide all reasonable moving and storage costs.

d. Notwithstanding the relocation assistance required under this section, a landlord and tenant may agree to an alternative arrangement which meets the criteria set forth by the City. Any agreement must be in writing and must contain a provision explaining the relocation assistance required under this Section.

(4) The landlord's obligation to provide temporary relocation assistance ends when:

a. The cause for the temporary relocation has remedied; or

b. The tenancy is legally terminated.

(5) The City Manager may lift a landlord's obligation to provide temporary relocation assistance if a landlord provides evidence that a tenant's interference, obstruction, or delay has prevented the landlord from conducting necessary repairs to restore a unit to be fit for occupancy.

(6) A landlord may require a tenant to use their renter's insurance, if any, but is responsible for covering the cost of alternative housing after the expiration of such benefits.

(7) Unless otherwise agreed to by the landlord and tenant or by order of the District Court for rent escrow, the tenant remains responsible for rent during the displacement period. The displaced tenant is not responsible for any fees for amenities or services which the tenant is unable to use or access while displaced.

a. A landlord must still provide temporary relocation assistance when the displaced tenant is behind on rent or where there is a pending eviction case in Court.

b. The pending eviction case may still proceed while the tenant is displaced. The landlord's temporary relocation assistance obligations cease upon termination of the tenancy due to a formal eviction.

(c) Permanent relocation assistance.

(1) A landlord is required to provide permanent relocation assistance to a tenant when:

a. The City Manager has suspended or revoked the landlord's rental license and the landlord chooses to cease renting the dwelling unit in accordance with this Chapter;

b. The tenant elects to relinquish tenancy following a period of temporary relocation that has lasted or is expected to last for at least six months, but before the tenant has returned to the dwelling unit;

c. The landlord has provided notice to the tenant and begun the process for the dwelling unit to be demolished, redeveloped, substantially renovated, or changed in use, requiring a tenant household earning less than 50% of the area median income to move prior to the end of their lease term; or

d. The City Manager determines the dwelling unit will not be fit for occupancy for at least six months.

(2) Notwithstanding subsection (c)(1), above, a landlord is not required to provide permanent relocation assistance where:

a. The tenant agrees to a lease transfer to a different dwelling unit at the same rental facility or another comparable rental facility owned by the landlord;

b. The landlord has legally evicted the tenant; or

c. Displacement is caused by a natural disaster or other incident beyond the control of the landlord, such as a vehicle accident, criminal activity, public utility failure, or adjacent building failure.

(3) When required to provide permanent relocation assistance under this subsection (c), a landlord must comply with the following requirements.

a. The landlord must make the following payments to the displaced tenant as a household:

i. A full refund of the security deposit with accumulated interest;

ii. Pro rata rent for the remainder of the month;

iii. A cash equivalent of three months' fair market value rent for a unit of comparable size, as established by the most current Federal Department of Housing and Urban Development schedule of small area fair market rents for the Washington-Arlington-Alexandria area;

iv. Actual reasonable moving and storage costs; and

v. An additional sum, to be set by the City Manager, for households where at least one tenant is over 62 years of age, a person with disabilities, or a minor child.

b. Landlords may provide a physical relocation for the displaced tenant in lieu of the fees in subsection (c)(3)a.

c. A landlord must pay all fees associated with permanent relocation assistance without regard to whether the tenant is current on rent or other charges or fees owed, and

i. If the reason for permanent relocation is due to (c)(1)a. or c., must pay such fees within 30 days after the required 60-day notice to vacate is given; or

ii. If the reason for permanent relocation is due to (c)(1)b. or d., must pay such fees within seven days after the displaced tenant has notified the landlord that the tenant will relinquish the tenancy or after the City has notified the owner that permanent relocation is required.

(4) If permanent relocation assistance is required, the landlord shall provide written notice to all displaced tenant within three days of the requirement being triggered according to administrative procedures set out by City Manager.

(d) General.

(1) Any costs, including reasonable attorney's fees, incurred by the City in the relocation of any displaced tenants shall be paid by landlord. The City shall send the landlord a bill for the costs of such relocation by certified mail, return receipt requested, and by regular mail to the landlord's last known address or by any other means reasonably calculated to bring the bill to the landlord's attention. If the landlord does not pay the bill within one month after it is presented, the cost shall be a lien against the real property which may be collected and enforced in the same manner as are taxes, special assessments and other liens on real property or collected.

(2) The landlord shall be required to provide sufficient records and proof of compliance with the terms of this section, in a manner established or ordered by the City Manager.

(3) Any per diem costs will be determined by the City Manager and are to be pre-paid weekly or as otherwise agreed to by the landlord and displaced tenant.

(4) The City Manager may promulgate regulations to effectuate this Section. Any violation of this Section and the regulations prescribed by the City Manager under this Section constitutes a municipal infraction.

(e) Right of first refusal to reoccupy.

(1) A landlord must provide a displaced tenant with the right of first refusal to reoccupy a dwelling unit in the rental facility once the rental facility is fit for occupancy.

(2) The landlord must provide the tenant with written notice of the displaced tenant's right of first refusal. The notice must include the landlord's current address and telephone number which the tenant can use to contact the landlord.

(3) It is the tenant's responsibility to provide the landlord with the tenant's current address and telephone number to be used for future notification.

(4) When the dwelling unit is fit for occupancy, the landlord must give written notice by certified mail to the tenant informing the tenant that the housing is ready for occupancy.

(5) If the landlord cannot locate a previous tenant after two attempts over a two-week period, the landlord is deemed to be in compliance with the right of first refusal requirement and the tenant's right of first refusal is forfeited.

(6) A landlord must ensure that the lease in effect at the time of a temporarily displaced tenant's return to the tenant's original dwelling unit contains lease provisions substantially similar to the lease in effect at the time of displacement, including provisions regarding the length of the lease term and the amount of rent due.

(7) A permanently displaced tenant must notify a landlord of the tenant's intent to reoccupy a dwelling unit at the rental facility within 15 days after the landlord notifies the tenant that a dwelling unit is ready to be occupied. A permanently displaced tenant must reoccupy a dwelling unit within 20 days after the tenant notifies a landlord of the tenant's intent to a dwelling unit.

(8) A permanently displaced tenant may waive the right to reoccupy a dwelling unit at the rental facility at any time after displacement.

Sec. 18-~~178~~179. Notice requirements.

(a) Landlords ~~shall~~ must notify tenants of the names or titles and telephone numbers of one ~~(1)~~ or more responsible representatives of the landlord or operator who may be reached at all times in the event of emergency situations and ~~shall~~ must keep such notification current. Such notification ~~shall~~ must be by ~~way of either~~:

* * *

(b) All landlords renting a dwelling unit located in a condominium or cooperative housing structure ~~shall~~ must, in addition to the aforementioned notice, provide the tenant with copies of all legal documents and the rules and regulations governing the use and occupancy of the condominium or cooperative dwelling unit and afford the tenant with the opportunity to review all other legal documents regarding the condominium or cooperative.

Sec. 18-180. Requirements prior to lease signing or renewal.

(a) Landlords must include the rental amount in the renewal offer letter to match the rental amount listed on a renewed lease.

(b) Landlord is required to disclose all mandatory fees whenever a price is advertised or displayed (including online), as well as whether utilities are included in rent. Mandatory monthly fees may be included in or stated with the monthly rent but must be separately stated otherwise.

(c) Landlord must fully disclosure all fees prior to lease agreement being certified by both parties and at the time of lease renewal. Must include whether the fee is optional, the basis, the amount, and frequency. Also, landlord must disclose estimated utility costs.

Sec. 18-~~179~~181. Prohibited retaliatory practices.

(a) A landlord or owner may not make any changes in his leasing or business practices with respect to any dwelling unit or rental facility subject to this ~~chapter~~ Chapter for the purposes of avoiding compliance with any provisions of this ~~chapter~~ Chapter.

(b) A landlord may not take retaliatory action against any tenant who exercises any rights conferred upon ~~him~~ the tenant by this ~~chapter~~ Chapter or any other law, ordinance and regulation, or against any tenant who assists another tenant in exercising those rights. For purposes of this ~~section~~ Section "retaliatory action" includes eviction, threat of eviction, violation of privacy, harassment, reduction in quality or quantity of services, unreasonable rent increases, or any form of threat or coercion.

Sec. 18-~~180~~182. Radon testing.

(a) *Definitions.* In this ~~section~~ Section, the following terms have the meanings indicated:

* * *

(b) *Applicability.* This ~~section~~ Section applies to all ground-contact or basement dwelling unit(s) in a rental facility, except those subject to the requirement of a~~n innkeeper's~~ hotel license.

(c) *Radon testing required.* A landlord must conduct a radon test before leasing a dwelling unit subject to this ~~section~~ Section to a prospective tenant. Test results must be within two ~~(2)~~ years of the date of the lease.

(d) *Lease requirements.* At the time of the lease signing, the landlord must provide to the tenant and certify in the lease, or an addendum to the lease, the following:

* * *

(2) The radon test was performed less than two ~~(2)~~ years before the date of the lease; and

* * *

(e) *Testing and notification by existing tenants.* An existing tenant may conduct a radon test or hire a professional to test a dwelling unit subject to this ~~section~~ Section. If the test results indicate that radon hazard is present at a level of 4.0 pCi/L or higher, the tenant must:

* * *

(2) Within ~~fourteen (~~14~~)~~ days after the test results, notify the landlord and provide the landlord with a copy of the test results

(f) *Mitigation of radon.* A landlord who receives notice under ~~subsection~~ Subsection (e) must:

(1) Within ~~fourteen (~~14~~)~~ days after notice, initiate a follow-up radon test, in accordance with EPA-recommended standards for testing, to confirm any presence of radon hazard; and

(2) Within ~~ninety (~~90~~)~~ days after confirmed results:

* * *

(h) *Dispute of testing results.* If there is a case of conflicting test results, where the test result provided by a tenant is at or above the action level and a test result by a landlord is below the action level, the following applies to determine the prevailing test result:

* * *

(3) If both tests are equally valid, as specified in ~~subsections~~ Subsections (1) and (2), and the dispute remains, then a mutually agreed upon third-party radon professional must retest in accordance with EPA-recommended standards.

(i) *Disclosure of radon.* A landlord must disclose in writing to each tenant in a dwelling unit subject to this ~~section~~ Section, within ~~fourteen (~~14~~)~~ days after a confirmed radon test, any radon concentrations above EPA's recommended radon action level that are known to be present within the dwelling unit.

(j) *Termination of lease.* A tenant has the right to terminate a lease, if the landlord fails to mitigate under ~~subsection~~ Subsection (f), without loss of security deposit or any other financial penalty. A tenant must provide, in writing, to the landlord a notice of the intent to terminate and vacate the premises. The notice may be effective either immediately upon receipt by the landlord, or as agreed upon by both parties, to allow the tenant to find alternative housing.

Sec. 18-~~181~~183—18-192. Reserved

ARTICLE V. RENTAL HOUSING DATA COLLECTION AND VOLUNTARY RENT STABILIZATION GUIDELINES

Sec. 18-193. Application and effect.

~~(a)~~ This ~~article~~ Article applies to all rental units in the City ~~except that the requirements of subsections 18-195(a) and (c) shall apply only to apartment complexes which contain eight (8) or more units~~.

~~(b) Apartment complexes which contain eight (8) or more units and are owned and operated by a nonprofit organization, whose rents are based upon standards imposed by housing programs of local, State or Federal governments are exempt from the requirements of subsections 18-195(a) and (c).~~

~~(c) Any apartment complex which contains eight (8) or more units and is owned and operated by a nonprofit organization which does not qualify under subsection (b) of this section, may apply for a waiver of the requirements of subsections (a) and (c) of this section to the City Manager and the City Manager shall grant a waiver from those requirements if the nonprofit organization establishes to the satisfaction of the City Manager that the apartment complex is being operated for the benefit of its members and is being operated on either a subsidized or a break-even basis or, if the operation generates a profit, such profit is reinvested in the project. The decision of the City Manager shall be final.~~

Sec. 18-194. Voluntary rent guidelines and notice requirements of rent increases.

* * *

(b) ~~Ninety (~~90~~)~~ days prior to the effective date of any rent increase, the landlord must provide to the tenant the following information ~~and the Director of Housing and Community Development the information set forth below, except that landlords of single dwelling units need not provide this information to the Director of Housing and Community Development~~:

* * *

(5) The recommended voluntary rent guidelines;

(6) Information ~~prepared by the City and furnished to the landlord with respect to rent subsidy programs which might be available to the tenants~~ about how to contact the Department of Housing and Community Development's Landlord-Tenant Affairs Program; and

* * *

Sec. 18-195. Mandatory reporting requirements.

(a) Each landlord ~~shall~~ must provide, in addition to the information contained in the notice of proposed rent increase as described in subsection (b), the following information ~~on a monthly basis to the Director of Housing and Community Development~~ at the time of rental license issuance or renewal to the City:

(1) A copy of the standard lease;

(2) Information for the owner of the property, including the entity's name, mailing address, office address (if applicable), and phone number;

(~~1~~3) The location of the rental facility;

(~~2~~4) The type of structure;

(~~3~~5) The year the structure was built;

~~(4) The distribution of units by standard bedroom sizes;~~

~~(5) The number of units by bedroom size which were rerented during the month;~~

~~(6) The number of vacant days applicable to those units;~~

~~(7) The rent charged for each rental unit;~~

~~(8) The rent charged for each rerental unit prior to vacancy; and~~

~~(9) The new turnover rent charged for each rerented unit.~~

(6) The total number of units in the structure;

(7) The availability of amenities;

(8) The utilities included in rent;

(9) A schedule of possible fees charged in addition to rent; and

(10) Individual unit information, including unit number; number of bedrooms; square footage; current or, in the case of vacant units, most recent monthly rent; and whether or not the unit has any restrictions on its rent increases.

* * *

~~(b) In order to minimize the impact the reporting requirements of this article might have on landlords, the Director of Housing and Community Development shall prepare and make available to the landlord a survey form for securing the data, which form shall be designed to minimize the repeated reporting of unchanged information, while maintaining an accurate data base.~~

(~~c~~b) Each landlord ~~shall~~ must maintain records for each project on an aggregate basis containing the following information which ~~shall~~ must be made available to the City upon request and after a determination has been made by the Director of Housing and Community Development that the information is relevant and necessary to carrying out the purposes of this ~~article~~ Article:

(1) A description of the utilities which are included in the rent;

(2) The landlord's actual monthly utility costs including gas, electric, heating, fuel, trash removal, ~~and~~ water and sewer, and any other expense which is passed onto tenants in the form of a one-time or recurring fee;

(3) The availability of certain amenities including air-conditioning, wall-to-wall carpeting, dishwasher, garbage disposal, washer/dryer in apartment unit or on-site, patio-balcony, swimming pool and tennis courts; and

(4) The actual operating expenses by category~~;~~.

~~(5) The actual operating revenues by category;~~

~~(6) A schedule of any other fees and income; and~~

~~(7) Tenant rent/income ratio for prospective tenants which protects the confidentiality of personal information and which is available to the landlord as part of the normal renting process.~~

* * *

(d) ~~The Director of Housing and Community Development shall provide a quarterly report to the City Manager summarizing the information accumulated from the required reports submitted by each landlord of licensed rental facilities in the City~~ Certain data points collected under Sec. 18-195(a) will be made available online and by request.

SECTION II – This ordinance shall become effective on January 1, 2027.

****

NOTE: ~~Strikethrough~~ indicates material deleted.

Underlining indicates material added.

Asterisks * * * indicate material unchanged by this ordinance.

I hereby certify that the foregoing is a true and correct copy of an Ordinance adopted by the Mayor and Council of Rockville at its meeting of _____.

_____

Sara Taylor-Ferrell

City Clerk/Director of Council Operation

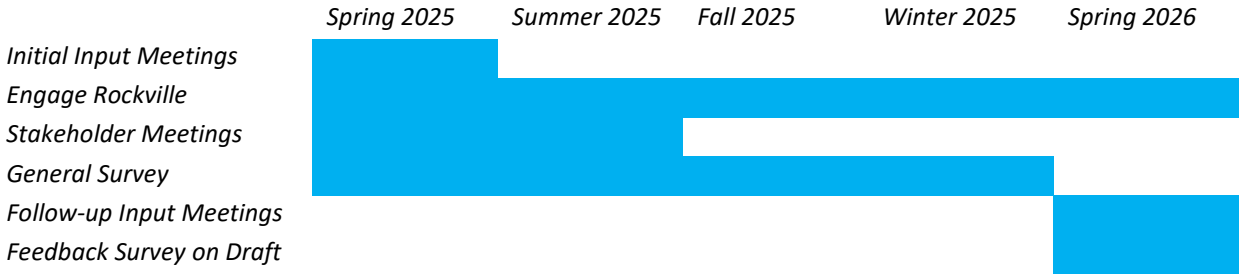
Attachment B - Community Engagement Report

Overview

In Spring 2025, City of Rockville staff launched the community engagement effort for the comprehensive rewrite of City Code Chapter 18, Rental Facilities and Landlord-Tenant Relations. Staff used a variety of strategies to solicit feedback from stakeholders, including landlords, tenants, and organizations representing both groups.

Although input was collected throughout the project's process, there were two major waves of engagement: first at the beginning of the process to learn generally about challenges and desired reforms, and then second once staff had compiled all recommendations and completed a series of Mayor and Council work sessions to engage the community on the specific policy proposals. Table 1 provides a timeline of engagement activities.

Table 1. Timeline of Community Engagement Activities



Major Takeaways

Below is a summary of what was learned through the Chapter 18 rewrite's community engagement process, including the challenges faced by landlords and tenants, general feedback, and responses to proposed code changes. Common themes significantly differed depending on whether the individual was representing the perspective of a tenant or landlord, and so have been organized as such.

Takeaways from Tenant Engagement

Challenges and General Feedback

- Consistent, strong desire for a rent stabilization policy borne from high rent prices and uncertainty around or experiences with large rent increases.
- Maintenance response times.
- Fees (particularly technology, amenity, and hold fees).
- Lack of air conditioning requirements.

- Discrepancies between city and county protections, such as a temporary relocation assistance policy in cases where a rental unit is not safe to occupy.
- Interest in an online map of rental properties to display information about rental license status and history, code enforcement history, rental rates, rent increase history, landlord contact information, and complaints made by tenants.
- Incorrect rent ledgers.
- Lack of protection against retaliation.
- Accurate utility billing.
- Other residents smoking.
- Desire to be able to more easily terminate leases early.

Responses to Proposed Code

- Excitement around banning algorithmic rent pricing and restricting junk fees.
- Disappointment regarding the exclusion of a rent stabilization policy.
- Questions about how rent increase information will be collected and displayed.
- Concerns around the six-month cut off for a unit being unsafe to occupy before permanent relocation assistance triggers.

Takeaways from Landlord Engagement

Challenges and General Feedback

- Increasing costs (e.g., taxes, insurance, fees, HOA/condo payments).
- Length and difficulty of eviction proceedings.
- Difficulty and cost of rental license application process, particularly challenges with passing inspections.
- Responsiveness of city staff and lack of clear points of contact.
- Keeping up with and adhering to code requirements.
- Tenant behavior.
- Squatters.
- Responsibility of paying water bill when a tenant moves out.
- Frequent confusion about the city's Voluntary Rent Guidelines, usually due to confusion with Montgomery County's rent stabilization requirements.
- Challenges working with Rockville Housing Enterprises.
- Difficulty adhering to the state's requirements to put the security deposit in a certain type of bank account.

- Strong desire for a lease template and educational resources, such as webinars and handbooks, to better understand all city and state requirements. Suggestion for resources to be provided when receiving or renewing rental license.

Responses to Proposed Code

- General feeling of bias towards tenants in city code, including in the proposed changes, and administration of landlord-tenant affairs program.
- Concern at proposed requirement to offer tenants a two-year lease term. If having to offer a two-year lease term, many landlords wanted to reserve the ability to increase the rent during the two-year term, which they would be allowed to do under the current proposal, but would have to provide a 90-day increase notice.
- Concern around proposed restriction on asking about prospective tenants' eviction history. Several landlords suggested a policy to not allow asking about eviction history from more than a certain number of years ago.
- Concern around proposed repair and deduct policy to allow tenants to make repairs without landlord approval.
- Question and concern around relocation assistance requirements. Concerns were particularly focused on the cost of the permanent relocation payment and determination of responsibility.
- Desire to allow a fee for returned checks and to allow an increased lock out fee for repeated occurrences.

Engagement Activities

Initial Input Meetings

In May 2025, the city hosted two input meetings: one for landlords and another for tenants. The meetings were held virtually and had 23 attendees at the tenant input meeting and 39 at the landlord input meeting. During the meetings, participants were given a short presentation about the Chapter 18 rewrite project. There were then several polling questions before participants went into breakout rooms facilitated by city staff, with questions listed below.

Polling Questions:

- How long have you been a renter/landlord in the City of Rockville?
- How would you rate your familiarity with your rights and responsibilities as a tenant/landlord, per city code?
- How would you rate your experience as a tenant/landlord in the City of Rockville?
- What are the top challenges you face as a renter/landlord?

Breakout Room Questions:

- What are the top three challenges you face?
- If you own/have rented properties elsewhere, what differences have you noticed between those jurisdictions and Rockville?
- Have you ever experienced any unexpected fees? If so, what were they for? *(only at tenant input meeting)*
- What data/information would be the most helpful for you to see on a public dashboard of rental properties?
- Do you have any other feedback about what may be beneficial to remove, add, or change in the city's landlord-tenant code?

The meetings were promoted through an email to all rental license holders and the Department of Housing and Community Development's internal list of property managers, affordable housing operators, and tenant organizations, as well as through the city's standard communication channels.

This engagement activity helped the community to learn more about the Chapter 18 rewrite project and informed the direction of staff's research and policy development process.

Engage Rockville

The project's Engage Rockville webpage launched early May 2025, prior to the initial input meetings, and served as the hub for all information and engagement throughout the project's lifespan. The Engage Rockville webpage included the following:

- Background Information
- News Feed
- Survey Tools
- Submit a Comment Portal
- Ask a Question Portal
- Staff Contacts
- Project Timeline
- Key Dates
- Resources
- Documents (including a fact sheet and staff reports)

Additionally, Engage Rockville allows individuals to subscribe to project updates via email. At the time of writing, three e-blasts were sent to project subscribers. At least one more is planned before the May 18 Mayor and Council meeting and one afterwards, for a total of five e-

blasts. Information from each e-blast is also posted on the Engage Rockville webpage's News Feed.

Stakeholder Meetings

Given that tenants are traditionally a harder to reach population than landlords, in April 2025, staff directly reached out to a number of tenant advocacy organizations[1] to learn more about the challenges facing tenants within the city. Not all organizations responded, and some (Maryland Legal Aid and Jews United for Justice) opted to submit written feedback. Staff held stakeholder meetings with CASA, Housing Initiative Partnership, and the Montgomery County Renters Alliance, as well as spoke with a representative from the Apartment and Office Building Association of Metropolitan Washington on several occasions. The questions listed below were asked to the tenant advocacy organizations:

- What challenges are the tenants you work with most frequently facing? Have you noticed any trends in those challenges?
- Have you noticed any discrepancies between Montgomery County and the City of Rockville's landlord-tenant codes?
    - Are those discrepancies beneficial or harmful to tenants?
    - In what ways, if any, do you have to adjust the way you work with tenants in the City of Rockville?
- What data/information would be the most beneficial for you/tenants to know about landlords?
- Are there any types of fees you have noticed that pose a barrier or additional burden to tenants?
- In what types of situations would relocation assistance be beneficial to a tenant? For example, redevelopment, large rent increases, etc.
- Do you have any other feedback about what may be beneficial to remove, add, or change in the city's landlord-tenant code?
- Who else should we be speaking with?

General Survey

For almost a year, the Engage Rockville webpage featured a survey for landlords and tenants. The purpose of the survey was to best understand the challenges faced by landlords and

[1] The tenant organizations contacted included the following: Action in Montgomery, CASA, Everyday Canvassing, Housing Initiative Partnership, Housing Justice Montgomery, Jews United for Justice, Latino Economic Development Corp, Maryland Center for Legal Assistance, Maryland Legal Aid, Montgomery County DSA, Montgomery County Renters Alliance, Progressive Maryland, Renters United Maryland, and Rockville Renters United. While contacted in April 2025 to ask for a stakeholder meeting, these organizations were contacted at various other points as well to keep them updated about the project's progress.

tenants so as to inform the policy direction of the rewrite. Over that time, the survey received 45 responses, including 19 from tenants and 26 from landlords.

Most landlords (68%) who completed the survey had been operating as a landlord for over five years and felt pretty knowledgeable (62.5%) about their rights and responsibilities per city code. Respondents cited a range of experiences as a landlord in Rockville, with 37.5% reporting a good experience and 37.5% reporting a neutral experience.

Tenant respondents had mostly been renting in Rockville for one to five years (63.2%), with 21.1% renting for less than five years and 15.8% renting for less than one year. About half of tenants said they feel a little familiar with their rights and responsibilities per city code, following by 31.6% pretty knowledgeable and 10% not familiar at all. There was a range of reported experiences as a tenant in the City of Rockville: 36.9% good or very good, 21.2% neutral, and 42.1% bad or very bad. Eleven tenants reported their previous rent increases, which ranged from 1% to 13%, the median being 5% and the average being 6.45%.

Other questions were asked as listed below. Responses have been incorporated into the Major Takeaways section above.

- How long have you been a landlord/tenant?
- How would you rate your familiarity with your rights and responsibilities as a landlord/tenant, per city code?
- How would you rate your experience as a landlord/tenant in Rockville?
- What are the top three challenges you face as a landlord/tenant?
- If you own property/have rented elsewhere, what differences have you noticed between those jurisdictions and Rockville?
- What data/information would be the most helpful for you to see on a public dashboard of rental properties?
- What percentage was your last rent increase? *(asked to tenants only)*
- Do you have any other feedback about what may be beneficial to remove, add, or change in the city's landlord-tenant code?

Follow-up Input Meetings

In April 2026, the city hosted two input meetings: one for landlords and another for tenants. The meetings were held virtually and had 53 attendees at the landlord input meetings and 20 at the tenant input meeting. During registration, there were a handful of individuals who requested Mandarin translation and were directly notified about a separate Mandarin-language input meeting, but during that meeting, only two individuals participated, and both had previously attended the landlord input meeting, so the meeting was ended early.

During the meetings, participants were given a presentation about the project, featuring an overview of the proposed changes. They were then asked several polling questions, followed by an opportunity to ask questions and provide general feedback. Responses and feedback have been incorporated into the Major Takeaways section above.

Polling Questions:

- What excites you the most about what you've heard?
- What concerns you the most about what you've heard?
- What's missing from the code update?
- What resources would be the most helpful in ensuring that you understand and can comply with the new code?

The meetings were promoted through two emails to all rental license holders and the Department of Housing and Community Development's internal list of property managers, affordable housing operators, and tenant organizations, as well as through the city's standard communication channels.

Feedback Survey on Policy Proposals

In April 2026, staff created a fact sheet to explain the most significant of the proposed code changes. Alongside the fact sheet, stakeholders were encouraged to complete a feedback survey asking the below questions, which mirror the questions asked at the follow-up input meetings:

- How do you feel about the current Rockville landlord-tenant code?
- How do you feel about the proposed Rockville landlord-tenant code?
- What concerns do you have about the proposed changes?
- What excites you the most about the proposed changes?
- What's missing from the code update?
- What resources would be the most helpful in ensuring that you understand your rights and responsibilities (either as a landlord or a tenant) under the new code?

Attachment C – Public Comments and Correspondence

From: Lydia [redacted]
Sent: Monday, May 26, 2025 11:21 PM
To: LATInfo <latinfo@rockvillemd.gov>
Subject: Re: ReFUND,harassment,voilence

WARNING - External email. Exercise caution.

To Whom It May Concern,

We are currently collaborating with several residents, tenants, and fellow landlords to address a pressing issue in shared housing situations within Rockville. We respectfully request that the City of Rockville consider amending the existing landlord-tenant laws to allow for expedited eviction proceedings—specifically, same-day hearings—for tenants whose behavior disrupts the peaceful enjoyment of others in shared housing arrangements.

Under current Maryland law, tenants are entitled to "quiet enjoyment" of their rented premises. This principle ensures that tenants can live without unreasonable disturbances. However, when one tenant's actions—such as excessive noise, harassment, or other disruptive behaviors—negatively impact the well-being of other tenants, it creates a challenging environment for all parties involved.

While existing laws provide mechanisms for addressing such issues, the process can be time-consuming and may not offer immediate relief to those affected. In shared housing situations, where tenants often share common spaces and responsibilities, the presence of a disruptive individual can significantly impair the quality of life for others.

We propose that the City of Rockville explore the possibility of implementing a system that allows for expedited eviction hearings(provide same day notice and file same day and obtain an emergency hearing in 7 days) in cases involving nuisance tenants in shared housing. Such a system would provide landlords and tenants with a more immediate means of addressing serious disturbances, thereby upholding the rights of all residents to enjoy their living spaces peacefully.

We believe that this approach would not only enhance the living conditions for tenants but also support landlords in maintaining harmonious and safe rental environments. We are committed to working collaboratively with the City of Rockville to develop solutions that balance the rights and responsibilities of all parties involved.

The law shall protect hard working residents, not some unruly/nuisance residents/individuals

Thank you for considering this important matter. We look forward to the opportunity to discuss potential changes to the current landlord-tenant laws that would better serve the needs of residents in shared housing situations.

Thank you!

4/21/2025

Kim Nugent[redacted]

Hi, Jane.If I could mention some things to you and you bring them to the group for consideration that would be great. I have.

Metatatarsal injuries on both feet and so I try not to do Extra walking. One of the things I've been concerned with is that top floor windows in Rockville?Appear to be OK even if there's something like 12 -18inches wide. Whether for rental or simply owner occupancy I think that those should be required to be replaced at the time that a home is being sold so that there's less challenge for firefighters to rescue inhabitants.

They overall Montgomery County.Basic lease language has some concerning juxtapositions in it. The lease says that the rent is due on the first of month. When paid up to 10 days late, it's not to be considered late from the standpoint of late fees. This does not prepare renters for home ownership. There are no other creditors that would have a 10 day.Grace period after a due date not a credit card company not an auto payment...
Also abuses the landlord who is required to pay 4.8% interest to tenant even when each month rent not received on 1st, they have to use the security deposit to make the Mortgage insurance property taxes & h o a payments. But the landlord is likely not to use this security deposit because then the security deposit is not able to earn the interest required to pay the tenant. And it would make it a significant challenge for the landlord to figure out how to calculate the interest on the security deposit.
It is especially unfair to the landlords as on the hook if they calculate the interest on the security deposit wrong they have to pay the tenant three times the amount.

It is unfair under the abandoned possessions, clause that tenants are allowed to leave behind belongings for up to 7 days after the lease has ended and likely a walk through has taken place. If there's already been a walk through and then damage is done to the property as these Items are later removed.Then the walk through needs to take place all over again.

The presence of the belongings prevents the landlord from being able to make repairs like painting without potentially having to relocate the tenant's belongings at the.Ir own expense. And If workers are at the property It might be construed that the landlord has responsibility to safeguard the left behind items during those seven days. If the property is promptly repaired and ready for rental it cannot be rented during that 7 day period. So this costs the landlord money.

With regards to the lease end it says that Tenants may return the keys 24 hpurs after the lease end. If that occurs and thewalk through was already completed, it might need to occur again. This is an expense to the landlord and delays new tenant potential.

When a tenant is a hold over does the lease say that they would be accountable for a full month rent even if tenant holdsover less than a month. I would consider the lack of returning the keys and the lack of taking all of one's possessions out of the property by lease end as holdover situations & set the tenant up to know doing so will be costly so they plan better for lease end.

The amount that has been permitted for the landlord to charge a tenant for a non-maintenance repair ($250 in a year or lease period (I forget which) has not increased in 30 years. I would like to see language added to permit the landlord to require the tenants to have bi-annual service checks on the h v a c units. The thing is , it is a hard thing for a landlord to coordinate between tenants and H v a c services who may come within a four hour window and even if they promise that sometimes something goes away and they don't come within that. Landlords do not live at the property meaning that they have to sit in their car outside during this four hour period whatever the temperatures be outside simply waiting for the HVAC service company to arrive. Even when tenants have set a time aside for the h v a c company to come and the landlord to come as well sometimes the Tenants availability changes putting the landlord in the awkward position of maybe not seeing the voicemail or text or email and being able to Change the appointment with the hVAc servicer before they would get charged. Whereas the tenants who live there could coordinate directly with the hVac company. The checks are $40- 70 (depending on whether one finds a coupon) & may uncover any concerns that should be brought to the landlord's attention for repairs. It means the tenant will hear directly from the technician if they are harming the system by not changing the furnace filters as often as they should which again will affect the efficiency of the heating or cooling and could lead to lower costs if they follow the appropriate guidelines. It also means that any Issues that could have arisen during the period of non use such as insulation coming off of the wall of the furnace or a wire becoming disconnected that would ordinarily cause the unit not to work would be identified before the tenant was expecting to use the utility. And thus likely avoid inconvenience to the tenant by them not having heating or cooling when they'd like to have it.

I have more to add but I'll send it in another email. [The second email has been added below.]

Perhaps 10 years ago I learned the water bills from WSSC when in Tenants name & unpaid by tenant - WSSC only pursues collection from the landlord though it does not communicate to landlord for as much as an entire year bill was not paid (unless that person set up duplicate billing something landlords are not forewarned about by city, county, or any landlord tenant handbook). Then when the property is vacated by the tenant the water will not be turned on until the landlord pays the bill. Meanwhile, The tenant can move into another property and be uninhibited in starting new service by the unpaid bill.

Another problem for landlords is their inability to report to a credit bureau non-payment of rent until it is addressed more than 3 months after non-payment began as a result of a court finding which leaves the Landlords to which the non-paying tenants apply for housing prior to eviction - in the dark. Put in another way, it means that the system is protecting them so that they can take advantage of yet another landlord. Meanwhile, a landlord's credit will begin to decline immediately upon their inability to pay a mortgage, property tax, HOA fee, insurance bill, or other. So the gap in knjuries in this circumstance are significant.

A new requirement is to have 24/7 customer service for tenants emergencies. This is cost prohibitive for owners of small # properties. And if we do not hire a service - we may have to defend ourselves in court. But tenants can pay late by up to 9 days with no repurcussions. If the state or county or other jurisdiction thinks that there is a great need for this then it might offer a centralized such service where the landlords would have their phone numbers registered when they get their rental licenses and the service could charge the Landlords when their Tenants use the service for appropriate reasons or charge the tenants if they use the service for inappropriate reasons. Or use a portion of the rental license fees to provide such service for those landlords not able to provide what for them individually would be VERY COSTLY 24 hour answering service at hundreds of dollars a month. Keep in mind that landlords are being prevented from raising the rents above 4% percent a year without applying for approval for right to raise above that.

Speaking of the limits on raising of the rents without applying (& waiting to see if a request is approved for higher increase), I believe the limit should be abolished! The market regulates what landlord can rent a property for. Such limits are another reason landlords would get out of rental business reducing avail housing.
First of all the limit should not apply if the rent was below market & tenants get adequate notice of increase or do not renew & property is vacant. Note being a landlord is a business meant to be profitable. Given super high limits on property tax increases and high recent increases. It also should not apply when the annual increase in property taxes exceeds 2 or 3%. Actual increases in property taxes I experienced a year ago were 25% for townhouses and 35% for a single family (those are rolled out in 1/3 increase 3 years in a row. I.e. on townhouses in first year go up about 8.34% then following year an additional near 8.33% & again in year 3, 8.33%. For SFH those were 12% year on year on year! No, it doesn't take a requisite rental increase to help for these amounts.It might take a greater than 4% of a months rent to cover given the dollar amounts of rent as compared to the property taxes. Approximately my townhouse property tax is $5k a year. So an 8.33% increase for 3 years compounded equals $417 increase in yr 1, so $5417 x 1.166% in yr 2 or $6316.22, as it and yr 3 is 1.25% or $7,895. So in 3 years my property tax increase costs me $2,895 alone. And those increases are tied to increased property values which will increase the cost of insurance & other costs typically increase such as maintenance and repairs and HOA fees. And now landlords need to build up their savings to cover these if Tenants don't pay rent & or water bills & or any amount of property damage &

ensueing vavmcancy during which repairs may need to be made or at least showings are needed before new tenant found as showing a property during the tendancy of a non- paying tenant typically does not work. Then landlords have additional court costs on top of all the expenses that they carry on their own. And again there is a difference in the affordability of having an attorney when one owns hundreds of units versus a handful. And given the current changes in international trade tariffs on goods there are signifigant increases to cost of maintenance & repair expenses.

I feel if landlords are paying utility bills like water, sewer, electric, cable, hoa fees for lawn care, parking lot maintenance, security lights, snow removal, at times also pool & sport court & clubhouse maintenance - that a utility deposit be allowed. In particular this could help induce landlords to invest in Solar panels on rentals which could result in lower utility bills for tenants & be good for environment & decrease demand on the grid keeping utilities lower for all users as delays needed upgrades to utility infrastructure to serve the growing population.

Altogether, I feel the lowering of the security deposits.Had the negligible impact perhaps for corporate interests owning thousands of small apartment units that are largely encompassed in concrete & Furnished with low grade products that are bought on a economies of scale and where their owners generally have replacements in storage and maintenance staff on hand to make very quick turnovers. Whereas those who are renting single family townhouses and homes may more often be smaller landlords with unique fixtures & floorings, obtained with no economies of scale, and overall are of significantly higher value. The result being that the percentage of the property value that is represented by a single month security deposit is far smaller. I.e. If an apartment could have a security deposit of one thousand dollars that covers 800 sq. Ft. of which concrete ceilings and floors and the damagible contents may be limited to 1 -4k of cabinets, counters, floors, appliances and doors & whole unit if appraised might be worth under $250k. That rent to possible damage ratio is remarkably different for a townhome or single family home 1,600 - 5,000 sq. Ft. with wood walls, ceilings, floor joists, non economies of scale bought carpets & appliances etc. And may be worth $300k - 1 million.

Under such circumstances , we as a state & every subdivision of such as Rockville - are going to lose a lot of the supply of said townhouses and single family homes as if landlords cannot obtain remarkably qualified tenants they would be likely to sell rather than run risk of non payment of rent & utilities and significant property damage. When the landlord sell these properties they will no longer represent a rental alternative for relocating professionals who would desire such housing who are being enticed to accept jobs in the area. Thus making it harder for local companies to recruit.

4/19/2025

Dear Jane and Trevor:

These are my comments on the Rockville Landlord-Tenant Code.

Section 18-113(c): The in-state agent requirement for out-of-state owners is a minor nuisance, and should be deleted. I purchased a rental condo unit in Rockville when I was still living in New Jersey; arranging for an in-state agent was awkward.

Section 18-127(1): add a requirement for email contact information.

Section 18-128(4): add a requirement for email contact information.

Section 18-195(c): The requirement for utility accounting is unnecessary and burdensome, and should be deleted. I own a rental condo unit in Gaithersburg in which utilities are included in monthly maintenance; Gaithersburg does not require me to separate out the utility costs.

Sincerely,

Ken MacRitchie
[redacted]

From: John Hoeveler [redacted]
Sent: Thursday, April 16, 2026 1:13 PM
To: Monique Ashton <mashton@rockvillemd.gov>
Cc: Marissa Valeri <mvaleri@rockvillemd.gov>; Barry Jackson <bjackson@rockvillemd.gov>; Kate Fulton <kfulton@rockvillemd.gov>; Adam Van Grack <avangrack@rockvillemd.gov>; David Myles <dmyles@rockvillemd.gov>; Izola Shaw <ishaw@rockvillemd.gov>
Subject: Concern from Rockville property owner – Chapter 18 proposal

WARNING - External email. Exercise caution.

Dear Mayor and Council Members,

I am writing as a Rockville property owner to express serious concern regarding the proposed amendments to Chapter 18.

First, I have heard the argument that because a significant portion of Rockville residents are renters, additional regulation is warranted. Respectfully, the proportion of renters versus owners does not change the underlying economics of housing. Increasing cost, risk, and operational burden will ultimately result in higher rents and reduced housing supply, regardless of who occupies the units.

Second, I would urge the City to prioritize enforcement of existing laws. Targeted enforcement against bad actors is a far more effective approach than broad new regulations that apply equally to responsible housing providers. These proposals risk penalizing compliant landlords while doing little to address those who are already operating outside the rules.

Third, safety must remain a central consideration. A building in our complex at Plymouth Woods experienced a catastrophic arson incident that destroyed the property and displaced residents. Situations like this underscore the importance of reasonable screening and awareness of who is living in residential properties. At the same time, the financial impact has been significant. Our insurance costs have increased multiple times over, and these costs inevitably flow through to tenants. A law that limits our ability to know who we are renting affects other tenants who have no say in who they share their building with.

Finally, I am concerned about the process by which these policies were developed. During last night's meeting, panel participants were asked if they have any experience being a landlord. None raised their hands. That absence of direct operator input is troubling. We were told there was a survey that was given out. I never saw that survey. Neither have any of the other landlords I have spoken with. I question how much effort was given to ensuring this survey was properly distributed and how many landlords responded.

Based on my own experience interacting with the City's Housing and Community Development agency, there is a consistent pattern of prioritizing tenant advocacy without consideration of the

operational realities faced by housing providers. When policy development is shaped without balanced input, it creates a risk of unintended consequences, policies that may sound beneficial in theory but prove harmful in practice.

Regulations of this magnitude should be informed by a full range of perspectives, including those responsible for maintaining, financing, and managing housing. Without that balance, there is a real risk of discouraging investment, reducing housing supply, and ultimately increasing costs for the very residents these policies are intended to help.

I respectfully urge the Council to pause and ensure that these proposals are reviewed with meaningful input from housing providers before moving forward.

Thank you for your time and consideration.

Sincerely,

John Hoeveler

4/17/26

Dear Mayor and Members of the City Council,

I am a Rockville landlord writing to object to four provisions in the proposed Chapter 18 update. I ask the Council to reconsider these changes before the May 18, 2026 vote.

Letting tenants leave with just 30 days' notice for vague "reasonable causes" makes leases unreliable. Landlords need a stable income to cover mortgage payments and other expenses. Any new termination grounds must be clearly and specifically defined.

Requiring landlords to pay three months' rent, moving costs, and more could cost tens of thousands of dollars in a single event, even for routine code repairs. This is unmanageable for small landlords. Please limit this requirement or reduce its scope.

Allowing tenants to hire their own contractors and deduct up to two months' rent takes away a landlord's right to oversee their own property. Unlicensed work can fail code inspections and void insurance. The 30-day repair window also doesn't account for real-world delays like permits and contractor schedules. This provision should be removed or limited to true emergencies.

Blocking background checks before a conditional offer limits a landlord's ability to protect existing tenants and their property. Landlords are legally responsible for what happens on their premises. Any screening restrictions should be balanced with landlords' safety and liability needs.

These four provisions increase costs and risks for landlords without a fair balance. I ask the Council to pause approval, talk with landlords, and find solutions that protect both tenants and housing providers.

Thank you for your time and consideration.

Sincerely,

Jason Kim

From: Sean Cullinane [redacted]
Sent: Tuesday, April 21, 2026 9:45 AM
To: Jane Lyons-Raeder <jlraeder@rockvillemd.gov>
Subject: Tenant Landlord Code Meeting

Hi Jane,

Thanks again for hosting the Tenant-Landlord Code meeting last week. As someone who is relatively new to property rentals, it was helpful and informative. I also rented for a long time, largely with landlords who ignored and avoided their legal duties, so changes that help with transparency and efforts to equalize the field for tenants is a positive step.

I would like to respond to a few of the policies since I needed time to absorb the details:

1. I understand the argument for removing criminal and eviction history. I am sympathetic to it as well since, if someone serves their prison time, their sentence is paid to society. With that said, there are not many metrics landlords can use to predict a tenant's ability to pay rent and avoid a lengthy and costly eviction process. Landlords are hoping to avoid someone who habitually uses the courts to avoid paying rent. If there is a middle ground between those, that is what we should work towards. I suggest that an eviction in the last 5 years (or two evictions within 5 years) can be used.

2. A FAQ sheet on the Rockville page would be helpful too. It could detail all the major and critical points that landlords and tenants should be aware of (for example, the lease collection policy, lead paint information, etc.)

Separately, I want to suggest that landlords must coordinate and absorb all costs associated with lawn care and gutters. That should be considered a part rental ownership, and it is an unfair loss that tenants are currently shouldering.

Thanks a lot and let me know if I can provide further details.

Sean Cullinane

KENNETH L. MacRITCHIE

[redacted]

Rockville, MD [redacted]

[redacted]

[redacted]

May 27, 2025

Mayor Monique Ashton
Rockville City Hall
111 Maryland Avenue
Rockville, MD 20850

Re: Rockville Landlord-Tenant Code

Dear Mayor Ashton:

Following are my comments on the Rockville Landlord-Tenant Code.

Section 18-113(c): The in-state agent requirement for out-of-state owners is a minor nuisance, and should be deleted. I purchased a rental condo unit in Rockville when I was still living in New Jersey; arranging for an in-state agent was awkward.

Section 18-127(1): add a requirement for email contact information.

Section 18-128(4): add a requirement for email contact information.

Section 18-195(c): The requirement for utility accounting is unnecessary and burdensome, and should be deleted. I own a rental condo unit in Gaithersburg in which utilities are included in monthly maintenance; Gaithersburg does not require me to separate out the utility costs.

An online hearing to receive landlord input was conducted on May 20, but the online address never reached me. Future online hearings should be conducted with the option of viewing the proceedings from a monitor at City Hall.

Sincerely,

cc: Barry Jackson and Trevor Stephens

Kenneth L. MacRitchie

SENT BY ELECTRONIC MAIL-jlraeder@rockvillemd.gov

August 25, 2025

Jane Lyons-Raeder
Housing Programs Manager
Department of Housing and Community Development
City of Rockville
111 Maryland Avenue
Rockville, Maryland 20850

RE: Maryland Legal Aid Comment on Revisions to City of Rockville Landlord-Tenant Code

Dear Ms. Lyons-Raeder:

Thank you for inviting Maryland Legal Aid ("MLA") to review and provide the comments on City of Rockville's Landlord-Tenant Code (City Code, Ch. 18, "Rental Facilities and Landlord-Tenant Relations"). We appreciate the opportunity to provide our suggestions for added clarity and for improvement of the code based on our attorneys' experiences in representing low-income Rockville residents in eviction, rent escrow, and other matters concerning renters' rights. Our Advocacy Director for Human Rights to Housing, Zafar Shah and team of MLA housing attorneys have commented on specific sections of the code, in their order of appearance in Chapter 18.

Sec. 18-79

This section limits a tenant's compensation in instances wherein the Commission has found a defective tenancy. For "damage to persons or property" related to the defective tenancy, the section limits compensation to $2,000. Notably, we do not interpret this section to mean that the dollar-cap applies to actual damages. The section discerns "actual damage or loss" as separate from "damage to persons or property." MLA recommends raising the $2,000 cap to $5,000. In addition, there is ambiguity as to whether the dollar-cap applies to the entire household or each harmed person in a household. MLA recommends that a $5,000 cap apply to each household member individually if multiple household members have suffered damage to their person.

Sec. 18-111

This section requires rental facilities to operate with a valid rental license. Rockville's licensing requirement applies to multi-family buildings, single-family dwellings, and accessory dwellings. MLA attorneys encounter so -called rooming houses or group homes, in which a property owner leases rooms that do not constitute a complete dwelling unit. We recommend addressing this gap in rental license requirements.

Sec. 18-118

This section describes rental license suspension and revocation but does not describe how suspension and revocations are initiated. MLA recommends adoption of language that would expressly allow current tenants of a licensed rental dwelling, or their attorneys, to initiate a suspension or revocation through a complaint of defective tenancy to the Commission.

Sec. 18-146

At paragraph (6), in addition to the prohibition against lease provisions for confessed judgment, MLA recommends prohibitions against lease language that waives the right to demand a jury trial or compels the tenant to use arbitration in lieu of judicial forums.

At paragraph (12), which obligates the landlord to apprise a new tenant of the location of the property's rental license, MLA recommends adoption of language requiring that the lease, at the time of signing or renewal, include one copy of the current, valid rental license.

At paragraph (13), MLA recommends adoption of language that pegs the statutory 10-day grace period to the date on which public benefits recipients customarily receive their benefits payments. In other words, where a tenant who receives public benefits notifies the landlord of the regular date of receipt of their benefit payment, the landlord may not assess late fees within 10 days after such date.

At paragraph (15), which requires written receipts for payments in cash or money order, MLA recommends adoption of a more comprehensive, modernized scheme for the landlord's billing, payment, and accounting practices and the tenants' access to transaction and billing records. Presently, state and local laws leave ambiguous whether tenants are entitled to request and receive their entire account history (a "rent ledger" for instance); whether landlords may compel tenants to pay rent electronically; and whether landlords may compel tenants to pay transaction fees for electronic payments. Many of MLA's clients are of older age and/or lower income and do not have the digital access, tech-savvy, and consumer sophistication necessary to safely use the "prop tech" apps and websites increasingly favored by management companies in today's market.

Sec. 18-147

Subsection (a) requires a landlord to provide to the tenant a copy of the signed lease within 10 days after execution. MLA suggests that 10 days is far too long a period for tenants not to have their lease. We recommend reducing the period to two business days.

At subsection (b): MLA recommends adoption of additional language that conditions the enforceability of the lease by the landlord on the landlord's having filed the lease with the City Manager.

At subsection (c): We recommend the addition of a specific time requirement for production of the proposed lease in advance of the date/time for execution of the lease. For instance, the subsection should require that the proposed lease be presented to the prospective tenant not less than two days prior to the execution of the lease unless the tenant requests a shorter time.

At subsection (e): Based on the harm posed to our clients by unrestricted rent increases, Maryland Legal Aid strongly supports Rockville's adoption of rent stabilization under the framework of Montgomery County's ordinance.

Sec. 18-161

Additional language is needed in this section to clarify the right of tenants and/or tenant associations to invite guests, including non-resident organizations, onto the premises to conduct activities related to the tenants' concerted activities.

Paragraph (a)(2) would be strengthened by clarifying that tenants may "meet or assist one another, with or without a tenants association, *and independently of property management or ownership*." At subsection (b), we recommend striking the provision allowing a landlord to charge fees for use of meeting space or common areas. MLA has seen that this provision (which also exists in state law), while seemingly reasonable, is often used by landlords to constrain the activities of tenant associations.

Sec. 18-177

MLA recommends the addition of language that would prohibit or limit landlords from charging fees for services and maintenance of facilities and, where such fees are permitted, require transparency in the lease as to the type, amount, and billing of these fees. We recommend that this language require landlords to charge and to account for such fees separate from the rent. Additionally, we recommend language, similar to Montgomery County's "repair and deduct" law, that would require landlords to compensate tenants for repairs which the landlord neglected to make.

Sec. 18-178

Because of the proliferation of property management apps and web portals, MLA urges adoption of language that would limit the conditions under which a landlord may require tenants to receive electronic notices or to use websites or phone apps to receive or give notices.

We hope these comments provide concrete options for improvement of the code. MLA welcomes the opportunity to work with you further in this endeavor. Please do not hesitate to

reach out if you have any questions or require additional information. Again, we thank you for your invitation to provide these comments and for your commitment to fair treatment of Rockville renters.

Sincerely,

Jani S. Tillery

Jani S. Tillery, Chief Attorney, MLA Montgomery County Office

cc: Alice Mutter, Supervising Attorney, MLA Montgomery County Office
Zafar Shah, MLA Advocacy Director for Human Rights to Housing
Katherine Gillespie, MLA Deputy Legal and Advocacy Director

Work Session – Chapter 18 Code Update, Rental Facilities and Landlord-Tenant Relations

February 23, 2026

The Apartment and Office Building Association (AOBA) of Metropolitan Washington is a nonprofit trade association representing the owners and managers of 430,000 residential units across the Washington Metropolitan region. Of that portfolio, AOBA members own or operate more than 6,500 multi-family apartment units in Rockville, totaling approximately $1 billion in state-assessed value. On behalf of its member companies, AOBA submits the comments below on the Chapter 18 code update.

Background Check Restrictions

AOBA does not oppose aligning Chapter 18 with the County's Housing Act but is opposed to any provision that prohibits landlords from asking about or considering eviction records prior to tenancy. Evictions for non-payment of rent are not arbitrary events and can take six months or more to be adjudicated in the county. These cases are costly and typically do not result in a monetary judgement against the tenant. Consequently, landlords typically only recover possession of the unit and often do not recover owed rent.

Removing the ability to ask or consider eviction records would force landlords to rely more heavily on credit scores or income thresholds. It may also lead to increased security deposits up to the state maximum of one-month's rent. These changes could reduce housing access for lower- or moderate-income renters. It would also increase financial risk at a time when many landlords are already facing increased operating costs and high delinquency rates.

Furthermore, tenants are already able to shield eviction records that do not result in a judgement against the tenant or where the tenant exercised the right of redemption to prevent the eviction.[1]For these reasons, AOBA urges the Mayor and Council to reject the staff recommendation to prohibit landlords from asking about eviction history on rental applications.

Relocation Assistance

Tenant relocation assistance should only be required when the tenant is displaced because of the landlord's action or inaction. For example, displacement caused by a landlord's failure to correct housing or building code violations that result in the unit being condemned. Relocation assistance

[1] Maryland Real Property Article §8–502 & §8–503

should not be required for tenant caused displacement or natural events, such as fires or flooding, respectively. Requiring relocation assistance in these cases will only serve to increase the cost of housing.

In the event of a landlord caused displacement, the City must find that the landlord could have affirmatively prevented the situation leading to displacement. In addition, the three-month rent payment should be tied to the actual tenant's rent, not the median market rent. Lastly, a landlord must not be required to provide a relocation payment or right of first refusal if the tenant accepts the landlord's offer to be relocated to another comparable unit that is owned or managed by the landlord.

AOBA appreciates the opportunity to submit comments on this section of the Chapter 18 code update. For more information, please contact Brian Anleu at banleu@aoba-metro.org

JEWS UNITED FOR JUSTICE

Jews United for Justice input for the
Rockville Landlord-Tenant Code Update
June 16, 2025

Many thanks to Jane Lyons-Raeder for inviting Jews United for Justice (JUFJ) to share our input regarding the Rockville landlord-tenant code. JUFJ organizes more than 2,000 Jews and allies across Montgomery County to advocate for social, economic, and racial justice, including more than 200 people who live in the city of Rockville.

Jewish texts are full of conversation, laws, and traditions about the obligations of landlords and tenants, which offers a model for creating just and effective regulations and enforcement. There is also a clear priority placed on ensuring all people, no matter their family or economic status, have access to housing. In one powerful example, the prophet Isaiah speaks directly to the wealthy landowners to warn them that when they "add house to house and join field to field until there is room for none but you to dwell in the land" that their exclusionary actions mean that instead of "justice there is injustice" and instead of "equity there is inequity."

Here are our thoughts in reply to the questions shared by the Department of Housing and Community Development:

1. What challenges are the tenants you work with most frequently facing?

   What we hear from our community members is that the biggest challenge is rising rent prices, which makes it difficult for longtime Rockville residents to stay in their homes and makes it impossible for prospective residents to find housing in Rockville. This is causing a strain on families, both when older family members are priced out and need to uproot their lives and when young people can't find affordable rents near their families.

2. Have you noticed any recent trends in those challenges?

   Unfortunately, the past year especially has seen a sharp spike in rent increases and wages just aren't keeping up. Other community partners we work with are seeing increasing numbers of evictions and homelessness. And affordable alternatives are few and far between.

3. Have you noticed any discrepancies between Montgomery County and the City of Rockville's landlord-tenant codes? Are those discrepancies beneficial or harmful to tenants?

Montgomery County has already recognized the rent crisis and passed rent stabilization. In Rockville, without these protections, tenants are left exposed to even larger and more unpredictable rent hikes. The landlord-tenant code in Rockville doesn't offer the same level of stability or security that tenants in Montgomery County now have. Under Rockville Section 18-194 "Landlords are encouraged to hold rent increases at the lowest level possible", but without a rent stabilization policy there is no accountability.

With this inequitable system, Rockville tenants are at a clear disadvantage. While renters in the rest of Montgomery County have some peace of mind knowing their rent can't suddenly jump by 10% or 15% overnight, Rockville tenants are left worrying each time their lease comes up for renewal. This discrepancy deepens inequality and pushes more long-term residents out of Rockville.

4. In what ways, if any, do you have to adjust the ways you work with tenants in the City of Rockville?

   Working with tenants in Rockville often means preparing for the worst, with people being priced out of their rental units. In the rest of Montgomery County, since there is already rent stabilization, we can focus on long-term planning. We see the gap between the two jurisdictions growing, which is putting more pressure on Rockville families every day.

5. What data/information would be the most beneficial for you/tenants to know about landlords?

   We would benefit from public data on how often and by how much landlords are raising rents and how many evictions are being filed. We would also like to see a breakdown of the landlords who are following code provisions and the landlords who are in violation. This information would help tenants make informed choices and help the city hold landlords accountable.

6. One area of focus for us is fees. Are there any types of fees in particular you have noticed that pose a barrier or additional burden to tenants?

   Fees are a significant issue for tenants, which is why Montgomery County's rent stabilization law addresses fees specifically. The law only allows specific fees and it puts a cap on each one. Here is the language for Montgomery County: *"The Rent Stabilization Regulation only allows the following fees for rent-regulated units: application fees; late fees; pet fees and deposits; lost key fees; lock out fees; internet/cable fees; and parking fees. A landlord is not permitted to charge fees*

other than those listed within the Regulation unless a tenant opts into the service. A landlord of a regulated unit must not charge unapproved fees or exceed the limits found within the Regulation after October 21, 2024."

7. We are interested in requiring landlords to provide relocation assistance in certain instances. In what types of situations would relocation assistance be beneficial to a tenant? For example, redevelopment, large rent increases, etc.

   Relocation assistance is always helpful to displaced tenants, as is financial support to obtain storage for the tenant's possessions, especially when there is a gap between eviction/displacement and finding a new place to live. However, our priority is keeping people in their current homes, which is why stabilizing rents is so important.

8. Do you have any other feedback about what may be beneficial to remove, add, or change in the city's landlord-tenant code?

   While we appreciate the city's review of the landlord-tenant code, our priority is ensuring stable rents for Rockville's tenants, so that we can prevent displacement and stabilize the community's rental options for the long term.

9. Who else should we be speaking with?

   We are glad to see that the Department of Housing and Community Development is reaching out to many community groups. We encourage the department to conduct door to door canvassing of rental units, especially in lower cost buildings, so that you can hear directly from the most impacted community members.

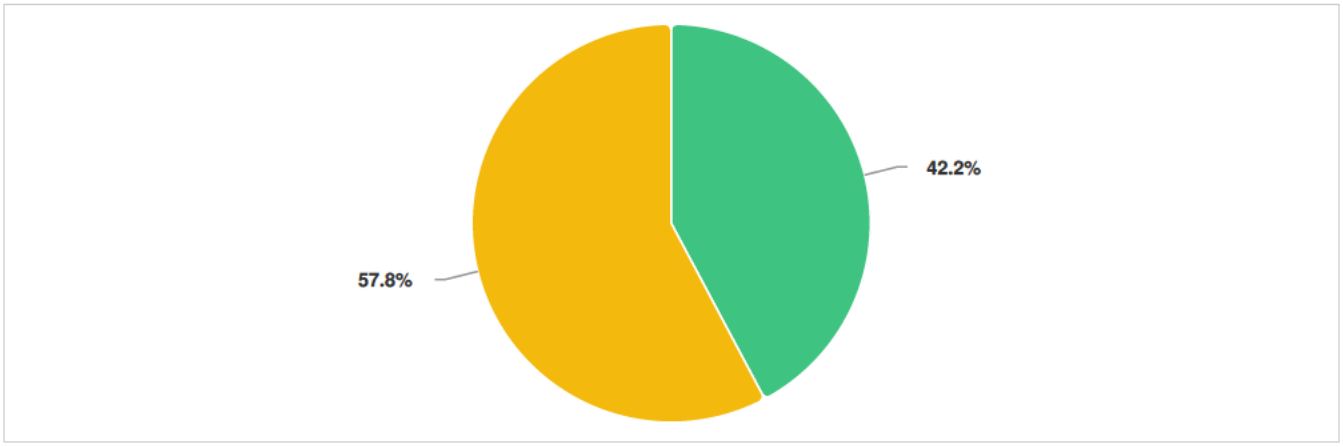
Landlord-Tenant Feedback Survey

SURVEY RESPONSE REPORT
22 March 2021 - 04 May 2026

PROJECT NAME:
Landlord-Tenant Code Rewrite

GRANICUS

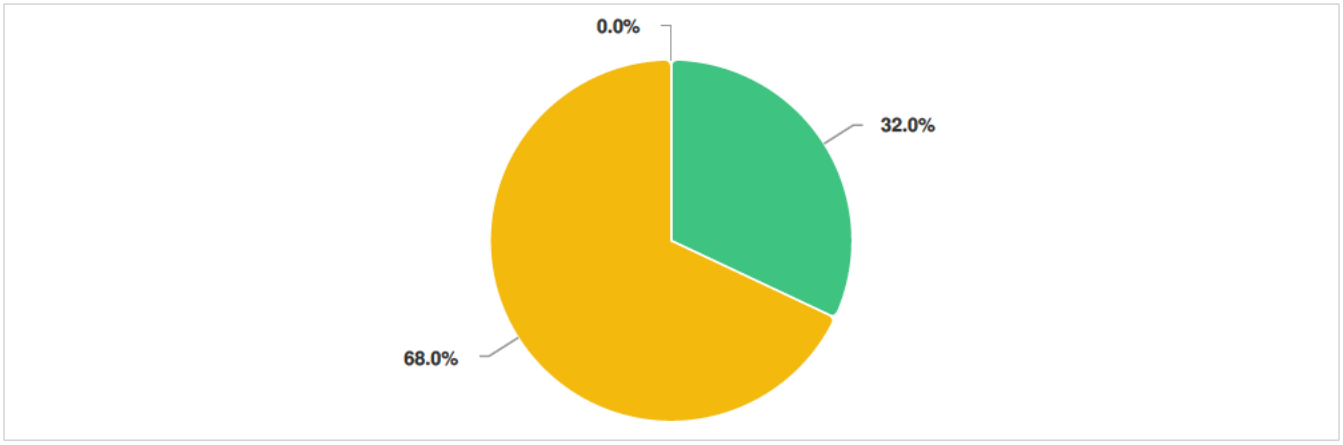
Q1. Are you a landlord or tenant?



Question options	responses	%
Tenant	19	42.2
Landlord	26	57.8

45 responses · 0 skipped
Question type : Radio Button Question

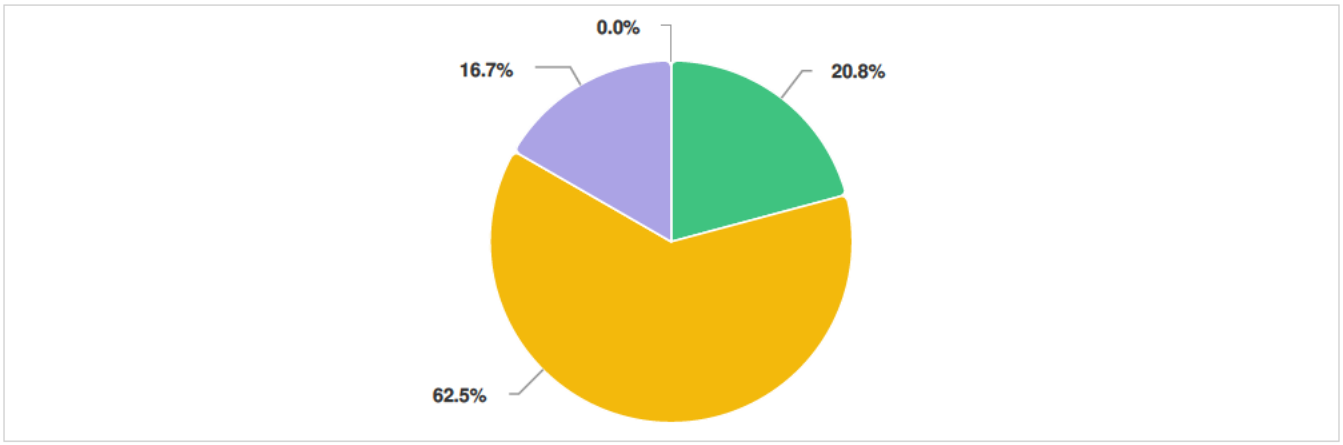
Q2. How long have you been a landlord in the City of Rockville?



Question options	responses	%
1-5 years	8	32.0
>5 years	17	68.0
<1 year	0	0.0

Optional question · 25 responses · 20 skipped
Question type : Radio Button Question

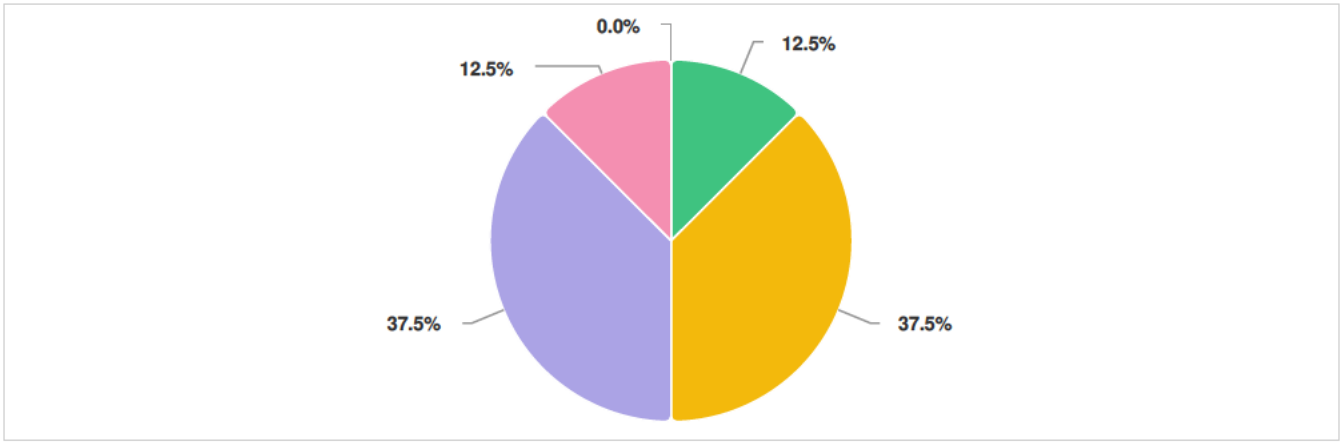
Q3. How would you rate your familiarity with your rights and responsibilities as a landlord, per city code?



Question options	responses	%
2 - A little familiar	5	20.8
3 - Pretty knowledgeable	15	62.5
4 - Extremely well-informed	4	16.7
1 - Not familiar at all	0	0.0

Optional question · 24 responses · 21 skipped
Question type : Dropdown Question

Q4. How would you rate your experience as a landlord in Rockville?



Question options	responses	%
2 - Bad	3	12.5
3 - Neutral	9	37.5
4 - Good	9	37.5
5 - Very Good	3	12.5
1 - Very Bad	0	0.0

Optional question · 24 responses · 21 skipped
Question type : Dropdown Question

Q5. What are the top three challenges you face as a landlord?

Kstowell 5/20/2025 10:19 AM	The inspection fee is high (several hundred dollars). Montgomery county offers a template for a lease and much greater resources online for first time landlords.
Tmason3 5/20/2025 10:25 AM	Changes to the rental license and requirements
Thepank25 5/20/2025 10:31 AM	Lead inspections on each new tenant instead of just set number of years Requirements on older homes. If updated for existing tenants, how do we expand rent
Cticocroft 5/21/2025 11:27 AM	
Rjandreoli89 5/26/2025 08:37 PM	
Cmadden 5/27/2025 03:33 PM	
Keahlello 5/28/2025 11:11 AM	
DickSt 5/30/2025 01:36 PM	Tenants who damage properties; tenants who don't follow lease terms and conditions; tenants who think a City office will support them if they damage property
Watsoa 6/08/2025 12:36 PM	
Tino 6/26/2025 06:20 AM	
Anonymous 7/08/2025 07:19 AM	
Anonymous 7/09/2025 06:32 AM	Not being allowed to offer short tem rentals in my home where I also live.
Anonymous 7/10/2025 07:57 AM	
Anonymous 7/10/2025 05:34 PM	
Anonymous 7/17/2025 11:01 AM	
Anonymous 7/19/2025 04:13 AM	
Anonymous 8/24/2025 03:10 PM	
Anonymous 8/25/2025 02:24 PM	
Anonymous 11/03/2025 03:40 AM	
Anonymous 11/29/2025 06:39 AM	
Anonymous 12/07/2025 02:55 PM	

Anonymous 2/17/2026 04:35 PM	Irregular inspections; tenants who do not understand or accept their responsibilities; damage done to units, without concern from tenants
Anonymous 2/23/2026 05:32 AM	
Anonymous 3/25/2026 05:09 PM	
Anonymous 3/26/2026 01:39 PM	Property taxes are challenging the profitability of providing property for rent to those in need.
Anonymous 3/26/2026 01:41 PM	
Anonymous 3/26/2026 01:51 PM	Having to do inspections every couple years because either I am away or the tenant is unavailable. If we have checked the boxes to be certified lead free and are all above board could you please find another way to make sure we are in compliance? The inspections don’t seem necessary especially if the landlord also has insurance and must provide proof the house is properly maintained.
Anonymous 3/26/2026 02:42 PM	The HOA management Co. Woodmont Springs, property maintenance/management, and budget management; as well as the community rules
Anonymous 3/26/2026 02:47 PM	Options when a tenant does not pay their monthly payment.
Anonymous 3/26/2026 03:02 PM	1. Landlord friendly regulatory body. The city of Rockville Landlord and Tenant affairs relays on Montgomery County. An organization tenant biassed 2. Recuperate damages to the property by tenants due to the high cost of material and labor 3. Continue rising cost of maintaining properties such as taxes, insurance, replacement items.
Anonymous 3/26/2026 06:15 PM	-When a tenant loses his//her income and do not inform landlord in time - keeping up to date with rules I.e. I.e. rental license, , yearly MDE regulation and compliance,
Anonymous 3/26/2026 06:25 PM	1. Bedbugs/roaches, 2. rising costs overall, and 3. difficulty with the bureaucracy and inefficiency of Rockville Housing Enterprises. 1. Our tenant is doing better at keeping a clean house, but it has been a very expensive and frustrating year constantly teaching her how to keep the place sanitary, for her family's health and to avoid HOA fines for trash, recycling, and other offenses. We have had to dun her for the bedbug inspection; the mitigation we paid for (she is Section 8 and couldn't afford it herself). Oof. 2. Because of upkeep/rising costs of every kind plus vermin mitigation, our CPA says we made no money from our rental property last year. Zero. 3. This is our longest-term problem. RHE is short-staffed, has high turnover, gives contradictory information, and is generally a pain to deal with. After giving us wrong information for years about smoke-alarm requirements, RHE gave us less than 24 hours to replace our alarms with new ones after we failed an inspection we had previously (erroneously) "passed" several times. We don't feel we can trust this agency and certainly not for anything timely.

Anonymous 3/26/2026 06:49 PM	DEALING WITH THE UNFAIR ROCKVILLE COURT SYSTEM JUDGES AND PROCESS. DEALING WITH THE UNFAIR LANDLORD TENANT LAWS WHICH ARE SKEWED TOWARDS ONLY HELPING LANDLORDS. DEALING WITH THE FACT THAT THE PATHETIC MONTGOMERY ELECTED LEADERS DO NOTHING TO DEAL WITH AFFORDABLE HOUSING AND INSTEAD JUST MAKE IT EASY FOR TENANTS TO RIP OFF LANDLORDS BY NOT PAYING THEIR RENTS AND USING THE LEGAL SYSTEM TO CONTINUE LIVING IN PROPERTIES AND NOT PAY.
Anonymous 3/26/2026 07:48 PM	Finding good tenants
Anonymous 3/27/2026 04:10 AM	1. Tenants maintaining both the interior and exterior of the property as per the terms of the lease. 2. Had one tenant who, it turns out, abused the Emotional Support Animal clause. I agreed to the initial 2 dogs, but she registered a third dog. This would have been messy, but I decided to sell after 10 years of owning that property.
Anonymous 3/27/2026 07:12 AM	Repetitive and unnecessary lead testing, excessive HOA fees, leading to diminishing profitability %.
Anonymous 3/27/2026 11:16 AM	1. upkeep of house and property by tenant 2. Current rent lower than other available housing difficulty in raising rent beyond limitations in city of Rockville.
Anonymous 3/28/2026 06:26 PM	Unclear of all the regulations, inspections, etc.
Anonymous 3/29/2026 11:48 AM	High cost of maintenance and management, appliances broke too often.
Anonymous 3/30/2026 12:08 PM	I will say for me is the property taxes that it been increased every year . Everything else I have a really good tenant living there for more the 18 or 19 years it’s really hard for tenants and landlord to afford all the increases
Anonymous 4/02/2026 09:17 AM	Cumbersome inspection and lead base pint inspections
Anonymous 4/02/2026 06:06 PM	
Anonymous 4/03/2026 06:33 AM	
Anonymous 4/07/2026 02:23 PM	Getting rent paid on time. Trying to comply with too many city/county ordinances. Costs of being a landlord.
Anonymous 4/14/2026 08:30 AM	I would appreciate it if the 2-year inspection schedule could be changed from every 2 years to every 5 years.

Optional question · 24 responses · 21 skipped
Question type : Essay Question

Q6. If you own properties elsewhere, what differences have you noticed between those jurisdictions and Rockville?

Kstowell 5/20/2025 10:19 AM	N/a
Tmason3 5/20/2025 10:25 AM	The Rental License requirement
Thepank25 5/20/2025 10:31 AM	N/a
Cticocroft 5/21/2025 11:27 AM	
Rjandreoli89 5/26/2025 08:37 PM	
Cmadden 5/27/2025 03:33 PM	
Keahlello 5/28/2025 11:11 AM	
DickSt 5/30/2025 01:36 PM	More regular property inspections in Rockville, with OK experience;
Watsoa 6/08/2025 12:36 PM	
Tino 6/26/2025 06:20 AM	
Anonymous 7/08/2025 07:19 AM	
Anonymous 7/09/2025 06:32 AM	I only own one property and rent out a portion of it while living in the rest.
Anonymous 7/10/2025 07:57 AM	
Anonymous 7/10/2025 05:34 PM	
Anonymous 7/17/2025 11:01 AM	
Anonymous 7/19/2025 04:13 AM	
Anonymous 8/24/2025 03:10 PM	
Anonymous 8/25/2025 02:24 PM	
Anonymous 11/03/2025 03:40 AM	
Anonymous 11/29/2025 06:39 AM	

Anonymous 12/07/2025 02:55 PM	
Anonymous 2/17/2026 04:35 PM	Cost of permit which does not exist in other counties
Anonymous 2/23/2026 05:32 AM	
Anonymous 3/25/2026 05:09 PM	
Anonymous 3/26/2026 01:39 PM	
Anonymous 3/26/2026 01:41 PM	
Anonymous 3/26/2026 01:51 PM	Those other jurisdictions don't require an inspection every 2 years.
Anonymous 3/26/2026 02:42 PM	Rockville is more supportive, and the licensing process is clearer and more user-friendly; The cost of HOA fees in Rockville has increased over 100% since 2019; Safety has declined in Rockville over the last few years.
Anonymous 3/26/2026 02:47 PM	N/A
Anonymous 3/26/2026 03:02 PM	Rockville as well as MC are biassed towards Tenants. Landlords do not receive the support needed to maintaining a decent rental market in the city
Anonymous 3/26/2026 06:15 PM	I own properties in Florida. The insurance coverage and shopping for insurance has been challenging and exhausting.
Anonymous 3/26/2026 06:25 PM	Nope, one property.
Anonymous 3/26/2026 06:49 PM	FRANKLY, UNLESS YOU ARE IN A REPUBLICAN STATE, THE CARDS ARE STACKED AGAINST LANDLORDS. I AM SERIOUSLY THINKING OF SELLING MY PORTFOLIO AND BUYING PROPERTIES IN ALABAMA.
Anonymous 3/26/2026 07:48 PM	An extreme number of rent assisted tenants in Rockville
Anonymous 3/27/2026 04:10 AM	N/A
Anonymous 3/27/2026 07:12 AM	All other properties I own have much better profitability %
Anonymous 3/27/2026 11:16 AM	N/A
Anonymous 3/28/2026 06:26 PM	Different inspections, regulations, etc. than the rest of Montgomery County
Anonymous 3/29/2026 11:48 AM	Parking is more readily available in Rockville
Anonymous 3/30/2026 12:08 PM	I will say that city of Rockville is more strict because they inspect inside and outside the house , but for me it's really good to keep the house in outstanding condition
Anonymous 4/02/2026 09:17 AM	Far fewer restrictions in North Carolina where we own beach rental property

Anonymous 4/02/2026 06:06 PM	
Anonymous 4/03/2026 06:33 AM	
Anonymous 4/07/2026 02:23 PM	Rockville is over regulated.
Anonymous 4/14/2026 08:30 AM	Montgomery County does not require inspections when the rental license is renewed.

Optional question · 23 responses · 22 skipped

Question type : Essay Question

Q7. What data/information would be the most helpful for you to see on a public dashboard of rental properties?

Kstowell 5/20/2025 10:19 AM	Please offer more resources for Rockville landlords similar to what Montgomery County does
Tmason3 5/20/2025 10:25 AM	Not sure
Thepank25 5/20/2025 10:31 AM	Percent of tenants who are delinquent Percent of tenants who transition into squatters Percent of squatters that resolve into successful evictions
Cticocroft 5/21/2025 11:27 AM	
Rjandreoli89 5/26/2025 08:37 PM	
Cmadden 5/27/2025 03:33 PM	
Keahlello 5/28/2025 11:11 AM	
DickSt 5/30/2025 01:36 PM	Number of Single Family, Townhomes and condo/apartment rentals
Watsoa 6/08/2025 12:36 PM	
Tino 6/26/2025 06:20 AM	
Anonymous 7/08/2025 07:19 AM	
Anonymous 7/09/2025 06:32 AM	Requirements I still need to fulfill or are about to expire.
Anonymous 7/10/2025 07:57 AM	
Anonymous 7/10/2025 05:34 PM	
Anonymous 7/17/2025 11:01 AM	
Anonymous 7/19/2025 04:13 AM	
Anonymous 8/24/2025 03:10 PM	
Anonymous 8/25/2025 02:24 PM	
Anonymous 11/03/2025 03:40 AM	
Anonymous 11/29/2025 06:39 AM	

Anonymous 12/07/2025 02:55 PM	
Anonymous 2/17/2026 04:35 PM	Total number of units in each category, SFH, Townhome, 1-3 story apt, and 4 + story buildings
Anonymous 2/23/2026 05:32 AM	
Anonymous 3/25/2026 05:09 PM	
Anonymous 3/26/2026 01:39 PM	Easily accessible list of all documents and lease requirements that must be provided in and with a residential lease.
Anonymous 3/26/2026 01:41 PM	
Anonymous 3/26/2026 01:51 PM	
Anonymous 3/26/2026 02:42 PM	Guidelines to help license applicants on how to meet the requirements to get approval.
Anonymous 3/26/2026 02:47 PM	
Anonymous 3/26/2026 03:02 PM	Actual carrying cost of properties such as taxes, insurance, occupancy rate. Information is needed for landlords to justify rental amounts
Anonymous 3/26/2026 06:15 PM	I would appreciate to see All important obligations by landlord and tenant incl. link Specific important rules, incl. link Tel numbers and emails to reach out for assistance
Anonymous 3/26/2026 06:25 PM	Sorry, don't understand -- what is a public dashboard of rental properties? Something prospective tenants look up?
Anonymous 3/26/2026 06:49 PM	TENANTS ALREADY HAVE MANY INFORMATIONAL ADVANTAGES. THEY DON'T NEED ANYMORE.
Anonymous 3/26/2026 07:48 PM	
Anonymous 3/27/2026 04:10 AM	A cheat-sheet for both landlords and tenants on what the protections are.
Anonymous 3/27/2026 07:12 AM	Nothing comes to mind
Anonymous 3/27/2026 11:16 AM	
Anonymous 3/28/2026 06:26 PM	
Anonymous 3/29/2026 11:48 AM	Changes in codes. market trends.
Anonymous 3/30/2026 12:08 PM	Helpful will be more more assistance in Spanish language for landlord and tenants

Anonymous 4/02/2026 09:17 AM	
Anonymous 4/02/2026 06:06 PM	
Anonymous 4/03/2026 06:33 AM	
Anonymous 4/07/2026 02:23 PM	What is a "public dashboard?" Are referring to rental data, or delinquency data, or inspections? Every rental is unique based upon: neighborhood, size, location, amenities, etc. Perhaps the best info for us would be per cost/sq. ft., rents per cost/sq. ft., and average/median rent increases from year to year.
Anonymous 4/14/2026 08:30 AM	The rental properties in a neighborhood or vicinity.

Optional question · 18 responses · 27 skipped
Question type : Essay Question

Q8. Do you have any other feedback about what may be beneficial to remove, add, or change in the city's landlord-tenant code?

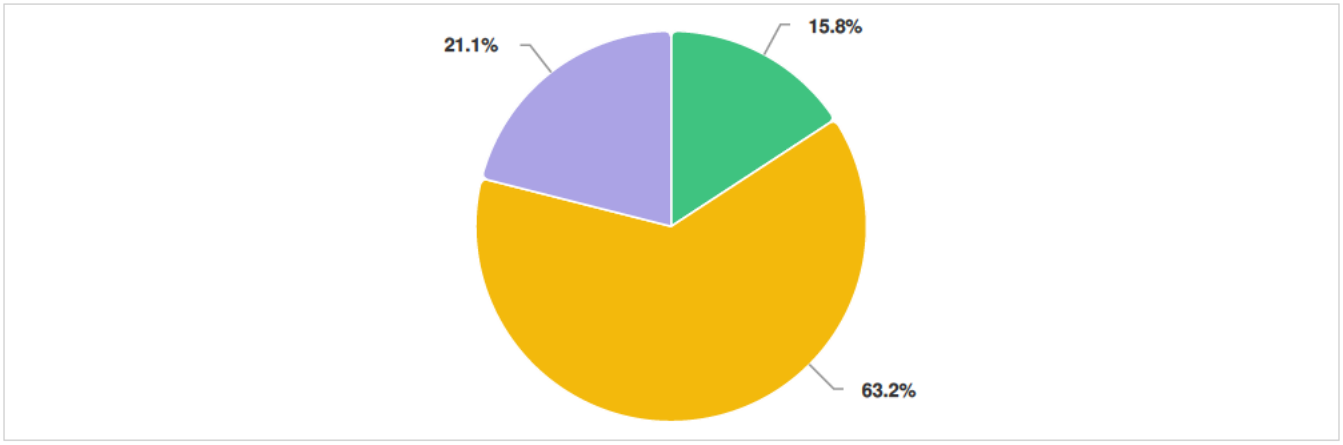
Kstowell 5/20/2025 10:19 AM	
Tmason3 5/20/2025 10:25 AM	Not sure yet
Thepank25 5/20/2025 10:31 AM	
Cticocroft 5/21/2025 11:27 AM	
Rjandreoli89 5/26/2025 08:37 PM	
Cmadden 5/27/2025 03:33 PM	
Keahlello 5/28/2025 11:11 AM	
DickSt 5/30/2025 01:36 PM	Continue with Clear, and easy to find listing of landlord and tenant responsibilities and laws
Watsoa 6/08/2025 12:36 PM	
Tino 6/26/2025 06:20 AM	
Anonymous 7/08/2025 07:19 AM	
Anonymous 7/09/2025 06:32 AM	
Anonymous 7/10/2025 07:57 AM	
Anonymous 7/10/2025 05:34 PM	
Anonymous 7/17/2025 11:01 AM	
Anonymous 7/19/2025 04:13 AM	
Anonymous 8/24/2025 03:10 PM	
Anonymous 8/25/2025 02:24 PM	
Anonymous 11/03/2025 03:40 AM	
Anonymous 11/29/2025 06:39 AM	

Anonymous 12/07/2025 02:55 PM	
Anonymous 2/17/2026 04:35 PM	Allow self reporting for things like placement of fire/CO2 alarms with photography
Anonymous 2/23/2026 05:32 AM	
Anonymous 3/25/2026 05:09 PM	
Anonymous 3/26/2026 01:39 PM	Make it far easier and faster for landlords to evict, when we are clearly being taken advantage of by a non paying tenant. Squatters rights needs to be removed from law. Most landlords are individuals who pay a mortgage and that mortgage should be covered by monthly rent - the idea that we are somehow "robberbarrons" is ridiculous.
Anonymous 3/26/2026 01:41 PM	
Anonymous 3/26/2026 01:51 PM	Let landlords provide proof of whatever the city of Rockville needs in place of an inspection. Insurance companies require proof for various items like a security system, sprinklers etc and you simply need to email them and they add it to your file. The inspections are unnecessary in my history as a landlord on top of the fees and testing like Radon that is performed routinely anyhow to make sure conditions are above satisfactory for my tenants.
Anonymous 3/26/2026 02:42 PM	Even though I support regulating rent increases to keep the city rent affordable, and considering the aging state of many properties in the city, I think city should add stipulations allowing landlords to charge their tenants for regular wear and tear maintenance/repair costs or adding it to the monthly rent.
Anonymous 3/26/2026 02:47 PM	
Anonymous 3/26/2026 03:02 PM	The city of Rockville needs to level the playing field allowing more landlord representation and more landlord friendly codes
Anonymous 3/26/2026 06:15 PM	
Anonymous 3/26/2026 06:25 PM	I would NOT want to be locked into a two-year lease. It sounds convenient -- but if we, as one-property landlords, had a less cooperative, amenable tenant who still caused as much trouble as this one, we would definitely want the option of eviction that a two-year lease would not allow us. (Fortunately, as a Section 8 landlord for the time being, we are not allowed to offer a two-year lease.)

Anonymous 3/26/2026 06:49 PM	YES. I WOULD DO AWAY WITH THE SELF HELP CENTER AT THE LANDLORD TENANT COURT. THEY ARE COMPLETELY BIASED TOWARDS TENANTS! THEY ARE RUDE AND OBNOXIOUS TO LANDLORDS. I WOULD FIRE ALL OF THEM. AND REGARDING ANY CODE, YOU NEED TO MAKE IT EASIER TO EVICT TENANTS!! THEY ARE ABUSING THE SYSTEM TO THEIR ADVANTAGE. THEN THEY ARE ABLE TO LITERALLY WALK AWAY WITHOUT PAYING AND LEAVING THE LANDLORDS WITH BIG DEBT. IT IS SOOO UNFAIR. THE LEGAL PROCESS IS ALSO A JOKE!! WHY DO WE HAVE TO WAIT 10 GODAMM DAYS TO FILE A FAILURE TO PAY RENT??!!! THEY OWE MONEY NOW!!! YOU ARE NOT TEACHING THESE PEOPLE TO BE RESPONSIBLE TENANTS. WHEN THEY DON'T PAY THEIR RENT THEY SHOULD BE TREATED LIKE CRIMINALS WHO STEAL!! IT IS OUTRAGEOUS WHAT THIS COUNTY AND CITY ALLOW THEM TO GET AWAY WITH.
Anonymous 3/26/2026 07:48 PM	
Anonymous 3/27/2026 04:10 AM	There is some confusion on when to go to State code, when to go to County code and when City code applies.
Anonymous 3/27/2026 07:12 AM	No
Anonymous 3/27/2026 11:16 AM	Remove rent cap limitations
Anonymous 3/28/2026 06:26 PM	
Anonymous 3/29/2026 11:48 AM	
Anonymous 3/30/2026 12:08 PM	
Anonymous 4/02/2026 09:17 AM	
Anonymous 4/02/2026 06:06 PM	
Anonymous 4/03/2026 06:33 AM	
Anonymous 4/07/2026 02:23 PM	Both the city and MoCo have made it difficult to be a landlord. We are no longer buying properties to rent in MoCo because of its anti-landlord attitude. Over regulated for: rent controls, licensing, required inspections, and "tenant rights" vs landlord rights.
Anonymous 4/14/2026 08:30 AM	N/A.

Optional question · 14 responses · 31 skipped
Question type : Essay Question

Q9. How long have you been a renter in the City of Rockville?



Question options	responses	%
<1 year	3	15.8
1-5 years	12	63.2
<5 years	4	21.1

Optional question · 19 responses · 26 skipped
Question type : Radio Button Question

Q10. What are the top three challenges you face as a renter?

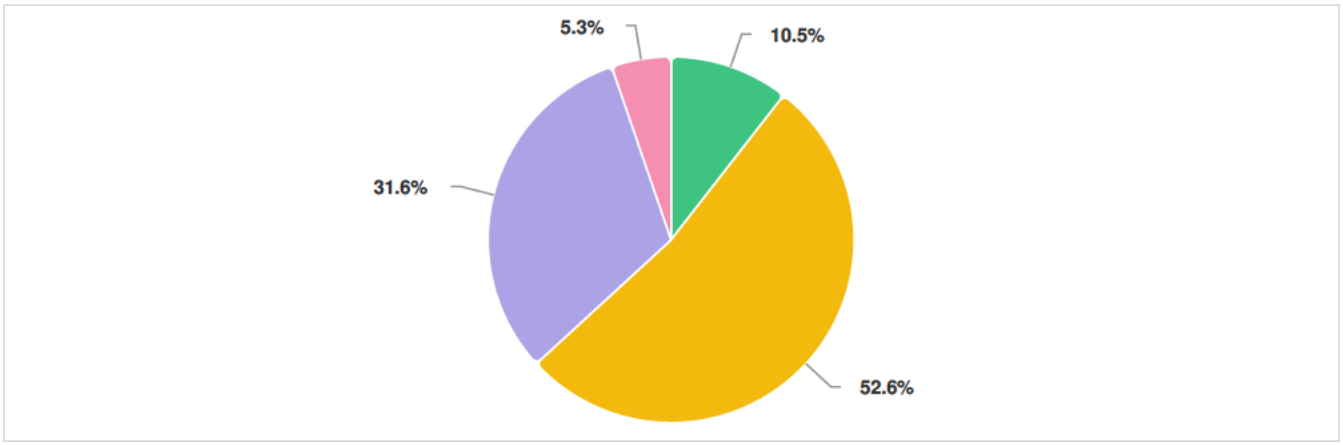
Kstowell 5/20/2025 10:19 AM	
Tmason3 5/20/2025 10:25 AM	
Thepank25 5/20/2025 10:31 AM	
Cticocroft 5/21/2025 11:27 AM	Yearly Rent Increases as a 75 year old senior living on a fixed income
Rjandreoli89 5/26/2025 08:37 PM	Affordability, power during lease renewals/negotiations, flexibility with corporate landlords
Cmadden 5/27/2025 03:33 PM	High Rent
Keahlello 5/28/2025 11:11 AM	Rent is too high. available places community building
DickSt 5/30/2025 01:36 PM	
Watsoa 6/08/2025 12:36 PM	Unpredictable rent increases, difficulty with getting landlords to address problems with the property or grounds. Lack of transparency of fees.
Tino 6/26/2025 06:20 AM	
Anonymous 7/08/2025 07:19 AM	Timely repairs.
Anonymous 7/09/2025 06:32 AM	
Anonymous 7/10/2025 07:57 AM	Disruptive residents on my floor, smoking pot and playing loud music I'd rather be paying a mortgage than rent There's not enough affordable housing - less than 60% AMI
Anonymous 7/10/2025 05:34 PM	1.Rules enacted by Montgomery County not having to be followed by buildings in the city of Rockville 2. Building management not fulfilling their obligations when it comes to timely repairs 3. Frustration with needing to leave a lease early and no lease buyout rules existing
Anonymous 7/17/2025 11:01 AM	Timely Repairs for what is considered "Non-essential" (such as air conditioning) Landlord not dealing with inconsiderate other renters Landlord not enforcing lease to other tenants (re: non-smoking)
Anonymous 7/19/2025 04:13 AM	Landlord abuse especially for vulnerable tenants such as on housing voucher , minorities and disabled . Fees that are not part of the lease and stealing from renters . Ridiculous rental increases at least renewal .
Anonymous 8/24/2025 03:10 PM	Poor communication from apartment complex No mention of unique situation in landlord-tenant handbook Poor management at apartment complex

Anonymous 8/25/2025 02:24 PM	1. Price of rent has gone through the roof and 2. finding MPDU units is almost impossible. 3. Finding landlords that absorb the cost of reasonable accomedations that are technically improvements to the unit.
Anonymous 11/03/2025 03:40 AM	Unreasonable rent increase 12% . Big companies which own multiple properties often have lawyer presence - almost always strong arm tenants to sign for higher percentage - I tried city's help in the past and was told that should we go that route, their lawyer will ensure that we will be thrown out due to violation of lease (without saying any specifics), and we will run out of money for defending. All lawyers' changes will be on tenant and they will also ensure that tenants will not get good recommendation. When reminding city's guidelines - often was told that city's guidelines are not law. They increased my rent during COVID from 7 to 12% and consistent then after.
Anonymous 11/29/2025 06:39 AM	1. Insecurity regarding how much the landlord may increase our rent. 2. Unresponsive management. 3. Management is neglectful of common spaces.
Anonymous 12/07/2025 02:55 PM	Unreasonable annual increases Outdated maintenance
Anonymous 2/17/2026 04:35 PM	
Anonymous 2/23/2026 05:32 AM	Cost, being new to the area the difference between what the City of Rockville oversees vs Montgomery County, renewal increases
Anonymous 3/25/2026 05:09 PM	Affordability Building maintenance Management responsiveness
Anonymous 3/26/2026 01:39 PM	
Anonymous 3/26/2026 01:41 PM	
Anonymous 3/26/2026 01:51 PM	
Anonymous 3/26/2026 02:42 PM	
Anonymous 3/26/2026 02:47 PM	
Anonymous 3/26/2026 03:02 PM	
Anonymous 3/26/2026 06:15 PM	
Anonymous 3/26/2026 06:25 PM	
Anonymous 3/26/2026 06:49 PM	
Anonymous 3/26/2026 07:48 PM	
Anonymous 3/27/2026 04:10 AM	

Anonymous 3/27/2026 07:12 AM	
Anonymous 3/27/2026 11:16 AM	
Anonymous 3/28/2026 06:26 PM	
Anonymous 3/29/2026 11:48 AM	
Anonymous 3/30/2026 12:08 PM	
Anonymous 4/02/2026 09:17 AM	
Anonymous 4/02/2026 06:06 PM	1. Waiting with baited breath to see how much my rent will increase at the next lease renewal. 2. Trying to make sense of the ever growing pile of virtue signaling nonsense that the City/County/State foists on my landlord and myself. 3. Maintaining my sanity while reading about excited local politicians pushing more and more foolish ideas like rent control, etc.
Anonymous 4/03/2026 06:33 AM	
Anonymous 4/07/2026 02:23 PM	
Anonymous 4/14/2026 08:30 AM	

Optional question · 18 responses · 27 skipped
Question type : Essay Question

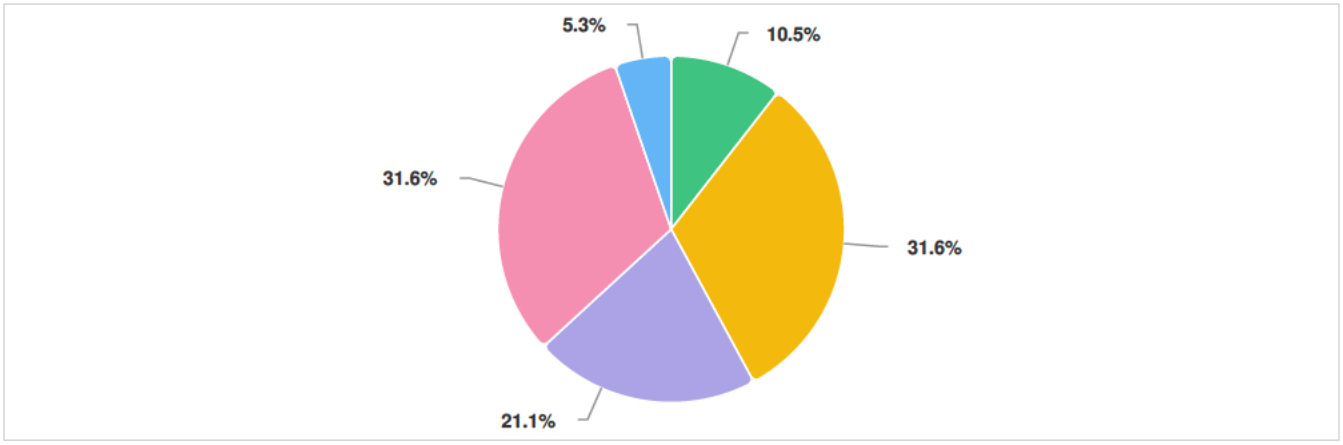
Q11. How would you rate your familiarity with your rights and responsibilities as a tenant, per city code?



Question options	responses	%
1 - Not familiar at all	2	10.5
2 - A little familiar	10	52.6
3 - Pretty knowledgeable	6	31.6
4 - Extremely well-informed	1	5.3

Optional question · 19 responses · 26 skipped
Question type : Dropdown Question

Q12. How would you rate your experience as a tenant in the City of Rockville?



Question options	responses	%
1 - Very Bad	2	10.5
2 - Bad	6	31.6
3 - Neutral	4	21.1
4 - Good	6	31.6
5 - Very Good	1	5.3

Optional question · 19 responses · 26 skipped
Question type : Dropdown Question

Q13. If you've rented in other jurisdictions, what differences have you noticed between those jurisdictions and Rockville?

Kstowell 5/20/2025 10:19 AM	
Tmason3 5/20/2025 10:25 AM	
Thepank25 5/20/2025 10:31 AM	
Cticocroft 5/21/2025 11:27 AM	N/a
Rjandreoli89 5/26/2025 08:37 PM	Other jurisdictions have Enforcement of rent increases, more specifics about what landlords are responsible for, especially larger landlords, and a place for tenants to reliably reach out with complaints such that landlords are motivated to work with them
Cmadden 5/27/2025 03:33 PM	The amount that my rent is allowed to go up
Keahlello 5/28/2025 11:11 AM	I have rented out of state. I am not sure what you mean by jurisdiction, city, county, or state.
DickSt 5/30/2025 01:36 PM	
Watsoa 6/08/2025 12:36 PM	Not much It depends on the individual property. Some landlords are better than others but it is really hard if you get stuck with a bad one.
Tino 6/26/2025 06:20 AM	
Anonymous 7/08/2025 07:19 AM	I like that Rockville is proactively educating both Landlords and Tenants about their rights.
Anonymous 7/09/2025 06:32 AM	
Anonymous 7/10/2025 07:57 AM	Na
Anonymous 7/10/2025 05:34 PM	N/A in Maryland
Anonymous 7/17/2025 11:01 AM	Making functional air condition a landlord requirement (like the rest of Montgomery County)
Anonymous 7/19/2025 04:13 AM	Rockville is corrupt . Landlords are not required to fix things in a timely manner at all even life threatening repairs such as air conditioning.
Anonymous 8/24/2025 03:10 PM	NA
Anonymous 8/25/2025 02:24 PM	N/A

Anonymous 11/03/2025 03:40 AM	Rent increase is much more stable and predictable - between 2-3% or maximum 5%. Often county and city's legal framework required them to have capped - and THEY ALL FOLLOW and do not ignore. I don't think Rockville's code is so serious as it often don't needs to be FOLLOWED. People are moving out of ROCKVILLE. And last time - when out company asked to open a new location - I strongly proposed to move to somewhere that provide legal protection for tenant and have less rent. We opened that location with 340 staff - out of ROCKVILLE.
Anonymous 11/29/2025 06:39 AM	Rockville has no binding rent stabilization.
Anonymous 12/07/2025 02:55 PM	Rent stabilization
Anonymous 2/17/2026 04:35 PM	
Anonymous 2/23/2026 05:32 AM	I have rented in East Lansing, Michigan and Austin, Texas (within city boundaries). I was required to move here to keep my federal job and am shocked at how the City of Rockville favors landlords over tenant rights. Particularly, if I enter a two-year contract with my landlord, they should not have the ability to increase my rent in month 13. This could be okay if there is a clause in the agreement stating that the increase would not be above X, but it doesn't make sense for me to commit to a two year lease without knowing what the rent increase will be in year 2. I fully believe Sec. 18-147(e) should be removed or edited to protect good tenants. I have never experienced an increase in rent that was over 10% in one year. The sneaky way my landlord did this was they offered me a discount to move into my unit, but the kept the base rent the same (see below a made up example). This is a different form of price gauging with no legal ramifications. Base rent with discount: $1850 Actual base rent: $2000 Time at renewal, I'm told my increase is only 4%. However, my renewal notice says my new base rent is $2080. My new rent of $2080 is actually 12.4% over what I was paying my first year. Lastly, when I lived in the City of Austin, they had a generous clause in their leases that for a very small penalty, the lease could be broken if you were buying a house/condo/townhome. I do not see that protection available in the City of Rockville.
Anonymous 3/25/2026 05:09 PM	Other jurisdictions I've lived in had rent stabilization and I was less concerned with how much my rent might increase year over year. We also had far less issues with our rentals' management teams.
Anonymous 3/26/2026 01:39 PM	
Anonymous 3/26/2026 01:41 PM	
Anonymous 3/26/2026 01:51 PM	
Anonymous 3/26/2026 02:42 PM	

Anonymous

3/26/2026 02:47 PM

Anonymous

3/26/2026 03:02 PM

Anonymous

3/26/2026 06:15 PM

Anonymous

3/26/2026 06:25 PM

Anonymous

3/26/2026 06:49 PM

Anonymous

3/26/2026 07:48 PM

Anonymous

3/27/2026 04:10 AM

Anonymous

3/27/2026 07:12 AM

Anonymous

3/27/2026 11:16 AM

Anonymous

3/28/2026 06:26 PM

Anonymous

3/29/2026 11:48 AM

Anonymous

3/30/2026 12:08 PM

Anonymous

4/02/2026 09:17 AM

Anonymous

4/02/2026 06:06 PM

Anonymous

4/03/2026 06:33 AM

Anonymous

4/07/2026 02:23 PM

Anonymous

4/14/2026 08:30 AM

Optional question · 17 responses · 28 skipped

Question type : Essay Question

Q14. What data/information would be the most helpful for you to see on a public dashboard of rental properties?

Kstowell 5/20/2025 10:19 AM	
Tmason3 5/20/2025 10:25 AM	
Thepank25 5/20/2025 10:31 AM	
Cticocroft 5/21/2025 11:27 AM	Information currently displayed is acceptable
Rjandreoli89 5/26/2025 08:37 PM	Rent increases over previous years for returning tenants, number of complaints filed and type, number/percentage of vacant units on average per month, accessibility concerns (for example, number of elevators/number of elevators out of service)
Cmadden 5/27/2025 03:33 PM	How high each landlord is increasing their rent when they renew a lease
Keahlello 5/28/2025 11:11 AM	Rental rate, Average rate of increase, Complaints filed about properties, % of families in units/area, date of last inspection, results of last inspection,
DickSt 5/30/2025 01:36 PM	
Watsoa 6/08/2025 12:36 PM	Number of complaints logged by tenants and a city report of grounds and propty inspections. Also clarity of all fees.
Tino 6/26/2025 06:20 AM	
Anonymous 7/08/2025 07:19 AM	
Anonymous 7/09/2025 06:32 AM	
Anonymous 7/10/2025 07:57 AM	I would like to see the names of properties and slum landlords with chronic code violations published for all to see.
Anonymous 7/10/2025 05:34 PM	Lease buyout information Rent How many times cited for nuisance alarms How many low income apartments in the complex
Anonymous 7/17/2025 11:01 AM	Average rental Increases across the city by dwelling type
Anonymous 7/19/2025 04:13 AM	Comparable rental rates . Security deposits most jurisdiction have competitive rental markets. Rockville is a monopoly . Also where money that is funded for low income tax credit properties go .
Anonymous 8/24/2025 03:10 PM	NA
Anonymous 8/25/2025 02:24 PM	What MPDU units are available and if they require tenant to pay for reasonable accommodations.

Anonymous 11/03/2025 03:40 AM	Each property's rent increase. Require each big management companies to stay consistent across all tenants. Make mandate to
Anonymous 11/29/2025 06:39 AM	Average rent increase year over year.
Anonymous 12/07/2025 02:55 PM	Cost for renewal
Anonymous 2/17/2026 04:35 PM	
Anonymous 2/23/2026 05:32 AM	I think using the data the City and Montgomery County collect as a comparison would be helpful. While landlords do not listen to reasoning when it comes to data and lease renewals, it's helpful to decide if I'm going to move or tolerate the rent increase.
Anonymous 3/25/2026 05:09 PM	Average rent increase year over year.
Anonymous 3/26/2026 01:39 PM	
Anonymous 3/26/2026 01:41 PM	
Anonymous 3/26/2026 01:51 PM	
Anonymous 3/26/2026 02:42 PM	
Anonymous 3/26/2026 02:47 PM	
Anonymous 3/26/2026 03:02 PM	
Anonymous 3/26/2026 06:15 PM	
Anonymous 3/26/2026 06:25 PM	
Anonymous 3/26/2026 06:49 PM	
Anonymous 3/26/2026 07:48 PM	
Anonymous 3/27/2026 04:10 AM	
Anonymous 3/27/2026 07:12 AM	
Anonymous 3/27/2026 11:16 AM	
Anonymous 3/28/2026 06:26 PM	
Anonymous 3/29/2026 11:48 AM	

Anonymous

3/30/2026 12:08 PM

Anonymous

4/02/2026 09:17 AM

Anonymous

4/02/2026 06:06 PM

Anonymous

4/03/2026 06:33 AM

Anonymous

4/07/2026 02:23 PM

Anonymous

4/14/2026 08:30 AM

Optional question · 16 responses · 29 skipped

Question type : Essay Question

Q15. What percentage was your last rent increase?

Kstowell 5/20/2025 10:19 AM	
Tmason3 5/20/2025 10:25 AM	
Thepank25 5/20/2025 10:31 AM	
Cticocroft 5/21/2025 11:27 AM	
Rjandreoli89 5/26/2025 08:37 PM	
Cmadden 5/27/2025 03:33 PM	
Keahlello 5/28/2025 11:11 AM	
DickSt 5/30/2025 01:36 PM	
Watsoa 6/08/2025 12:36 PM	
Tino 6/26/2025 06:20 AM	
Anonymous 7/08/2025 07:19 AM	3
Anonymous 7/09/2025 06:32 AM	
Anonymous 7/10/2025 07:57 AM	3
Anonymous 7/10/2025 05:34 PM	2
Anonymous 7/17/2025 11:01 AM	5
Anonymous 7/19/2025 04:13 AM	
Anonymous 8/24/2025 03:10 PM	
Anonymous 8/25/2025 02:24 PM	13
Anonymous 11/03/2025 03:40 AM	12
Anonymous 11/29/2025 06:39 AM	1
Anonymous 12/07/2025 02:55 PM	11

Anonymous 2/17/2026 04:35 PM	
Anonymous 2/23/2026 05:32 AM	12
Anonymous 3/25/2026 05:09 PM	1
Anonymous 3/26/2026 01:39 PM	
Anonymous 3/26/2026 01:41 PM	
Anonymous 3/26/2026 01:51 PM	
Anonymous 3/26/2026 02:42 PM	
Anonymous 3/26/2026 02:47 PM	
Anonymous 3/26/2026 03:02 PM	
Anonymous 3/26/2026 06:15 PM	
Anonymous 3/26/2026 06:25 PM	
Anonymous 3/26/2026 06:49 PM	
Anonymous 3/26/2026 07:48 PM	
Anonymous 3/27/2026 04:10 AM	
Anonymous 3/27/2026 07:12 AM	
Anonymous 3/27/2026 11:16 AM	
Anonymous 3/28/2026 06:26 PM	
Anonymous 3/29/2026 11:48 AM	
Anonymous 3/30/2026 12:08 PM	
Anonymous 4/02/2026 09:17 AM	
Anonymous 4/02/2026 06:06 PM	8
Anonymous 4/03/2026 06:33 AM	

Anonymous

4/07/2026 02:23 PM

Anonymous

4/14/2026 08:30 AM

Optional question · 11 responses · 34 skipped

Question type : Number Question

Q16. Do you have any other feedback about what may be beneficial to remove, add, or change in the city's landlord-tenant code?

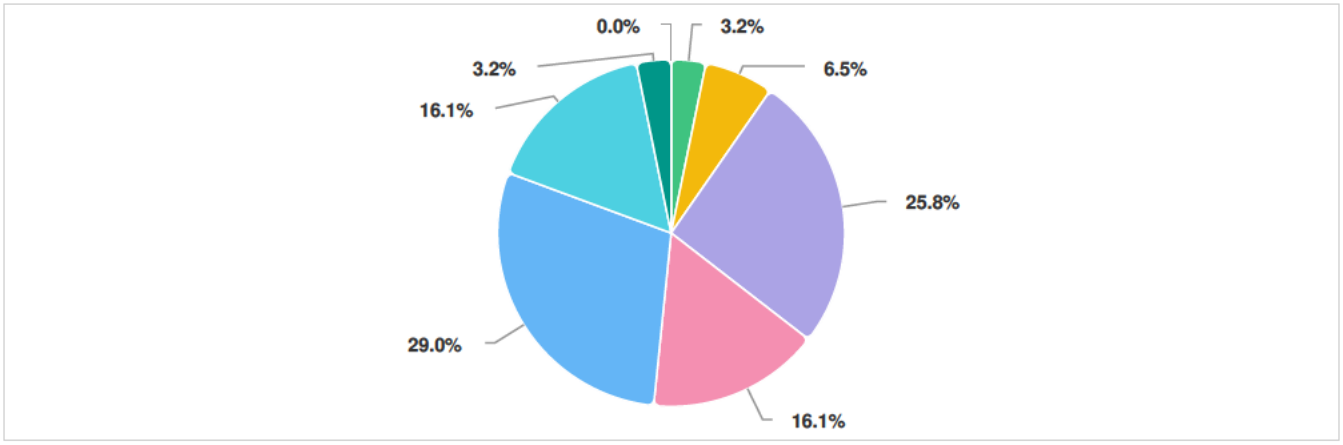
Kstowell 5/20/2025 10:19 AM	
Tmason3 5/20/2025 10:25 AM	
Thepank25 5/20/2025 10:31 AM	
Cticocroft 5/21/2025 11:27 AM	Nothing
Rjandreoli89 5/26/2025 08:37 PM	List of items unreasonable to charge tenants at move out. Requirement to offer shorter than one year term lease renewal options if the month-to-month option exceeds a 30% increase, or a lease break fee of less than one month's rent. Most require 60 days notice and one months rent, which provides plenty of time to re-rent the unit, while the fee is unnecessarily punitive and harmful for a family who could not afford month-to-month at double rent, and was not offered a shorter lease.
Cmadden 5/27/2025 03:33 PM	ENACT RENT STABILIZATION
Keahlello 5/28/2025 11:11 AM	Find a way to include provisions for landlords with less than 6 units.
DickSt 5/30/2025 01:36 PM	
Watsoa 6/08/2025 12:36 PM	Just better oversight and enforcement. Some landlords are really just snout squeezing as much money as they can from people.
Tino 6/26/2025 06:20 AM	
Anonymous 7/08/2025 07:19 AM	I would handout multilingual rights to each unit. Especially areas where tenants are neglected. Share free resources. I'm sure many feel helpless.
Anonymous 7/09/2025 06:32 AM	
Anonymous 7/10/2025 07:57 AM	
Anonymous 7/10/2025 05:34 PM	1.Montgomery County enacted a law regarding air conditioning required in all buildings and it is not enforceable in Rockville. There should be something in our city codes that is equal to that law. 2.The tenant should be able to forfeit their deposit and pay a months rent if needing to leave a lease early and not be forced to continue pay rent until the apartment is rented again. That is how it was in every other state I have rented.
Anonymous 7/17/2025 11:01 AM	Mirror the rest of the Montgomery county considering the air conditioning requirement, especially for large scale multi-unit dwellings: All rental dwelling unit air conditioning systems must have the capacity to cool habitable spaces to eighty degrees Fahrenheit (80F) or less from June 1st to September 30th

Anonymous 7/19/2025 04:13 AM	
Anonymous 8/24/2025 03:10 PM	My partner and I signed a lease to move into a MPDU 2 bedroom unit and paid our deposit. Less than two weeks notice the apartment complex informed us the unit is not available due to an uncompliant tenant - which we TOTALLY recognize as out of their hands! The complex did not offer any solutions or any temporary housing opportunities despite us sharing a possibility of becoming homeless in that short notice. I looked in the handbook and their policy for any kind of mention to help us in this situation but there is nothing to protect us despite us signing the legally binding document (lease). We are in a temporary 1 bedroom that is out of our means and they have continued to extend the availability of any accommodation we originally signed on for. I wish there was something that mentions protection of us or some kind of agreement for us to get a decrease on the temporary rent as it is way more than the MPDU.
Anonymous 8/25/2025 02:24 PM	Landlords should be required to pay for reasonable accomedations that are requested due to a disability and that improvement increases the value of the home/Apartment being leases. Tenants should only be required to give a 30 day notice of intent to vacate if moving due to a medical condition or disability and no termination fees/penalties should be allowed to be charged.
Anonymous 11/03/2025 03:40 AM	Landlord disregards city's code and often laugh. Since they know the code is not something they need to follow. They openly mock that I can complaint to whomever I want - but they don't have to listen.
Anonymous 11/29/2025 06:39 AM	Establishing a maximum amount that rent can be raised year over year.
Anonymous 12/07/2025 02:55 PM	
Anonymous 2/17/2026 04:35 PM	
Anonymous 2/23/2026 05:32 AM	Sec. 18-147(e) should be removed or edited to protect good tenants. If a tenant agrees to a two-year lease, a landlord should not be able to increase the rent in Month 13. Consider adding in a clause of a reduced penalty should somebody need to break their lease due to them buying a piece of property.
Anonymous 3/25/2026 05:09 PM	Adding rent stabilization. More protections for renters and language holding landlords to the lease terms.
Anonymous 3/26/2026 01:39 PM	
Anonymous 3/26/2026 01:41 PM	
Anonymous 3/26/2026 01:51 PM	
Anonymous 3/26/2026 02:42 PM	
Anonymous 3/26/2026 02:47 PM	

Anonymous 3/26/2026 03:02 PM	
Anonymous 3/26/2026 06:15 PM	
Anonymous 3/26/2026 06:25 PM	
Anonymous 3/26/2026 06:49 PM	
Anonymous 3/26/2026 07:48 PM	
Anonymous 3/27/2026 04:10 AM	
Anonymous 3/27/2026 07:12 AM	
Anonymous 3/27/2026 11:16 AM	
Anonymous 3/28/2026 06:26 PM	
Anonymous 3/29/2026 11:48 AM	
Anonymous 3/30/2026 12:08 PM	
Anonymous 4/02/2026 09:17 AM	
Anonymous 4/02/2026 06:06 PM	All virtue signaling / emotion-based Statutes and portions of the code that have piled up over the years. As an example, the baffling paragraphs of requirements re: window safety bars, that are simultaneously optional, required, must be available, must be installed, but are optional, but aren't optional, and on and on.
Anonymous 4/03/2026 06:33 AM	
Anonymous 4/07/2026 02:23 PM	
Anonymous 4/14/2026 08:30 AM	

Optional question · 15 responses · 30 skipped
Question type : Essay Question

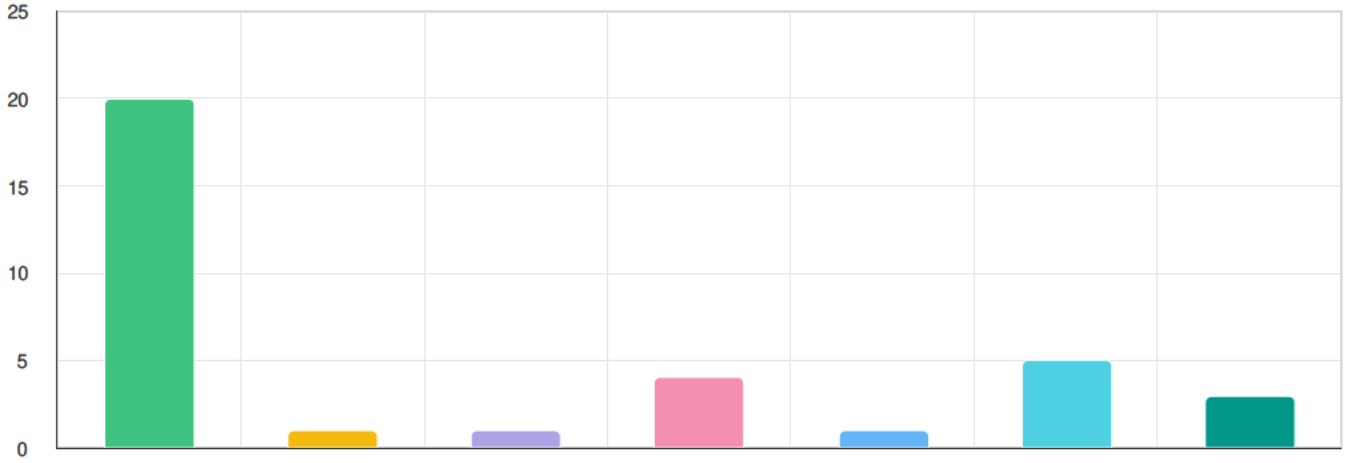
Q17. What is your age?



Question options	responses	%
18-24 years	1	3.2
25-34 years	2	6.5
35-44 years	8	25.8
45-54 years	5	16.1
55-64 years	9	29.0
65-75 years	5	16.1
>75 years	1	3.2
<18 years	0	0.0

Optional question · 31 responses · 14 skipped
Question type : Dropdown Question

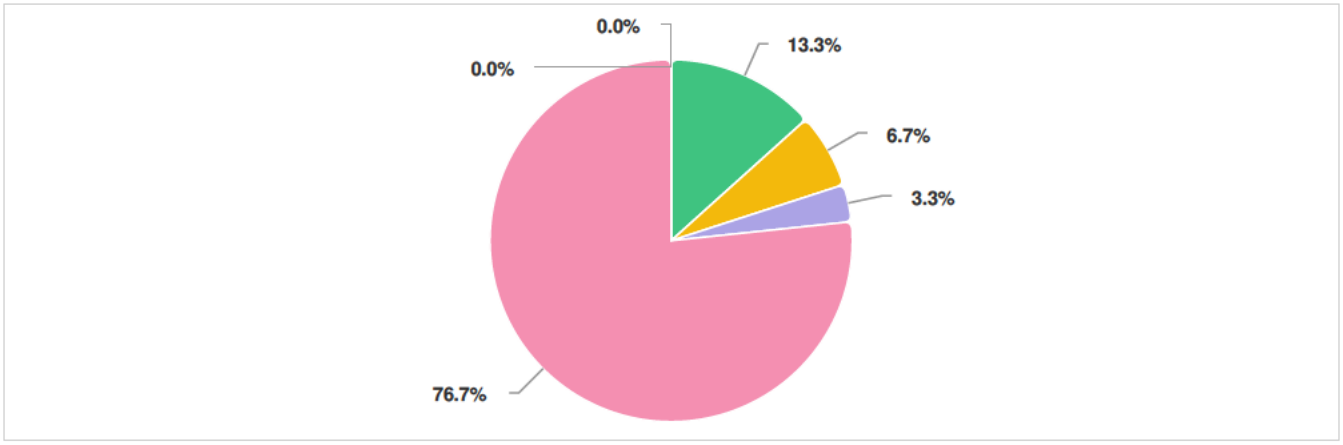
Q18. What is your race? (Select all that apply)



Question options	responses	%
White	20	71.4
Black or African American	1	3.6
American Indian or Alaska Native	1	3.6
Asian	4	14.3
Native Hawaiian or Other Pacific Islander	1	3.6
Hispanic/Latino	5	17.9
Other (please specify)	3	10.7

Optional question · 28 responses · 17 skipped
Question type : Checkbox Question

Q19. How did you hear about this survey?



Question options	responses	%
Social media	4	13.3
Community organization	2	6.7
Friend, family, or neighbor	1	3.3
Other (please specify)	23	76.7
Flyer	0	0.0
Someone knocked on my door	0	0.0

Optional question · 30 responses · 15 skipped
Question type : Radio Button Question

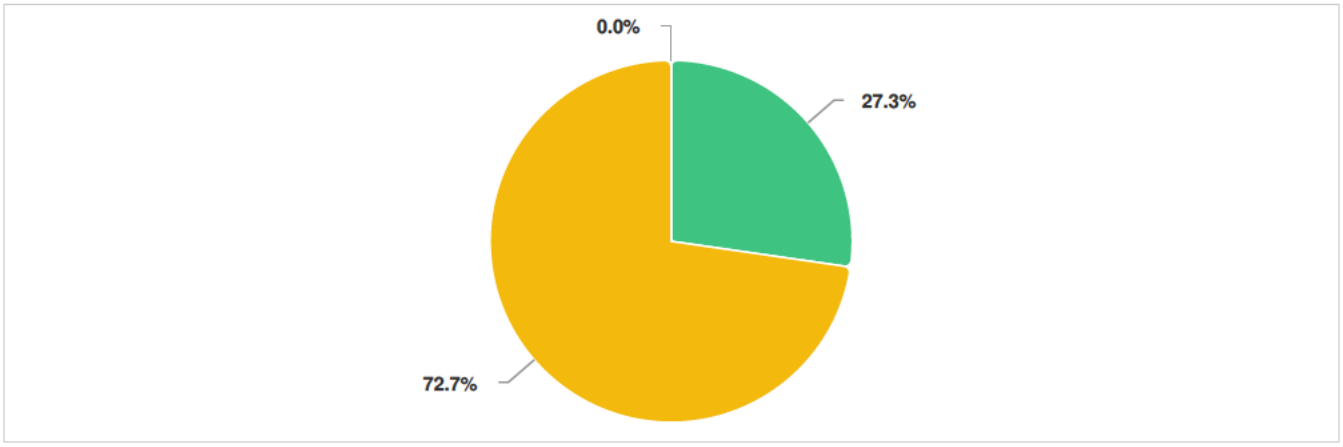
Provide feedback on proposed changes

SURVEY RESPONSE REPORT
22 March 2021 - 04 May 2026

PROJECT NAME:
Landlord-Tenant Code Rewrite

GRANICUS

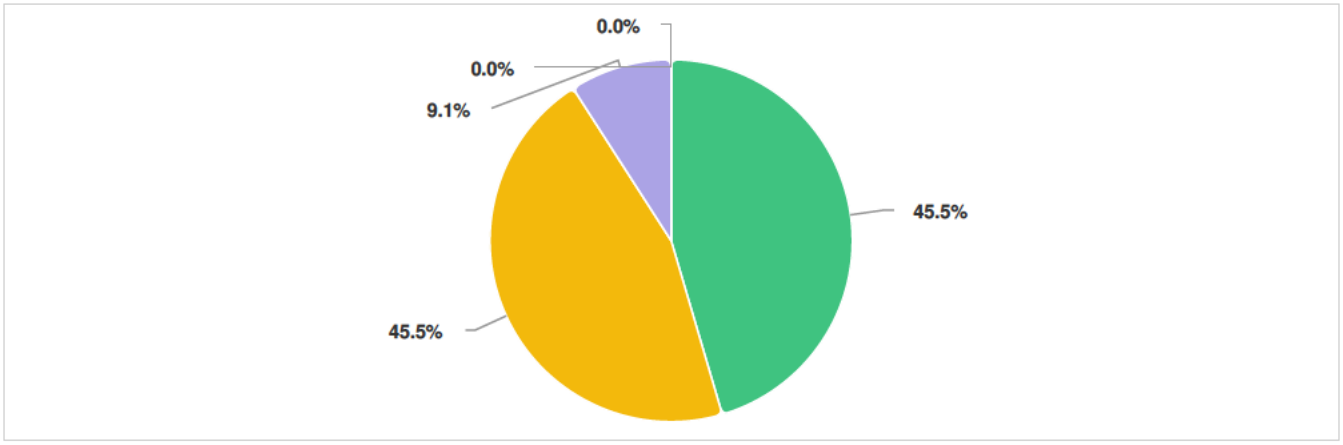
Q1. Are you a landlord or tenant?



Question options	responses	%
Tenant	3	27.3
Landlord	8	72.7
Other (please specify)	0	0.0

11 responses · 0 skipped
Question type : Radio Button Question

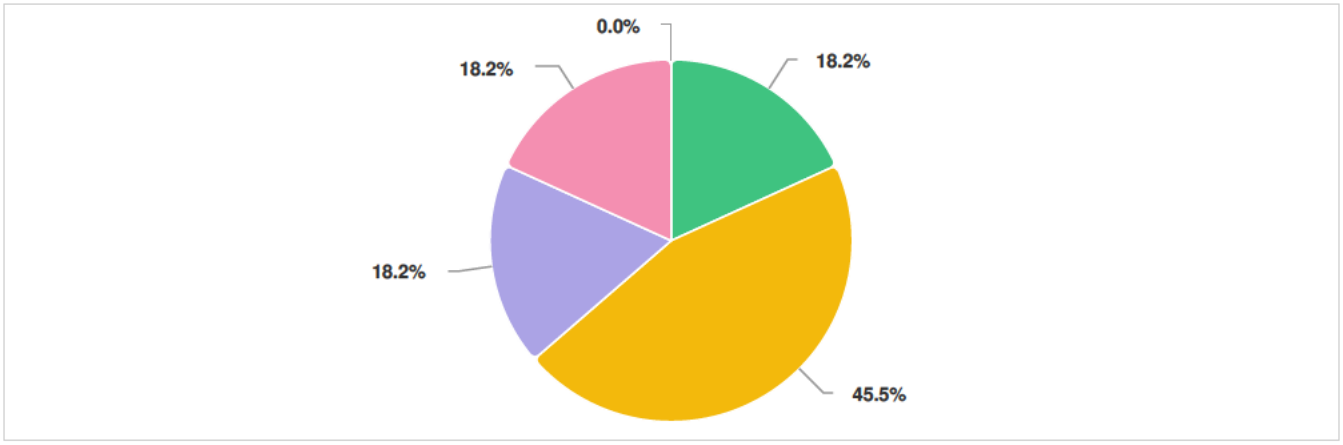
Q2. How do you feel about the current Rockville landlord-tenant code?



Question options	responses	%
Neutral	5	45.5
Happy	5	45.5
Very happy	1	9.1
Very unhappy	0	0.0
Unhappy	0	0.0

Optional question · 11 responses · 0 skipped
Question type : Emoji Question

Q3. How do you feel about the proposed Rockville landlord-tenant code?



Question options	responses	%
Very unhappy	2	18.2
Unhappy	5	45.5
Neutral	2	18.2
Happy	2	18.2
Very happy	0	0.0

Optional question · 11 responses · 0 skipped
Question type : Emoji Question

Q4. What concerns do you have about the proposed changes?

Anonymous 4/14/2026 11:38 AM	Bad tenants abusing the system. Allowing dangerous people into my property.
Anonymous 4/14/2026 01:36 PM	I lived in another area where additional regulations were put on landlords (NJ), and many of them sold their rental properties instead of dealing with the new regulations and others raised their rents because of it. Anything that increases costs are usually passed on to tenants. I also do not like the new background check restrictions, I don't like the idea of serious criminals living next to me. I feel like there is a big difference between small landlords who may own a few properties vs big apartment developers.
Ladams 4/16/2026 09:37 AM	There was mention of monthly reports that are annual now. It makes me really concerned because we are a non-profit provided below market rent to disabled individuals and every time you add tasks administratively, more resources are required and there is a better chance that we cannot continue. We are not even in the black in my department which is housing for IDD to live independently. Most of my clients do no have a full time job and if they do, it's at minimum wage.
Anonymous 4/16/2026 09:46 AM	The county office has been belligerent and threatens a $1000 fine if a four questionaire is not submitted. We had an awful experience when a property owner died and had not completed the form. Please do not replicate their system with regard to leasing data requirements
Anonymous 4/16/2026 09:46 AM	I wasn't part of the meeting and don't understand some of the details and nuances of the proposed changes. Here are some thoughts from what I read: Unit is unable to be occupied for a certain number of days - define "certain number of days" A property maintenance violation failed to be corrected - this needs more clarity. If a tenant is looking for an excuse to terminate a lease early, not fixing a leaky faucet shouldn't allow the tenant to terminate early. If it's something major - air conditioning hasn't worked for months, the roof has been leaking and wasn't repaired, the entry door no longer locks, etc. might be reasons for a tenant to terminate early, but it needs to be defined better and be of some real significance. Additional reasonable causes beyond tenant's control - again, "reasonable causes" needs to be clarified and clearly defined in terms of severity to warrant and early termination. I don't even know what algorithmic pricing means, so I'm fine with it being banned. I think eviction history should be included in rental applications. If someone wants to take the chance on someone who has been evicted, let them. But if someone doesn't, you're not allowing the landlord to know what type of tenant the prospective tenant has been in other rental situations. With this change, you're not allowing the landlord to understand the full relevant profile of the prospective tenant. Attorney's fees should not be part of a person's rent, but if a lawsuit is brought against a landlord and the landlord is obligated to pay the tenant's attorney's fees if the tenant prevails, then the reverse should be true, too - the tenant should have to pay the landlord's attorney's fees if the landlord prevails. Otherwise, there's no reason why tenants couldn't file frivolous lawsuits aimed at landlords either because they just don't like the landlord or because they have nothing to lose. Both parties should take the same risk when filing lawsuits.

Application fees - cap at $50, not $25. The time and costs to check applications can't be done for $25/Applicant. Ann Arbor's law is $50 per applicant.
Lock out fees - should be based on an hourly charge and potentially time of day when the lock out occurs. If it's 2 am and someone has to be sent to let someone into their place because they locked themselves out or lost their key, it should be an appropriate charge for getting someone to do that. Maybe $100, maybe $200. In Ann Arbor, anything after hours or on weekends costs at least 1.5x what it costs during normal business hours and the case of my management company in Ann Arbor, they tack on "truck charges." $25 is no where close to what it should be for a lockout charge. Find out what a locksmith (something they would have to do if they owned the home themselves) would charge at 2 am on a Saturday night and work back from there.
When you say restrict fees for motorcycle parking, do you mean there should be no fees for motorcycle parking? I don't understand this. If they are taking a space and spaces are leased, a motorcycle should be charged something. Maybe not as much as a car, but still, something.
Pet fees - yes, there should be either pet fees or increased security deposits or an additional pet cleaning fee because cleaning an apartment or house after a pet has lived in one is much different than cleaning a rental unit where there have been no pets.
Secure storage fees - of course there should be fees for secure storage if it's an added amenity that isn't included with the apartment or house. I'm not sure if this is saying that if an apartment building has secure storage that they have to give it away for free, because to me, that sounds like it should be at the landlord's discretion.
The temporary and permanent relocation assistance sections need to be better explained. It seems that some of the changes could wipe out a smaller landlord with one major relocation. I would feel better about it if there was a cap on what the landlord is required to provide. Putting someone in a Rockville area hotel for a month or several months doesn't seem reasonable. At the same time, if the landlord is dragging his/her feet in making the house or apartment habitable, that's different, but I've had many situations when trying to schedule contractors that no matter how much money I'm willing to throw at the project, when contractors are booked, they won't have time until they do have time. Nothing happens with a snap of the fingers and that aspect has to be taken into consideration with this relocation assistance.

Anonymous 4/16/2026 10:40 AM	I was in the meeting last night but had to call in, and not on WebEx, so wasn't able to chime in. Please accept this as my feedback. 1. Eviction history. A landlord should be able to know a prospective tenant's eviction history. No one is saying that it's necessarily a disqualifier; however, we should be able to know that and use that as one data point in the larger calculus to decide who to offer leases to at our properties. As mentioned, it comes up on our regular background checks anyway, so not sure if it's really even an issue? 2. Two year lease. It was portrayed as "optional" but also stated that, if the tenant wants a two year lease, landlords have no right of refusal. So how is that optional? I think it's okay for it to be an option, but the landlord should have the right to deny on reasonable grounds. 3. Inspection process. Can we nerf this process? It's too expensive, time consuming, and harsh on regulations. Landlords work hard and save money to buy these incredibly expensive properties, and then pay exorbitant property taxes on them, and then when we want to take advantage of our asset - the city government wants a cut?? $235 for an application fee is obscene. And then the process of inspection for the rental license - not only did it take forever (with similar communication issues that others have expressed) but also we got dinged on super small things like two tiles missing in the kitchen and a slight gap in the LVP in the living room. Not saying that it should be the standards should be completely lowered, but in my opinion the threshold for items to fail / require amelioration should be whether they are in "livable / operable condition" or not - and a few missing tiles or some gaps between LVP do not make the home unlivable. Standard to pass is much too high. 4. Squatting. Some folks mentioned squatting. I also haven't heard of any cases, nor have we experienced that; however, it would be important to have that language in any code (landlord/tenant AND city / state law) to preempt any situations like those. Just because it hasn't happened yet doesn't mean that it shouldn't be addressed. 5. Interest on security deposit. I agree with the gentleman who opined about returning security deposits with interest - philosophically I support that (as the tenants are losing out on potential investment gains) but that it should be aligned with current bank rates for saving accounts. We end up losing money on that - not saying the tenants should either, but that it should be more of a "break even." 6. Standard lease. Would love a standard lease but understand the challenges that come with this.
Anonymous 4/17/2026 06:05 AM	Regulations are unreasonable. They give way too much leverage to a tenant and I'm switching tenants on average every 24 months. I can't do major repairs every time I have a new tenant.
Anonymous 4/17/2026 07:33 PM	Some of the multifamily properties seem to be in pretty bad shape, and these new rules may have the unintended consequence of displacing people who cannot find another affordable place locally.
Anonymous 4/17/2026 08:25 PM	Under Lease Collection: ;Currently, a copy of any type of lease is supposed to be filed with the city. ' Does this mean that some landlords are allowed to ignore submitting leases to the city. If so, why?

Anonymous 4/23/2026 01:22 PM	We should know if a tenant has previous history of evictions and balance that with other factors. Our rental property is our personal home while we're deployed with the military, not part of a portfolio of properties held by a company. Do not appreciate the 2 year lease requirement. Damages are too common, and it's helpful get to decide if we want to renew the lease after a year based on tenant reliability and care for the property. Paying tenants 3 months cash for relocation assistance is unreasonable. We agree to the fairness of paying their relocation costs, but not an ADDITIONAL stipend of 3 months. The pet fee restriction isn't detailed enough in the fact sheet, but is fundamentally different from some of the other fees listed. Pets can cause active damage, and a one-time fee is actually more fair to tenants than a monthly pet rent.
Hwoodson 4/27/2026 05:53 PM	Require landlords to offer a two-year lease term,

Optional question · 11 responses · 0 skipped
Question type : Essay Question

Q5. What excites you the most about the proposed changes?

Anonymous 4/14/2026 11:38 AM	Absolutely nothing.
Anonymous 4/14/2026 01:36 PM	Two year lease terms, banning of algorithmic rent pricing.
Ladams 4/16/2026 09:37 AM	
Anonymous 4/16/2026 09:46 AM	Seems fair on both sides to share some more info, though a lease is still a private transaction and government should not be made a party with regard to pricing and amenities beyond basic life safety and lease fairness issues. Thanks for taking in comments
Anonymous 4/16/2026 09:46 AM	Not requiring landlords to report rent increases to the City. Two year lease terms - great, especially if there's a provision that there could be a one-time rate increase during that two year term. I think if that's the case and the tenant didn't agree to the rate increase, they should be allowed to terminate within 30 days after the rate increase has been communicated to the tenant. Also, the rate increase should be sent at least 30 days prior to the one year anniversary of the lease.
Anonymous 4/16/2026 10:40 AM	
Anonymous 4/17/2026 06:05 AM	Being forced to pay for relaxation expenses is beyond unreasonable. Tenants can do their own repairs at their own discretion and reduce it from the rent. That will create a lot of insider dealings to reduce rent.
Anonymous 4/17/2026 07:33 PM	It holds landlords accountable for serious health and safety problems at their properties.
Anonymous 4/17/2026 08:25 PM	The provisions for relocation assistance. Non-Electronic rent payment.
Anonymous 4/23/2026 01:22 PM	
Hwoodson 4/27/2026 05:53 PM	Remove the requirement for landlords to notify the city of rent increases.

Optional question · 8 responses · 3 skipped
Question type : Essay Question

Q6. What's missing from the code update?

Anonymous 4/14/2026 11:38 AM	How about the city of rockville will pay landlords when they don't pay.
Anonymous 4/14/2026 01:36 PM	A cap on application fees
Ladams 4/16/2026 09:37 AM	More clarity, some things sound like the landlord could be blamed for whatever and have to pay the transition costs, especially since it indicated those with disabilities.
Anonymous 4/16/2026 09:46 AM	Problem tenant situations- where a tenant fails to keep cleanliness and basic maintenance in order. Responsibilities should be addressed more clearly to tenants.
Anonymous 4/16/2026 09:46 AM	Renter's Insurance - Landlords should make this a requirement for all tenants. It'll solve many of the problems mentioned in the relocation section by providing some of that relocation assistance through the renters insurance.
Anonymous 4/16/2026 10:40 AM	
Anonymous 4/17/2026 06:05 AM	Landlord input.
Anonymous 4/17/2026 07:33 PM	I may have missed it, but is there something in there that says landlords have to give tenants a certain amount of notice if they decide to sell the property?
Anonymous 4/17/2026 08:25 PM	The city should have a more rigorous inspection process.
Anonymous 4/23/2026 01:22 PM	
Hwoodson 4/27/2026 05:53 PM	Interest fees

Optional question · 9 responses · 2 skipped
Question type : Essay Question

Q7. What resources would be the most helpful in ensuring that you understand your rights and responsibilities (either as a landlord or a tenant) under the new code?

Anonymous 4/14/2026 11:38 AM	Don't see any rights for landords except to screwed over.
Anonymous 4/14/2026 01:36 PM	A fact sheet, like the one for the proposed changes.
Ladams 4/16/2026 09:37 AM	More meetings and a guide.
Anonymous 4/16/2026 09:46 AM	Fact sheets - for both landlords and tenants as well as examples of issues which may be resolved through simple meetings/explanations. We have lots of examples from 20 years of work managing properties
Anonymous 4/16/2026 09:46 AM	The best thing for me is communication from the City. Not just an update to a web page that I'll never go to, but communication that is sent by mail, emailed or texted to me. Then, I'll look at it. Ann Arbor has the same problem. The City makes changes that affect my properties and then don't notify the owners or management companies about the changes. We're expected to just know these things by knowing where to look on their website. They know who we are, they have our addresses and email addresses because they sure know who to send bills and invoices to, but when it comes to communicating new changes, they don't proactively contact us. For me, that's very frustrating and I'd encourage Rockville to proactively send emails and letters to owners of rental properties so we are always aware of what ordinances have changed and what's new that we need to comply with.
Anonymous 4/16/2026 10:40 AM	
Anonymous 4/17/2026 06:05 AM	The resource most helpful would be a 40% subsidy to landlords because that’s what these regulations will cost. These regulations look like they were written by Che Guevara.
Anonymous 4/17/2026 07:33 PM	At the time of leasing, the landlord could be required to give the tenant a 2-sided, brighly colored handout that has landlord-related code on one side and tenant-related code on the other, with a QR code that leads to an online version and the code in various languages. Also, multifamily properties could be required to post the QR code in the property office.
Anonymous 4/17/2026 08:25 PM	A landlord should be required to provide to the prospective tenant a copy of the rights and responsibilities.
Anonymous 4/23/2026 01:22 PM	
Hwoodson 4/27/2026 05:53 PM	Lease sample

Optional question · 9 responses · 2 skipped
Question type : Essay Question

Climate Assessment

Office of Legislative Oversight

BILL 8-26: LANDLORD–TENANT RELATIONS – PROHIBITION AGAINST PRICE COORDINATION AND RENT-SETTING ALGORITHMS

SUMMARY

The Office of Legislative Oversight (OLO) anticipates Bill 8-26 will have no impact on the County's contribution to climate change. While the affordability of a community's housing stock has a direct correlation to the overall resilience of a community, and on its ability to prepare for current and future risks, it is unclear if and how algorithmic devices have impacted affordable housing stock in the County.

BACKGROUND AND PURPOSE OF BILL 8-26

In recent years, federal and state lawsuits have been filed against companies using algorithms[1] to facilitate coordination among landlords to set rent prices and occupancy levels. In 2025, Maryland's Attorney General sued RealPage and six of the largest residential landlords in the state for illegally raising the rent for hundreds of thousands of Maryland tenants.[1] In January 2026, Maryland state delegates introduced legislation to prohibit the use of devices that rely on nonpublic data to set rent, occupancy levels, and lease terms.[2]

According to its lead sponsor, the purpose of Bill 8-26 is to promote free markets in rental housing by "cracking down on illegal price-fixing and collusion that results in higher rents."[3] If enacted, the Bill would:[4]

1) prohibit the use of algorithmic devices to establish rents or rental terms in the County;
2) prohibit price coordination regarding rents or rental terms in the County; and
3) provide for the enforcement of the prohibitions.

Each day a landlord breaks the law under this Bill counts as a separate Class A offense, with fines starting at $500 and increasing to $750 per repeat violation. The County can issue orders requiring landlord action or a court appearance to force compliance.[5]

Figure 1 in the Appendix includes the definitions of an algorithmic device and price coordination under Bill 8-26. Figure 2 lists the rental data collection activities that would still be allowed under the Bill.

The Council introduced Bill 8-26 on February 10, 2026.

[1] "An algorithm is a set of steps for accomplishing a task or solving a problem. Algorithms are a key component of any computer program and are the driving force behind various systems and applications, such as navigation systems, search engines, and music streaming services." What Is an Algorithm? | Definition & Examples, Scribbr.

ANTICIPATED IMPACTS

The affordability of a community's housing stock has a direct correlation to the overall resilience of a community, and on its ability to prepare for current and future risks.[6]

Affordable housing can improve community resilience through two ways: increasing housing stability and alleviating cost-burdened households. Housing stability can increase community resilience through enhancing social cohesion by building community ties and enabling residents to stay better connected during emergencies.[7]

Cost-burdened households, which are households that spend over 30% of income on housing, generally have less cash on hand to weather shocks, such as extreme weather events, compared to households that are not cost burdened. Many cost-burdened households are renters and census data released in 2024 show nearly half (49.2%) of renter households in the United States are cost-burdened.[8] In Montgomery County, 47% of renters are cost burdened and the County's median monthly gross rent of $2,097 is 22% higher than Maryland's median ($1,721).[9]

Algorithmic devices, such as RealPage and YieldStar, have been used across the country to set rents using proprietary data from other landlords, which has resulted in inflated rents according to various reports.[10] However, the effects of algorithmic price fixing on rent prices cannot be determined in Montgomery County. According to staff from the Department of Housing and Community Affairs (DHCA), there has not been a complaint or report related to landlords using rent-setting algorithms.[11] It is unclear how algorithmic devices have been used to establish rents in the County and how it would affect affordable housing stock.[12]

As it is unclear if and how algorithmic devices have impacted affordable housing stock in the County and if it has caused more households to be cost-burdened, OLO anticipates Bill 8-26 will have no impact on the County's contribution to addressing climate change, including the reduction and/or sequestration of greenhouse gas emissions, community resilience, and adaptative capacity.

RECOMMENDED AMENDMENTS

The Climate Assessment Act requires OLO to offer recommendations, such as amendments or other measures to mitigate any anticipated negative climate impacts.[13] OLO does not offer recommendations or amendments as Bill 8-26 is likely to have no impact on the County's contribution to addressing climate change, including the reduction and/or sequestration of greenhouse gas emissions, community resilience, and adaptative capacity.

CAVEATS

OLO notes two caveats to this climate assessment. First, predicting the impacts of legislation upon climate change is a challenging analytical endeavor due to data limitations, uncertainty, and the broad, global nature of climate change. Second, the analysis performed here is intended to inform the legislative process, not determine whether the Council should enact legislation. Thus, any conclusion made in this statement does not represent OLO's endorsement of, or objection to, the bill under consideration.

PURPOSE OF CLIMATE ASSESSMENTS

The purpose of the Climate Assessments is to evaluate the anticipated impact of legislation on the County's contribution to addressing climate change. These climate assessments will provide the Council with a more thorough understanding of the potential climate impacts and implications of proposed legislation, at the County level. The scope of the Climate Assessments is limited to the County's contribution to addressing climate change, specifically upon the County's contribution to greenhouse gas emissions and how actions suggested by legislation could help improve the County's adaptative capacity to climate change, and therefore, increase community resilience.

While co-benefits such as health and cost savings may be discussed, the focus is on how proposed County bills may impact GHG emissions and community resilience.

CONTRIBUTIONS

OLO staffer Kaitlyn Simmons drafted this assessment.

APPENDIX

Figure 1: Definition of an Algorithmic Device and Price Coordination

In general, an *algorithmic device* would be a product or service that:

(1) uses one or more algorithms to perform calculations;

(2) uses data concerning historical or contemporaneous rents, rent changes, supply levels, occupancy rates, or lease or rental contract termination and renewal dates from:

(A) 2 or more landlords;

(B) public databases; or

(C) a combination of public databases and 2 or more landlords; and

(3) recommends rents, fees, rental terms, or occupancy levels for a rental unit.

The general definition of *price coordination* would be:

(1) collecting from 2 or more landlords or from public databases, with or without the exchange of money or other valuable consideration, historical or contemporaneous data concerning rents, rent changes, fees, supply levels, occupancy rates, or lease or rental contract termination and renewal dates; and

(2) recommending rents, fees, rental terms, or occupancy levels based on the analysis or processing of the data using an algorithmic device.

Source: Introduction Staff Report for Bill 8-26, Montgomery County Council, Introduced February 10, 2026.

Figure 2: Rental Data Collection Activities Allowed Under Bill 8-26

The following activities would be exempt from the bill's prohibition against algorithmic devices and price coordination:

(1) generating or using a report, published not more than once a month, of existing rental data in an aggregated and anonymous manner, without recommending rents, fees, rental terms, or occupancy levels for future leases;

(2) providing or using data for the purpose of establishing rent or income limits in accordance with an affordable housing program of the County, the state, or the federal government; or

(3) the provision or use of data by a natural person who is a landlord of only one rental unit.

Source: Introduction Staff Report for Bill 8-26, Montgomery County Council, Introduced February 10, 2026.

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[1] Attorney General Brown Sues RealPage and Residential Landlords for Illegally Raising Rent for Thousands of Maryland Resident, Press Release from the Office of the Attorney General of Maryland.
[2] 2026 Regular Session - House Bill 434, Introduced January 22, 2026.
[3] Introduction Staff Report for Bill 8-26, Montgomery County Council, Introduced February 10, 2026.
[4] Ibid.
[5] Introduction Staff Report for Bill 8-26, Montgomery County Council, Introduced February 10, 2026.
Montgomery County Code, Sec. 1-19. Fines and penalties.
[6] Alliance for National and Community Resilience, The Community Resilience Benchmarks, 2019.; National Low Income Housing Coalition, Disaster Housing Recovery, Research and Resilience, Accessed 2/24/2026.

[7] Georgetown Climate Center, Equitable Adaptation Legal and Policy Toolkit, Accessed 2/24/2026.; Alliance for National and Community Resilience, The Community Resilience Benchmarks, 2019.
[8] United States Census Bureau, Nearly Half of Renter Households Are Cost-Burdened, Proportions Differ by Race, September 12, 2024.
[9] Montgomery Planning, Findings from the 2024 American Community Survey: Montgomery County, Maryland, and the United States, September 19, 2025.
[10] American Economic Liberties Project, A New Culprit in the Housing Crisis: Rent-Setting Software Algorithms, March 13, 2024.; Propublica, Rent Going Up? One Company's Algorithm Could Be Why, October 15, 2022.; NPR, New limits for rent algorithm that prosecutors say let landlords drive up prices, November 25, 2025.
[11] DHCA Staff
[12] Ibid.
[13] Bill 3-22, Legislative Branch – Climate Assessments – Required, Montgomery County Council, Effective date October 24, 2022

Bill 8-26 – Landlord-Tenant Relations – Prohibition Against Price Coordination and Rent-Setting Algorithms

Summary

The Office of Legislative Oversight (OLO) anticipates that Bill 8-26 would have an indeterminate impact on economic conditions in the County, as measured by the Council's priority economic indicators. By prohibiting the use of algorithmic devices to establish rents and to coordinate prices, the Bill would primarily affect landlords and renters in the County. OLO cannot confidently anticipate the overall economic impact of the Bill for two main reasons:

First, while a growing number of states and local jurisdictions have recently moved to restrict or ban the use of rental pricing algorithms,[1] the empirical evidence on their economic effects remains limited and somewhat mixed. OLO identified two working papers that investigate rental pricing algorithms. Both find that use of RealPage's pricing software—a major provider used by large multifamily landlords—is associated with higher rents for adopters and in markets with higher adoption, relative to non-adopters and lower-adoption markets. However, only one study finds statistically significant evidence consistent with price coordination among landlords using the same pricing software, while the other does not find clear evidence that higher rents are caused by coordination through the software rather than by other factors.

Second, there is uncertainty regarding how the County's Department of Housing and Community Affairs (DHCA) could effectively enforce the ban. DHCA has no prior complaints or enforcement experience with algorithms, and the department's purely complaint-based approach to housing enforcement is unlikely to be effective.

Given uncertainty regarding effective enforcement of bans, OLO recommends that Councilmembers consider requesting a full report from the office on the economic impacts of rental pricing algorithms and options for effective enforcement.

Background and Purpose of Bill 8-26

In recent years, the U.S. Department of Justice and several states have sued companies using algorithms[2] for price-fixing among landlords. In 2025, Maryland's Attorney General sued RealPage and six major residential landlords for illegally raising rents on hundreds of thousands of tenants. [3] In January 2026, Maryland state

[1] Cheyenne Tan, "How U.S. States Are Tackling Algorithmic Pricing: 2025 Bill Tracker and Analysis," *Innovation at Consumer Reports*, August 1, 2025, https://innovation.consumerreports.org/how-u-s-states-are-tackling-algorithmic-pricing-2025-bill-tracker-and-analysis/.
[2] "An algorithm is a set of steps for accomplishing a task or solving a problem. Algorithms are a key component of any computer program and are the driving force behind various systems and applications, such as navigation systems, search engines, and music streaming services." What Is an Algorithm? | Definition & Examples, Scribbr.
[3] Attorney General Brown Sues RealPage and Residential Landlords for Illegally Raising Rent for Thousands of Maryland Resident, Press Release from the Office of the Attorney General of Maryland.

delegates introduced a law to ban devices that use nonpublic data to set rent, occupancy levels, and lease terms.[4]

According to its lead sponsor, the purpose of Bill 8-26 is to promote "free markets in the rental housing market [by] cracking down on illegal price-fixing and collusion that results in higher rents."[5] If enacted, the Bill would: [6]

- prohibit the use of algorithmic devices to establish rents or rental terms in the County;
- prohibit price coordination regarding rents or rental terms in the County; and
- provide for the enforcement of the prohibitions.

Each day a landlord breaks the law under this Bill would count as a separate Class A offense, with fines starting at $500 and increasing to $750 per repeat violation. The County could issue orders requiring landlord action or a court appearance to force compliance.[7]

Figure 1 in the Appendix includes the definitions of an algorithmic device and price coordination under Bill 8-26. Figure 2 lists the rental data collection activities that would still be allowed under the Bill.

The Council introduced Bill 8-26 on February 10, 2026.

Information Sources, Methodologies, and Assumptions

As required by Section 2-81B of the Montgomery County Code, this Economic Impact Statement evaluates the impacts of Bill 8-26 on residents and private organizations, using the Council's priority economic indicators as the measure. In doing so, it examines whether the Bill would have a net positive or negative impact on overall economic conditions in the County.[8]

For this analysis, OLO did not identify any impact evaluations of local bans on rental pricing software that estimate their effects on rents or other outcomes. Instead, OLO relied on two non-peer-reviewed working papers that empirically investigate whether the use of RealPage's rental pricing software affects rents.

In addition, this analysis draws on OLO correspondence with DHCA staff regarding potential enforcement challenges.

Variables

The primary variables that would affect the economic impacts of enacting Bill 8-26 are the following:

- Average rents
- Average occupancy rates
- Price coordination

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[4] 2026 Regular Session - House Bill 434, Introduced January 22, 2026.
[5] Introduction Staff Report for Bill 8-26, Montgomery County Council, Introduced February 10, 2026.
[6] Ibid.
[7] Introduction Staff Report for Bill 8-26, Montgomery County Council, Introduced February 10, 2026.
Montgomery County Code, Sec. 1-19. Fines and penalties.
[8] Montgomery County Code, "Sec. 2-81B, Economic Impact Statements."

- Enforcement effectiveness

Impacts

WORKFORCE ▪ TAXATION POLICY ▪ PROPERTY VALUES ▪ INCOMES ▪ OPERATING COSTS ▪ PRIVATE SECTOR CAPITAL INVESTMENT ▪ ECONOMIC DEVELOPMENT ▪ COMPETITIVENESS

Evidence Review

OLO identified two non-peer-reviewed working papers on the effects of RealPage's rental pricing software on rents:

- Calder-Wang and Kim (2024), Algorithmic Pricing in Multifamily Rentals: Efficiency Gains or Price Coordination?
- Majidzadeh et al. (2025), Investigation of Alleged "Algorithmic Collusion" in Rental Housing: Impact and Implications of RealPage's Pricing Algorithms for Housing Affordability

Calder-Wang and Kim (2024) investigate the effects of RealPage's rental pricing software on rents and occupancy in U.S. market-rate multifamily buildings, using panel data from the top 50 metropolitan areas between 2005 and 2019. They found that markets and segments with higher adoption of RealPage's pricing software had higher average rents and lower average occupancy during economic recoveries relative to comparable markets with lower adoption. They conclude that pricing algorithms likely operate through two channels: they help landlords adjust rents more quickly to changing market conditions (lowering rents and raising occupancy in downturns) but also appear to facilitate coordinated pricing among landlords using the same software to inflate prices during recoveries.

Majidzadeh et al. (2025) investigate the relationship between RealPage's rental pricing software and rents in U.S. multifamily properties, combining cross-sectional building-level data and metropolitan rent indices for the 2010s through early 2020s. Similar to Calder-Wang and Kim, Majidzadeh et al. (2025) find that properties associated with RealPage's pricing software charge higher rents per square foot than comparable properties that are not identified as users. In contrast to Calder-Wang and Kim, however, they do not find consistent, statistically significant evidence that RealPage's acquisition of a major competitor led to additional rent increases. As a result, they cannot clearly attribute the observed rent premium to landlords coordinating through the software rather than to other factors.

Residents

OLO anticipates that Bill 8-26 would have an indeterminate impact on certain County residents.

In theory, the Bill could affect current and prospective renters whose landlords use pricing software. Studies reviewed by OLO find that use of RealPage's rent-setting software is associated with higher rents for adopters and in high-adoption markets, relative to non-adopters and low-adoption markets. Based on these findings, it is plausible that a ban, if effective, could reduce rents for affected units and thereby reduce nondiscretionary household expenditures on rent for affected renters. However, OLO did not identify studies examining the impacts of such bans in other jurisdictions and has questions regarding DHCA's ability to effectively enforce a local ban.

For these reasons, OLO cannot determine how the Bill would impact residents with respect to the Council's priority economic indicators.

Businesses, Non-Profits, Other Private Organizations

OLO anticipates that Bill 8-26 would have an indeterminate impact on certain private organizations in the County.

The Bill could affect landlords who use pricing software to set rents. An effective ban could reduce rent revenues for landlords that use such software. However, for reasons previously discussed regarding uncertain enforcement and limited evidence on the impacts of bans, OLO cannot determine how the Bill would affect local businesses with respect to the Council's other priority economic indicators.

Net Impact

For reasons preciously discussed, OLO anticipates that Bill 8-26 would have an indeterminate overall impact on economic conditions in the County.

Discussion Items

Given the uncertainty surrounding effective enforcement of local bans on pricing software, Councilmembers should consider requesting a full report from OLO on the economic impacts of rental pricing algorithms and options for effective enforcement.

Caveats

Two caveats to the economic impact analysis conducted here should be noted. First, predicting the economic impacts of legislation is a challenging analytical endeavor due to data limitations, the multitude of causes of economic outcomes, economic shocks, uncertainty, and other factors. Second, the analysis performed here is intended to *inform* the legislative process, not determine whether the Council should enact legislation. Thus, any conclusion made in this statement does not represent OLO's endorsement of, or objection to, the Bill under consideration.

Contributions

Stephen Roblin, PhD (OLO) prepared this report.

Appendix

Figure 1: Definition of an Algorithmic Device and Price Coordination

In general, an *algorithmic device* would be a product or service that:

(1) uses one or more algorithms to perform calculations;

(2) uses data concerning historical or contemporaneous rents, rent changes, supply levels, occupancy rates, or lease or rental contract termination and renewal dates from:

(A) 2 or more landlords;

(B) public databases; or

(C) a combination of public databases and 2 or more landlords; and

(3) recommends rents, fees, rental terms, or occupancy levels for a rental unit.

The general definition of *price coordination* would be:

(1) collecting from 2 or more landlords or from public databases, with or without the exchange of money or other valuable consideration, historical or contemporaneous data concerning rents, rent changes, fees, supply levels, occupancy rates, or lease or rental contract termination and renewal dates; and

(2) recommending rents, fees, rental terms, or occupancy levels based on the analysis or processing of the data using an algorithmic device.

Source: Introduction Staff Report for Bill 8-26, Montgomery County Council, Introduced February 10, 2026.

Figure 2: Rental Data Collection Activities Allowed Under Bill 8-26

The following activities would be exempt from the Bill's prohibition against algorithmic devices and price coordination:

(1) generating or using a report, published not more than once a month, of existing rental data in an aggregated and anonymous manner, without recommending rents, fees, rental terms, or occupancy levels for future leases;

(2) providing or using data for the purpose of establishing rent or income limits in accordance with an affordable housing program of the County, the state, or the federal government; or

(3) the provision or use of data by a natural person who is a landlord of only one rental unit.

Source: Introduction Staff Report for Bill 8-26, Montgomery County Council, Introduced February 10, 2026.

Racial Equity and Social Justice (RESJ) Impact Statement

Office of Legislative Oversight

BILL 8-26: LANDLORD-TENANT RELATIONS – PROHIBITION AGAINST PRICE COORDINATION AND RENT-SETTING ALGORITHMS

SUMMARY

The Office of Legislative Oversight (OLO) finds the anticipated RESJ impact of Bill 8-26 is indeterminant. Several factors related to how the law would be enforced are unknown. As such, OLO is unable to determine how the ban on price coordination and rent-setting algorithms will impact racial and social inequities in housing.

PURPOSE OF RESJ IMPACT STATEMENTS

RESJ impact statements (RESJIS) evaluate the anticipated impact of legislation on racial equity and social justice in the County. RESJ is a **process** that focuses on centering the needs, leadership, and power of Black, Indigenous, and other People of Color (BIPOC) and communities with low incomes. RESJ is also a **goal** of eliminating racial and social inequities. Applying a RESJ lens is essential to achieve RESJ.[1] This involves seeing, thinking, and working differently to address the racial and social inequities that cause racial and social disparities.[2]

PURPOSE OF BILL 8-26

In recent years, the U.S. Department of Justice and several states have sued companies using algorithms[i] for price-fixing among landlords. In 2025, Maryland's Attorney General sued RealPage and six major residential landlords for illegally raising rents on hundreds of thousands of tenants.[3] In January 2026, Maryland state delegates introduced a law to ban devices that use nonpublic data to set rent, occupancy levels, and lease terms.[4]

According to its lead sponsor, the purpose of Bill 8-26 is to promote free markets in rental housing by "cracking down on illegal price-fixing and collusion that results in higher rents."[5] If enacted, the Bill would:[6]

1) prohibit the use of algorithmic devices to establish rents or rental terms in the County;
2) prohibit price coordination regarding rents or rental terms in the County; and
3) provide for the enforcement of the prohibitions.

Each day a landlord breaks the law under this Bill would count as a separate Class A offense, with fines starting at $500 and increasing to $750 per repeat violation. The County could issue orders requiring landlord action or a court appearance to force compliance.[7]

Figure 1 in the Appendix includes the definitions of an algorithmic device and price coordination under Bill 8-26. Figure 2 lists the rental data collection activities that would still be allowed under the Bill.

The Council introduced Bill 8-26 on February 10, 2026.

[i] "An algorithm is a set of steps for accomplishing a task or solving a problem. Algorithms are a key component of any computer program and are the driving force behind various systems and applications, such as navigation systems, search engines, and music streaming services." What Is an Algorithm? | Definition & Examples, Scribbr.

This RESJIS builds on the following impact statements authored by OLO:

- RESJIS for Bill 15-23: Landlord-Tenant Relations – Anti-Rent Gouging Protections, published in March 2023; and
- RESJIS for Bill 31-25: Landlord Notice Requirements – Evictions, published in October 2025.

Please refer to these two statements to understand why racial and ethnic differences in housing security and evictions are not natural or random. The statements explain how government actions have played a major role in creating and keeping unfair access to housing by race and ethnicity.

Housing Insecurity, Corporate Ownership, and Racial Equity

Due to various racial inequities in housing and economic security—including housing discrimination, residential and occupational segregation, and the racial wealth divide[8]—Black people across the U.S. are disproportionately impacted by evictions. A 2023 Eviction Lab study found Black renters accounted for over half of eviction filings despite comprising only 19 percent of all renters nationwide.[9]

In the County, evictions are not tracked by race and ethnicity. However, other indicators of eviction risk suggest Black community members are most impacted by housing insecurity and eviction. For instance:

- A 2023 Council Summer Fellows Program analysis found Black community members were overrepresented among renters in areas where evictions occur the most in the County;[10]
- While Black community members account for 18 percent of the County's population, they accounted for 45 percent of renters who applied for COVID-19 emergency rental assistance from 2022 until 2023;[11]
- Latinx and Black households are more likely than White and Asian households to experience a housing cost burden, spending more than 30 percent of their household income on mortgage or rent (Appendix Table A); and
- On the night of the 2025 Annual Point-in-Time (PIT) count of persons experiencing homelessness, 56 percent of individual adults identified as Black, a disproportionately high share compared to the 18 percent of County residents who are Black.[12]

Since the 2008 financial crisis, more corporations have bought single-family homes to rent out. This has led to higher rents for these homes, making it tougher for lower-income and BIPOC families to find affordable housing. A 2024 paper from the Federal Reserve Bank of Philadelphia shows that:

1) corporate investors raise rents 60 percent more than average when they buy single-family homes;
2) a higher share of investors in a neighborhood is associated with more frequent rent increases compared to non-investor landlords; and
3) corporate investors are purchasing homes in areas with more Black residents and fewer college graduates.[13]

Algorithmic pricing software can help otherwise competing landlords work together to raise rents. This has negative effects on housing affordability and eviction rates. A 2024 report from Local Progress and the American Economic Liberties Project showed double-digit rent increases in cities where use of this software is common. One of RealPage's clients noted a 15 percentage point rise in tenant turnover after using the software.[14] A 2022 ProPublica investigation revealed that RealPage's YieldStar sometimes advised landlords to raise rents and keep units vacant to boost profits.[15] Further reporting has found that the use of this algorithmic rent-setting software is most prevalent among large, corporate landlords who benefit from economies of scale.[16]

Several cities are trying to tackle algorithmic pricing with local bans. These include Jersey City, San Francisco, Philadelphia, Minneapolis, and San Diego.[17] For example, the Minneapolis ordinance:

1) requires property owners to self-attest that they do not use algorithmic rent-setting devices every time they renew their rental license;
2) requires a notice be sent to all rental property owners educating them about the new rules; and
3) allows tenants to file a civil action in court to seek compensatory damages, along with reasonable attorney fees and costs, if an owner or operator violates the ordinance.[18]

The stated intent of these regulations is to protect renters, promote fair competition, and address the challenges of housing affordability in Minneapolis.[19]

ANTICIPATED RESJ IMPACTS

If enacted, Bill 8-26 would ban all landlords in the County from using algorithmic pricing software. To consider the anticipated impact of Bill 8-26 on RESJ in the County, OLO recommends the consideration of two related questions:

- Who would primarily benefit or be burdened by this bill?
- What racial and social inequities could passage of this bill weaken or strengthen?

OLO identified the following groups who would be impacted by Bill 8-26:

- **Tenants** would benefit from stopping rent increases and voluntary vacancies caused by algorithmic pricing software. In the County, Black and Latinx households are more likely to be cost-burdened renters (Appendix Table A). Given racial and ethnic disparities in housing costs, banning the use of algorithmic pricing software could disproportionately benefit BIPOC renters and improve racial disparities in housing.
- **Landlords** may be burdened by bans on certain rent and occupancy setting methods that could help boost their profits. Landlords and real estate groups often oppose these bans, claiming existing laws already prevent price-fixing behaviors.[20] As shown in Table B in the Appendix, White community members are significantly overrepresented among real estate, rental, and leasing business owners in the County. Furthermore, if any of the real estate companies are publicly traded, most of the benefit will likely go to White community members who own stock at higher rates than BIPOC community members.[21] As such, a ban on algorithmic pricing would disproportionately burden White landlords and community members and would not worsen racial disparities in the County.

There remain, however, several unanswered questions in determining whether and how a ban on price coordination and rent-setting algorithms could ultimately impact racial and social inequities in housing. These include, but are not limited to, the following questions:

- Will the Montgomery County Department of Housing and Community Affairs (DHCA) conduct proactive investigations or rely on complaints submitted by tenants? According to staff, DHCA has never received complaints or reports related to the use of rent-setting algorithms.[22]
- If DHCA relies on complaints, how will tenants know whether their landlords are using prohibited rent-setting algorithms?

- Does DHCA have the staff capacity to conduct complaint review and enforcement? According to staff, DHCA has never investigated or enforced these types of matters.[23]

These unanswered questions regarding how Bill 8-26 would be implemented are heightened by a lack of evidence isolating the impacts of algorithmic pricing software on rent and vacancy levels when also considering new construction, macroeconomic demand, and developer behavior.[24]

Taken together, OLO finds the anticipated RESJ impact of Bill 8-26 is indeterminate.

RECOMMENDED AMENDMENTS

The County's RESJ Act requires OLO to consider whether to recommend amendments to bills that could reduce racial and social inequities and advance RESJ.[25] OLO cannot discern the anticipated RESJ impact of Bill 8-26. However, should the Council seek to improve the RESJ impact of this Bill, OLO offers several policy options for Council consideration:

- **Establish systems for proactive administration and enforcement of Bill 8-26.** As explained by researchers at the Urban Institute, decisions about who will govern, administer, and enforce policies related to rent regulation can mitigate or compound existing unequal tenant-landlord power dynamics.[26] BIPOC and undocumented tenants might be afraid to submit a complaint about a landlord using algorithmic pricing software for fear of retaliation. To improve equitable tenant outcomes and avoid putting the responsibility of enforcement onto tenants alone, the Council could, for example:
    1) Require DHCA to coordinate periodic audits of large property management companies to verify compliance through undercover fair housing testers. Audits should be targeted in areas with the highest share of Black and Latinx renters, who may be most negatively impacted by rent-setting algorithms.
    2) Require landlords to self-attest every year that they do not use prohibited algorithmic tools or engage in price coordination. This self-attestation form could be tied to the rental license renewal process, as described above in the example of the City of Minneapolis ordinance.

- **Launch a "Know Your Rights and Responsibilities" communication and training campaign tied to Bill 8-26.** For example, the Council could require DHCA to publish plain-language explainers in multiple languages that describe:
    1) the basics of the law and what is now illegal;
    2) how to recognize and document signs of price coordination and the use of rent-setting algorithms; and
    3) how to file a complaint through MC311.

  County staff should conduct proactive communication to landlords and tenants in areas with the highest concentration of Black and Latinx renters. For example, after the adoption of its rent stabilization policy, the City of Oakland proactively offered rent stabilization workshops for small property owners as well as workshops geared toward teaching tenants their rights under the law.[27] County staff should also be trained to recognize warning signs of algorithmic pricing and how to appropriately respond.

CAVEATS

Two caveats to this RESJIS should be noted. First, predicting the impact of bills on RESJ is challenging due to data limitations, uncertainty, and other factors. Second, this RESJIS is intended to inform the Council's decision-making

process rather than determine it. Thus, any conclusion made in this statement does not represent OLO's endorsement of, or objection to, the Bill under consideration.

APPENDIX

Figure 1: Definition of an Algorithmic Device and Price Coordination

In general, an *algorithmic device* would be a product or service that:

(1) uses one or more algorithms to perform calculations;

(2) uses data concerning historical or contemporaneous rents, rent changes, supply levels, occupancy rates, or lease or rental contract termination and renewal dates from:

(A) 2 or more landlords;

(B) public databases; or

(C) a combination of public databases and 2 or more landlords; and

(3) recommends rents, fees, rental terms, or occupancy levels for a rental unit.

The general definition of *price coordination* would be:

(1) collecting from 2 or more landlords or from public databases, with or without the exchange of money or other valuable consideration, historical or contemporaneous data concerning rents, rent changes, fees, supply levels, occupancy rates, or lease or rental contract termination and renewal dates; and

(2) recommending rents, fees, rental terms, or occupancy levels based on the analysis or processing of the data using an algorithmic device.

Source: Introduction Staff Report for Bill 8-26, Montgomery County Council, Introduced February 10, 2026.

Figure 2: Rental Data Collection Activities Allowed Under Bill 8-26

The following activities would be exempt from the Bill's prohibition against algorithmic devices and price coordination:

(1) generating or using a report, published not more than once a month, of existing rental data in an aggregated and anonymous manner, without recommending rents, fees, rental terms, or occupancy levels for future leases;

(2) providing or using data for the purpose of establishing rent or income limits in accordance with an affordable housing program of the County, the state, or the federal government; or

(3) the provision or use of data by a natural person who is a landlord of only one rental unit.

Source: Introduction Staff Report for Bill 8-26, Montgomery County Council, Introduced February 10, 2026.

Table A. Homeownership Rate and Cost Burden Rates of Homeowners and Renters. Montgomery County, 2024

Race and Ethnicity[28]	Homeownership Rate	Homeowner Cost Burden Rate	Renter Rate	Renter Cost Burden Rate
Asian	71%	26%	29%	37%
Black	40%	33%	60%	54%
White	76.5%	23%	23.5%	37%
Latinx	54%	27%	46%	56%

Source: Table S0201, 2024 American Community Survey 1-Year Estimates, Census Bureau.

Table B. Real Estate and Rental and Leasing Employer Firms by Race and Ethnicity, Montgomery County, 2022[29]

Race and Ethnicity	Percent of Real Estate and Rental and Leasing Business Owners (NAICS 53)	Percent of All Sectors (NAICS 00)	Percent of Adult Population
Asian	12.4	21.8	15.4
Black	5.1	7.6	18.6
American Indian or Alaska Native	—	1.4	0.6
Pacific Islander	—	0.1	0.0
White	82.3	69.1	42.1
Hispanic or Latinx (of any race)	3.9	10.0	21.0

Source: OLO analysis of 2022 Annual Business Survey (Table AB2200CSA01) and 2024 American Community Survey 5-Year Estimates (Table DP05).

[1] Definition of racial equity and social justice adopted from M. Gamblin, "Using a Racial Equity Scorecard for Policy and Programs," Bread for the World Institute and the Racial Equity Tools Glossary.
[2] Ibid.
[3] Attorney General Brown Sues RealPage and Residential Landlords for Illegally Raising Rent for Thousands of Maryland Resident, Press Release from the Office of the Attorney General of Maryland.
[4] 2026 Regular Session - House Bill 434, Introduced January 22, 2026.
[5] Introduction Staff Report for Bill 8-26, Montgomery County Council, Introduced February 10, 2026.
[6] Ibid.

[7] Introduction Staff Report for Bill 8-26, Montgomery County Council, Introduced February 10, 2026.
Montgomery County Code, Sec. 1-19. Fines and penalties.
[8] E. Bonner-Tompkins, J. Peña, & E. Tesfaye, OLO Report 2024-11: Racial Equity and Social Justice Policy Handbook: Land Use, Housing, and Economic Development, Office of Legislative Oversight, June 18, 2024.
[9] N. Graetz, et. al, Who is Evicted in America, The Eviction Lab, October 3, 2023.
[10] D. Carrillo, Expanding COVID-19 Eviction Diversion Strategies: Centering Black, Indigenous, and People of Color in Outreach, Montgomery County Council, August 11, 2023, pg. 17.
[11] DHHS Pulse Report: COVID-19 Impact and Recovery, Department of Health and Human Services, May 17, 2023.
[12] Memorandum to Montgomery County Council Health and Human Services Committee, June 23, 2025.
[13] K. Lee & D. Wylie, Institutional Investors, Rents, and Neighborhood Change in the Single Family Residential Market, Federal Reserve Bank of Philadelphia, June 2024.
[14] Local Progress and the American Economic Liberties Project, Policy Memo: Rent-Setting Software Algorithms, March 2024.
[15] H. Vogell, How a Secret Rent Algorithm Pushes Rents Higher, ProPublica, October 15, 2022.
[16] ProPublica report and M. Reynolds, Report eyes profits of Atlanta landlords using RealPage, The Atlanta Journal Constitution, June 18th, 2024.
[17] J. Brey, Several Cities Block AI-Powered Rent Gouging, *Governing*, June 10, 2025.
[18] City of Minneapolis, Use of Algorithms in Rental Rates: Staff Presentation, March 20, 2025. The ordinance is set to take effect on March 1, 2026.
[19] Ibid.
[20] J. Brey, Several Cities Block AI-Powered Rent Gouging, *Governing*, June 10, 2025.
[21] National polling suggests stock ownership varies significantly by race and ethnicity, with an estimated 70 percent of White adults owning stock, compared with 53 percent of Black adults and 38 percent of Hispanic adults.
What Percentage of Americans Own Stock? Based on combined data from April 1-22, 2024, and April 1-14, 2025, Gallup polls.
[22] OLO correspondence with DHCA staff, February 18, 2026.
[23] Ibid.
[24] One example a *non*-peer reviewed study is T. Majidzadeh et. al, Investigation of Alleged 'Algorithmic Collusion' In Rental Housing, University of Berkeley, April 14, 2025.
[25] Bill 27-19, Administration – Human Rights – Office of Racial Equity and Social Justice – Racial Equity and Social Justice Advisory Committee – Established, Montgomery County Council.
[26] C. P. Stacy et al., Rent Control: Key Policy Components and Their Equity Implications, Urban Institute, July 2021.
[27] Ibid.
[28] For Tables A and B, race is inclusive of Latinx origin. Estimates for Native American and Pacific Islander community members are not available for some data points.
[29] Margins of error for data points in Table B may be large.

Mayor and Council

Introduction and Adoption – Chapter 18 Code Update, Rental Facilities and Landlord-Tenant Relations

May 18, 2026

City of Rockville
Housing & Comm Development

Outline

- Background
- Work Session Follow-ups
- Community Engagement Summary
- Highlights of Proposed Changes
- Anticipated Impacts
- Introduction and Suggested Motions

Background

Mayor and Council History

- Housing is one of five focus areas.
- **Fall 2024:** Three work sessions on the city's housing strategies. Comprehensively updating Chapter 18 was approved as a strategy by the Mayor and Council.
- **June 2025:** Work session on data reporting and transparency.
- **November 2025:** Work session on rental licensing inspections.
- **December 2025:** Work session on existing code and new policies.
- **February 2026:** Work session on new policies.

Background

Project Goals

- Provide **clarity** on existing code elements.
- Consider **alignment** with surrounding jurisdictions' codes and ensure alignment with state of Maryland law.
- Improve housing **stability** and opportunities for tenant agency.
- Require greater **transparency** for tenants.
- Review local and national **best practices**.
- Better connect **data collection** and city goals.

Background

Project Timeline

April-Oct. 2025
Initial engagement and research

Oct. 2025 - April 2026
Draft updated code

Dec. 2025 – Feb. 2026
Mayor and Council Work Sessions

April 2026
Additional community engagement

May 18, 2026
Introduction and Possible Approval



We are here!

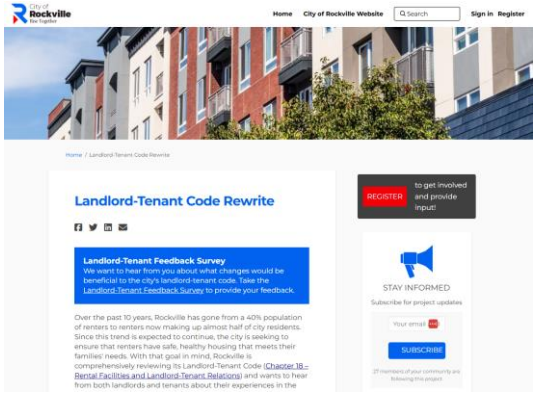
Work Session Follow-ups

- **Cooling requirements** work session to be scheduled for September
- **Pre-eviction financial assistance** pilot to launch in July
- **Educational materials** to be created and shared with landlords and tenants

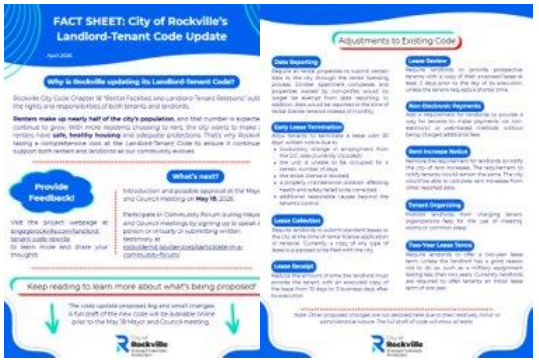
Community Engagement

Strategies

- Hosted two **virtual initial input meetings** – one with landlords, one with tenants
- Published **Engage Rockville webpage** with project information, news feed, surveys, comment form, and question portal
- Offered **two surveys**: one to get initial input and another to get feedback on policy proposals
- Interviewed **stakeholder organizations**
- Provided **regular email updates** to Engage Rockville subscribers, rental license holders, property managers, affordable housing operators, and tenant organizations
- Hosted two **virtual follow-up input meetings** – one with landlords, one with tenants



Engage Rockville Webpage



Fact Sheet on Proposed Code

Community Engagement

Tenant Responses to Proposed Code

- Excitement around **banning algorithmic rent pricing** and **restricting junk fees**.
- Disappointment regarding the **exclusion of a rent stabilization policy**.
- Questions about how **rent increase information** will be collected and displayed.
- Concerns around the **six-month cut off** for a unit being unsafe to occupy before permanent relocation assistance triggers.

Community Engagement

Landlord Responses to Proposed Code

- General feeling of **bias towards tenants**.
- Concern at proposed:
  - requirement to offer tenants a **two-year lease term**.
  - restriction on asking about prospective tenants' **eviction history**.
  - **repair and deduct** policy to allow tenants to make repairs without landlord approval.
- Question and concern around **relocation assistance requirements**. Concerns were particularly focused on the cost of the permanent relocation payment and determination of responsibility.
- Desire to **allow a fee** for returned checks and to allow an increased lock out fee for repeated occurrences.

Highlights of Proposed Changes

- **Restrictions** on asking about eviction history, charging tenants court costs and legal fees, and using algorithmic rent pricing systems.
- **New requirements** for landlords to report data, provide two-lease lease options, adhere to lease review and provision timelines, allow non-electronic payment methods, provide relocation assistance, and allow tenant organizations to use meeting rooms free of charge.
- **Increased transparency** around fees and guarantor requirements.
- **More options** for early lease termination.
- **Creation** of a repair and deduct option.
- **Changes** to how leases and rent increase information are provided to the city.
- **Meaningful fines** for certain code violations.

Anticipated Impacts

Environment

No impact

Equity

Positive impact

- Many benefits to housing stability for tenants.
- Tenants are disproportionately Black or African American.
- Median income of renters is $100,000 less than homeowners.
- Half of renters are housing cost-burdened.

Economy

Neutral impact

- Additional requirements may have negative impact on landlords' decision to rent and developers' decision to invest in Rockville.
- Compliance costs may put small upward pressure on rents.
- Improved housing stability brings economic benefits.
- Transparency measures may create a more competitive rental marketplace, resulting in slight downward pressure on rents.

Introduction and Suggested Motions

- I introduce the ordinance amending City Code Chapter 18, Rental Facilities and Landlord-Tenant Relations.
- I move to waive the layover period.
- I move to adopt the ordinance amending City Code Chapter 18, Rental Facilities and Landlord-Tenant Relations, with an effective date of January 1, 2027.

MAYOR AND COUNCIL Meeting Date: May 18, 2026
Agenda Item Type: WORKSESSION
Department: CITY MANAGER'S OFFICE (CMO)
Responsible Staff: JEANNE BOOTH

Subject

JEDI Strategic Plan Update

Department

City Manager's Office (CMO)

Recommendation

Staff recommends the Mayor and Council receive the JEDI Strategic Plan update and provide feedback on the following questions.

1. Do you support the proposed additional outreach?
2. Are there specific groups you would like prioritized in the outreach?

Discussion

Following the March 2, 2026, work session with Mayor and Council, The Executive Learning Lab launched a comprehensive assessment, collaborative engagement, utilizing structured facilitation with city staff, nonprofit partners and community members.

The comprehensive assessment is designed to include the following:

- Policy Audit and Foundational Review
  - Policy Review
  - Best Practices Research
- Collaborative Engagement[1]
  - Internal Employee Survey
  - Internal Employee Focus Groups
  - Community Listening Sessions
- Data Driven Analysis
  - Quantitative Analysis
  - Qualitative Analysis

Plan-Do-Check-Act Model

[1] The JEDI Strategic Planning Engagement Strategy aims to build an informed, inclusive, and actionable understanding of community experiences, needs, and aspirations in order to shape policies, programs, and investments that advance fairness, access, and shared benefit across Rockville. Community engagement will serve as both a data-gathering and relationship-building process, ensuring that the Strategic Plan is grounded in lived experiences, particularly from historically underrepresented and disengaged communities, while also strengthening trust and transparency between the city and its residents, partners, and workforce.

The strategic planning process includes the Plan-Do-Check-Act continuous improvement model. The DO phase began in March with comprehensive data collection from employees and community partners as well as policy and best practice review.

The policy audit and foundational review encompassed two complementary components: a structured review of existing City policies and programs, and a review of national best practices in municipal equity work.

Policy Review

The Office of JEDI conducted a comprehensive inventory of City programs and policies across all departments to identify those with parameters or eligibility requirements connected to JEDI initiatives, specifically those with ethnicity, identity, or income thresholds. The inventory spans programs administered by the Department of Housing and Community Development (including the Moderately Priced Dwelling Unit programs, Single-Family Rehabilitation Program, Home Energy Assistance Program, and youth development programs), Finance (including the Homeowners Tax Credit Program and Budget Equity Toolkit), Recreation and Parks (financial assistance and swim scholarship programs), Public Works (Climate Action Plan equity provisions), Procurement (Minority, Female, Disabled, or Veteran-Owned Business Outreach Program), Human Resources (discrimination, harassment, and disability accommodation policies), and the Rockville City Police Department (impartial policing, mental illness response, and disability interaction policies, as well as mandated trainings in cultural diversity, anti-discrimination, hate crimes, and implicit bias). The inventory is intended to provide a foundational baseline rather than an exhaustive catalog, and relevant eligibility requirements may also be embedded in grant conditions and comprehensive plan documents and could require modification of policy to ensure compliance.

Best Practices Review

The assessment drew on two primary sources. The first is the Government Alliance on Race and Equity (GARE) and its racial equity analysis framework. GARE supports local governments in implementing six core strategies: using a racial equity framework; building organizational capacity; implementing racial equity tools; using data to drive decision-making; partnering with other institutions and governments; and operating with accountability and urgency. Critically, GARE's framework requires that jurisdictions use a racial equity lens that clearly names the history of government in creating and maintaining racial inequities, envisions and operationalizes a new role for government, and utilizes clear and easily understood definitions of racial equity and inequity. While GARE provides a rigorous foundation, the City's approach recognizes that equity work must extend beyond race alone to encompass the full range of identity, ability, and socioeconomic dimensions reflected in the JEDI framework.

The second source is a national survey of municipal equity offices conducted by Tony Favro, Senior Fellow at City Mayors Research, which analyzed the mission, scope, and activities of 32 city equity offices across the United States. That research identified the most common functions performed by local government equity offices, including receiving and investigating discrimination and harassment complaints to ensure equal employment opportunity; training

staff on racial issues, bias, and other forms of inequity; advancing equity in government procurement policies and practices; and collecting data on equity and disparity.

Research also found that the most effective organizations leading this work, link budget allocation decisions to equity outcomes, build shared language and understanding across departments, and partner with both national organizations and local community leaders to advance their work. These findings informed the structure of Rockville's JEDI strategic planning process.

Internal Stakeholders

On March 11, 2026, the Equity Champions met and reviewed and finalized the survey structure and internal communication plan. The organization-wide survey launched on March 16, 2026, and the close date was extended to April 21, 2026. Participation across each department exceeded 30%. The survey was completed by 210 City employees across all 13 departments, representing an overall response rate of 38.3%. Median completion time was 10.7 minutes per respondent.

Employee Survey assessed four thematic areas:

1. JEDI Office Perception: Organizational perception of the effectiveness and impact of office efforts, and overall communication effectiveness
2. Inclusion: Organizational value and respect of all employees, effectiveness of supports, opportunities for and barriers to success, presence of bias and/or microaggressions
3. Leadership Readiness: Individual preparedness for advancement of equity and inclusion priorities and barriers to achievement of goals
4. Employee Belonging: Sense of authenticity, voice, and equitable access across the organization

Key Survey Findings

The survey revealed several meaningful **areas of strength** in the City's workplace culture:

1. **Hiring & Workforce Diversity (75%):** The City's most visible JEDI achievement, rated highest of all six program areas. The Police Department meets or exceeds the citywide average on all 8 measures; Recreation & Parks does so on 7 of 8.
2. **Dedicated JEDI Office & Leadership Visibility:** The existence and accessibility of the JEDI director was the most frequently cited strength in open-ended responses. Staff interpret that presence as a signal that JEDI is a genuine organizational priority.
3. **Equity Impact Statements:** Staff widely recognized the embedding of equity impact statements into budget and policy review as a concrete structural mechanism, the kind of institutionalized practice the Strategic Plan can build upon.
4. **Leader Confidence in Core Competencies:** Among leaders (n=91), confidence is highest for creating inclusive team environments (98%), followed by applying a JEDI lens to decision-making (85%) and equitably allocating resources across diverse communities and staff (84%); a solid values foundation.

5. **Internal Communication (62%):** Internal JEDI communication outpaces external communication (46%), indicating measurable progress in keeping staff informed, a baseline to build from.
6. **Leadership Support (82%):** 82% of leaders feel supported by City leadership in advancing JEDI priorities; an organizational asset that creates favorable conditions for Strategic Plan implementation and sustained accountability.
7. **Interpersonal Respect (81%):** 81% of employees feel valued and respected by colleagues regardless of identity; the strongest inclusion finding and a foundation for deeper structural equity work.

To assess departmental performance, the survey asked employees whether their department is making efforts across eight JEDI program areas.

- Internal JEDI Communication
- External JEDI Communication
- Hiring & Retaining Diverse Staff
- Language & Translation Services
- Disability Accommodations
- Engaging with Diverse Communities
- Using Data to Identify Disparities
- Training on JEDI Topics

Critical gaps were revealed in program areas and in strategic direction indicating a need for action. These gaps focus on training gaps, bias exposure, and communication consistency.

1. **JEDI Training:** Employees across all levels called for mandatory, in-person, role-relevant training in open-ended responses. Women, Employees 45-54, and Other Race/Ethnicity employees rate this area significantly lower than other subgroups.
2. **Data Use to Identify Disparities:** Most staff don't know whether or how their department uses equity data. This is a foundational gap for an evidence-based Strategic Plan.
3. **External Communication & Resident Awareness:** Only 38% believe residents are aware of JEDI efforts. Staff point to insufficient multilingual outreach and limited proactive community engagement.
4. **Accountability:** Both supervisors and managers score lower than senior leaders here, meaning the gap sits at the levels closest to frontline implementation. Nearly 1 in 3 leaders (31%) rarely or never discuss JEDI with their teams.
5. **Strategic Clarity:** Respondents are unclear what the City's JEDI priorities are, what success looks like, or how to embed JEDI into their roles. The Strategic Plan will be the direct answer to this gap.
6. **Organizational Leadership Barriers:** Among staff in leadership roles, the top barriers to advancing JEDI are unclear expectations from executive leadership (51%), competing priorities (49%), and insufficient data to identify disparities (40%).

7. **Department-Level Inconsistency:** JEDI implementation varies widely across departments. Without centralized guidance and practical tools, equity in service delivery will remain uneven.
8. **Accommodation Request Process:** Focus groups revealed that accommodation requests are routed through supervisors rather than HR, creating inconsistency. Invisible disabilities are underreported due to fear of identification.
9. **Language Access Systems:** The internal language bank is slow and places burden on bilingual staff without additional compensation. The language line exists but is difficult to use and not well publicized. Staff default to personal phones and Google Translate to assist residents in crisis situations.

Responses assessed by intersectional identities reveal unique employee experiences and impacts. Significant disparities in JEDI program awareness, inclusion, and workplace equity are not equally distributed across the workforce. Citywide, 25% of employees report personally experiencing or witnessing discrimination, bias, or harassment in the past year, and 36% report microaggressions — rates that are significantly higher among women, Black/AA, and Hispanic employees.

GROUP	KEY FINDING	EQUITY PRIORITY
Frontline Staff	Higher discrimination rates vs. managers	Equitable access to JEDI programs & information
Women	Microaggression rate nearly 2x that of men; lower voice & feeling valued	Workplace safety, reporting culture, & inclusion
Black/African American	Lower authentic self & voice ratings; higher discrimination & microaggression rates	Psychological safety & representation
Hispanic/Latino	Highest discrimination & microaggression rates; gap on equal access to advancement	Equitable advancement pathways
Newer Employees (<1 yr)	Significantly lower ratings on hiring, language access, accommodations & community engagement	JEDI onboarding & early integration

Survey results reflect a workforce that broadly supports the City's JEDI mission and recognizes real progress, particularly in workforce diversity, community programming, and leadership visibility. It also reveals where the work must go next: toward a structured plan with defined goals, meaningful training, strengthened accountability, and a community-facing presence that matches the quality of internal programming.

Employee Focus Groups were designed and facilitated by TELL. This participatory process ensures that all perspectives have meaningful opportunities to contribute to long-term vision development. Strategic group configuration allowed participants to build community with others engaged in similar work and included 7 groups labeled operations, programming, RCPD, internal and administrative staff, supervisors and leads, deputies and senior leadership, and

executive leadership. Discussions centered on core questions on the impact of JEDI programming on day-to-day work within the organization at all levels, workplace climate and culture, accessibility and inclusion, training and resources, and communication and transparency. All findings were reported in aggregate to protect participant confidentiality.

Key Focus Group Findings

Four themes were identified from feedback gathered in focus groups.

Theme 1: Need for a Shared Organizational Definition of JEDI

The most significant cross-cutting finding is that there is no shared organizational definition of JEDI. Most frontline operational staff had never heard the acronym before the focus groups. Once defined, different groups understood it differently, some equated it with fair treatment, others with customer service, others saw it as a leadership initiative with little relevance to their day-to-day work. There is no common language and no operationalized model telling a parks maintenance worker, a police officer, an administrative assistant, or a department head what JEDI looks like in their specific role. This foundational gap means that without shared understanding, no other intervention will create cohesion.

Theme 2: Equitable Workplace Culture Is Localized, Not Organizational

Staff experience of workplace climate is almost entirely determined by their immediate supervisor and department. Where a supervisor models inclusive practices, staff feel valued and psychologically safe. Where they don't, staff hesitate to raise concerns and feel issues may go unaddressed. This results in a patchwork of micro-cultures rather than a unified organizational identity. Some staff praised open-door policies while others had never experienced them, a significant equity issue, since an employee's experience should not depend on the luck of supervisor assignment.

Theme 3: Training Exists But Is Not Effective

The message was consistent across all seven groups: training is available but not useful. Online modules are too long, too general, and not followed up with discussion or accountability. Only 34–35% of staff report participating in any JEDI-related training. The overwhelming preference across every group was for shorter, in-person, scenario-based, role-specific content that answers the question: 'What do I actually do when this happens?' Current formats create barriers for field staff and part-time workers without regular computer access, and there is no accountability or follow-through after module completion.

Theme 4: Leadership Intent Does Not Match Operational Reality

Leaders genuinely believe JEDI efforts are underway. Staff experience those efforts as sporadic, unclear, and not actionable. This reflects a structural failure to translate intent into behavior, policy, and accountability. Leaders themselves lack the tools, scripts, and clear expectations needed to implement JEDI consistently. 51% of leaders cited unclear expectations from senior leadership as their top barrier. Supervisors reported being asked to implement JEDI without guidance, authority, or resources.

Additional Cross-Cutting Themes

1. **Psychological Safety Varies by Department:** Operational groups showed initial reluctance to speak openly; must be addressed department by department, not through blanket interventions.
2. **JEDI Seen as Compliance, Not Culture:** Described in terms of trainings and external mandates, not understood as integrated into hiring, performance, and supervision. Must embed in core operating systems.
3. **Federal Climate Creating Uncertainty:** Grant applications are avoiding DEI terminology. Immigration enforcement is causing documented community members to disengage from City services. Leadership needs legal and communications guidance for navigating compliance versus mission integrity.

External Stakeholders

External Listening Sessions were designed to gather community perspectives to assess how the city can better serve all residents and create a more inclusive, accessible, and equitable Rockville. Questions explored resident experiences with City services, programs, and engagement opportunities. Outreach was conducted through public flyers at all City facilities, Engage Rockville, targeted email outreach to public partners, and through staff liaisons to all Boards, Commissions, and Task Forces. Personal contacts were made to over 250 organizations and/or individuals. Seven sessions were conducted in April 2026.

Session	Status
Mayor & Council Interviews	Underway
Housing & Economic Development	*Additional recruitment needed*
Faith-Based & Community Service Organizations	*Additional recruitment needed*
Education & Youth	Converted to individual interview
Seniors / Special Populations	✓ Sufficient for analysis
Business & Civic Organizations	*Additional recruitment needed*
Small Business & Targeted Businesses	*Additional recruitment needed*

Note: *Findings from italicized groups reflect the perspectives of the individuals present and are presented transparently with this limitation noted. Group 11 (Seniors/Special Populations) achieved sufficient attendance for substantive thematic analysis and is treated as a full session. Additional recruitment rounds are recommended before finalizing strategic recommendations from this data.*

Key Preliminary Listening Session Findings

Mayor and Council Interviews

To date, three individual 30-minute interviews have been conducted (April 14–16, 2026) with elected officials. Common themes across all three interviews:

1. **Geographic Equity:** The east-west divide was named explicitly as a persistent equity concern. East-side neighborhoods, including Twinbrook, described as less seen, less

heard, and less resourced. Engagement and budget processes noted as skewing toward more affluent communities.

2. **Language & Communication Access:** Near-unanimous call for materials, meetings, and surveys in multiple languages. Current outreach (email, website, newsletters) reaches only those already engaged. Meeting residents where they are, grocery stores, faith communities, laundromats, is essential.
3. **Training for Elected Officials and Boards:** All three participants noted training gaps extend to elected officials and City boards and commissions, not just staff. Implicit bias and microaggression training recommended at all levels of leadership.
4. **Accountability & Measurement:** Strong consensus that JEDI goals need clear, measurable KPIs, outcome metrics, not just process metrics. City Manager should be accountable for implementation; a JEDI lens should apply to every budget decision.
5. **Federal Climate:** Immigration enforcement causing Latino and immigrant community members to disengage from City services. City asked to proactively make services visible and accessible through trusted intermediaries.

Housing and Economic Development

Two participants. Key themes: navigation complexity is itself a JEDI issue, residents don't know what services exist, and eligibility is difficult to determine. Approximately 40% of Rockville residents speak a language other than English at home; most lack awareness of available City services. Renters, transient residents, and seniors aging in isolation are hardest to reach through current outreach channels. One participant suggested that 'whole person community' framing may broaden reach in some contexts.

Faith-Based and Community Service Organizations

Two participants, both leaders of safety-net organizations. Key themes: populations most in need, Latino immigrants, transient families, seniors, are largely invisible to City engagement infrastructure. Immigration enforcement climate has heightened fear of police; clients are disengaging from City services. Faith communities (mosques, temples, churches) identified as underutilized but essential trusted access points. Translation alone is insufficient, cultural relevance and trusted messengers are equally important.

Education and Youth (Individual Interview)

One participant; converted from group format. Key themes: significant resource disparities between after-school programs in majority-Latino/low-income areas versus wealthier areas. Immigration enforcement causing families to stay indoors and children to miss school. Older and less tech-connected residents rely on print communications; multi-channel outreach is needed. Greater ethnic and cultural representation needed on City commissions, boards, and in public events.

Seniors and Special Populations (Full Session)

Seven participants representing disability rights, aging, and immigrant community perspectives. This was the most substantively attended external session. Key themes:

- **Digital Accessibility:** City emails are not properly ARIA-tagged or screen-reader compatible. Images on the City website and social media lack audio descriptions and alternative text. Quarterly screen reader audits recommended.
- **Physical Accessibility:** Equipment at community centers requires staff assistance, exclusionary for people with disabilities. Twinbrook Community Center specifically named as having sidewalk and transit access barriers.
- **Transportation:** FlexRide has insufficient geographic coverage and limited evening hours. Bus routes in Twinbrook don't safely cross Rockville Pike at night. Expansion of virtual (Zoom) access recommended as a partial accommodation.
- **AAPI & Immigrant Community Barriers:** AAPI communities are internally diverse, Chinese and Taiwanese residents do not share media. First-generation residents face confidence barriers navigating government agencies. Ethnic grocery stores are primary information sources for some residents.
- **Jurisdictional Confusion:** Residents cannot easily distinguish City vs. County services. A clear service map with direct contacts was recommended as a high-impact, low-cost improvement.
- **What's Working:** The Autism Acceptance Proclamation was described as profoundly moving. The emergency housing program was praised as far more accessible than County equivalents. Library, City Hall accessibility, and Town Center cultural events were all cited positively.

Business and Civic Organizations / Small Business (Separate sessions)

Two to four participants across both sessions, primarily civic insiders with existing City relationships. From that vantage point, Rockville is seen as 'genuinely trying.' Key concerns: Twinbrook and low-income apartment residents feel left behind in City decisions; award programs and advisory boards skew toward white residents; renter and apartment communities are systematically excluded from outreach designed around homeowner associations; notification failures on zoning and land-use changes prevent civic participation.

Cross-Cutting Themes Across All Sessions

- **The People Most in Need Are the Hardest to Reach:** Structural gaps in outreach design, reliance on digital channels, English-only communications, evening scheduling, and self-selection, exclude those whose experiences most urgently need to inform the JEDI strategy.
- **Language Access Is a System, Not a Translation:** Translation alone is insufficient. Cultural relevance, trusted messengers, face-to-face engagement, and multi-channel outreach are equally important. Dedicated bilingual liaisons and engagement at places where residents already gather are needed.
- **Geographic Equity Is Rockville's Most Visible Gap:** The east-west divide was raised explicitly by Mayor and Council and echoed by community participants. Twinbrook was named specifically and repeatedly. A geographic equity framework with specific east-side investments is essential.
- **The City's Best Is Genuinely Good, But Unevenly Distributed:** Exceptional examples exist. The challenge is replicating them across departments and communities.

- **Measurement and Accountability Are Non-Negotiable:** Participants want clear commitments, measurable outcomes, and visible accountability, not more planning. The strategic plan must answer: 'How will we know if it's working, and who is responsible?'

Next Steps

Staff anticipates doing additional outreach and engagement with the external stakeholders and the internal program staff. Following these sessions, the team will complete data collection, integrate survey data, focus group outcomes and community input and begin drafting the strategic plan with a roadmap for the first year.

Attachments

MAYOR AND COUNCIL Meeting Date: May 18, 2026
Agenda Item Type: WORKSESSION
Department: CPDS - ZONING REVIEW & OTHER
Responsible Staff: HOLLY SIMMONS/JIM WASILAK

Subject

Work Session #4 on Zoning Text Amendment Application TXT2026-00271, for the Zoning Ordinance Rewrite and Map Amendment Application MAP2026-00126, for the Comprehensive Map Amendment; Mayor and Council of Rockville, Applicants – Articles 9-13: Nonconformities, Signs, Historic Preservation, and Plats and Subdivision

Department

CPDS - Zoning Review & Other

Discussion

Project History

In 2023, the city began a comprehensive rewrite of the city's Zoning Ordinance. This project, known as the Zoning Ordinance Rewrite (ZOR), kicked off shortly after the adoption of the Rockville 2040 Comprehensive Plan. The Zoning Ordinance Rewrite project will produce a new Zoning Ordinance for the City of Rockville. In conjunction with the ZOR, the city's zoning map will be updated through an amendment to the zoning map.

Adoption Process

On December 1, the Mayor and Council authorized applications for staff's recommended drafts of the Zoning Text Amendment (ZTA) and Comprehensive Map Amendment (CMA) with the City Clerk (colloquially called the "Staff Draft Zoning Ordinance" and "Staff Draft zoning map"). Authorization to file initiated the formal adoption process.

The adoption process consists of a series of public hearings and work sessions in which the Staff Drafts are reviewed, first by the city's Planning Commission and then by the Mayor and Council. The Planning Commission concluded its review of the Staff Drafts on February 25, transmitting recommendations to the Mayor and Council. The Mayor and Council began their review on April 13. During the review process, community members are also able to review, comment, and testify on the Staff Drafts. The full adoption process is planned to last from December 2025 to June 2026.

Following the April 13 meeting, a Revised Staff Draft Zoning Ordinance and zoning map were published to the project's Engage Rockville page. The Revised Staff Drafts reflect Mayor and

Council direction on most Planning Commission recommendations, along with technical corrections, minor policy changes, and plain language revisions.

Work Session

Background

This work session is the fourth in a series of work sessions that the Mayor and Council will hold during the adoption process. During this work session, Mayor and Council will discuss Articles 9 through 13 of the Staff Draft Zoning Ordinance, focusing on the "Key Changes" between the current ordinance and the proposed ordinance as identified in *Highlights: Staff Draft Zoning Ordinance*. Per the Mayor and Council's request, the work session will also address potential regulations for electronic message centers (EMCs). EMCs are addressed in more detail in Attachment 1 – Electronic Message Centers.

The following materials can be accessed via the project webpage, engagerockville.com/zoningrewrite:

- Staff Draft Zoning Ordinance Table of Contents
- Original Staff Drafts, Authorized for Filing on December 1, 2025
    - *Highlights: Staff Draft Zoning Ordinance*
    - Staff Draft Zoning Ordinance (full text)
    - Staff Draft Zoning Map
- Revised Staff Draft published to Engage Rockville on April 20, 2026
    - Revised Staff Draft zoning map
    - Revised Staff Draft Zoning Ordinance ("Clean" Version)
    - Revised Staff Draft Zoning Ordinance ("Redline" Version)
    - *Changes in the Revised Staff Draft Zoning Ordinance*

Key Changes by Article

The information below is adapted from *Highlights: Staff Draft Zoning Ordinance*. Key Changes from the current Zoning Ordinance to the Revised Staff Draft Zoning Ordinance are listed. Changes corresponding with specific direction from Mayor and Council, received either during the pre-release work session held in 2025 or during the April 13 work session, are denoted in ***red italics***.

Article 9. Nonconformities

Rationale

This article addresses uses and structures that were lawful when established, but which no longer conform to the requirements of the zone in which they are located. The goal in amending the article was to simplify and clarify the requirements for such uses and structures to continue and to be brought into compliance with the Zoning Ordinance.

Key Changes

1. Renames the 'Nonconforming Alterations' approval process to the 'Nonconforming Use Expansion' approval process for accuracy and clarity.

2. ***Allows for nonconforming uses to expand by up to 20%, subject to the Nonconforming Use Expansion approval process (additional findings and Planning Commission approval).***
3. ***Allows certain site improvements to be approved through the standard process (not the Nonconforming Use Expansion approval process), including:***
    a. ***Bringing the nonconforming use into greater conformity with the Code;***
    b. ***Maintenance, safety, and ADA compliance work; or***
    c. ***Improvements to façades, stormwater management, or pedestrian and bicycle facilities.***
4. ***Allows nonconforming uses and structures to be replaced or repaired in kind in the event of a fire, flood, or other natural disaster or emergency.***

Article 10. Signs

Rationale

The updated sign ordinance modernizes and reorganizes regulations to improve clarity, usability, and consistency across zoning districts while ensuring compliance with content-neutral requirements.

Key Changes

1. Significantly reorganizes the article for ease of use. Permitted signs are clearly identified, and regulations for each zone are housed within the sign types.
2. Exempts certain signs, including directional signs, signs regulated by Chapter 21, and ***gas station and EV charging price signs***.
3. Ensures regulations are content-neutral (i.e., regulating sign size, location, design, rather than the text, color, or images on a sign).
4. Introduces new sign types, including A-frame signs, window signs, and building-mounted banner signs, and associated regulations.
5. Eliminates different regulations for real estate, temporary noncommercial, and yard sale signs and regulates them as temporary freestanding signs, with different regulations for zone, lot, and use types. Allows up to three temporary freestanding signs on lots with single-unit detached dwellings, townhouses, and multiplexes without a permit.
6. Prohibits certain signs, including feather flags and electronic message centers (unless they are pedestrian-oriented). ***Clarifies that electronic menu boards, bank and pharmacy drive-through signs, and parking garage capacity signs are not electronic message centers.***
7. Consolidates sign types for consistent regulation of signs in the Industrial and Mixed-Use zones.
8. Increases the permitted size of certain signs in the Industrial and Mixed-Use zones.

9. Expands the scope of repairs allowed for nonconforming signs.
10. Eliminates sign concept plans (which regulate content) and new optional sign packages (which have only been used once).
11. Revises and updates the required approval findings for a sign variance. Findings focus on effective signage and compatibility with structures on the site.

Article 11. Historic Preservation

Rationale
Beyond the overarching objectives for the ZOR, the Historic Preservation Work Plan, endorsed by the Historic District Commission (HDC) and Mayor and Council in 2023, laid out a series of recommended Zoning Ordinance updates to modernize Rockville's historic preservation program and practices.

Key Changes

1. ***Codifies Rockville's nine designation criteria.***
2. ***Modifies who can submit an application to nominate a property for historic designation.***
3. ***Expands work in the Historic District Overlay Zone that can be approved administratively by staff (as opposed to full HDC review).***
4. ***Prohibits demolition by neglect of historic properties.***
5. ***Outlines a process to remove historic designation from properties in rare circumstances.***

Article 12. Plats & Subdivision

Rationale
This article provides the regulations for subdividing land in the City, including approval of preliminary plans of subdivision, record plats, and ownership plats. The new Zoning Ordinance reorganizes and simplifies the article and authorizes administrative approval of minor subdivisions.

Key Changes

1. Creates two processes for subdividing property:
    a. Minor subdivision, which requires a record plat approval.
    b. Major subdivision, which requires a preliminary plan of subdivision followed by a record plat.
2. ***Subject to delegation by the Planning Commission, allows record plats for minor subdivisions to be approved by the Chief of Zoning (currently, this requires Planning Commission approval).*** Approval of preliminary plans of subdivision and record plats for major subdivisions will continue to be approved by the Planning Commission.
3. ***Revises and updates the required approval findings for preliminary plans of subdivision, ensuring that required findings are non-discretionary and based on conformance to the***

law or the Comprehensive Plan. (Findings are the same as for Project Plans and Site Plans.)

4. Consistent with other sections of the Zoning Ordinance, it removes the list of preliminary plan application requirements (e.g., what needs to be shown on the plan, at what scale, etc.), which will be included in the Development Review Manual. This Manual is being updated through a separate process.
5. Allows the creation of lots for multiplexes where only one unit fronts the street, modeled on language from Montgomery County's Attainable Housing Solutions.
6. ***Permits pipestem lots (which are currently expressly prohibited) to increase options for housing diversity.***
7. Updates requirements for streets, pedestrian and bicycle connections, public utilities, floodplains, and sediment control.
8. ***Places the authority to accept land dedications or reservations at the time of subdivision with the Mayor and Council (currently, this authority lies with the Planning Commission).***
9. Adds a requirement for access to burial sites, as required by State law.
10. Clarifies the provision allowing for waivers of certain subdivision regulations.
11. ***Eliminates provisions related to "cluster developments," which are unlikely to be used again in the City.*** Relocates provisions relevant to existing cluster developments to the Cluster Development Overlay Zone section of Article 7.

Article 13. Enforcement

Rationale

This article describes the enforcement of the Zoning Ordinance, including penalties associated with Zoning Ordinance Violations. Currently, violations are addressed through notices of violation, typically followed in the case of noncompliance with a municipal infraction citation, although other remedies are available. The new Zoning Ordinance does not propose any substantive changes to this article.

Key Changes

1. No substantive changes.

Mayor and Council History

The Mayor and Council approved a project charter for the ZOR and CMA in October 2022. From project initiation to the time drafting of the new ordinance began in January 2025, staff provided periodic updates on the project via email. During the drafting phase of the project, the Mayor and Council held work sessions on a variety of topics to provide guidance in drafting. These work sessions were as follows:

- January 27, 2025: Comprehensive Map Amendment
- April 24, 2025: Process improvements
- May 5, 2025: New zones, revisions to existing zones, height transitions, and CMA follow-up
- August 4, 2025: Land uses, parking, and process improvement follow-up
- October 6, 2025: Remaining topics, including Historic Preservation, Amenity Space, Nonconformities, Subdivision & Plats, Approval Findings, Neighborhood Conservation District Plans, and CMA follow-up

The Mayor and Council authorized the filing of the ZTA and CMA applications on December 1, 2025.

The first public hearing and work session for the Mayor and Council's portion of the project's adoption phase was held on April 13, 2026, and the second was held on May 4, 2026. A third Mayor and Council work session will be held on May 11, 2026.

Public Notification and Engagement

Engagement for the ZOR and CMA has been ongoing since Fall 2024. In the time since the last staff report was written for the Mayor and Council Authorization to File on December 1, 2025, staff have conducted notification and engagement actions, as follows:

- Rockville Reports, City social media channels, email blasts, and newsletters to inform the community about the adoption process, scheduled meetings (both community meetings and Mayor and Council/Planning Commission work sessions), and opportunities to learn more.
- Virtual orientation sessions on December 4, 2025, and January 7, 2026, to help the public understand how and where to review the Staff Drafts. 8 and 9 people attended, respectively.
- Direct emails to all Rockville neighborhood associations providing notice of the Staff Draft publication and ongoing review and adoption process.
- In-person meeting with neighborhood associations, as follows:
    - Twinbrook Community Association, January 20, 2026
    - New Mark Commons Homes Association, May 7, 2026 (planned)
- Newspaper notice of the April 13, May 4, and May 11 public hearings, as required by law.

Finally, this project also builds on and furthers the goals and policies established through the Rockville 2040 Comprehensive Plan. Extensive outreach and engagement were conducted over a period of five years to inform the Rockville 2040 Plan.

Boards and Commissions Review

Adoption Process

The adoption process began with the Planning Commission review. The Planning Commission held public hearings and work sessions on January 14 and 28 and February 4 and 11. During work sessions, the Planning Commission considered topics of interest as identified by the Commission, the Mayor and Council, and staff, as well as topics raised in public comment. The Commission considered potential revisions to the Staff Drafts, ultimately adopting their recommendations to the Mayor and Council on February 25. Additional information regarding Planning Commission recommendations is contained above in the "Planning Commission Recommendations" section of this staff report.

During the adoption process, staff also offered all City boards and commissions the opportunity to learn about the project, including how to provide input during the adoption process. The following boards and commissions accepted this offer and received project briefings:

- Board of Appeals, December 17, 2025
- Environment Commission, January 8, 2026
- Community Policing Advisory Board, January 8, 2026
- Commission on Aging, January 15, 2026
- Historic District Commission, January 15, 2026
- Recreation and Park Advisory Board, January 22, 2025
- Transportation and Mobility Commission, January 27, 2026
- Youth Commission, February 11, 2026
- Rockville Pedestrian Advocacy Commission, February 12, 2026
- Rockville Bicycle Advisory Committee, March 4, 2026
- Cultural Arts Commission, March 11, 2026

Comment letters have been received from the following boards and commissions:

- Transportation & Mobility Commission, April 10, 2026
- Environment Commission, April 10, 2026
- Rockville Pedestrian Advocacy Commission, April 10, 2026
- Rockville Bicycle Advisory Committee, April 10, 2026

Pre-Adoption Process

Prior to the adoption process, the Planning Commission received regular updates on project progress. The Environment Commission and the Transportation and Mobility Commission also requested and received briefings on November 7, 2024, and May 27, 2025, respectively. Additionally, the Historic District Commission was briefed on the project and provided feedback on the proposed changes to historic preservation regulations at their meeting on July 17, 2025.

Next Steps

Adoption Process

The following schedule outlines the Mayor and Council adoption process, including three public hearings each for the ZOR and CMA, and four work sessions. Three of the work sessions are

devoted to review and discussion of the "Key Changes" identified by the article in *Highlights: Staff Draft Zoning Ordinance*.

The schedule includes two updates to the Staff Draft Zoning Ordinance and zoning map, as follows:

1. On April 20, Revised Staff Drafts of the Zoning Ordinance and zoning map were produced and posted to the Engage Rockville project page, engagerockville.com/zoningrewrite. Both reflect direction from the Mayor and Council received on April 13, along with technical corrections, minor policy changes, and plain language revisions.
2. On June 1, Final Staff Drafts of the Zoning Ordinance and zoning map will be produced and posted to the Engage Rockville project page. Both will reflect direction from the Mayor and Council received on or before May 18, along with technical corrections and minor policy changes.

Adoption is planned for June 29, 2026.

Mayor and Council Meeting	Topic
April 13, 2026 ZOR public hearing #1 CMA public hearing #1 Work session #1	Public hearings are formal opportunities for the public to provide oral testimony to the Mayor and Council. Because the ZOR and CMA are two separate legislative items, individual public hearings for each item will be held. • Members of the general public will be afforded 3 minutes per item. • Those representing an organization will be afforded 5 minutes per item. Discussion and direction on Planning Commission recommendations • Staff Draft Zoning Ordinance • Staff Draft zoning map
April 20, 2026	*Publish Revised Staff Drafts to Engage Rockville*
May 4, 2026 ZOR public hearing #2 CMA public hearing #2 Work session #2	Public hearings (see notes above) Discussion and direction on Articles 1-5 • 1: General Provisions • 2: Definitions, Interpretations, & Measurement • 3: Administration • 4: Development Applications, Permits, & Procedures • 5: Zones & Zoning Map
May 11, 2026 ZOR public hearing #3 CMA public hearing #3 Work session #3	Public hearings (see notes above) Discussion and direction on Articles 6-8 • 6: Uses & Use Standards • 7: Zone Standards

	• 8: General Development Requirements
May 18, 2026 Work session #4	Discussion and direction on Articles 9-13 • 9: Nonconformities • 10: Signs • 11: Historic Preservation • 12: Plats & Subdivision • 13: Enforcement Update on State legislation
June 1, 2026	*Publish Final Staff Drafts to Engage Rockville*
June 29, 2026 ZOR adoption CMA adoption	***Direction on the Final Staff Draft Zoning Ordinance*** Mayor and Council take formal action to adopt the ZOR and CMA. This will require two separate votes, one for each legislative item.

Post-Adoption

Finally, it is important to recognize that the Zoning Ordinance and zoning map are living documents. While the ZOR and CMA effort is intended to produce the strongest possible versions for adoption on July 6, these documents will be tested most effectively through their application and administration over time.

The Zoning Ordinance establishes processes for amending both the text and the zoning map, and periodic amendments are anticipated as part of implementation. For context, since the last comprehensive Zoning Ordinance rewrite in 2009, the city has processed 40 Zoning Text Amendments, including 6 within the first two years of adoption. Early refinements are common following comprehensive updates, as real-world use identifies opportunities for clarification, technical corrections, and policy adjustments.

Attachments

ATTACHMENT 1_Electronic Message Centers

Attachment 1: Electronic Message Centers

At the April 13 work session, Mayor and Council requested that staff develop policy to permit and regulate Electronic Message Centers (EMCs), balancing small business support with quality-of-life concerns. Staff propose the below requirements to meet these ends. The proposal is informed by the city's existing requirements for changeable copy signs, guidance from the International Sign Association, and regulations of nearby jurisdictions.

Category	Proposed Requirement
Zones Where Permitted	MXTD family of zones MXCD MXCT MXNC MXE MXB I-L I-H
Sign Type	Freestanding signs
Brightness	• Not more than 0.3 footcandles above ambient light; and • Must have a light-sensing device to automatically adjust the display as ambient light conditions change
Rate of Message Change	• Once every 30 seconds, maximum • Change must be an entire sign change and not fade or pixelate in and out
Additional Requirements	An electronic message sign must go dark or freeze the display in the event of a malfunction.

MAYOR AND COUNCIL Meeting Date: May 18, 2026
Agenda Item Type: MOCK AGENDAS
Department: CITY CLERK/DIRECTOR OF COUNCIL OPERATIONS OFFICE
Responsible Staff: SARA TAYLOR-FERRELL

Subject
Mock Agenda

Department
City Clerk/Director of Council Operations Office

Recommendation
Staff recommend the Mayor and Council review and provide comment.

Attachments
June 1, 2026 (Mock)

MAYOR AND COUNCIL

Meeting No.
Monday, June 1, 2026 - 5:30 PM

MOCK AGENDA

Agenda item times are estimates only. Items may be considered at times other than those indicated.

Ways to Participate

If you require a reasonable accommodation, for community forum or a public hearing and need reasonable accommodations, please contact the City Clerk's Office by the Wednesday before the Monday meeting at 240-314-8280 or cityclerk@rockvillemd.gov or by filling this form: https://www.rockvillemd.gov/services/request-a-reasonable-accommodation/

Translation Assistance

If you wish to participate in person at a Mayor and Council meeting during community forum or a public hearing and may need translation assistance in a language other than English, please contact the City Clerk's Office by the Wednesday before the Monday meeting at 240-314-8280, or cityclerk@rockvillemd.gov, or by using this form: https://www.rockvillemd.gov/services/participate-in-a-community-forum/

In-Person Attendance

Community members attending in-person who wish to speak during Community Forum, or a Public Hearing, should sign up using the form at the entrance to the Mayor and Council Chamber. In-person speakers will be called upon in the order they are signed to speak and before virtual speakers.

Note: In-Person Speakers will be called upon to speak before those who have signed up to speak virtually for Community Forum and Public Hearings.

Viewing Mayor and Council Meetings

The Mayor and Council are conducting hybrid meetings. The virtual meetings can be viewed on Rockville 11, Comcast, Verizon cable channel 11, livestreamed at www.rockvillemd.gov/rockville11, and available a day after each meeting at www.rockvillemd.gov/videoondemand.

Participating in Community Forum & Public Hearings:

If you wish to submit comments in writing for Community Forum or Public Hearings:
- Please email the comments to mayorandcouncil@rockvillemd.gov no later than 10:00 am on the date of the meeting.

If you wish to participate in-person or virtually in Community Forum or Public Hearings during the live Mayor and Council meeting:
1. Send your Name, Phone number, For Community Forum and Expected Method of Joining the Meeting (computer or phone) to mayorandcouncil@rockvillemd.gov or https://www.rockvillemd.gov/services/participate-in-a-community-forum/ no later than 10:00 am on

the day of the meeting. Each speaker will receive 3 minutes.
2. Send your Name, Phone number, the Public Hearing Topic and Expected Method of Joining the Meeting (computer or phone) to mayorandcouncil@rockvillemd.gov or https://www.rockvillemd.gov/services/participate-in-a-public-hearing/ no later than 10:00 am on the day of the meeting.
3. On the day of the meeting, you will receive a confirmation email with further details, and two Webex invitations: 1) Optional Webex Orientation Question and Answer Session and 2) Mayor & Council Meeting Invitation.
4. Plan to join the meeting no later than approximately 20 minutes before the actual meeting start time.
5. Read for https://www.rockvillemd.gov/DocumentCenter/View/38725/Public-Meetings-on-Webex meeting tips and instructions on joining a Webex meeting (either by computer or phone).
6. If joining by computer, Conduct a WebEx test: https://www.webex.com/test-meeting.html prior to signing up to join the meeting to ensure your equipment will work as expected.

Participating in Mayor and Council Drop-In (Mayor Ashton and Councilmember Shaw)

The next scheduled Drop-In Session will be held by phone or in-person on Monday, June 8 from 5:15-6:15 pm with Mayor Ashton and Councilmember Shaw. Please sign up by 10 am on the meeting day using the form at: https://www.rockvillemd.gov/formcenter/city-clerk-11/sign-up-for-dropin-meetings-227

1. Convene - 5:30 PM

2. Pledge of Allegiance

3. Proclamation and Recognition - 5:35 PM

A. Proclamation Declaring June 5, 2026, as National Gun Violence Awareness Day, June 5-7, 2026 as Awareness Weekend and June 2026 Awareness Month in Rockville, Maryland

B. Proclamation Declaring June 14, 2026, as Flag Day in Rockville, Maryland

C. Proclamation Declaring June 15-21, 2026, as Men's Health Week in Rockville, Maryland

D. Proclamation Declaring June 19, 2026, as Juneteenth in Rockville, Maryland

E. Proclamation Declaring June 20, 2026, as World Refugee Day

F. Proclamation Declaring June 2026, as Caribbean-American Heritage Month

G. Proclamation Declaring June 2026, as LGBTQ+ Pride Month in Rockville, Maryland

4. Agenda Review - 6:30 PM

5. City Manager's Report - 6:35 PM

6. Boards and Commissions Appointments and Reappointments - NONE

7. Community Forum - 6:45 PM

8. Special Presentations - 7:15 PM

A. Board of Appeals Annual Report

9. Consent Agenda - 8:15 PM

A. Approve and authorize the City Manager to execute the Fiscal Year 2027 agreements that extend resident community performing arts organization status to Rockville Little Theatre, Rockville Musical Theatre, and Victorian Lyric Opera Company to enable these organizations to provide performances at the F. Scott Fitzgerald Theatre & Social Hall and use storage units located at Rockville Civic Center Park.

B. Authorize the City Manager to Execute the Youth and Teen Swim Team Support Agreement with the RMSC Parents Club, Inc. to formalize the City's long-standing arrangement to receive support for the City's competitive swim team program.

10. Public Hearing - NONE

11. Action Items - 8:20 PM

A. 2027 Maryland Municipal League Legislative Action Requests

Introduction of an Election Ordinance to Repeal and Reenact City Code Chapter 8 of the Rockville Election Code Entitled "Elections"

12. Worksession - 9:00 PM

A. Discussion on the Proposed Draft City Election Code - Chapter 8

13. Mock Agenda - 10:00 PM

14. Old / New Business - 10:05 PM

15. Adjournment - 10:15 PM