MAYOR AND COUNCIL

Meeting No.17-26
Monday, June 29, 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 Valeri

The next scheduled Drop-In Session will be held by phone or in-person on Monday, July 27 from 5:15-6:15 PM with Mayor Ashton and Councilmember Valeri . 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

4. Agenda Review - 6:35 PM

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

6. Boards and Commissions Appointments and Reappointments - 6:45 PM

A. Board and Commission Appointment and Reappointment

7. Community Forum - 6:50 PM

8. Special Presentations - 7:10 PM

A. Housing Needs Assessment Special Presentation

9. Consent Agenda - 7:30 PM

A. Award, and authorize the City Manager to execute a rider contract with Human Circuit Holdings, LLC, in an Amount Not-to-Exceed $493,849.10 for a one-year term through June 30, 2027, with terms and pricing consistent with the Virginia Commonwealth University (VCU) contract to Provide and Install the Audio-Visual Equipment for the Emergency Operations Center at Taft Center

B. Award and Authorize the City Manager to Execute a Contract Responsive to IFB

#11-26, SWM Facilities Improvements: City Facility at the Villages of Tower Oaks Project to Magstone LLC

C. Approval of Applicant Requested Road Code Waivers to the Requirements of Chapter 21 of the "Rockville City Code", Section 21-42 to Reduce the Required Right-of-Way Width and the Pavement Width for New Secondary Residentials Proposed as Part of Planned Residential Development Located at 2277 Research Boulevard

D. Approval of Applicant Requested Road Code Waivers to the Requirements of Chapter 21 of the "Rockville City Code", Section 21-42 to Reduce the Required Right-of-Way Width and the Pavement Width for New Secondary Residential Streets Proposed as Part of Planned Residential Development Located at 1455 Research Boulevard

E. Award and Authorize the City Manager to Execute a Contract Responsive to RFP # 21-26, City's Phase 1 Wayfinding Sign Package Fabrication and Installation Details, to KM Printing, LLC dba Strategic Factory, of Owings Mill, MD, in the amount not to exceed $354,100

F. Approval of, and authorization of the City Manager to Execute the Moderately Priced Dwelling Unit Homeownership Program Agreement; and Approval of, and authorization of the City Manager to Execute the Declaration of Restrictive Covenants for Phase III Flats at Northside Condominium Units between the Mayor and Council of Rockville and Pulte Home Company, LLC, Subject to Approval as to Legal Form by the Acting City Attorney

G. Authorization for the City Manager to Execute a Right-of-Way Agreement with Montgomery County, Maryland for the Construction of Public Electric Vehicle Charging Stations on City-Owned Property and Public Rights-of-Way

H. Approval of Year 51, FY26 Community Development Block Grant (CDBG) Sub-grantee Contract Agreements and Authorization for City Manager to Sign Agreements

I. Approval and Authorization of the City Manager to execute the Second Amendment to the REDI Funding Agreement for Fiscal Years 2025-2027.

J. Approval of Minutes

10. Public Hearing - NONE

11. Action Items - 7:35 PM

A. Adoption of Ordinance to Approve Zoning Text Amendment Application TXT2026-00271, for the Zoning Ordinance Rewrite; Mayor and Council of Rockville, Applicants

B. Adoption of Ordinance to Approve Map Amendment Application MAP2026-00126, a Comprehensive Map Amendment to Implement the Zoning Ordinance Rewrite (ZOR), Including Zoning Recommendations in the Rockville 2040 Comprehensive Plan and the Town Center Master Plan; Mayor and Council of Rockville, Applicants

C. Adoption of an Ordinance to Amend Chapter 18 of the Rockville City Code, entitled

"Rental Facilities and Landlord-Tenant Relations"

12. Worksession - NONE

13. Mock Agenda - 9:55 PM

A. Mock Agenda

14. Old / New Business - 10:00 PM

15. Adjournment - 10:15 PM

MAYOR AND COUNCIL Meeting Date: June 29, 2026
Agenda Item Type: APPOINTMENTS & REAPPOINTMENTS
Department: CITY CLERK/DIRECTOR OF COUNCIL OPERATIONS OFFICE
Responsible Staff: VERONICA MITCHELL

Subject

Board and Commission Appointment and Reappointment

Recommendation

The Mayor and Council put forth the following nominations for membership to the Board of Supervisors of Elections.

Board of Supervisors of Elections

Robert Kurnick- reappointment to serve a four-year term until June 1, 2030
Stephen Weiner- reappointment to serve a four-year term until June 1, 2030
David Sklar- reappointment to serve a four-year term until June 1, 2030

Attachments

MAYOR AND COUNCIL Meeting Date: June 29, 2026
Agenda Item Type: PRESENTATION
Department: HOUSING AND COMMUNITY DEVELOPMENT
Responsible Staff: JANE LYONS-RAEDER

Subject

Housing Needs Assessment Special Presentation

Department

Housing and Community Development

Recommendation

Staff recommend that the Mayor and Council read the Rockville Housing Needs Assessment and Market Scan (Attachment A), Land Use Assessment Memo (Attachment B), and Priority Tools Recommendations (Attachment C) for the City of Rockville and hear the presentation to further the goal of producing and preserving affordable housing.

Discussion

The City of Rockville engaged HR&A to develop a Housing Needs Assessment and policy recommendations to support attainable housing development. The project objectives included:

- Identify and analyze housing needs within the city using both quantitative data analysis and input from residents and stakeholders about what issues matter most to them.
- Conduct financial analyses of the Moderately Priced Dwelling Units (MPDU) program to increase program effectiveness within the changing context of the Rockville market.
- Propose policy solutions that promote affordable and attainable housing within the City for renters and homeowners alike.
- Identify high opportunity areas for redevelopment and rezoning.

The analysis examines the residential market within the municipal boundaries of the City of Rockville, Maryland. This analysis includes comparisons to peer markets including North Bethesda, Bethesda, Hyattsville, and Silver Spring.

HR&A conducted community engagement roundtables, community surveys, and attended key community events. They performed an analysis of existing housing market conditions, owner and tenant cost burden, and real estate development in Rockville and developed an interactive tool to identify parcels with development potential. HR&A also performed a feasibility analysis of the existing MPDU program and of alternative policy and

economic conditions scenarios to be used in the MPDU rewrite process. Finally, they provided recommended tools to promote adequate and affordable housing supply.

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 conducting a Housing Needs Assessment was approved by the Mayor and Council as one of the strategies.

Next Steps

Staff will take the findings and recommendations from the Housing Needs Assessment and integrate them into ongoing and future housing initiatives. Staff will also bring back additional work from HR&A in December for a work session on the City Code Chapter 13.5, Moderately Priced Housing rewrite.

Attachments

Attachment A - Housing Needs and Market Scan, Attachment B - Land Use Assessment, Attachment C - Priority Tools Recommendations, Presentation



City of Rockville

Housing Needs and Market Assessment

April 2026

DRAFT FOR DISCUSSION PURPOSES

Table of Contents

Introduction and Key Findings	3
Demand Drivers	9
Supply Drivers	16
Housing Needs	36
Future Needs	45
Appendix	53



01

Introduction and Key Findings

Introduction

The City of Rockville engaged HR&A to develop a Housing Needs Assessment and policy recommendations to support attainable housing development.

Project Objectives

- Identify and analyze housing needs within the City using both quantitative data analysis and input from residents and stakeholders about what issues matter most to them.
- Conduct financial analyses of the Moderately Priced Dwelling Units (MPDU) program to increase program effectiveness within the changing context of the Rockville market.
- Propose policy solutions that promote affordable and attainable housing within the City for renters and homeowners alike.
- Identify high opportunity areas for redevelopment and rezoning.



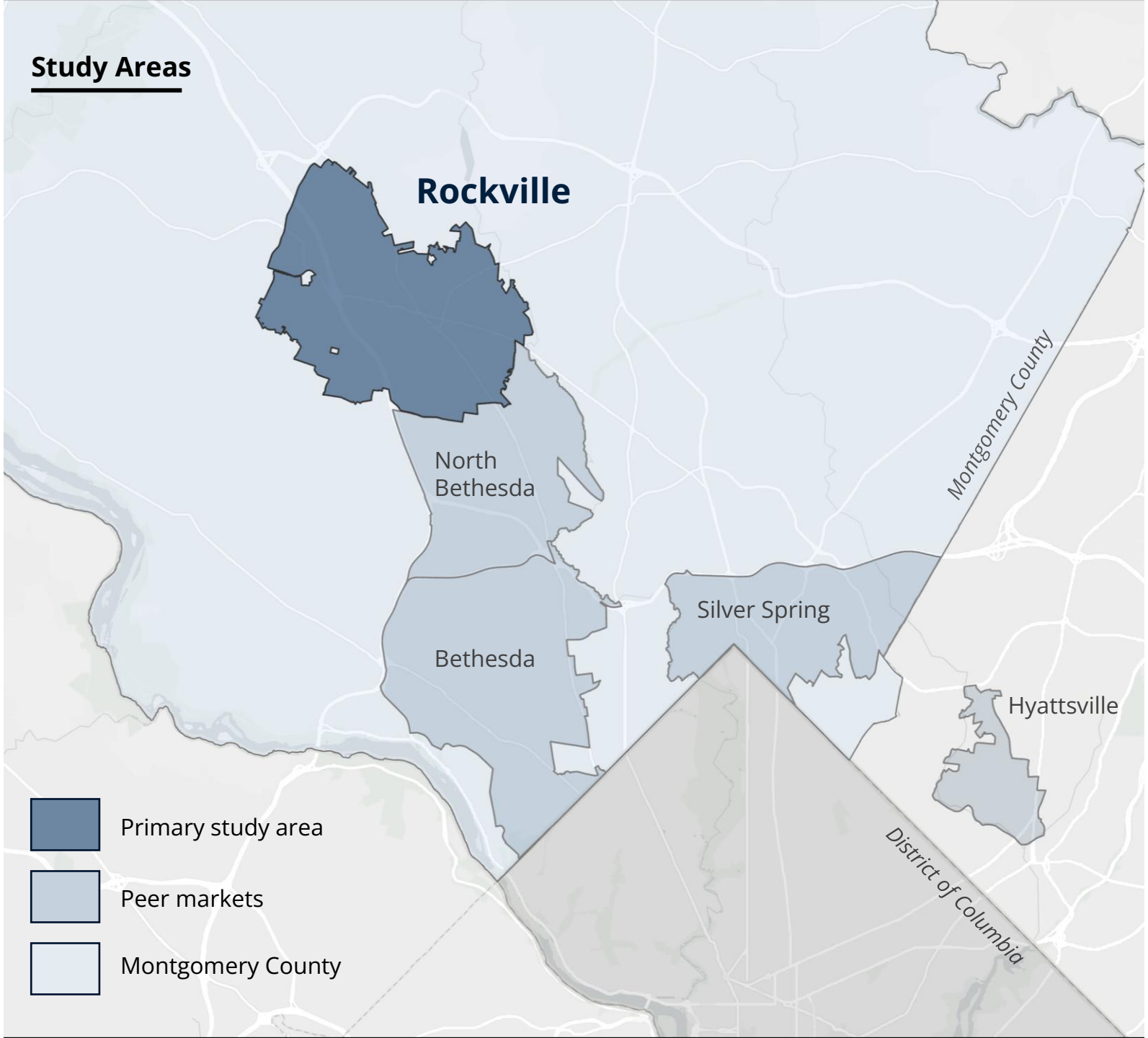
Source: CNU

Introduction

Study Areas

This analysis examines the **residential market** within the municipal boundaries of **Rockville, Maryland**.

This analysis includes comparisons to **peer markets** including: North Bethesda, Bethesda, Hyattsville, and Silver Spring.



Key Findings – Market Drivers

Although Rockville continues to add high wage residents, sustaining strong demand for homeownership, economic challenges across the region are leading to a softening rental market.

Multifamily Rental Market Softening	Multifamily construction has slowed since 2019 due to **increasing construction costs, rising interest rates, and both real and perceived barriers to development.** Simultaneously, rents have plateaued in recent years, and vacancy has increased in Rockville to 7.7%.	**63%** Percentage of units with approved Site plans from 2022 that are not under construction or built.
Homeownership Market Remains Strong	**New single family homeownership product in Rockville has continued to attract higher wage buyers**. **This has resulted in pricing impacts from the demand of higher income buyers,** limiting the ability for cost burdened renters to enter the housing market.	**35%** Of homes were sold at over $750K in 2024, compared to 20% in 2019.
Sustained Demand from High Wage Residents	With disproportionate growth of households in the highest income band of $150K + and a loss of middle income households, demand for homeownership remains strong, contributing to rising home values. This has attracted national developers, but regulatory challenges to continued growth remain.	**61%** Increase in households earning $150K+ from 2014-2024

Key Findings - Impacts

Despite a softening rental market, cost burden remains an issue for Rockville renters and senior renters in particular.

Renters Remain Cost Burdened	Rockville's renter population has experienced sustained cost burden over time, but due to the stagnating rental market, there has not been a significant shift in cost burden rates over time.	**52%** Of renters pay more than 30% of their monthly income in rent.
Shortage of Affordable Rental Units	Rockville has a significant **shortage of affordable rental units for renter households making less than $100k.** This is driven both by the loss of lower cost units and a relatively low number of subsidized affordable homes.	**31:100** Ratio of affordable rental homes per renter households earning less than $50K in Rockville.
Increasing Senior Housing Need	Rockville's senior population is growing, **suggesting an increased need for senior housing – something further confirmed through roundtable feedback.**	**68%** Of senior renter households pay more than 30% of their monthly income on rent.

Key Findings - Engagement

HR&A engaged a variety of local stakeholders including residents, housing service providers and developers for feedback on the market and housing needs.

Local Need

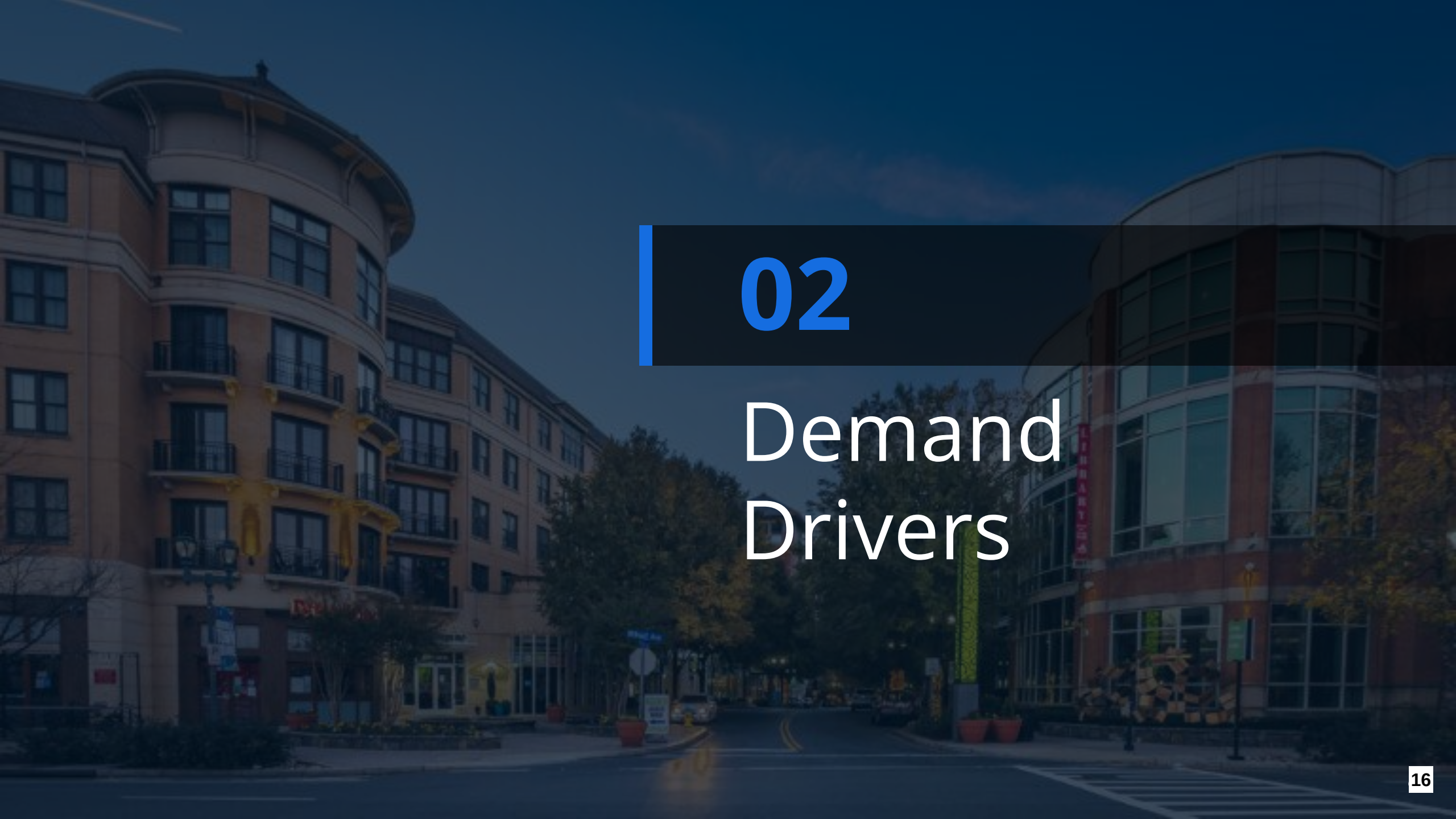
- Senior households face difficulties affording **home repairs.**
- Public sector workers, teachers, and civil servants are **unable to move from renting to homeownership within the City.**
- Renters struggle to access rental assistance before eviction filings, and increasingly struggle to pay rent.

Barriers to Development

- Rockville has a **complex approval process, especially regarding the MPDU program.**
- Developers are aware Rockville does not have rent control, but avoid developing due to a **fear that it will adopt rent control in the future and the realities of competition in surrounding markets.**
- **Expectations of land values in Rockville are higher than development can support**, making development challenging.

Shortfalls in Service

- There has been an i**ncreased demand for services** as housing costs rise and incomes remain stagnant.
- **PHAs expecting to need to cut operating costs going forward due to shifting federal priorities,** and some nonprofits and other community groups are reducing their service provisions.
- Legal aid providers noted **limited funding for outreach, eviction diversion programs, and early intervention services**.



02

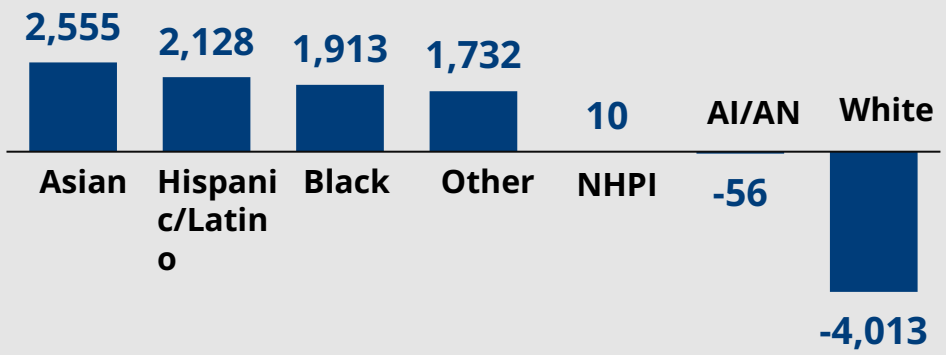
Demand Drivers

POPULATION CHANGE

Rockville's growth exceeds both the county and the state's, driven by a racially and ethnically diverse population.

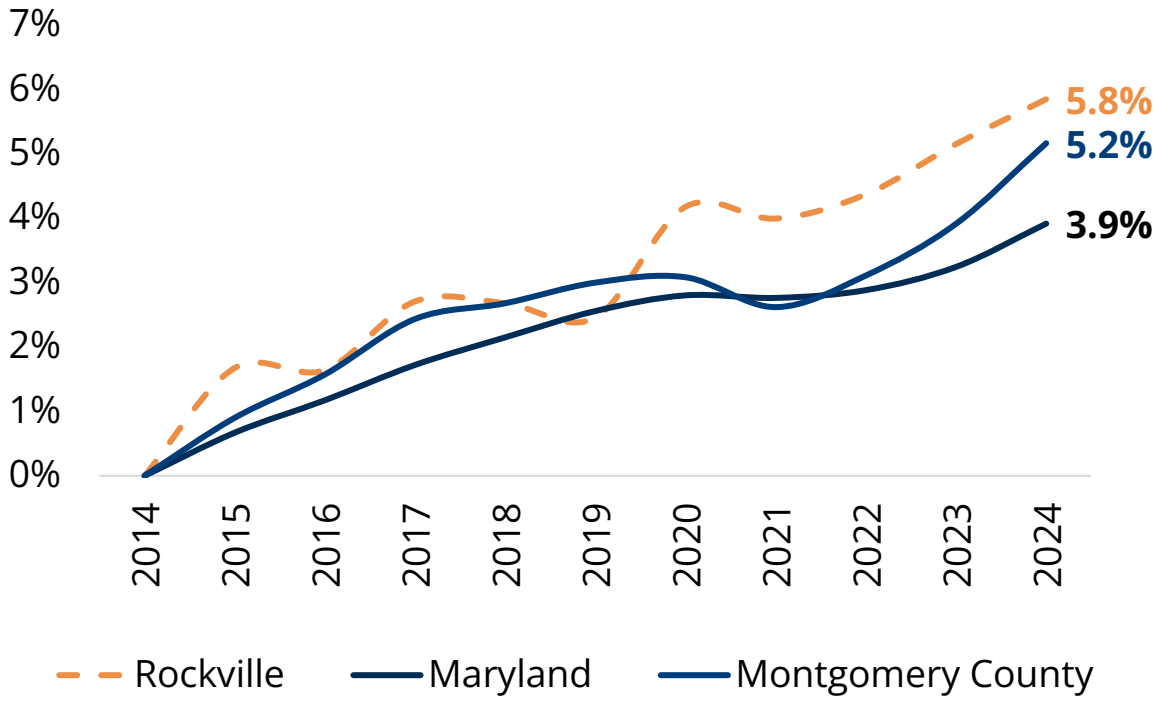
- **Rockville has become increasingly diverse since 2014.** As of 2024 there was no single racial or ethnic majority.
- **In total Rockville gained roughly 4,300 residents in a decade,** a 5.8% increase that slightly leads the county and the state.

Population Change by Race and Ethnicity
(2014-2024)



Source: Population Estimates Program (PEP), American Community Survey US Census Bureau

Percent Change in Total Population Since 2014
(2014-2024)



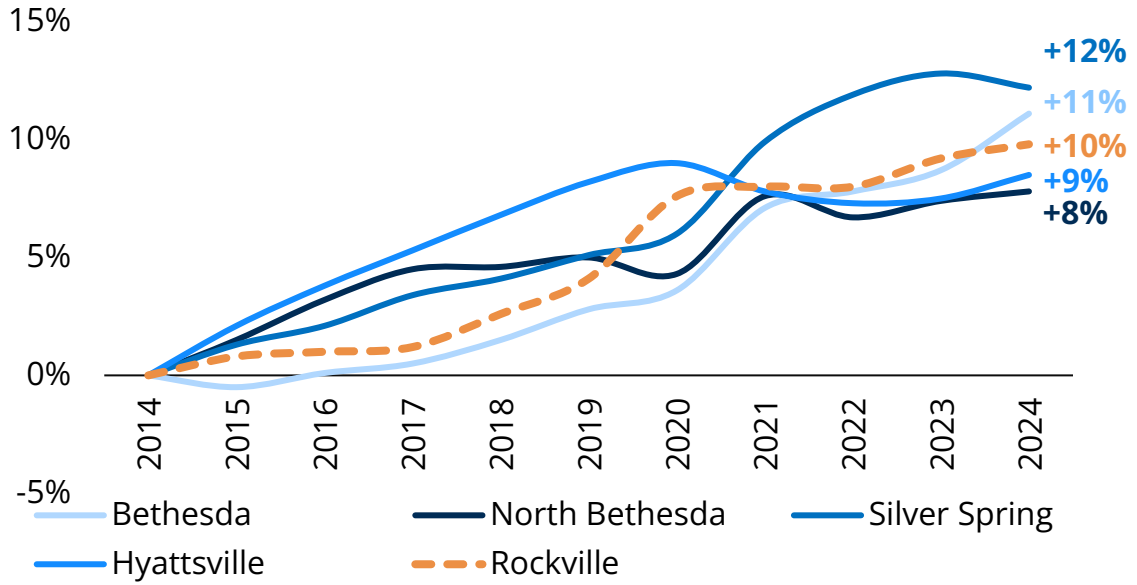
HOUSEHOLD GROWTH

Rockville's growth has primarily been driven by smaller, older households, with some growth of young families.

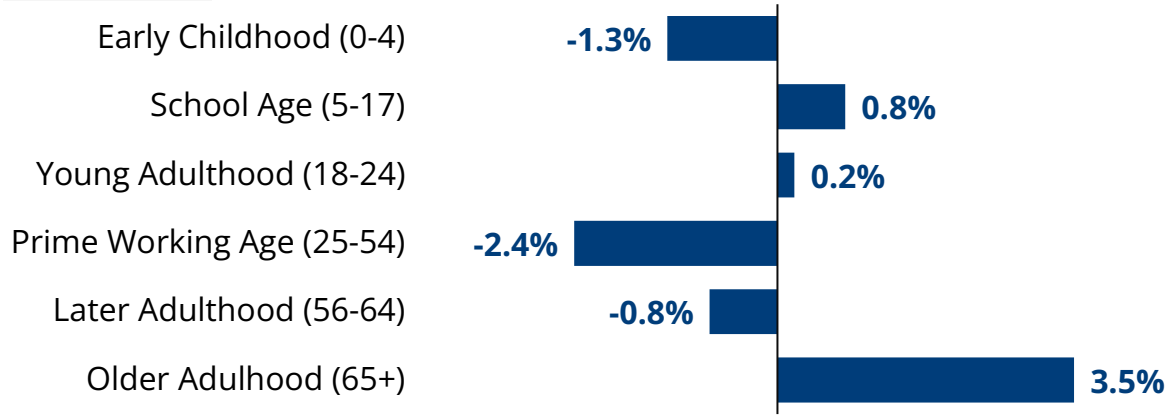
- The rate of household growth in Rockville—10%--is a faster pace than population growth of 5.8% over the same period, indicating smaller households.
- **This is relatively aligned with peer communities across the region, whose household growth ranges from 8 to 12%.**
- Rockville has seen a 3.5% increase in the share of seniors (65+) since 2014, a total of **12,379 seniors, or 19% of the total population in 2024** compared with 15% of the population in 2014.

Source: American Community Survey (ACS)

Percent Change in Households: Rockville vs. Peer Communities
(2014-2024)



Percentage Point Difference in Share of Population by Age
(2014-2024)

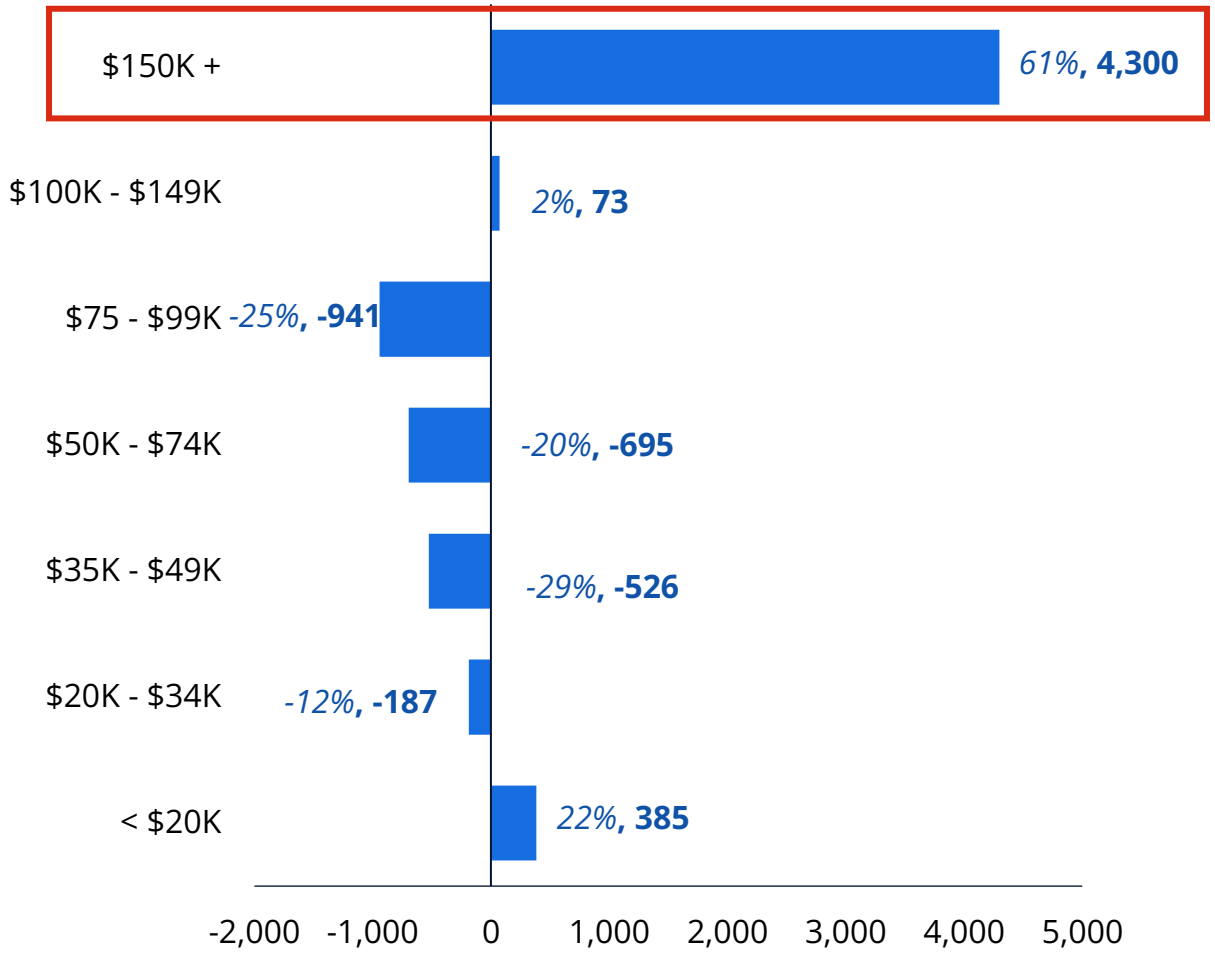


HOUSEHOLD INCOME

Household growth has been almost entirely by high wage households.

- From 2014-2024 there was a **decline of roughly 1,600 middle income households** earning between $50k-$100k. While some of this decline can be attributed to income growth, there have undeniable been households leaving Rockville for more affordable locales.
- While Rockville has also seen a rise in households with incomes below $20k, this may partially be attributed to the increased presence of older households on fixed income.

Change in Households by Income
(2014-2024)



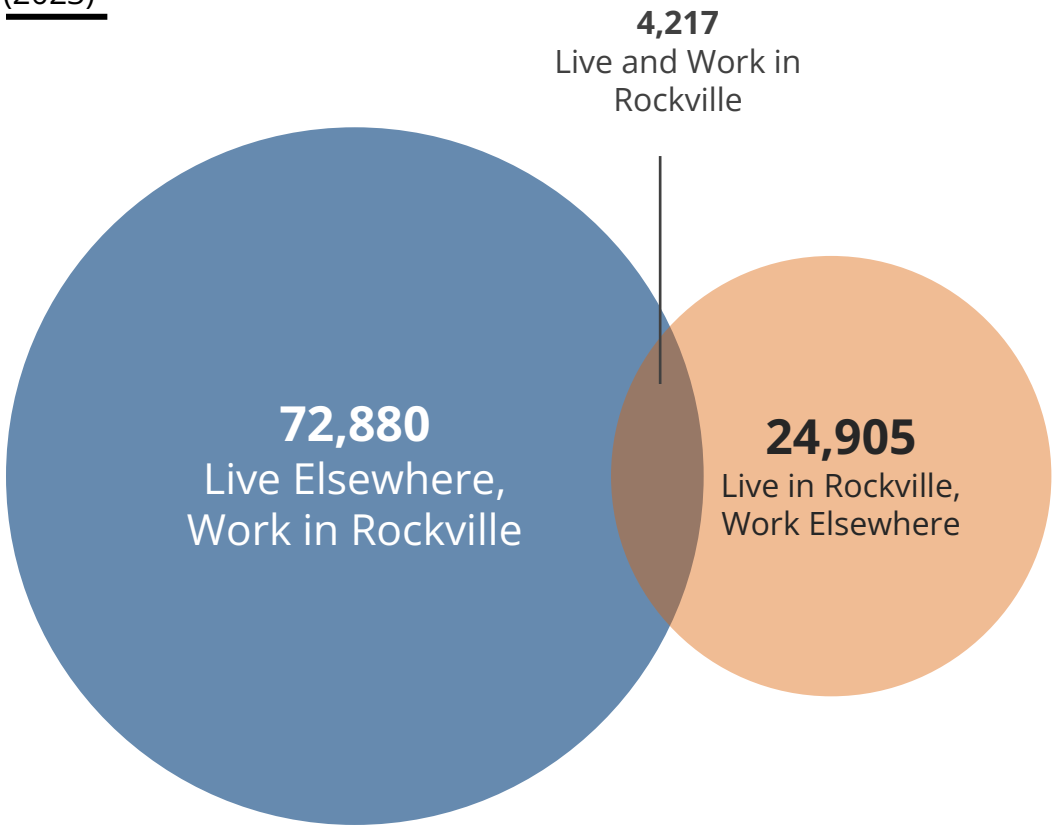
Source: American Community Survey (ACS)

COMMUTER DYNAMICS

Despite office market difficulties, Rockville remains a key suburban workplace destination.

- Due to the small residential footprint of the city and its well-developed office market, Rockville draws in significantly more workers than it houses.
- Rockville attracts over 70,000 commuters from more affordable nearby markets like **Germantown, Gaithersburg, and Aspen Hill.**
- While more than 24,000 Rockville residents technically work outside of the city, r**oughly 33% of working Rockville residents work from home,** higher than the MSA and the county.
- Common employment destinations for Rockville residents include Washington DC, Bethesda, and North Bethesda.

Commuting Dynamics in Rockville
(2023)



Source: Longitudinal Employer-Household Dynamics (LEHD) Origin-Destination Employment Statistics (LODES), Origin-Destination Files, US Census Bureau

JOB GROWTH

In the past two decades Rockville has seen segmented growth among high and low income jobs.

- Industry sectors with the greatest net new jobs in the City of Rockville vary greatly in average annual wages, with two industry sectors with the greatest net job gains having average wages around $60K, in Montgomery County, and two industry sectors with wages over $120K.
- Many of the gains in employment originated from federal agencies like the Health Resources & Services Administration and the Health and Humans Services Department, as well as federal contractors like BAE systems, Westat, and Advanced Language Systems International.
- **Due to the lag in publicly available data, current numbers do not reflect the decline in federal employment following DOGE cuts in 2025, which has had a negative impact on the office and labor market in Rockville.**

Rockville Employment Change by Industry Sector
(2019-2023)

Industry Sector	Total Employment (2023)	Net New Jobs (2019-2023)	Average Annual Wage	Average Affordable Rent
61 - Educational Services	13,197	+1,648 / +14%	$62,271	$1,557
54 – Professional, scientific, and technical services	15,009	+1,116 / +8%	$127,835	$3,196
56 – Administrative and support and waste management and remediation services	3,870	+422 / +12%	$60,311	$1,508
55 – Management of companies and enterprises	753	+397 / +112%	$200,577	$5,014

Source: Bureau of Labor Statistics Quarterly Census of Employment and Wages Longitudinal Employer-Household Dynamics Origin-Destination Employment Statistics American Community Survey 5 Year Estimates
**County level wage data utilized due to data availability*

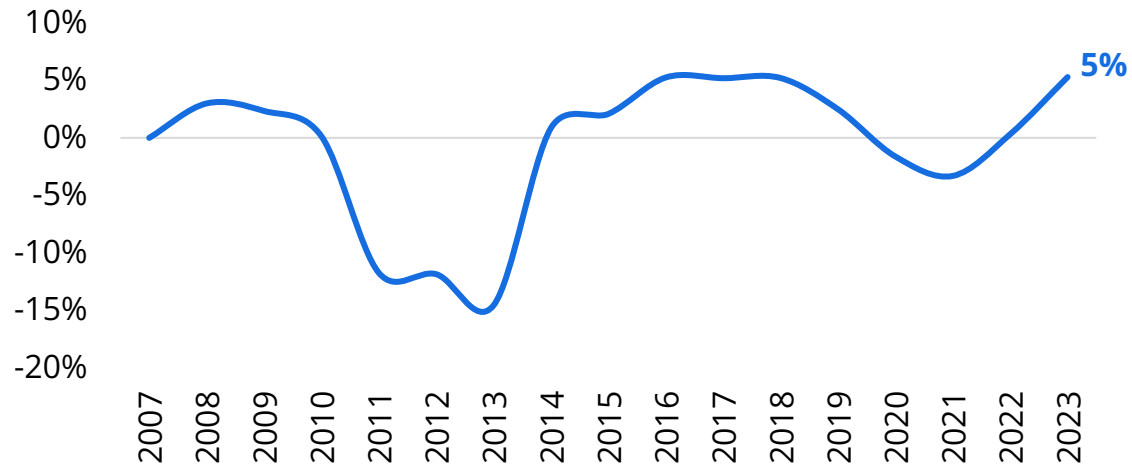
JOBS HOMES RATIO

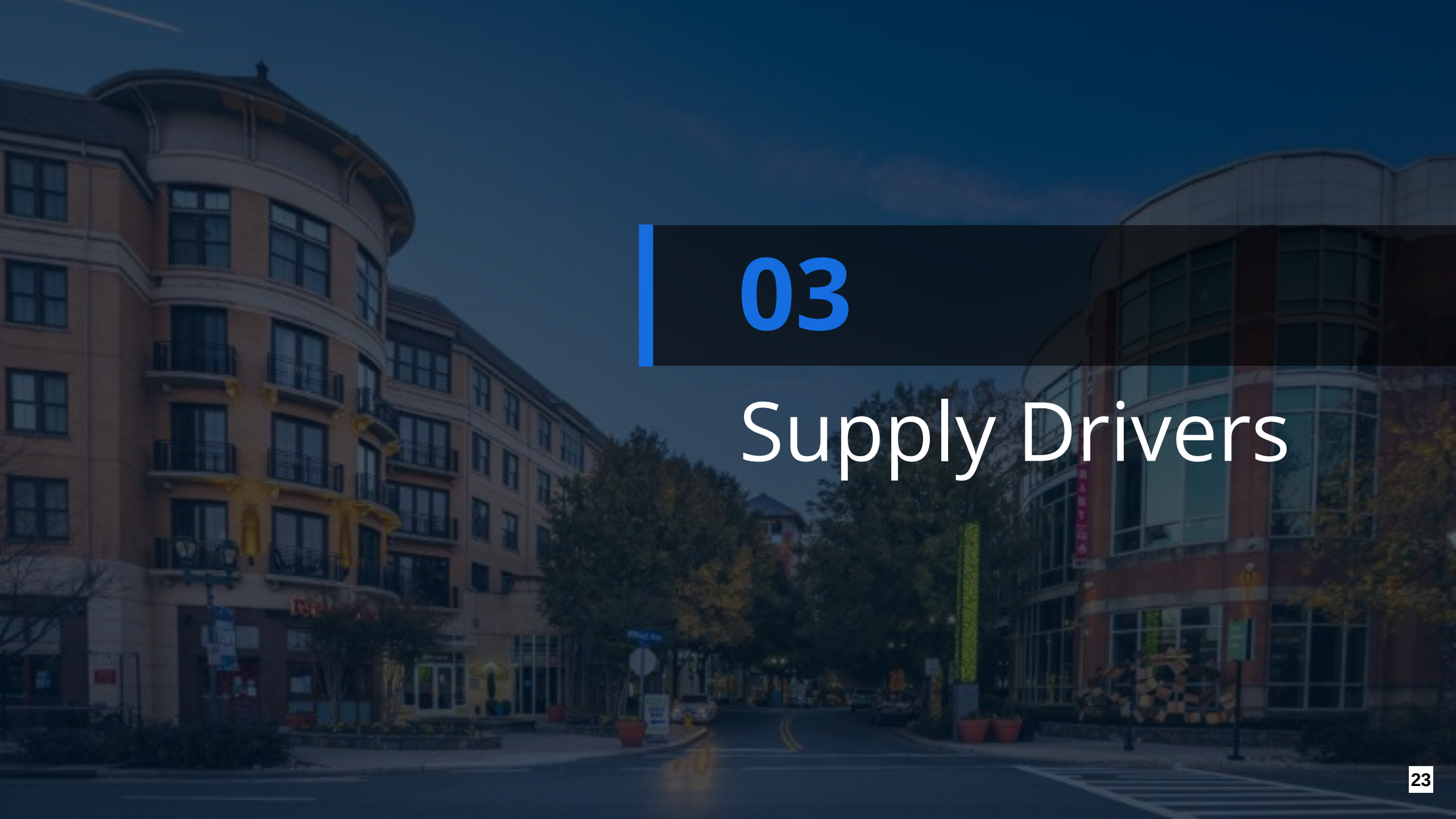
Rockville has maintained a healthy rate of housing production relative to job growth over time.

- Over the last two decades Rockville has some job growth, with momentum impacted by the national economic shocks of the Great Recession and the COVID-19 Pandemic.
- From 2015, after recovery from the Great Recession, to 2023, the City of Rockville added 2,345 jobs while permitting 1,648 housing units – a ratio of about 1.4 jobs to new homes over this period of time.

Source: Longitudinal Employer-Household Dynamics (LEHD), US Census Bureau

Rockville Percent Change of All Jobs
(2007-2023)





03

Supply Drivers

MARKET OVERVIEW

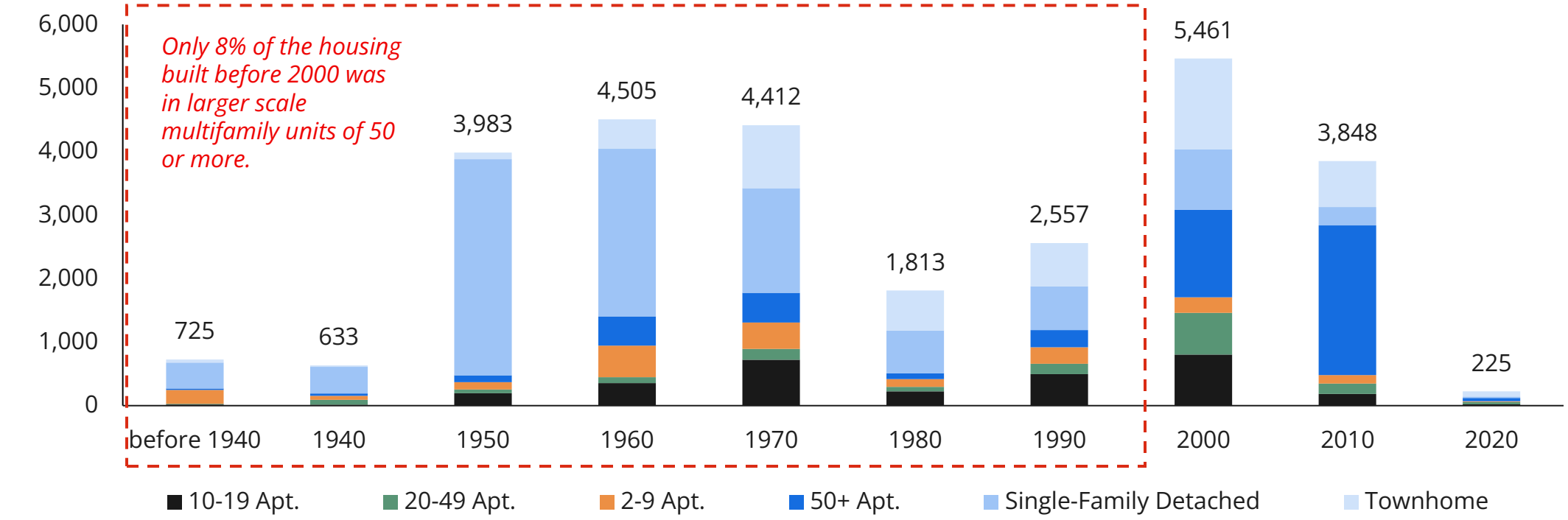
Rockville's multifamily development and rent growth has slowed in recent years due to both local and national market trends, while for sale prices continue to grow.

Rental Market is Softening	• The multifamily market at both the County and Rockville City level has seen rental rates plateau and an increase in vacancy rates in recent years. • On average, absorption has not kept pace with deliveries since 2020 in Rockville, driving the multifamily rental market vacancy rate to 7.7%.
Most Affordable Housing Delivered Through MPDU Program	• Affordable unit development in recent years has been driven by MPDUs provided as a portion of market rate developments, which is expected to decline as the multifamily development pipeline slows. • In addition to MPDU delivery, some population specific developments have come online recently, including affordable housing catering towards seniors and public service workers.
Homeownership Continues to Cater to High Income Buyers	• The for sale market in Rockville has seen consistent sales volume in recent years, with demand coming from high income earners outside of the City. • Developers continue to build on available land sites as they are identified, but note a challenging regulatory environment as a deterrent for future developments.

GROWTH IN MULTIFAMILY INVENTORY

From 2000-2019, Rockville significantly increased its inventory of multifamily homes, with 40% of all units built after 2000 in buildings of 50+ units.

Units Built by Building Typology by Decade
(2023)



Source: Public Use Microdata Sample (PUMS)

GROWTH IN MULTIFAMILY INVENTORY



Main Street Apartments
70 units (*Built 2020)*



Residents on the Lane
150 units *(Built 2022)*



Bethany House
250 units *(Preserved 2025)*

Shady Grove

Rockville MARC / Amtrak

Twinbrook

- Affordable Multifamily Preservation
- Affordable Multifamily Developments
- Inclusionary Multifamily Developments
- Developments since 2015



Blvd Ansel
250 units *(Built 2022)*



The Milton
452 Units *(Built 2024)*



Kanso Twinbrook
238 Units *(Built 2020)*

Source: CoStar, Zillow

GROWTH IN MULTIFAMILY INVENTORY

Luxury high rise towers have been developed in Town Center, while wood frame podium buildings are being constructed in other parts of the City.

Twinbrook



Project: The Milton	
Average Rent PSF	**$3.33**
Avg Unit Size:	835
Number of Stories	11
Number of Units	452
Share of MPDU Units	**15%**
Year Delivered	2024
Vacancy Rate	4.42%
Parking Spaces	
Retail SF	4.5k
Developer	B. F. Saul Company

Rockville Town Center



Project: Blvd Ansel	
Average Rent PSF	**$3.01**
Avg Unit Size:	840
Number of Stories	18
Number of Units	250
Share of MPDU Units	**0%***
Year Delivered	2022
Vacancy Rate	16.8%
Parking Spaces	611
Retail SF	20K
Developer	Comstock/Duball

Twinbrook



Project: Kanso Twinbrook	
Average Rent PSF	**$2.29**
Avg Unit Size:	1,048
Number of Stories	4
Number of Units	238
Share of MPDU Units	**12%**
Year Delivered	2020
Vacancy Rate	11.3%
Parking Spaces	
Retail SF	0
Developer	Avalon Bay

**Cross subsidy development agreement with Residences on the Lane*

Source: Costar, City of Rockville, HR&A Analysis Photo Credit: Costar

GROWTH IN MULTIFAMILY INVENTORY

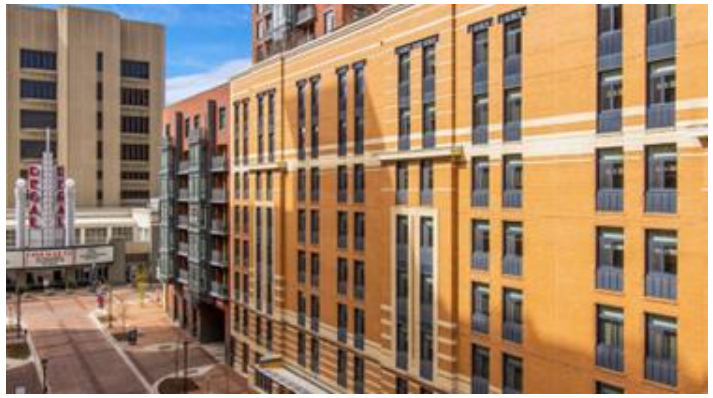
Deed restricted, majority affordable developments in Town Center have been made possible through municipal land use flexibility, state, and county financing, but include strict eligibility criteria.

Rockville Town Center



Project: Main Street Apartments	
Average Rent PSF	**$2.11**
Avg Unit Size:	**827**
Number of Stories	7
Number of Units	70
Share Affordable	**75%**
Year Delivered	2020
Vacancy Rate	7.1%
Parking Spaces	
Target Population	Public Service Workers

Rockville Town Center



Project: Residents on the Lane	
Average Rent PSF	**---**
Avg Unit Size:	706
Number of Stories	11
Number of Units	150
Share Affordable	**90%**
Year Delivered	2022
Vacancy Rate	7.3%
Parking Spaces	
Target Population	Senior

Twinbrook



Project: Bethany House *(Preservation)*	
Average Rent PSF	**$2.56**
Avg Unit Size:	483
Number of Stories	8
Number of Units	250
Share Affordable	**100%**
Year Preserved	2025 (built 1970)
Vacancy Rate	16%
Parking Spaces	90
Target Population	Senior

Source: Costar, City of Rockville, HR&A Analysis Photo Credit: Costar

BACKLOG OF UNITS

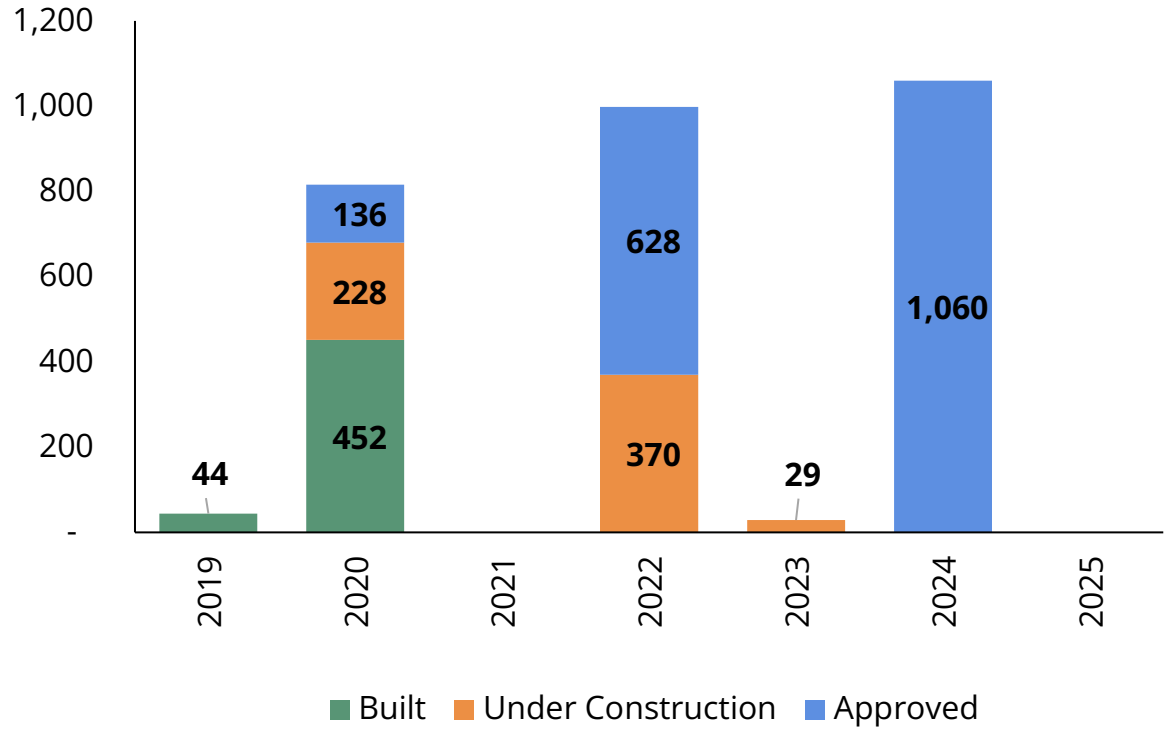
City Site Plan approval data suggests a slightly different story, indicating a backlog of units in the city's pipeline.

- Of the 2,947 units that have received site plan approval since 2019, 496 of them have been built and 627 of them are currently under construction. **This represents 38% of units that were approved as either under construction or completed.**
- The data suggests that there are **1,824 units remaining that have received site plan approval since 2019 but have not yet been built**, while even more units have received a project plan approval not all of which have moved forward to site plan approval.
- This data suggests that while **projects are getting approved by the City and developers are actively pursuing projects, not all recently approved projects have moved forward** despite receiving site plan approval.

What residents are saying:

*"We need to be able to have the flexibility to **build more types of housing**, in whatever quantities make sense, in as many places across the city as possible"*

Site Plan Approval by Project Status
(2019 - 2025)



Source: City of Rockville

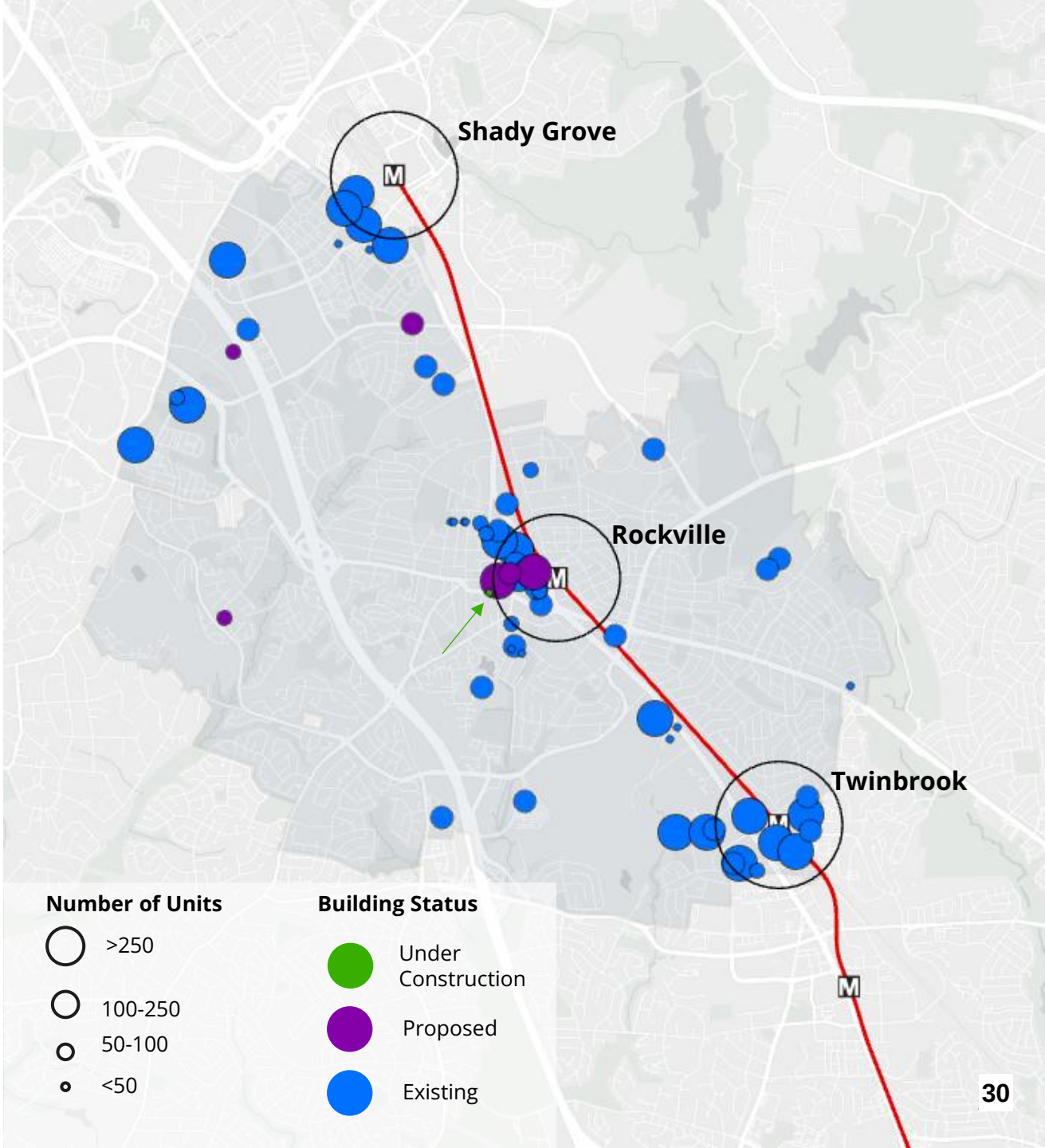
STALLED DELIVERY

Rockville currently has limited under construction or proposed Multifamily product.

Both proposed and under construction inventory is concentrated around Rockville and Twinbrook stations as the City has focused on encouraging transit-oriented development.

Total Units	*Proportion within ½ Mile from Transit*
11,870 Existing	**34%**
1,260 Proposed	**53%**
20 Under Construction	**100%**

Source: Costar, HR&A Analysis



NEW DELIVERIES

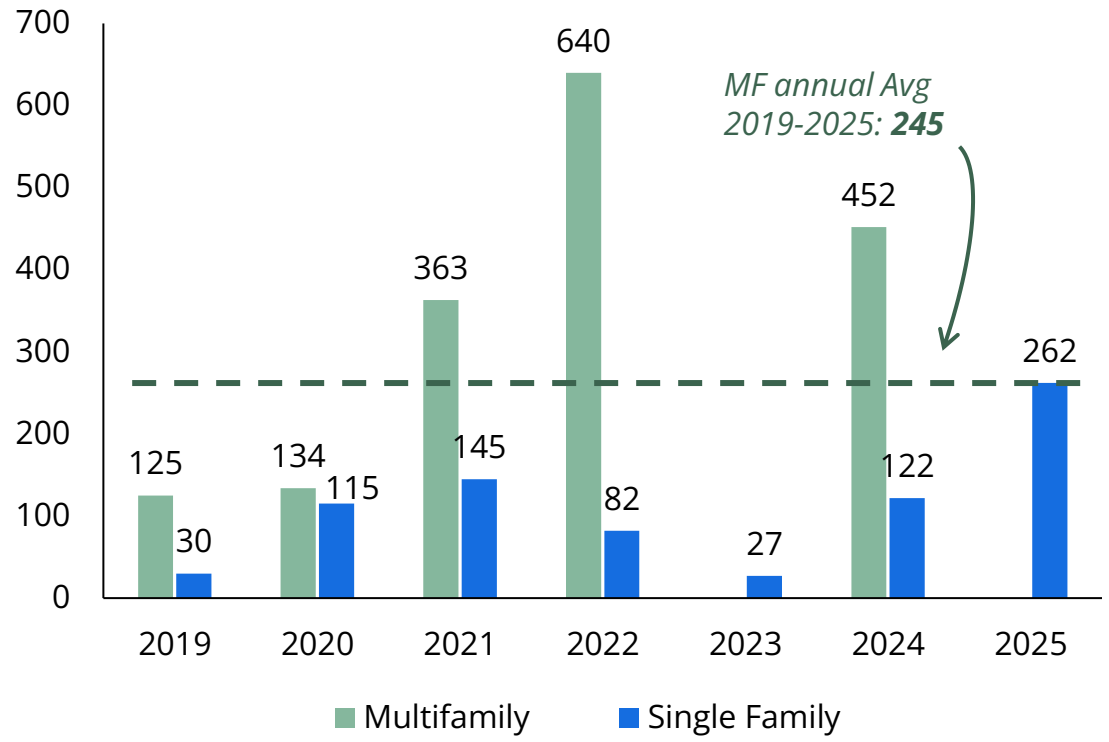
Continued deliveries reflect the lag from permitting to development.

- Certificates of occupancy indicate continued multifamily deliveries from 2019 to 2024. An **average of 245 multifamily units were delivered per year from 2019 to 2025**, with an average of 112 single family units delivered. This average masks significant variation, with very limited multifamily deliveries in some years.
- **Lack of multifamily permitting is expected to eventually result in a shortfall of rental deliveries** in coming years, once previously permitted product and proposed projects have been delivered.

When asked what type of housing Rockville needs more of, people responded:

- single-family detached, townhome, duplex: (43%)
- condominium, cooperative: (31%)
- Studio, 1 and 2 bedroom units: (30%)
- Senior housing (independent living, age-restricted): (30%)
- 3+ bedroom units: (25%)

Certificates of Occupancy by Building Typology by Year
(2019-2025)



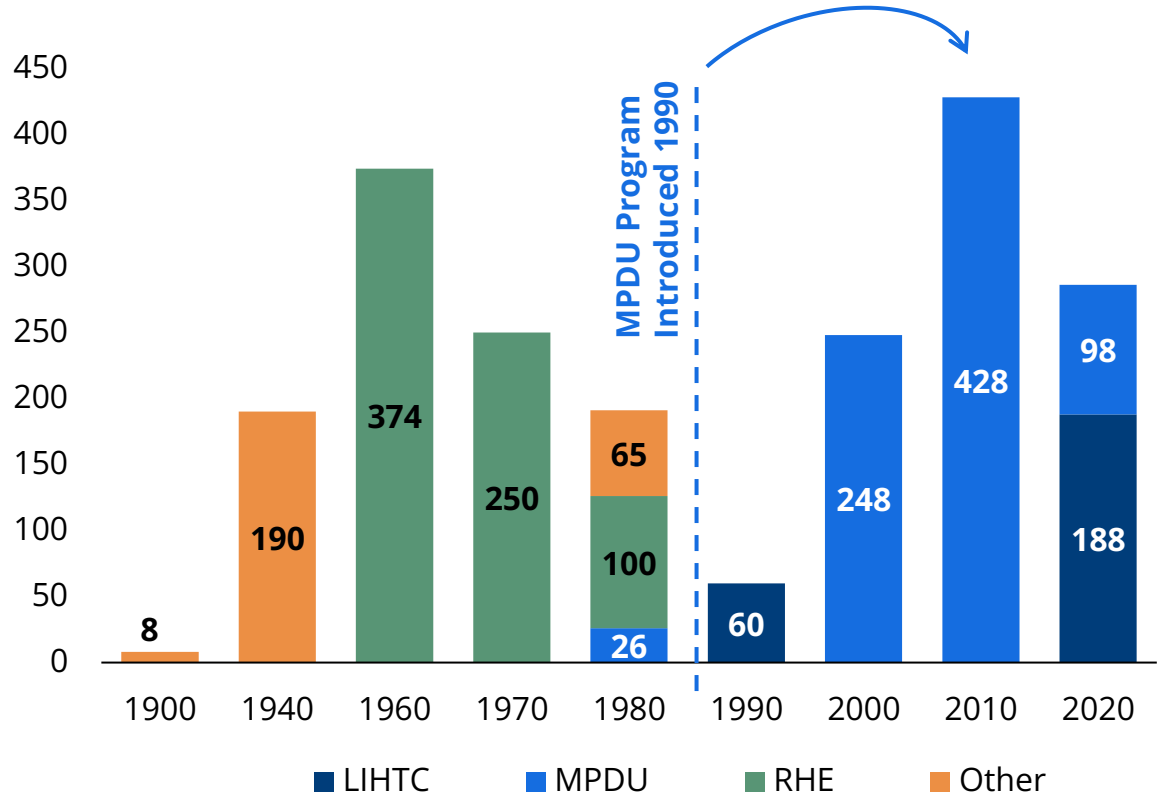
Source: City of Rockville (2025)

AFFORDABLE HOUSING DELIVERIES

Decline in multifamily development long term will also result in fewer affordable units.

- Throughout the 2000s, Rockville benefitted from the delivery of MPDU units through market rate projects.
- Of the presently active deed restricted affordable units in Rockville built from 1990 to 2020, **76% were produced through the MPDU program**.
- A **halt in market rate multifamily development will result in a significant decrease of affordable unit delivery overall**, reducing units to backfill existing affordable units as their deed restrictions expire.

Total Active Affordable Units by Year Building Constructed
(2025)



Source: City of Rockville (2025)

PROPOSED DEVELOPMENTS

Proposed rental development plans have uncertain future delivery dates due to market softening, while for-sale product continues to move forward.

Shady Grove

Rockville MARC / Amtrak

Twinbrook



Project: The Henson	
Number of Stories	8
Number of Units	191
Share of MPDU Units	**15%**
Year Est Delivered	Unknown
Developer	Foundation Housing



Project: Momentum @ Rockville Station *Affordable*	
Number of Stories	12
Number of Units	147
Share of MPDU Units	**15%**
Year Est Delivered	2028
Developer	SCG & Comstock



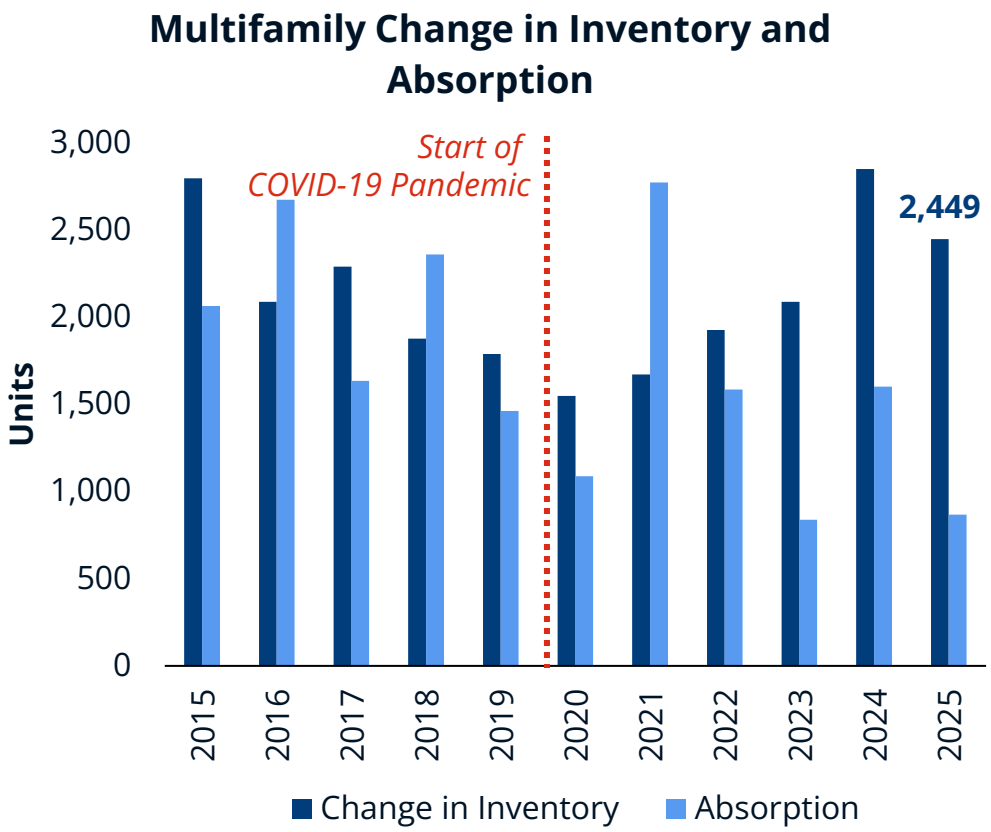
Project: Potomac Woods (Northside) *For Sale*	
Number of Stories	3-4 TH / 6 Condo
Number of Units	228 Units *85 Townhomes* *143 Condo*
Share of MPDU Units	**15%**
Year Est Delivered	Ongoing
Developer	EYA

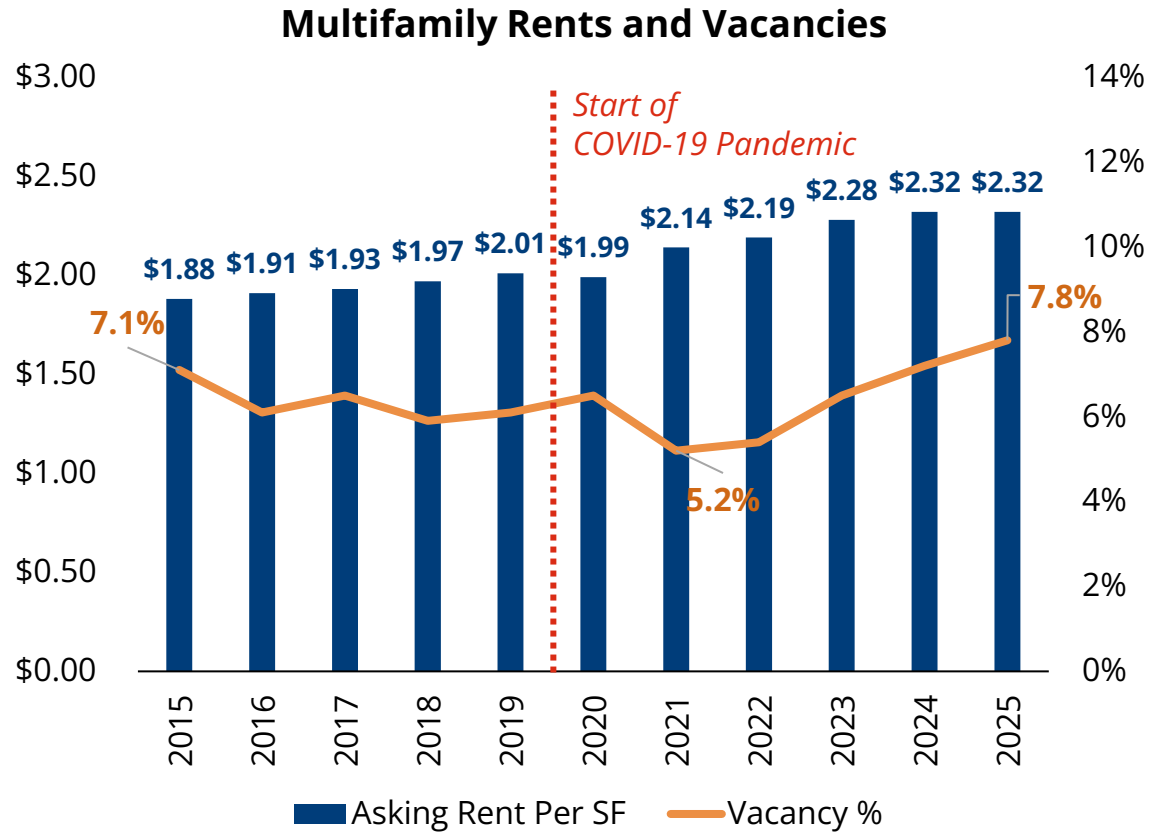
Source: CoStar, Zillow

SOFTENING RENTAL MARKET | MONTGOMERY COUNTY

In Montgomery county, deliveries have largely outpaced absorption since 2022. After years of rent growth, rents have plateaued and vacancy has increased to a 10 year high of 7.8%.

Multifamily Deliveries by Year
(2015-2025)



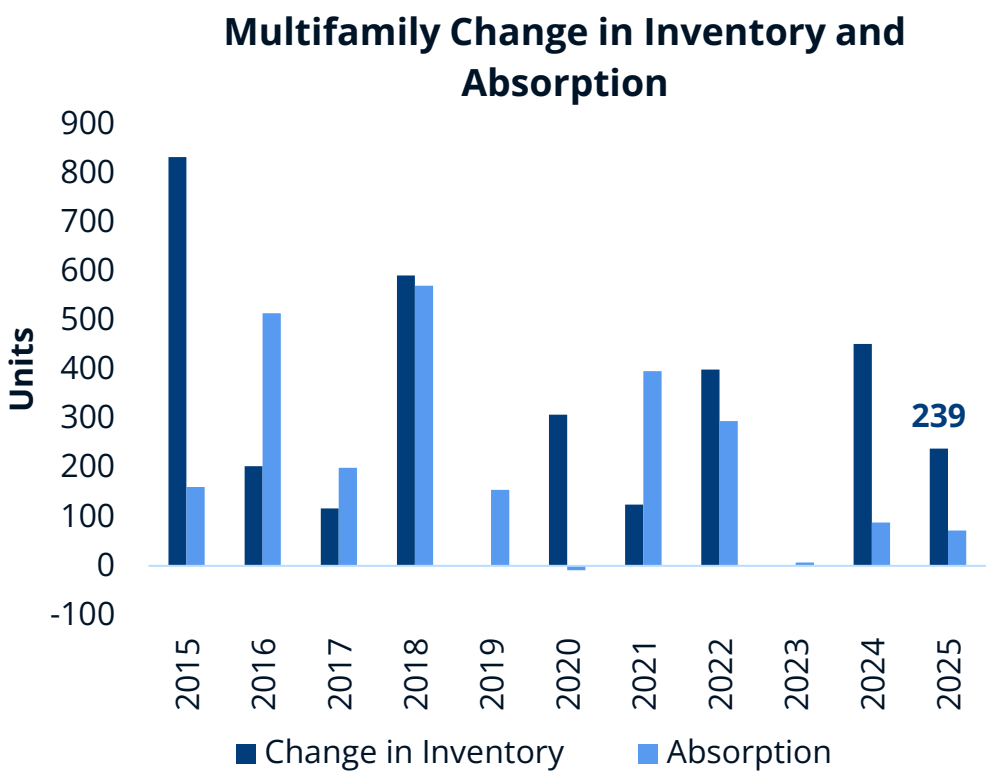


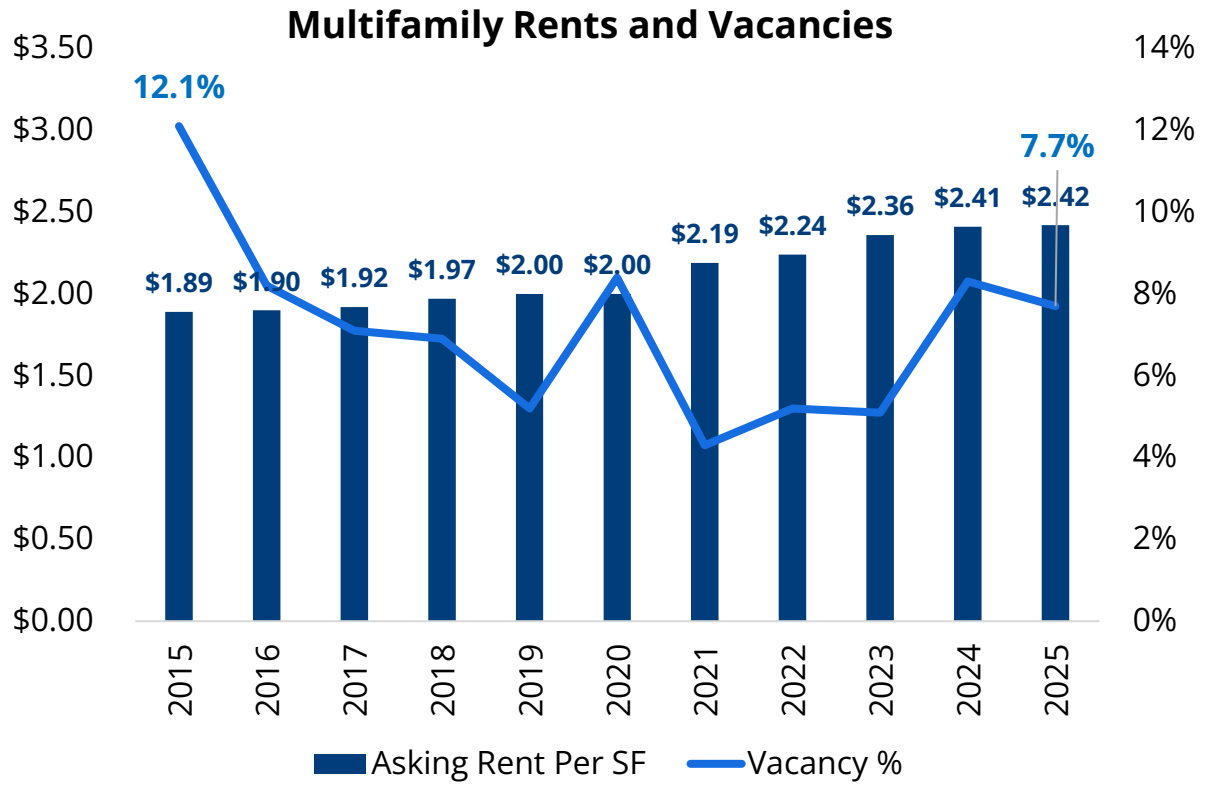
Source: Costar, HR&A Analysis

SOFTENING RENTAL MARKET

Rockville exists within this broader market context, and the vacancy rate of Rockville's market rate rental homes is increasingly elevated as units lease.

Multifamily Deliveries by Year in Rockville
(2015-2025)





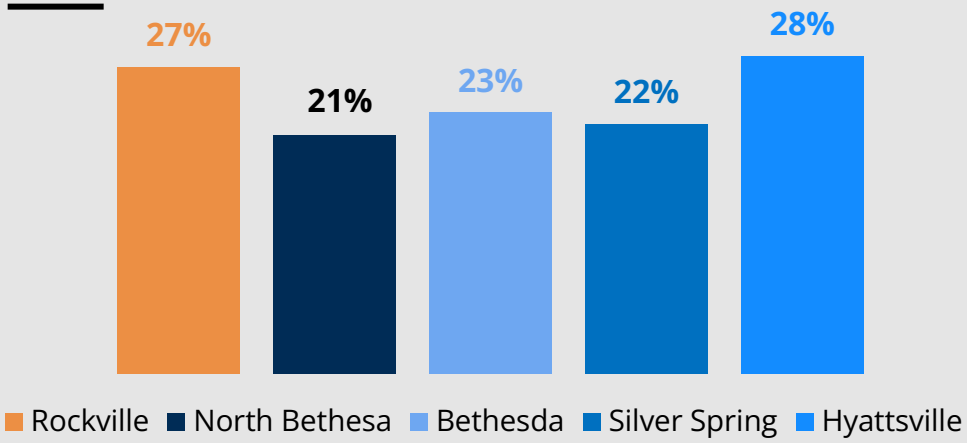
Source: Costar, HR&A Analysis

RISING RENTS

Influx of multifamily construction over the 15 years has brought Rockville's average rental rates up faster than neighboring communities, largely due to new higher-end supply.

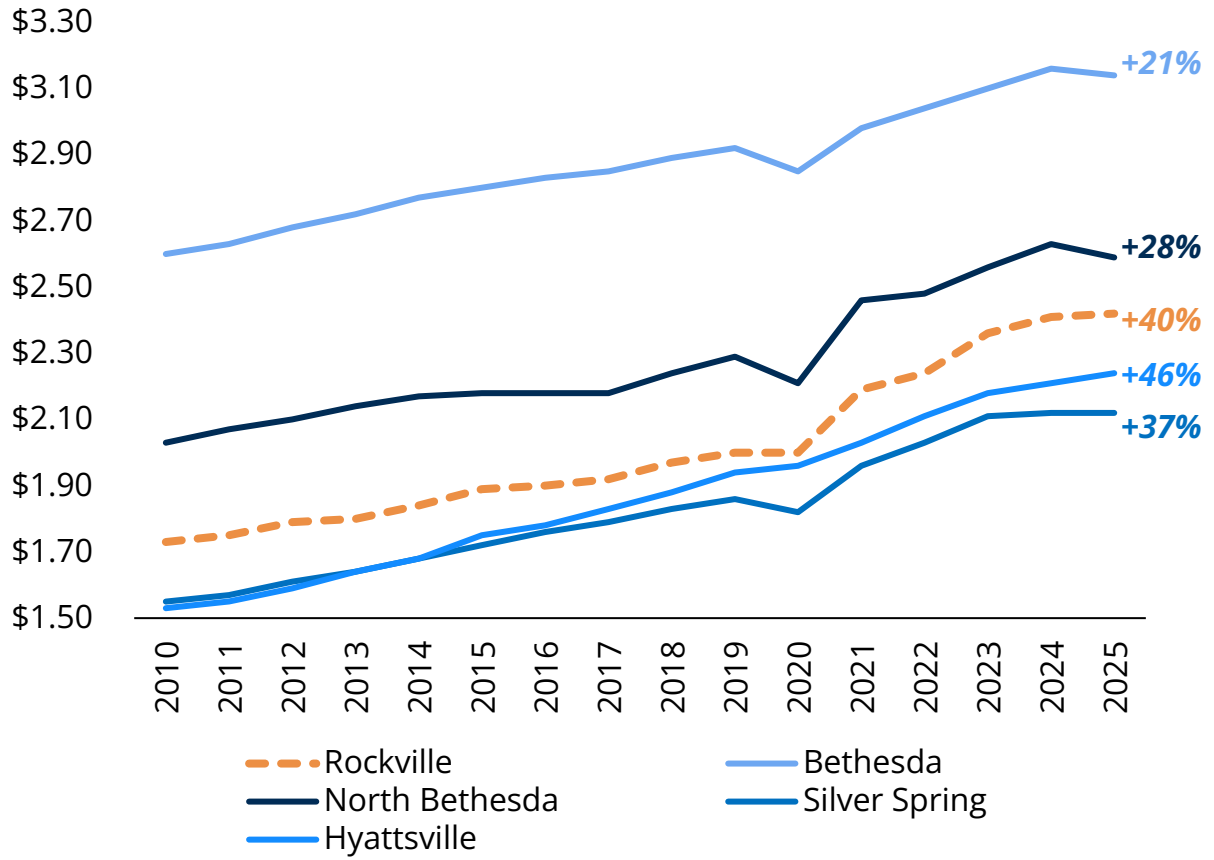
Current rents per square foot in Rockville are aligned with peer markets, however rental rates are growing considerably faster in Rockville and Hyattsville, which also have the greatest proportion of multifamily units built since 2010.

Share of Multifamily Units Built after 2010
(2024)



Source: Costar, HR&A Analysis, Public Use Microdata Sample (PUMS), US Census Bureau

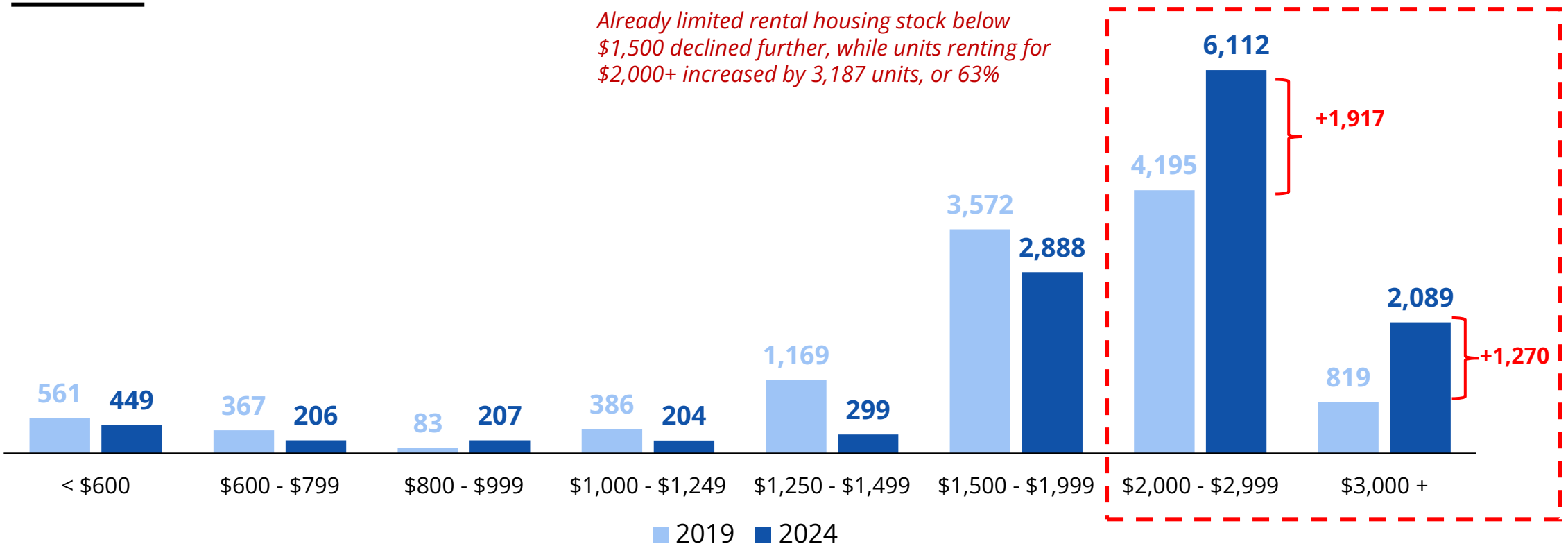
Multifamily Effective Rents Per Square Foot
(2010-2025 YTD)



RISING RENTS

More than 67% of units have rental rates greater than $2,000 per month, up from 45% in 2019.

Homes by Rent
(2019, 2024)



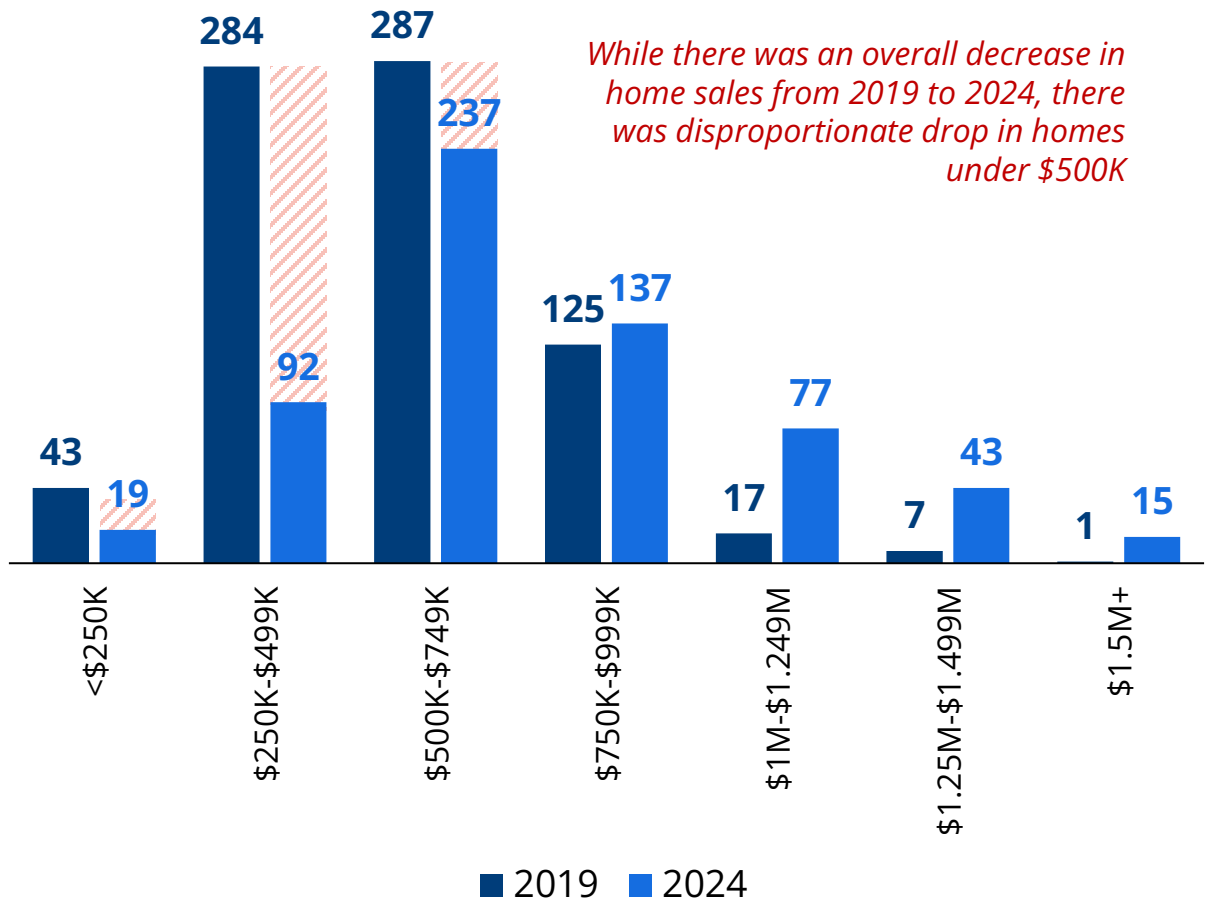
Source: American Community Survey, US Census Bureau

RISING HOME PRICES

In recent years, the availability of homes at lower price points has dropped significantly.

- Overall home sales dropped nearly 20% from 2019 to 2024, reducing supply and putting pressure on remaining inventory**.**
- Home sale prices have increased significantly in recent years. In 2019 20% of homes were sold for over $750k; in 2024 this proportion jumped to 35%,
- From 2019 to 2024 the **number of homes that sold for under $500k dropped by 66%.** During the same period, there was a **440% increase in homes selling above $1M.**
- **This shift in price distribution directly determines who is able to buy in this market.**

Home Sales by Price
(2019-2024)

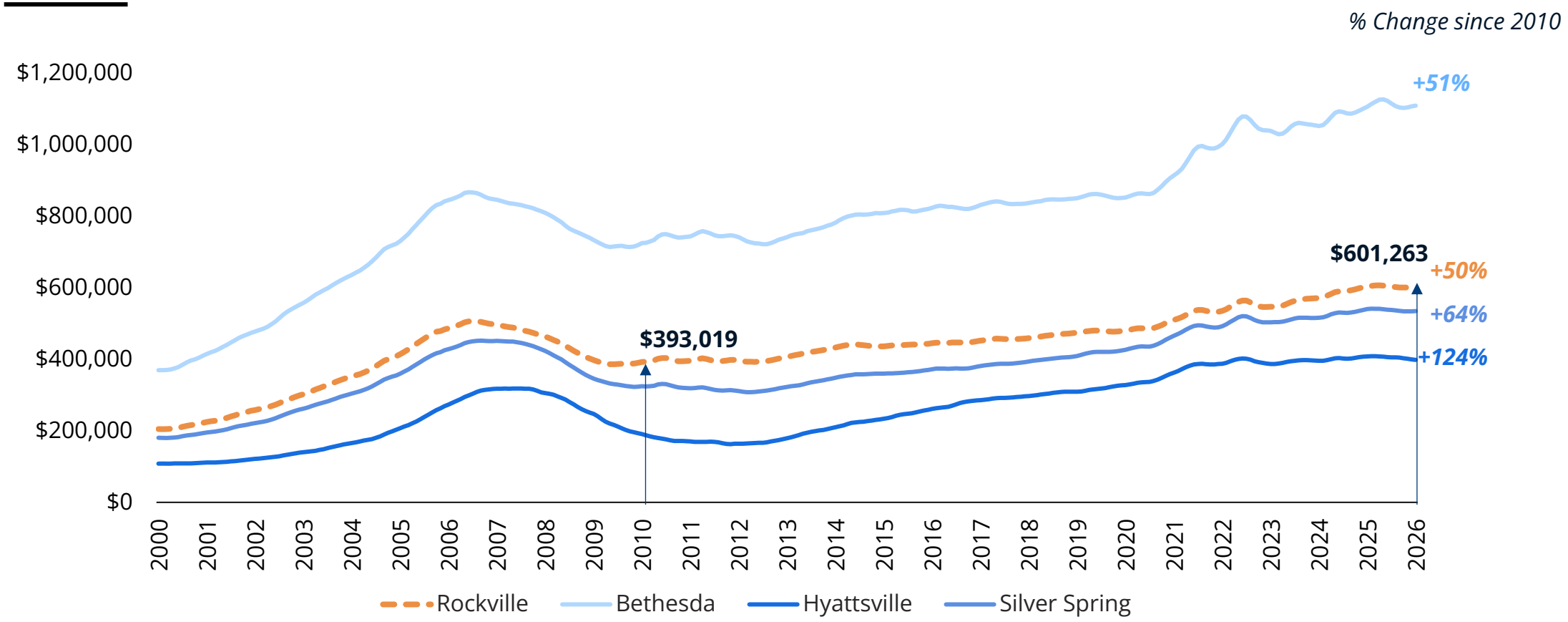


Source: Home Mortgage Disclosure Act (HMDA), Federal Financial Institutions Examination Council (FFIEC)

FOR SALE HOUSING

Home values in Rockville have remained in line with CPU, increasing 53% since 2010 while CPU has increased 48%.

Sale Prices by Year
(2000-2026)



Source: Zillow Home Value Index (2026)
**Data not available for North Bethesda*

PLANNED SINGLE FAMILY DEVELOPMENTS

Recent and planned single family home development projects in Rockville have included commercial redevelopment and townhome development projects



Project: Farmstead District	
Site Size	3.1 Acres
Townhomes	252
Condos	118
Number of MPDU Units	**Unclear**
Year Delivered	2024-present
Low End of Price Range	$599k
High End of Price Range	$1M
Developer	Pulte & EYA



Project: Rockshire Village	
Site Size	4.2 Acres
Townhomes	29
Single Family Homes	31
Number of MPDU Units	**9**
Year Delivered	2026
Low End of Price Range	$900k
High End of Price Range	$2M
Developer	EYA



Project: Bartlett Square	
Site Size	2.3 Acres
Condos	42
Number of MPDU Units	**TBD**
Year Delivered	TBD
Low End of Price Range	$600k
High End of Price Range	TBD
Developer	Toll Brothers

Source: CoStar

PLANNED SINGLE FAMILY DEVELOPMENTS

Shady Grove

Rockville MARC / Amtrak

Twinbrook



Farmstead District	
Townhomes	252
Condos	118
Year Delivered	2024-present
Developer	EYA/Pulte



Rockshire Village	
Townhomes	29
Single Family Homes	31
MPDU Units	**9**
Year Delivered	2026
Developer	EYA



Project: Bartlett Square	
Condos	42
Number of MPDU Units	**TBD**
Year Delivered	TBD
Developer	To Brothers

Source: CoStar, Zillow



04

Housing Needs

KEY TAKEAWAYS

In Rockville renters have continued to experience cost burden over the last decade, with limited affordable units available to low income renters, while the homeownership market has catered to high income households.

Renters Remain Cost Burdened	Rockville's renter population has experienced **elevated cost burden rates to pre-pandemic levels in recent years,** single-parents, seniors, and Hispanic/Latino households While rates remain high, due to stagnating rental market as seen in the County as a whole, there has not been a significant shift in rates over time.
Shortage of Affordable Rental Units	Rockville's housing stock has a **shortage of affordable units for households below $100k.** Rockville also **lags the statewide ratios in providing affordable housing units**.
Homeownership Market Caters to High Income Households	Homeownership demand has continued to be strong in Rockville, **where new product has continued to attract higher wage buyers.**

HOUSING COST BURDEN

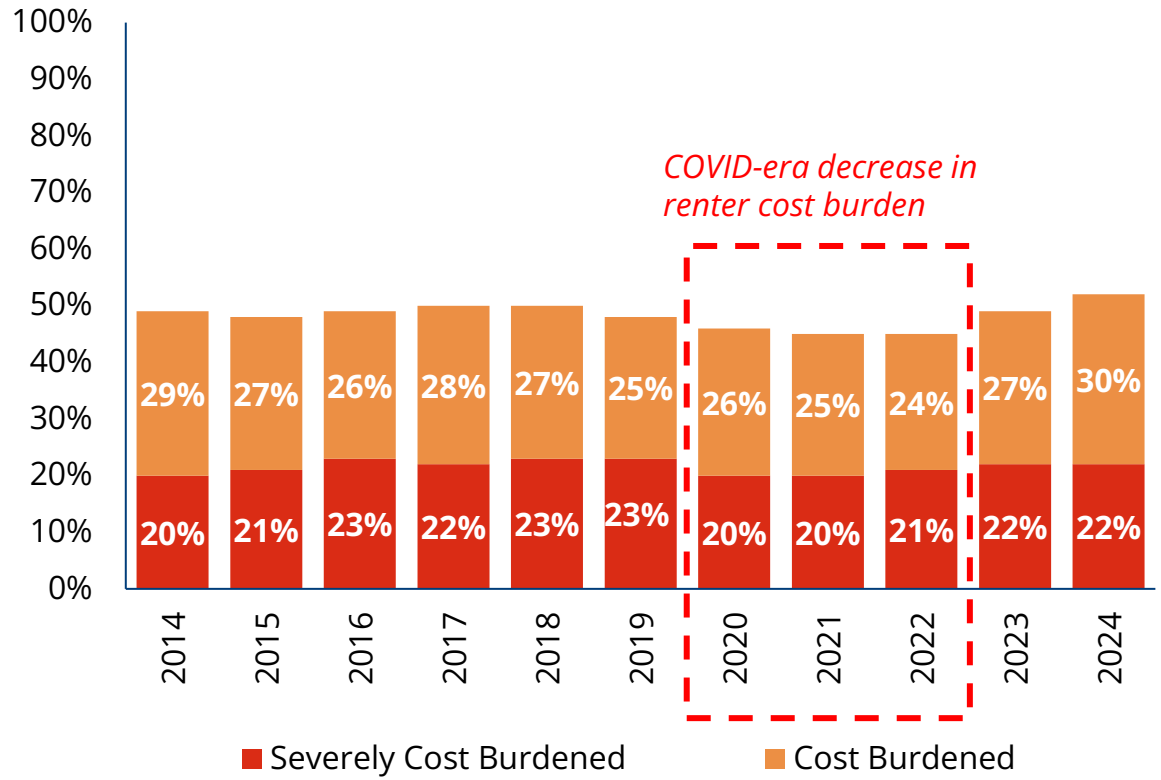
Cost burden for renters has remained consistently high since 2014.

- Cost burden for renters has been a persistent over the last decade in Rockville, with **roughly 50%** of Rockville renters experiencing cost burden since 2014.
- After a minor dip in renter cost burden during the pandemic, **renter cost burden has returned to levels consistently seen from 2014-2019.**
- **More than 43% of renters stated they delayed paying other expenses to pay for housing costs** (28% of all respondents said they have).

What residents are saying:

*"I really want to continue to live here for many years to come, but the **cost of living is so expensive** that I already spend most of my income on housing and can't afford to put almost any money into savings. I don't know if Rockville can be my permanent home. I sincerely **hope things will become more affordable so I can stay here for a long time**"*

Renter Cost Burden Rate by Year
(2014-2024)



Source: American Community Survey, Rockville HNA Survey

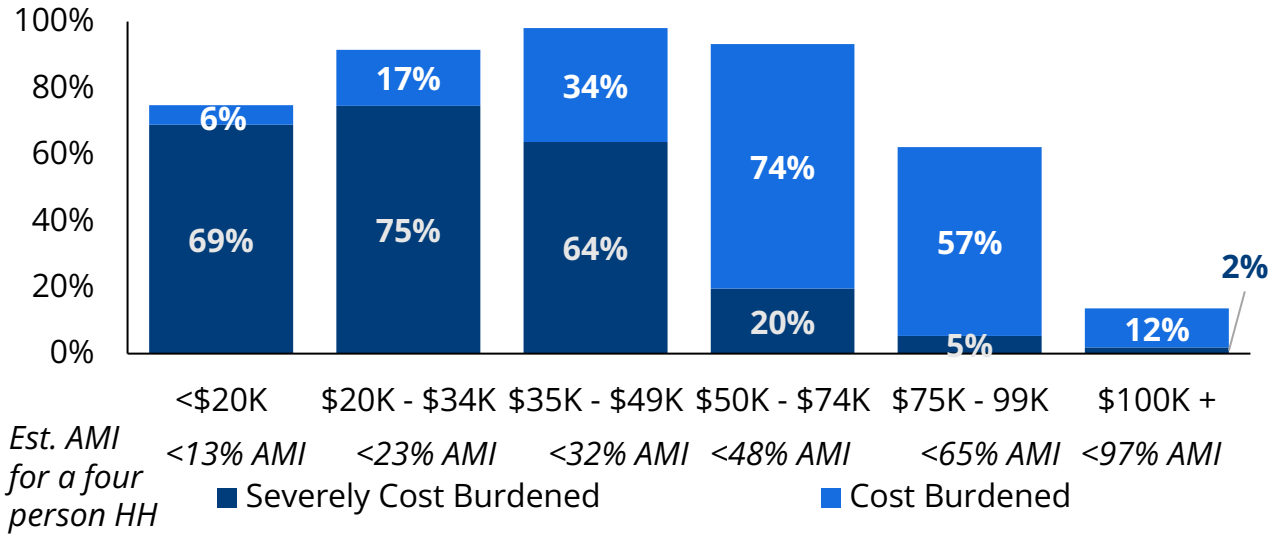
HOUSING COST BURDEN

While there is a high share of high-income renter households, the cost burden rate of low and moderate-income households is extremely high.

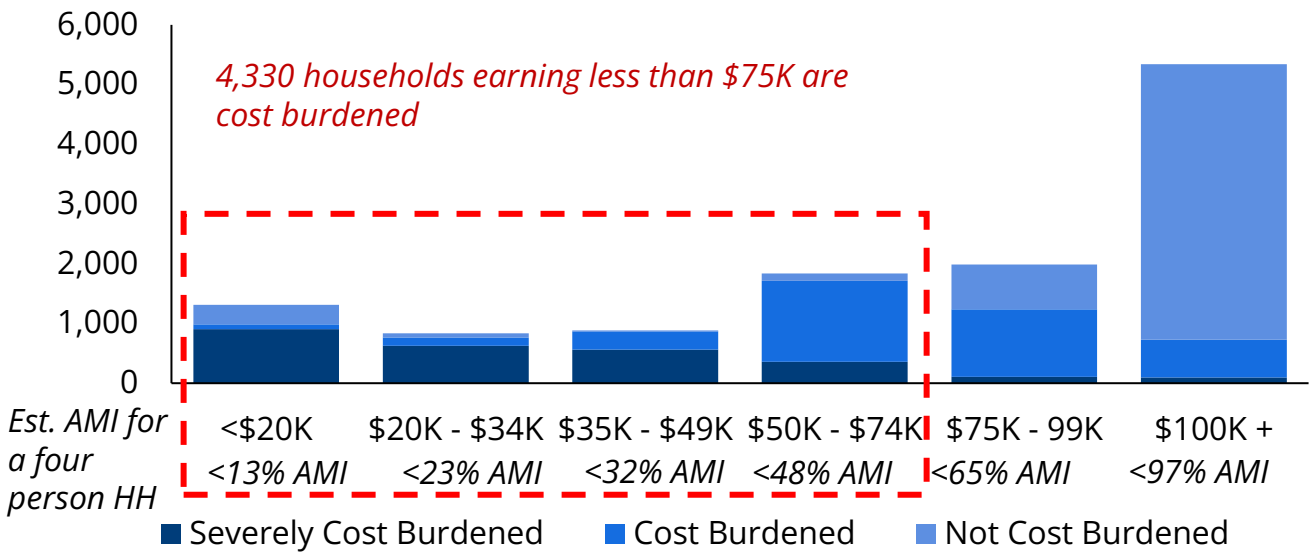
- **Data suggests that 89% of households earning less than $75K are cost burdened spending at least 30% of their income on rent and utilities.**
- **Of households earning less than $75K, 50% are severely cost burdened,** spending 50% or more of their income on rent and utilities.
- Of the lower income bands, data suggests households from **$35K - $49K face the highest overall cost burden rates at 98%,** while households with incomes from **$20K - $34K have the highest rate of severe cost burden at 75%.**
- It should be noted that cost burden data by income group could be impacted by a small sample size, and while it provides context on cost burden, may not exactly reflect household cost burden conditions.

Source: American Community Survey

Renter Cost Burden Rate by HH Income
(2024)



Cost Burdened HH's by HH Income
(2024)



RENTAL HOUSING SHORTAGE

As rental rates in Rockville increase faster than incomes, homes move up the income spectrum, leaving a rental shortage across much of the income spectrum.

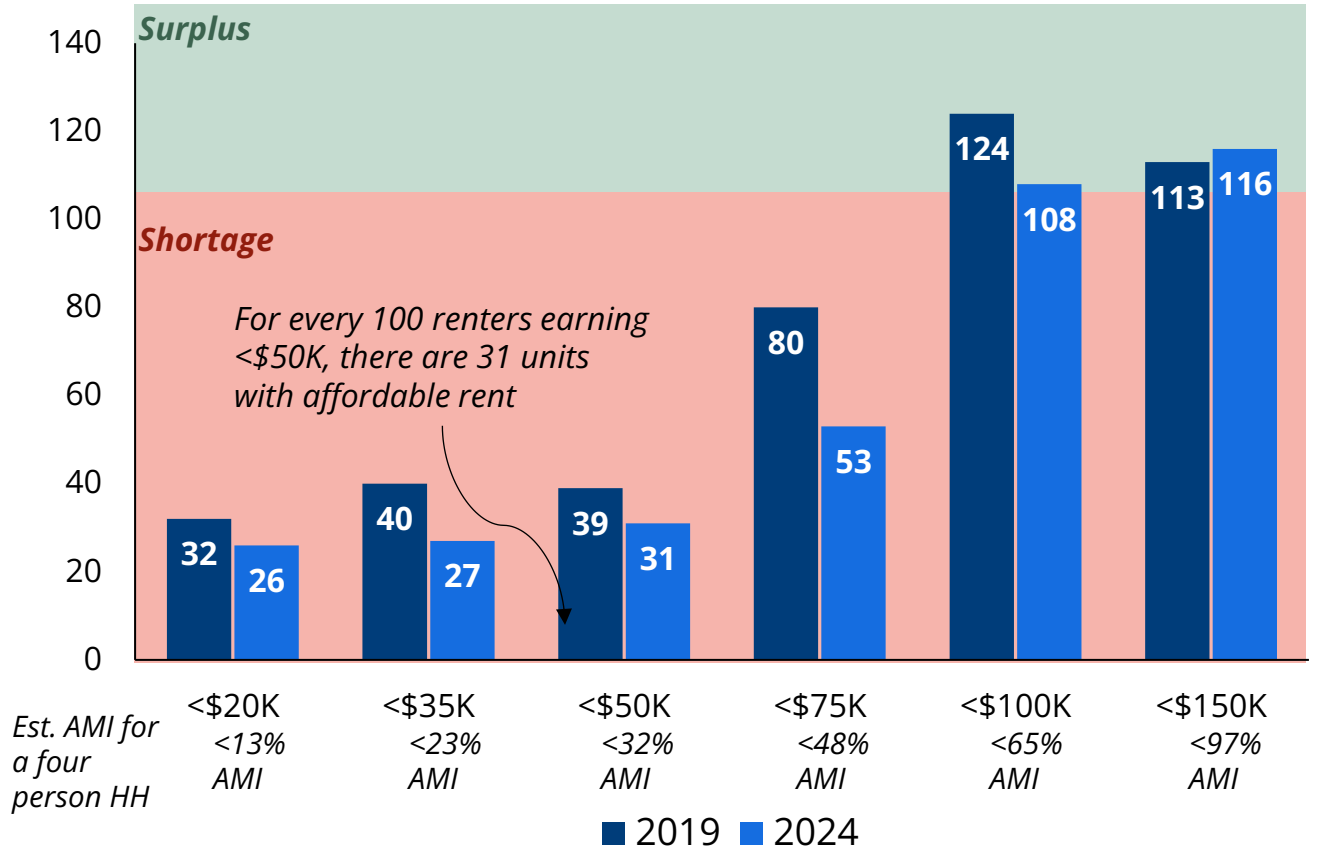
- There is currently a **shortage of homes for all household income groups below $100k**, a shortage that has increased since 2019, especially for households making less than $75k (roughly 50% AMI).

What residents are saying:

When asked what their biggest concern related to housing was, the top four answers were all related to the lack of affordable housing in Rockville. Residents responded:

1. High home prices (46%)
2. High rent (42%)
3. High cost of maintaining home (38%)
4. Difficulty finding preferred housing type in desired neighborhood at affordable prices (34%)

Affordable Rental Homes per Renter Households
(2019, 2024)

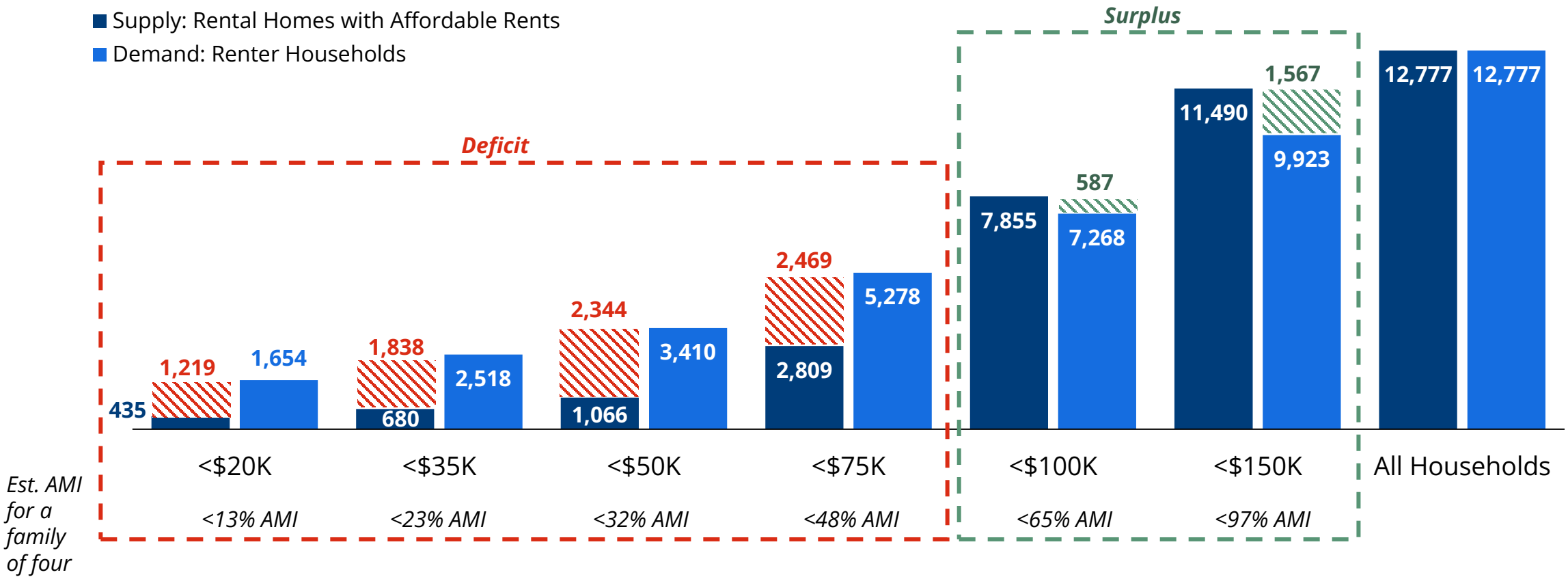


Source: American Community Survey, US Census Bureau, AMI levels assume a household size of four

RENTAL HOUSING SHORTAGE

While the rental MPDU program targets households at 60% AMI, the largest gap exists for households below 50% AMI.

Supply and Demand for Rental Homes by Household Income
(2019,2024)

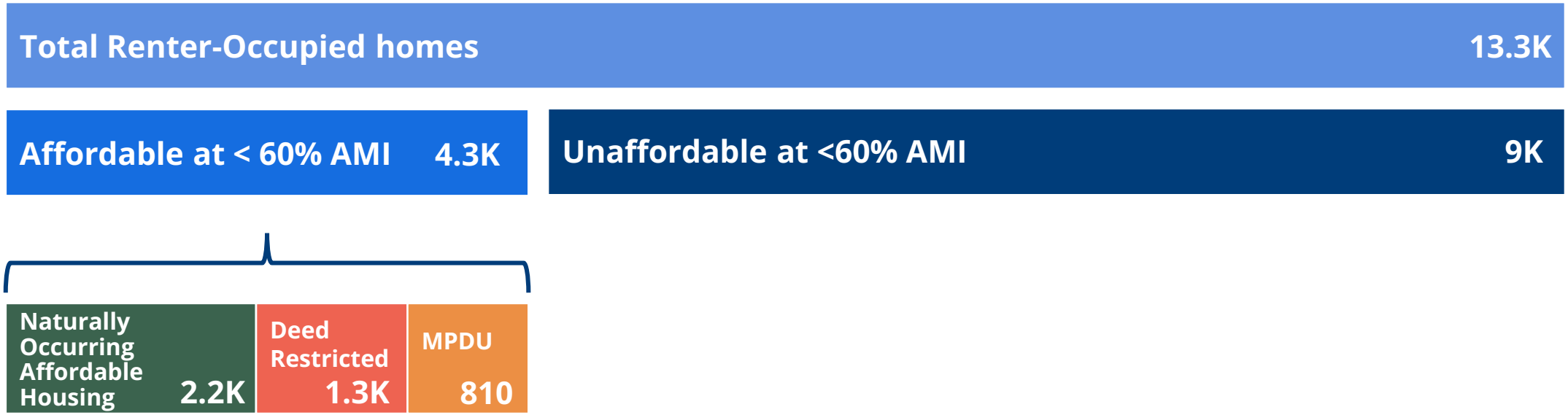


Note that the income levels shown in the supply and demand stacks are cumulative, meaning that each stack includes the affordable homes or households at all income levels below. This cumulative approach reflects the reality that higher-income households can afford a wider range of rental prices, intensifying competition for lower-priced homes.
Source: American Community Survey, HR&A Analysis

AFFORDABLE HOUSING STOCK

About 32% of Rockville's rental homes are affordable at 60% Area Median Income (AMI). In 2024, 60% AMI for a 4-person household was $92,820.

Renter-Occupied Homes by Affordability: 2024



Source: American Community Survey 5 Year Estimates,, Public Use Microdata Sample (PUMS), National Housing Preservation Database. Note: Area Median Income (AMI) represents the midpoint in the household income distribution for the Washington-Arlington-Alexandria, DC-VA-MD-WV Metro Area.
**Deed Restricted units include LIHTC, Project Based Section 8, and other Federally or State regulated forms of deed restricted affordable housing.*

DISPARATE IMPACTS

High cost burden disproportionately impacts single-parents, seniors, and Hispanic/Latino households.

- **Single-Parent** households experience the greatest burden, with **74% spending more than 30% of their income on rent** and a median of 53% of income devoted to housing, well above the citywide renter average of 30%.
- **Senior households also face elevated burdens, with nearly 70% cost-burdened.**

What we heard from residents:

*"I work here as a kindergarten teacher, and **I really want to continue to live here for many years to come**, but the cost of living is so expensive that I already spend most of my income on housing and can't afford to put almost any money into savings**. I don't know if Rockville can be my permanent home**"*

**Note: Senior renters also experience high cost burdens, with nearly three quarters cost-burdened. Due to households in retirement, senior renter household cost burden rates tend to be skewed higher. Additionally, some households may fall within multiple categories.*

Public Use Microdata Sample (PUMS) and American Community Survey (ACS), US Census Bureau

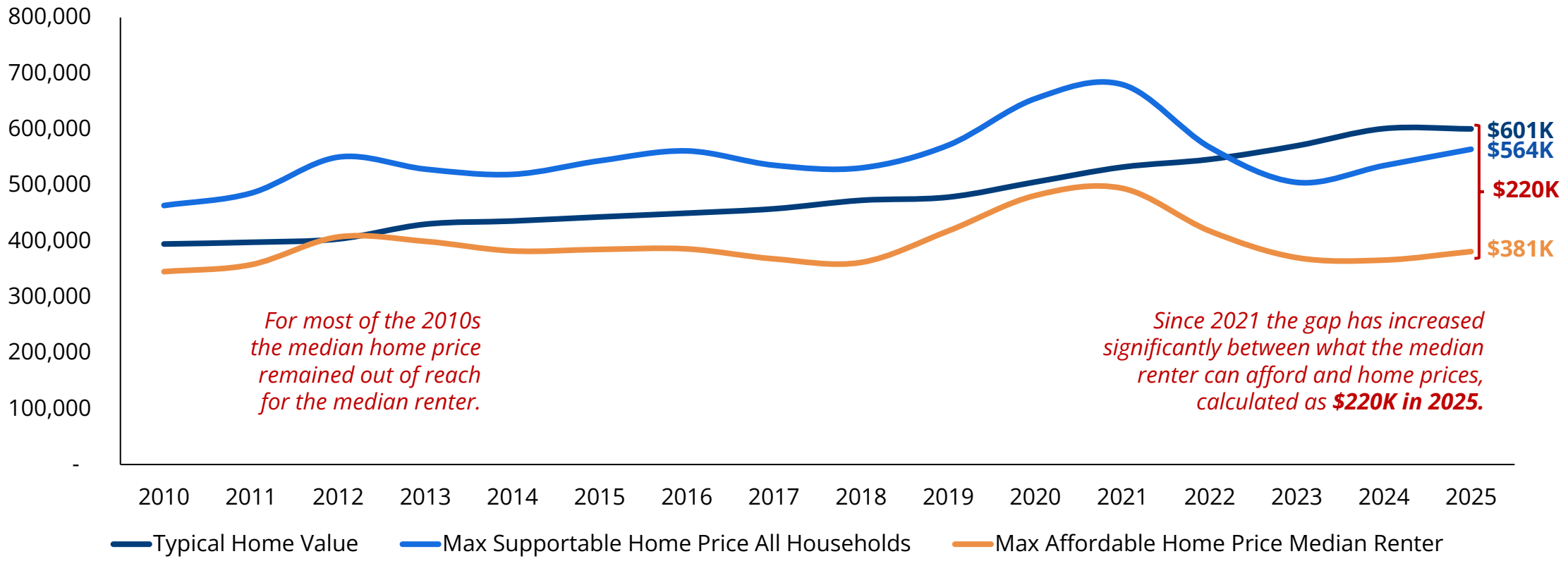
Renter Cost Burden Rates by Cohorts
(2024)

Cohorts	Cost Burden Rate	Number of Cost Burdened Households	Median Share of Income Towards Rent
Single-Parent Households	**74%**	**600**	**53%**
Senior Households	**67%**	**1,090**	**49%**
Hispanic/Latino Households	**61%**	**1,200**	**42%**
Households with Children	**58%**	**1,870**	**40%**
Black Households	**57%**	**1,450**	**42%**
All Renter Households	52%	6,300	31%

HOME AFFORDABILITY BY TENURE

Homeownership has also become increasingly unaffordable. In 2025 there was a gap of $220K between the median home value and what the median renter household could afford.

Home Values vs. Max Supportable Home Values
(2010-2025)

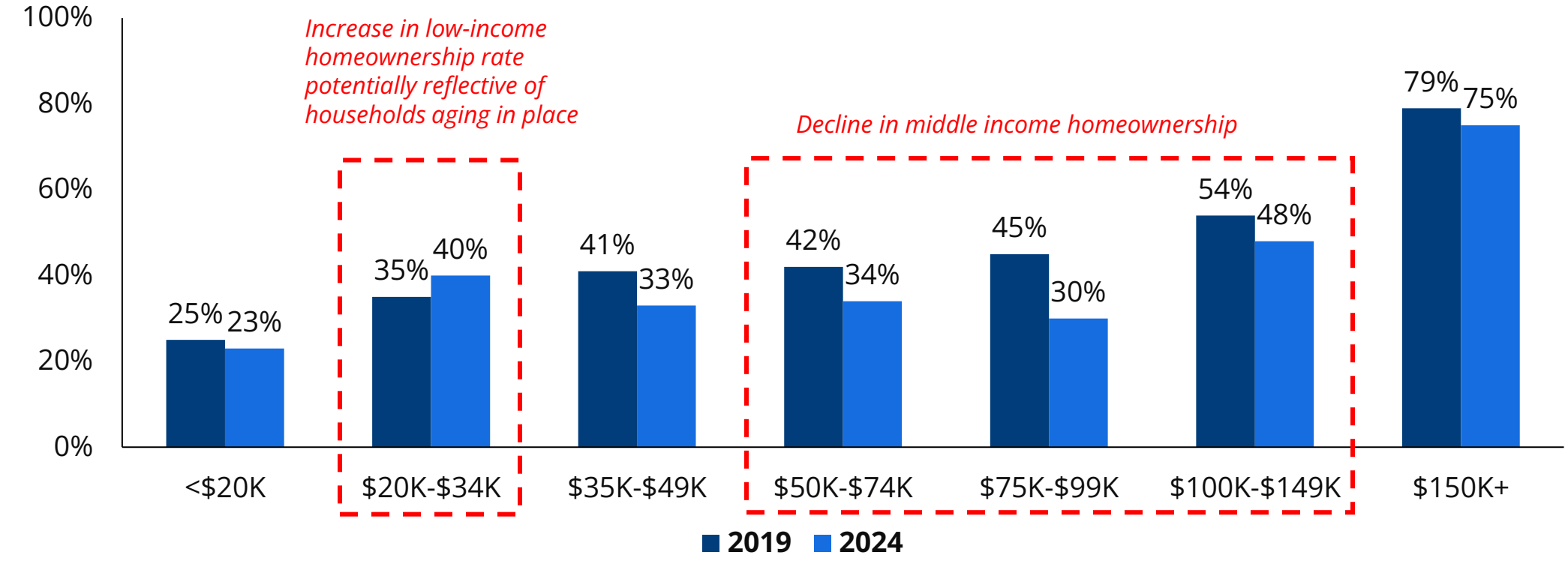


Source: Zillow ZHVI index, ACS, HR&A analysis

HOMEOWNERSHIP

Increasing costs have been accompanied by declining homeownership among middle income households. Households earning $75-99k saw a 15% decrease in homeownership from 2019-2024.

Homeownership Rate by Income Level
(2019, 2024)



Source: HMDA property value from home purchase mortgage information



06

Future Need

KEY TAKEAWAYS

Under current permitting rates, the City is on track to permit the necessary 3,300 to 5,100 homes needed to maintain a healthy housing market by 2035 – but it is unclear if the market will be able to deliver them.

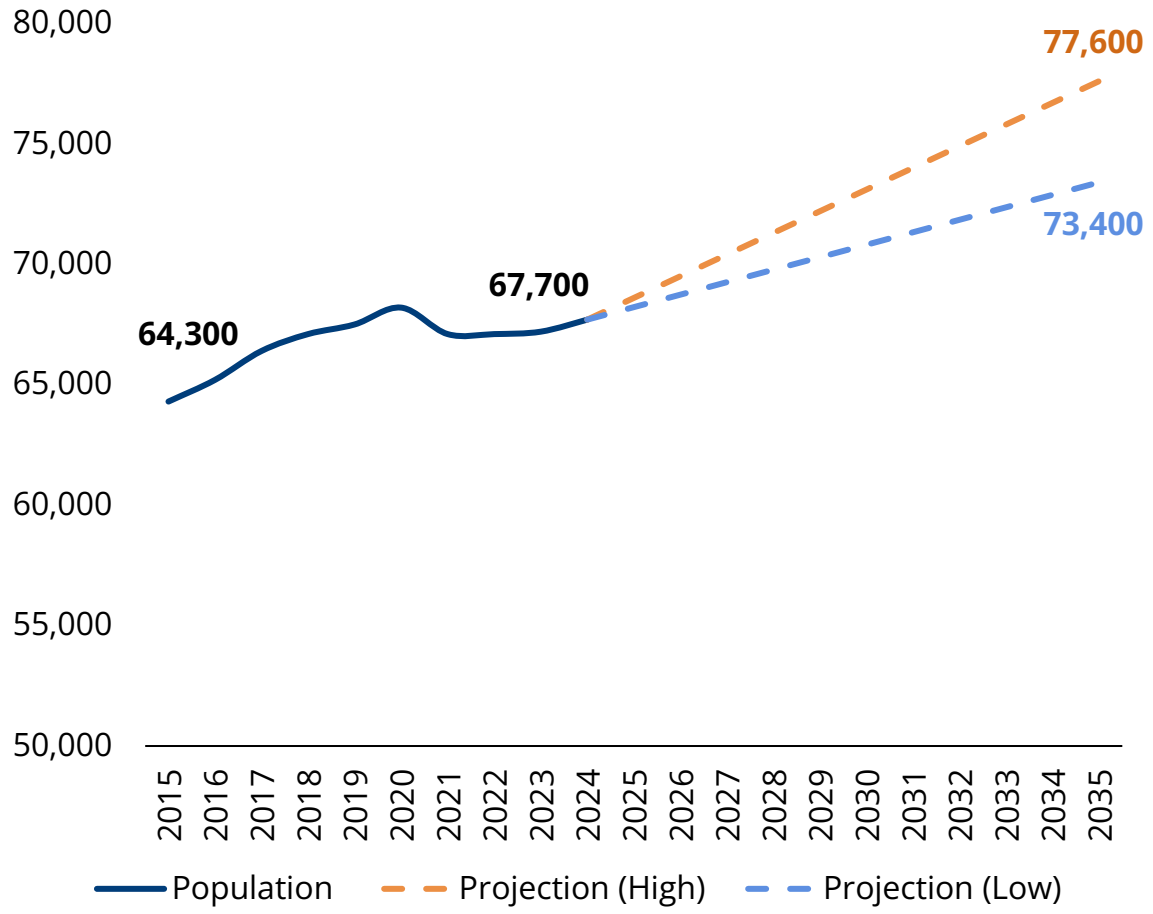
Healthy Population Growth	Rockville is projected to see a **15% population increase**, translating to roughly 9,900 new residents. Roughly 1.5k-2.3k renter households and 1.5k-2.4k owner households will be added to the Rockville housing market.
High and Low income Jobs Driving Growth	Rockville's economic profile will remain relatively the same**, with job growth driven by a combination of high wage and low wage jobs,** continuing the demand for high price point homeownership as well as subsidized housing.
High Demand from Lower AMI Categories	High **demand will continue to come from AMI categories less than 60% and less than 80% AMI for both renter and homeowner housing**. This demand is unlikely to be met by the market, and exceeds the 15% MPDU requirement.

ROCKVILLE POPULATION GROWTH

Rockville's population is projected to grow by 5,700 to 9,900 people between 2024 and 2035.

- Rockville is projected to add **roughly 9,900 new residents by 2035 according to regional population growth estimates**, an increase of about 15% relative to 2024.
- Under a low growth scenario, which is used to match the historic trend of household growth from 2015 to 2024, **Rockville is projected to add 5,700 new residents by 2035, an increase of 8%.**

Historic and Projected Population Through 2035
(2015-2035)



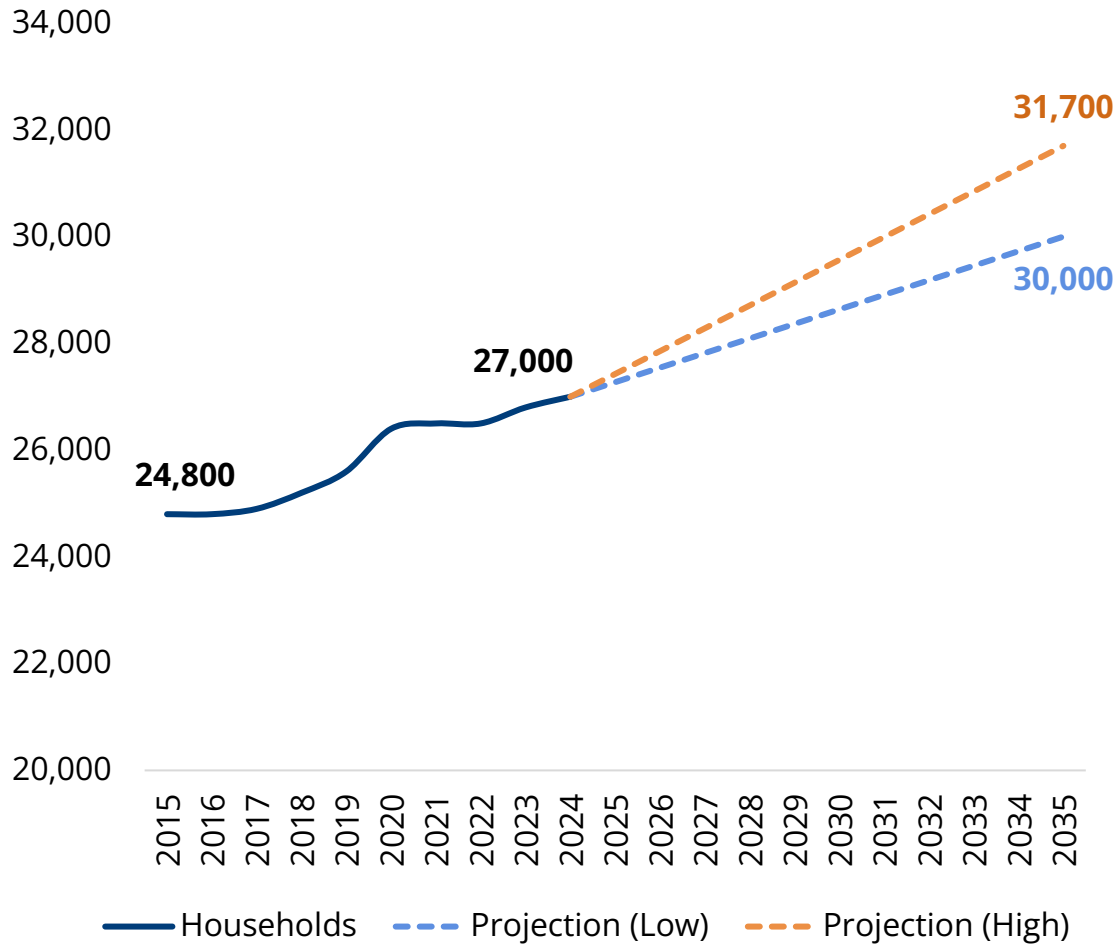
Source: Metropolitan Washington Council of Governments: COG Home, HR&A Analysis

ROCKVILLE HOUSEHOLD GROWTH

This population growth translates to approximately 3,000 to 4,700 new households by 2035.

- Population growth projections demonstrate there are both demographic and economic factors driving demand in Rockville. However, **new home production is a prerequisite for any household growth**.
- The City's households grew by 9% from 2015-2024. **The total number of households could increase by roughly 11-17% by 2035**.
- This translates to an additional **3.0-4.7k Rockville households that will need homes to live in.**

Historic and Projected Households Through 2035
(2020-2035)



Source: Metropolitan Washington Council of Governments: COG, HR&A Analysis

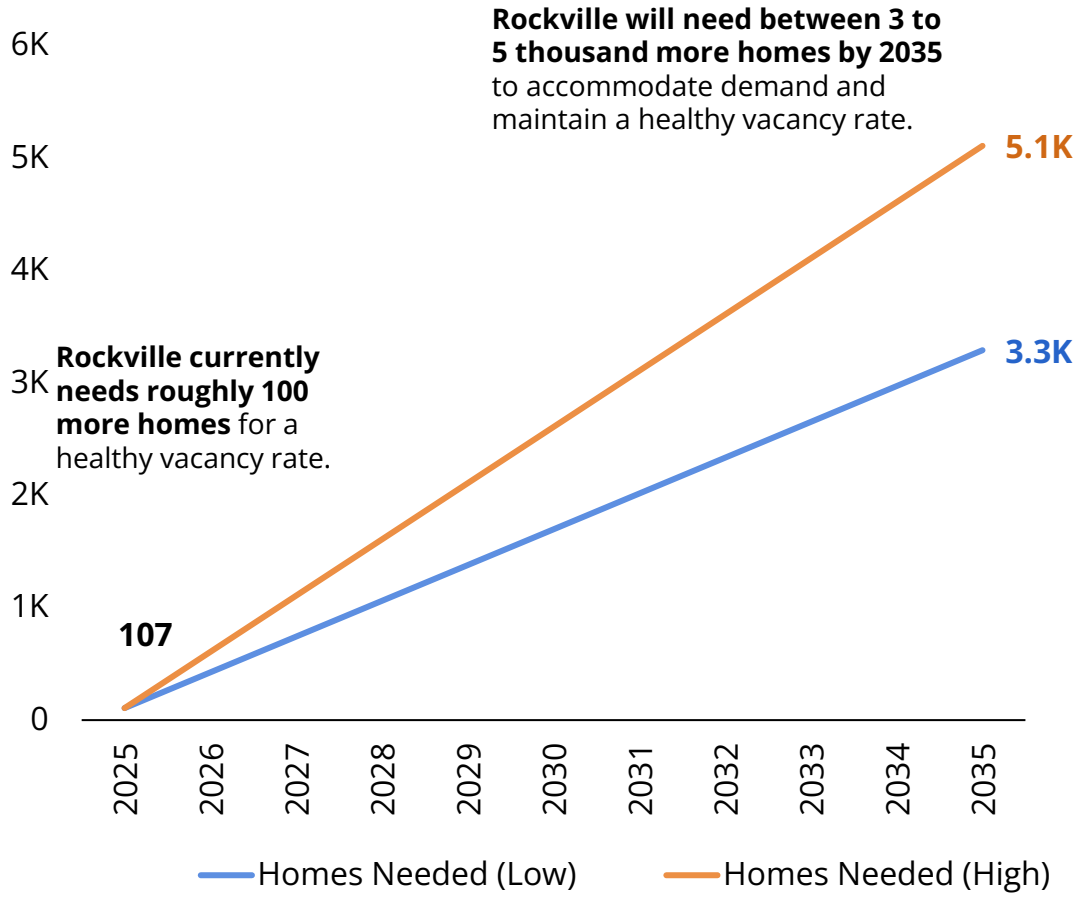
ROCKVILLE POPULATION GROWTH

Rockville will need to increase housing supply by 3,300 to 5,100 units to accommodate growing demand.

- A healthy housing market needs **about 5% of all homes to be vacant and available.** These available homes allow households to move for jobs, start families, or otherwise relocate.
- At present, Rockville has a **rental vacancy rate of 3% and an owner vacancy rate of 0.5%,** well below a healthy vacancy rate of 5%**. Existing housing shortages** will be exacerbated by growing demand if the supply of homes does not increase.
- To account for projected demand from new households, **Rockville will require between 3,300 to 5,100 total new homes by 2035**, including current need and accounting for a 5% target vacancy rate for projected future households.

Source: PUMS, American Community Survey (ACS) 5-year estimates, MWCOG, HR&A analysis

New Homes Needed by 2035
(2025-2035)



Note: Assumes a target vacant availability rate of 5%. The new homes needed are additional homes needed so that vacant and available (i.e. for rent and for sale) homes equal 5% of the sum of occupied homes (i.e. total households or projected total households) plus vacant and available homes.

ROCKVILLE PERMITTING NEEDS

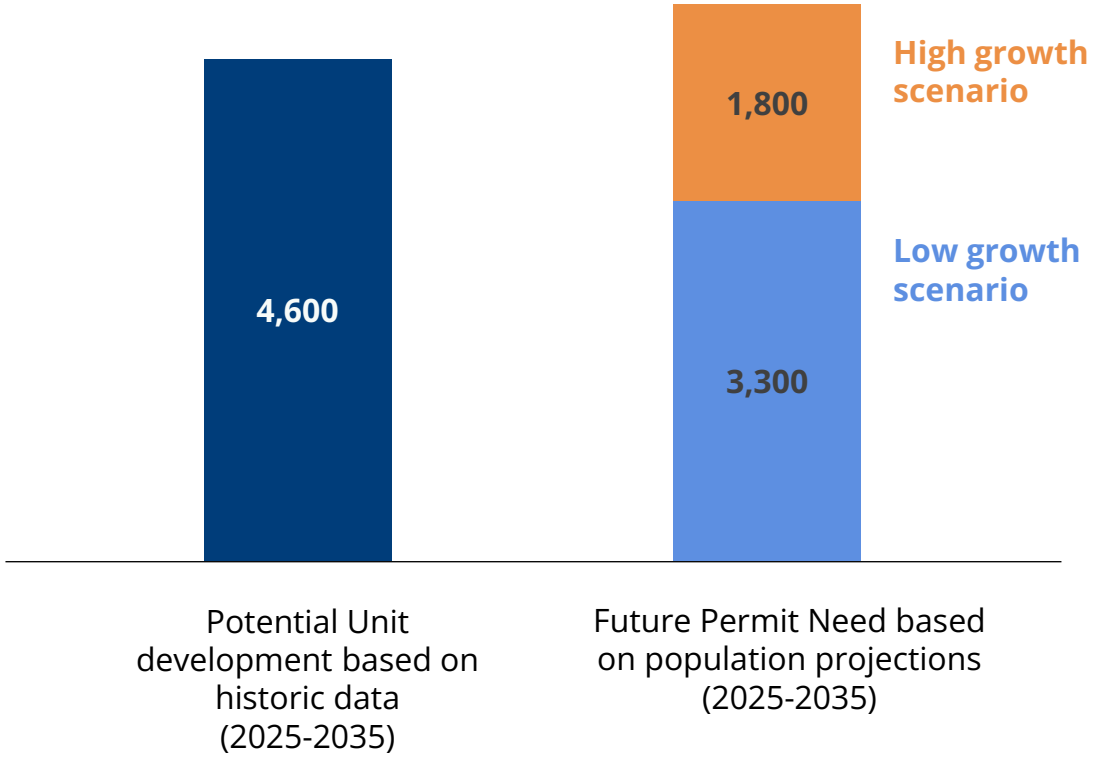
If historic permitting trends persist then Rockville is on track to meet overall future housing demand.

- Rockville will need to permit between 3,300 and 5,100 units to meet demand by 2035, **an average of 330 to 510 units per year**.
- Between 2019 and 2025 Rockville approved site plans for 2,947 units, **averaging 420 units per year, suggesting the city could permit** 4,600 units by 2035.
- **Since 2019 the City has issued certificates of occupancy for projects that consist of 69% multifamily units - significant amount of rental housing.** However, owner and renter demand is projected to increase at similar rates, suggesting more owner options will be needed to address homeownership demand.
- Findings in this analysis suggest there may be factors slowing down developer momentum outside of the City's control, such as high interest rates high construction costs, that may impact its ability to meet this need in the near term.

**City permit data only available back till 2019*

Source: HUD SCODS, City of Rockville

Current Permits and Future Permitting Needs
(2025-2035)



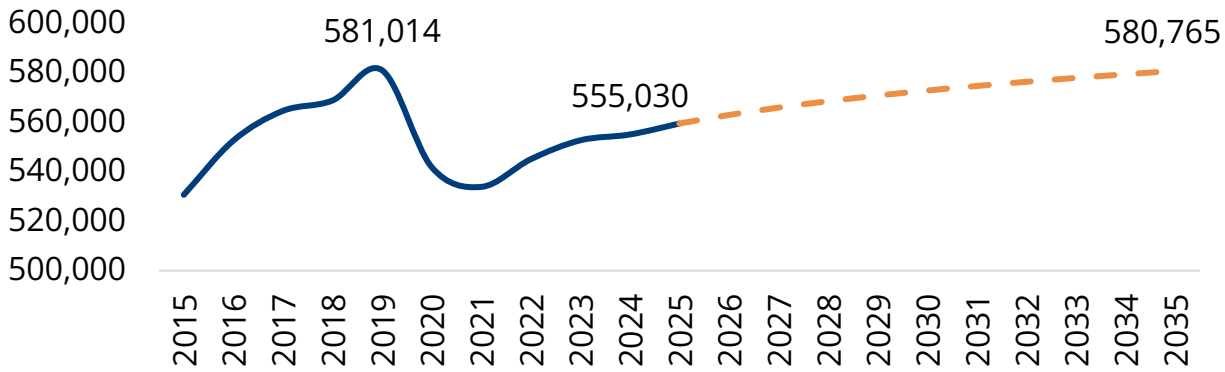
MONTGOMERY COUNTY JOBS

New employed Montgomery County resident growth will come from both high wage and low wage occupations.

- The county is expected to add **25.7K employed residents between 2024 and 2035.**
- The greatest growth will come from **occupations of Healthcare support and Transportation and Material moving,** with the addition of 7K combined employed residents in Montgomery County by 2035. These occupations will drive low wage housing demand, both with median incomes under $50k.
- High wage occupations including **Healthcare Practitioners and Technical as well as Management will also see significant growth, driving demand in higher price point housing categories** as both have median wages of $100K or higher.

Source: HR&A Analysis

Montgomery County Employed Residents
(2024-2035)



Occupation Change from 2024 to 2035, Montgomery County
(2024-2035)

Top 5 Occupations	Change in Employed Residents, 2024-2035	Share of New Employed Residents, 2023-2035	Occupational Median Wage (2024$)
Healthcare Support Occupations	+3.7K	14%	$41K
Transportation and Material Moving Occupations	+3.3K	13%	$46K
Healthcare Practitioners and Technical Occupations	+3.3K	13%	$100K
Management Occupations	+3.0K	12%	$162K
Educational Instruction and Library Occupations	+2.9K	11%	$63K

FUTURE HOUSEHOLDS BY TENURE AND AMI

Demand from lower AMI HH will remain strong, and is unlikely to be met by the market.

- Growth among renter and owner households is projected to be similar, with renter household demand increasing 18% and owner household demand increasing 17%..
- Future rental housing demand growth is projected to be **highest among renter households earning less than 50% of AMI**, in line with existing renter household trends in Rockville.
- The highest **demand from homeowner households will continue to come from 100%+ AMI category,** totaling 62% of household demand also in line with current trends.
- A large portion (28%-29% for homeowner, 59% for renter), of **homeowner and renter demand will come from less than 80% AMI,** far exceeding the MPUD 15% requirement – suggesting the **market is unlikely to build to address the demand for this demand segment.**

Source: HR&A Analysis

Historic and Projected Renter Households by Household Income

Renters	2024		2035		
Income Range (2024$)	**Households**	***Distribution***	**Households (low)**	**Households (high)**	***Distribution***
0-30% AMI	2.7K	*21%*	2.9K	3.1K	*20%*
31-50% AMI	1.9K	*15%*	2.3K	2.4K	*16%*
51-60% AMI	1.0K	*8%*	1.0K	1.0K	*7%*
61-80% AMI	1.9K	*15%*	2.3K	2.4K	*16%*
81-100% AMI	1.5K	*12%*	1.6K	1.7K	*11%*
Over 100% AMI	3.7K	*29%*	4.2K	4.5K	*30%*
Total	**12.8K**	**100%**	**14.3K**	**15.1K**	**100%**

Historic and Projected Homeowner Households by Household Income

Homeowners	2024		2035		
Income Range (2024$)	**Households**	***Distribution***	**Households (low)**	**Households (high)**	***Distribution***
0-30% AMI	1.1K	*8%*	1.2K	1.2K	*7%*
31-50% AMI	1.0K	*7%*	1.1K	1.2K	*7%*
51-60% AMI	0.6K	*4%*	0.6K	0.6K	*4%*
61-80% AMI	1.4K	*10%*	1.7K	1.7K	*10%*
81-100% AMI	1.3K	*9%*	1.4K	1.5K	*9%*
Over 100% AMI	8.9K	*62%*	9.8K	10.3K	*62%*
Total	**14.2K**	**100%**	**15.7K**	**16.6K**	**100%**



07

Appendix

COMMUNITY ENGAGEMENT PROCESS

The Rockville Housing Needs Assessment community engagement process consisted of stakeholder engagement, a resident survey and in person community events.

The Community Engagement Scope of work was designed to solicit feedback from residents, organizers, and various housing and real estate professionals on current barriers to housing affordability and housing development in the City and their envisioned goals for the future

STAKEHOLDER ENGAGEMENT
(JANUARY-MARCH)

Roundtable Discussions – Jan 30th

Community Representative & Residents
Housing Service Providers
Real Estate Professionals

One on One Developer Discussions (5)

RESIDENT SURVEY AND COMMUNITY EVENTS
(FEBRUARY-MARCH)

Survey Information collected In person and Virtually

Three pop-up events
Senior Center Event - Feb 12th
Twinbrook Mural Unveiling – Feb 18th
Lunar New Year Celebration - Feb 21st

1 Open House
- 29 attendees, including the Mayor

COMMUNITY ENGAGEMENT PROCESS | STAKEHOLDER ROUNDTABLE

HR&A held roundtable discussions and one on one conversations to discuss housing market trends, gaps in the housing program and policy landscape, and priority housing needs.

STAKEHOLDER ROUNDTABLE ATTENDEES

RESIDENTS AND COMMUNITY ADVOCATES	HOUSING SERVICE PROVIDERS	REAL ESTATE PROFESSIONALS
• Reed Tenants Association	• RHE	• Lincoln Ave Communities*
• Rockville Renters United	• Main Street Connect	• Perry Jacobsen
• Nonprofit Montgomery	• Maryland Legal Aid	• SCG Development
• Chinese Culture and Community Service Center Health Center	• Housing Initiative Partnership	• Pulte Group
• Montgomery County Education Association	• Habitat for Humanity	• Shulman Rogers
• Montgomery County Renters Alliance	• Housing Opportunities Commission	• BF Saul*
• CASA	• Community Reach of MoCo	• EYA*
• Rockville Villages Coordinator	• Housing Unlimited Director	

*One-on-one discussions with these stakeholders conducted for MPDU Analysis

COMMUNITY ENGAGEMENT PROCESS | RESIDENT SURVEY

The survey was distributed to 30+ community groups and shared on the City's website to solicit input from a broad range of people on their experiences with housing .

RESIDENT SURVEY RESPONDENTS

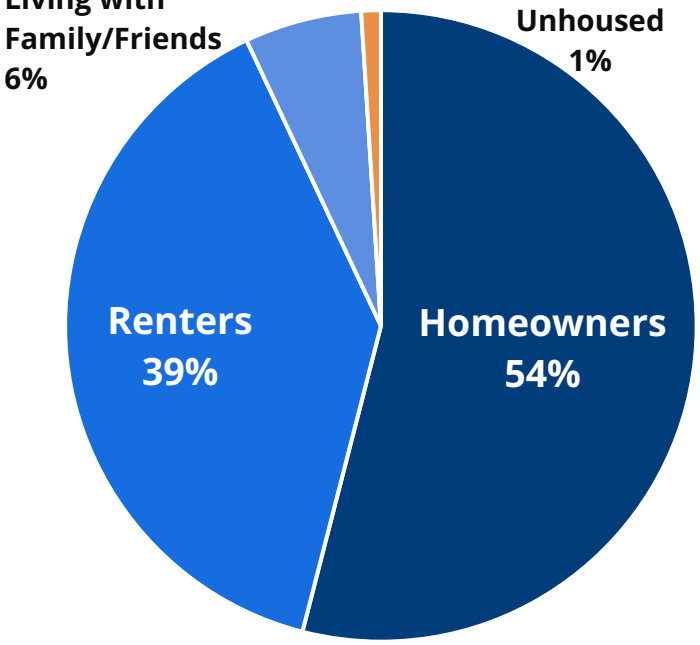
340 Responses → **86%** Rockville Residents

31% *live in households with children*

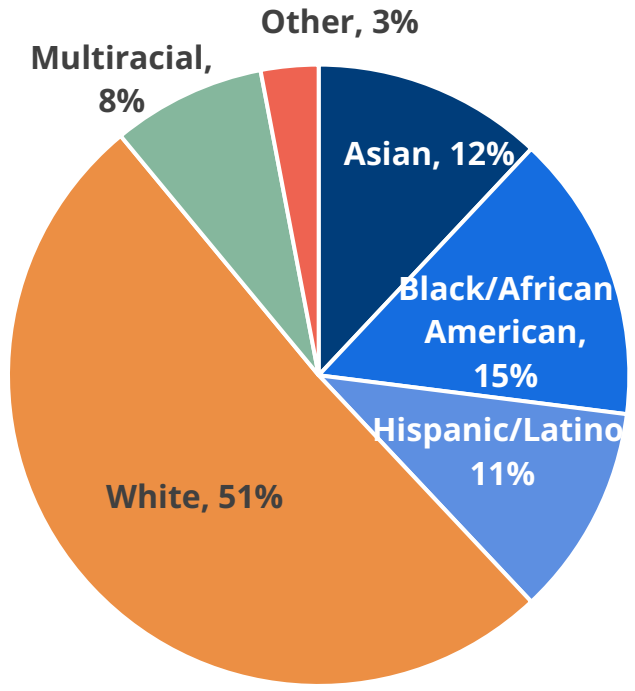
34% *live in households with seniors*

10% *live in households with individuals with disabilities*

Respondent Tenure



Respondent Race/Ethnicity



COMMUNITY ENGAGEMENT PROCESS | POP-UPS

Brick and Story conducted three separate pop-ups to meet people at community events and get their input on the housing needs survey.

SENIOR CENTER POP-UP



February 12th, 2026

Rockville Senior Center

Brick and Story spoke to roughly **50 seniors**, both English and Spanish speakers, many of whom were long term Rockville residents.

MURAL POP-UP

February 18th, 2026

Twinbrook Recreation Center

Brick and Story engaged with **18 people** at the Twinbrook mural unveiling.



LUNAR NEW YEAR POP-UP



February 21st, 2026

Richard Montgomery High School

Brick & Story attended the Chinese Lunar New Year celebration to distribute the HNA survey and flyer for the open house event. Overall, they received **58 survey responses**.

COMMUNITY ENGAGEMENT PROCESS | OPEN HOUSE

During the March open house, residents learned about the housing needs assessment and provided input on their existing housing needs and hopes for future housing interventions.

OPEN HOUSE



HIGHEST PRIORITIES:

- **Affordability**
- **Safety**
- **Homeownership**

KEY THEMES:

- **Affordable and Attainable Options:** Residents want a greater variety of affordable homes for low-income homeowners, seniors, disabled residents, and non-English speakers.
- **Middle Density:** Interest in middle density, ADU's, and multi-unit lots
- **Housing Quality:** Residents called for the city to hold landlords accountable for unit conditions to improve unit quality and safety
- **Rent Stabilization:** Protect and enhance resident stability through rent control and tenant protection measures.

May 2026

Site Suitability and Unit Yield Analysis | Documentation

Rockville Housing Needs Assessment

HR&A Advisors

HR&A conducted an analysis of real estate parcels in Rockville, Maryland, and the areas covered under the City's Maximum Expansion Limits (MEL), to identify sites suitable for multifamily residential development. These suitable sites were then scored—based on their proximity to amenities and inclusion within state and federal priority development areas—to identify sites with the highest development potential and greatest level of opportunity for potential future residents. Finally, HR&A assessed the potential residential dwelling unit yield on suitable sites, in keeping with the City's planned land uses per the Rockville 2040 Comprehensive Plan, providing an upper theoretical bound on development capacity within the City and its MEL.

To display the results HR&A created an interactive map tool, highlighting parcels that may be ideal candidates for multifamily development and inclusion in the Moderately Priced Dwelling Unit (MPDU) Rental Housing Program. The unit yield and site scoring analysis provide additional context to help the City assess the sites.

Site Suitability Analysis

The following matrix outlines the screening criteria used to identify sites that are best suited for multifamily residential development. Parcels were screened for physical readiness, development potential, and the suitability of existing and planned land uses.

Category	Criteria	Detail
Physical Readiness	Sufficient lot area	At least 1.0 acres in land area, outside the FEMA Special Flood Hazard (SHFA) A/AE floodplain (100-year floodplain)
	Sufficient developable lot width	At least 75 feet in lot width
Development Potential	Existing structures have low value relative to land	Improvement value less than land value
	Parcel not in development or recently developed	Parcel has not had development activity since 2018 and is not currently under development, according to CoStar records
	No condos; Only one parcel per lot	Excluded lots with condo parcels
Suitable Land Use	Planned land use suitable for multifamily development	Excluded parcels designated for RD (Residential Detached), P (Park), OSP (Open Space Private), SI (Service Industrial), and CI (Civic Institutional)
		Excluded cemetery parcels
		Excluded parcels with existing affordable housing properties

In total, HR&A has identified 88 sites across the City and MEL that pass suitability screening—63 sites are parcels that meet the criteria on their own, 13 include a parcel that passes on its own plus one or more parcels that can be assembled with the passing parcel into a larger suitable site, and 12 sites that would be made entirely of smaller sites that would fail on their own but pass when assembled. A summary of the total parcels that pass each criterion is provided below, along with the count of parcels that pass after cumulative application of each suitability filter.

Criterion	Passing Sites (Total for Each)	Passing Sites (Filtered Cumulatively)
At least 1.0 acres in land area, outside the FEMA Special Flood Hazard (SHFA) A/AE floodplain (100-year floodplain)	6,362	6,362
At least 75 feet in lot width	14,656	6,362
Improvement value less than land value	8,662	589
Parcel has not had development activity since 2018 and is not currently under development, according to CoStar records, Rockville active development projects, and Montgomery County planning records	23,072	478
Not a condo parcel	19,613	462
Not designated for RD (Residential Detached), P (Park), OSP (Open Space Private), SI (Service Industrial), or CI (Civic Institutional)	14,777	87
Not a cemetery parcel	27,970	83
Does not have an existing affordable housing property	25,808	81
Passes final quality check for recent development activity and valid current land uses (11 sites removed)		**76** ***passing sites***
Does not pass on its own but would pass in an assemblage of adjacent parcels		**+ 12** ***additional sites requiring assembly***

The 88 suitable sites are primarily located in areas of the City and MEL with a planned land use designated for Office/Commercial/Residential Mix (56 sites; 249.9 acres) or Office (15 parcels; 84.1 acres).

Planned Land Use	Suitable Sites	Acreage
Office Commercial Residential Mix	56	249.9
Office	15	84.1
Service Industrial Residential Mix	4	43.9
Residential Flexible	2	21.1
Private Institution	4	10.5
Residential Multiple Unit	1	5.4
Residential Attached	3	3.6
Commercial Residential Mix	2	2.5
Residential or Office	1	1.1

Parcel Scoring Analysis

The following matrix outlines the criteria used to score suitable parcels. Scoring is based on a parcel's proximity to Metro stations and community amenities; its location within an Opportunity Zone (OZ) or New Markets Tax Credit (NMTC) eligible census tract; and its existing utilization (percentage of the parcel that already has building area present). Sites within a defined radius of an amenity, within an OZ or NMTC tract, and with low utilization (≤60% of parcel area) receive a score of one point for each criterion met, up to a total of 9 points.

Site Characteristics		
Access to Community Amenities	Metro Station	Within 1/4 Mile
	Grocery Store	Within 1/2 Mile
	Public School	Within 1/2 Mile
	Park	Within 1/2 Mile
	Library	Within 1 Mile
	Hospital, Clinic, or Pharmacy	Within 1 Mile
Market Context / Incentives	OZ	Located within
	NMTC	Located within
Site Utilization	Percentage of lot area with existing building footprint area	Less than or equal to 60% of lot area currently has building area present

After scoring sites based on the above criteria, the analysis shows that nearly all sites suitable for multifamily development benefit from good proximity to parks and healthcare facilities—and that most good development sites also have low existing site utilization. More decisive factors in boosting a site's score include proximity to Metro stations (of which only 14 sites were located within ¼ mile) and being in an Opportunity Zone (of which Rockville only has one designated census tract with 4 suitable sites).

Scoring Criteria	**Suitable Sites**
Near a Metro Station	14
Near a Grocery Store	60
Near a Public School	48
Near a Park	86
Near a Library	36
Near a Hospital, Clinic, or Pharmacy	81
In an OZ	4
In an NMTC Tract	20
Low Existing Site Utilization (≤60% of Area)	87

On average, suitable sites have a score of 5.

Total Score	Suitable Sites
9	1
8	7
7	7
6	14
5	21
4	20
3	17
2	1

Unit Yield Analysis

The final step of the analysis was to estimate a total unit yield across suitable sites—assuming all sites developed to their maximum theoretical capacity based on planned land use and recent construction trends. First, HR&A applied a construction typology assumption (e.g., townhome, low/midrise) to each parcel based on its planned land use from the Rockville 2040 Comprehensive Plan. Each construction typology assumption includes a corresponding estimated dwelling units per acre yield. Next, parcels assigned to the highest density typology (High-Rise, at 180 units/acre) were shifted to the Wrap/Podium (100 units/acre) development typology if they were further than ¼ mile from a Metro station, based on recent development trends. Then, for parcels with 5 or more acres of area, HR&A applied a 30% reduction in developable area to account for master planning infrastructure needs on large sites. And finally, parcels that remained at 10 or more effective developable acres and assigned to the Wrap/Podium (100 units/acre) typology were shifted to the Low/Midrise typology (60 units/acre) as a middle ground, recognizing that some portion of large sites often develop as Townhomes (15 units/acre) while other portions develop at higher densities.

Planned Land Use Category		Screening	Primary Typology Assumption	Units/Acre
RD	Residential Detached	Excluded	N/A	N/A
RA	Residential Attached	Included	Townhome	15
RF	Residential Flexible	Included	Low/Midrise	60
RM	Residential Multiple Unit	Included	Wrap/Podium	100
RO	Residential and/or Office	Included	Wrap/Podium	100
O	Office	Included	Wrap/Podium	100
C	Commercial	Included	Wrap/Podium	100
CRM	Commercial and Residential Mix	Included	High-Rise	180
OCRM	Office, Commercial and Residential Mix	Included	High-Rise	180
CI	Civic and Public Institutional	Excluded	N/A	N/A
I	Private Institution	Included	Low/Midrise	60
P	Public Park	Excluded	N/A	N/A
OSP	Open Space Private	Excluded	N/A	N/A
SI	Service Industrial	Excluded	N/A	N/A
SRM	Service Industrial and Residential Mix	Included	High-Rise	180

The results of this analysis reflect an estimated maximum unit yield possible based on recent development trends. Recognizing that not all sites will redevelop, one way to interpret this estimated maximum unit yield is by focusing on sites with higher scores—i.e., higher opportunity development sites—and then by focusing on a subset of the highest-scoring sites. For example, if 50% of suitable sites scoring at least 6 points redevelop over the next 10 years, Rockville could see around 3,690 new residential dwelling units produced. This level would be higher than 2015-2024, during which Rockville permitted 2,300 new units, as well as slightly higher than 2005-2014, when Rockville permitted 3,400 new units.

See below for a summary of estimated unit yield on suitable sites, broken down by parcel score and construction typology.

Estimated Unit Yield on Suitable Sites by Parcel Score and Construction Typology

Parcel Score	Construction Typology	Average Units Per Developable Acre	Parcel Count	Gross Acreage	Estimated Maximum Unit Yield
9	High-Rise	180	1	6.9	875
8	High-Rise	180	3	7.3	973
8	Wrap/Podium	100	2	5.6	562
8	Townhome	15	2	2.1	32
7	High-Rise	180	4	7.7	1384
7	Wrap/Podium	100	3	10.5	1050
6	High-Rise	180	1	2.6	467
6	Wrap/Podium	100	13	20.5	2044
5	High-Rise	180	3	10.2	1844
5	Wrap/Podium	100	13	72	5409
5	Low/Midrise	60	5	63.2	2759
4	Wrap/Podium	100	17	76.5	5640
4	Low/Midrise	60	3	25.5	1171
3	Wrap/Podium	100	15	89.4	6815
3	Low/Midrise	60	1	20.6	867
3	Townhome	15	1	1.5	22

Estimated Unit Yield on Assembly Potential Parcels by Parcel Score and Construction Typology

Parcel Score	Construction Typology	Average Units Per Developable Acre	Parcel Count	Gross Acreage	Estimated Maximum Unit Yield
8	High-Rise	180	5	0.6	101
8	Wrap/Podium	100	2	1	95
8	Townhome	15	9	1.5	24
7	High-Rise	180	4	0.4	70
7	Wrap/Podium	100	13	4.3	426
7	Low/Midrise	60	1	0	0
7	Townhome	15	24	6	89
6	Wrap/Podium	100	22	6.8	682
6	Townhome	15	21	3.5	49
5	Wrap/Podium	100	16	2.4	235
5	Low/Midrise	60	1	0.3	20
5	Townhome	15	21	3.6	56
4	Wrap/Podium	100	13	2	197
3	Wrap/Podium	100	4	0.6	56
3	Low/Midrise	60	2	0	2
2	Wrap/Podium	100	1	0	0

Priority Housing Tools, Rockville, Maryland

Five near-term tools recommended for implementation

The following five tools represent the highest-priority near-term actions available to the City of Rockville to expand housing production and increase affordability. Together, these tools address the supply, affordability, and financing constraints that the HNA identifies.

Rockville is experiencing significant market challenges that limit the ability to add market rate rental housing and MPDU units. While the market is weak, the city can focus on revising the MPDU program to streamline for sale move ins and align In Lieu Fee with city priorities, and securing resources, both through public land and a dedicated revenue source for the Housing Opportunity Fund, to support the delivery of affordable homes for those who need them most. The city can also formalize their relationship building and engagement with the development community to build a stronger development pipeline and better align with County and State organizations.

The following tools provide recommendations for next steps and indicate which of the existing Housing Policies from the comprehensive plan and related actions align with each recommendation.

Tool 1: MPDU Program Enhancement

Lever	Timeline
Inclusionary Zoning Reform	Near-term (0–18 months)

Related Existing Actions:

Housing Policy 10: Maintain a MPDU program and continue to add MPDUs to the housing stock as residential development occurs

- **Action 10.1:** Continue to monitor and adjust income requirements and other aspects of the MPDU program to encourage the production of affordable units.
- **Action 10.2:** Adjust the structure of the MPDU program to encourage the production of more MDPUs.
- **Action 10.7:** Explore strategies that seek to restructure the MPDU in-lieu fee payment option to allow for more feasible and wider application when such options better meet the City's housing objectives.

WHAT IT IS

Rockville's MPDU program requires 15% of units in qualifying new developments to be priced affordably, primarily targeting households at 60% AMI. This is the city's single most important affordable housing delivery mechanism. This recommendation is to streamline the MPDU process, particularly the for sale process, and create goals around which to guide resizing the fee-in-lieu structure to align with city priorities when market conditions improve.

This is not a recommendation to change the unit requirement or target income level, as these adjustments alone are not expected to result in feasible projects given current market conditions and would require reevaluation when the market improves.

WHY IT MATTERS FOR ROCKVILLE

The HNA found that 76% of active deed-restricted affordable units built in Rockville between 1990 and 2020 came through the MPDU program, suggesting it has served as the dominant affordable housing delivery mechanism in the city. Yet the program has some challenges:

- **Ambiguous In Lieu Fee:** There is an In Lieu fee currently mentioned in the MPDU ordinance, however it is not clear how it's sized. The city should be intentional about language and fee setting to be able to use the fee as a tool more effectively.
- **Process complexity:** Stakeholder engagement indicated some parts of the MPDU process, particularly when selling affordable units to qualifying buyers, can be challenging.
- **Production risk:** A halt in market-rate multifamily development directly reduces MPDU production, since MPDUs are triggered by market-rate projects, which is currently being seen in the Rockville Multifamily market.

KEY ACTIONS

- **Streamline For Sale Process:** Simplify the for sale MPDU selection process, to make the for sale MPDU application and document review and execution more efficient. This may require streamlining the process or increasing capacity to work with developers to get applicants in homes.
- **Direct Guidance on target AMIs:** The current inclusionary code does not specify AMI levels for rental or for sale. While the city provides guidance on a project by project basis, particularly for for-Sale projects, more consistent direction on AMI levels would reduce uncertainty for developers.
- **Reform fee-in-lieu:** To make the in-lieu fee support the city's goals, Rockville should first define what the fee is intended to achieve. The fee should be calibrated to advance priority outcomes, such as encouraging on-site affordable housing or generating revenue for the Housing Opportunity Fund. Clarifying these priorities now will allow the city to right-size the fee when market conditions improve and ensure in-lieu payments remain a meaningful alternative to on-site unit production.
- **Engage the development community for input:** Those who are going through the MPDU process are the best source of information for areas of improvement. It is recommended that as the city considers adjustments to the program, they engage the Development community for input and feedback on how the program works well and what challenges might exist.

Tool 2: Housing Opportunity Fund – Securing Dedicated Funding

Lever	Timeline
Direct Subsidy / Local Capital	Near-term (6–18 months)

Related Policies

Policy 10: Maintain a Moderately Priced Dwelling Unit program and continue to add MPDUs to the housing stock as residential development occurs.

- **Action 10.8:** Explore ways to grow the city's Housing Opportunities Fund, such as through a dedicated budget line item and/or expanded MPDU fee-in-lieu requirement.

Policy 8: Provide financial incentives for the production and preservation of affordable housing.

- **Action 8.2:** Establish stable sources of funding for Rockville's local Housing Opportunities Fund that can be used for affordable housing rehabilitation or development projects.

Policy 9: Sustain and develop programs that assist Rockville residents' entry into the home buying or rental market.

- **Action 9.9:** Explore an annual budget line item to fund allocation for an affordable housing ownership program.

WHAT IT IS

Rockville has already taken the initial step of establishing the Housing Opportunity Fund (HOF) as a locally controlled, flexible vehicle for affordable housing investment. The HOF is an opportunity for the city to fund preservation and construction of affordable housing, down payment assistance, emergency rental assistance, owner-occupied rehabilitation grants, and other housing subsidies, without the programmatic restrictions of federal streams like CDBG or HOME. What the HOF currently lacks is a dedicated, recurring revenue source.

WHY IT MATTERS FOR ROCKVILLE

Without a recurring revenue commitment, the HOF cannot function as a reliable subsidy engine: LIHTC gap financing needs a predictable capital pool; emergency rental assistance needs a program fund that can be drawn down and replenished; NOAH preservation needs acquisition capital that can move quickly; owner-occupied rehabilitation needs grant funding; and down payment assistance needs a revolving source.

Montgomery County's Housing Initiative Fund (HIF) operates at approximately $50–60 million annually. Rockville's HOF is the city's own complement to the County HIF, allowing Rockville to deploy capital on its own terms, at its own pace, and toward city-identified priorities. Peer cities of comparable size to Rockville have committed $1–3 million annually[1]; which could be a reasonable initial target for Rockville as the HOF transitions from an established structure to an operational program.

KEY ACTIONS

[1] Stana Fe, NM commits $3M annually, Charlottesville VA $800K noted in 2025,

- **Formalize HOF governance and developer expectations:** Confirm the HOF's governing structure, outline the fund's investment criteria, and develop a Notice of Funding Availability (NOFA) so the fund is operationally ready when revenue is secured.
- **Secure a dedicated revenue stream:** Consider an approach to committing an annual General Fund appropriation to the HOF, while also redirecting existing revenues to the HOF, including MPDU fee-in-lieu payments, and short-term rental registration fees. Each of these streams reflects value generated by the housing market and should be reinvested in affordable housing.
- **Consolidate City housing accounts into the HOF:** Designate the HOF as the single vehicle for all city housing subsidies, consolidating any existing program-specific accounts or reserves. This simplifies administration and ensures that all housing capital is visible, trackable, and deployed under a single investment framework.
- **Establish programmatic set-asides:** Once funding is established, create set-asides within the HOF: a minimum share for households at or below 30% AMI, a share for emergency rental assistance, a share for homeownership programs (down payment assistance and owner-occupied rehabilitation), and a dedicated LIHTC gap loan pool.
- **Staff for deployment:** Identify staff capacity to manage underwriting, compliance, and reporting.

Tool 3: Public Land Disposition Policy

Lever	Timeline
Public Land / Site Control	Mid-term (18 months–3 years)

Related Policies

Policy 9: Sustain and develop programs that assist Rockville residents' entry into the home buying or rental market.

- **Action 9.3:** Conduct an inventory of vacant and under-utilized land to identify any sites that may be suitable for needed affordable units.
- **Action 9.4:** Consider including the development of housing in conjunction with the construction or redevelopment of community facilities.

WHAT IT IS

A Public Land Disposition Policy establishes a formal process for the city to inventory publicly owned properties, including surface parking lots, underutilized municipal facilities, and surplus parcels. This tool recommends that Rockville evaluate each site's suitability for housing, determine whether affordable or mixed use housing would be more appropriate, and convey them to mission-driven developers. Relevant for sites appropriate for affordable housing, Maryland law permits municipalities to convey property below market value for affordable housing purposes.

WHY IT MATTERS FOR ROCKVILLE

Land cost and land availability are current feasibility constraints for housing in Rockville. HNA stakeholder engagement identified that, for rental housing, land values in Rockville often exceed what developers can pay for affordable housing projects. Reducing or eliminating land cost through public land disposition can make projects viable that would otherwise not be feasible and releasing public land for development that is not currently available to developers can help drive new development projects.

KEY ACTIONS

- **Complete a public land inventory:** Conduct a comprehensive inventory of all city-owned and city-controlled parcels and assess their development potential for affordable or mixed use housing.
- **Adopt a disposition-for-affordability policy:** Adopt a formal policy requiring affordable housing or mixed income evaluation as a first use for any surplus city property before market sale that is informed by market dynamics to help determine the most appropriate residential program for the site.
- **Allow use of ground leases:** Develop a ground lease framework (99-year term) that could be used to maintain city ownership of land while enabling affordable development.
- **Coordinate with Montgomery County:** Coordinate with Montgomery County to inventory County-owned parcels within Rockville's planning area for potential co-disposition.

Tool 4: LIHTC Project Support

Lever	Timeline
Direct and Indirect Subsidy / Tax Credit Finance	Mid-term (18 months–3 years)

Related Policies

Policy 8: Provide financial incentives for the production and preservation of affordable housing.

- **Housing Action 8.1:** Leverage federal resources and identify local and State funding sources to support the production of housing affordable to low- and moderate-income households.
- **Housing Action 8.5:** Promote and advocate for tax-exempt financing in conjunction with the Low-Income Housing Tax Credit to support the development of multiple unit affordable housing.

WHAT IT IS

The Low-Income Housing Tax Credit (LIHTC) is the primary federal tool for producing affordable rental housing nationally. LIHTC projects are financed through a combination of tax credit equity, debt, and local gap capital. In the current interest rate environment, projects typically require additional gap financing to close the remaining feasibility gap. Both direct and indirect subsidy can help support LIHTC developers to pursue projects in Rockville. Without a local gap loan pool, projects in Rockville cannot competitively apply for Maryland's limited LIHTC allocations.

WHY IT MATTERS FOR ROCKVILLE

The City of Rockville has had requests for additional gap financing from developers who are looking to build in the city but are unable to put together a complete capital stack due to the high-cost environment. Additionally, Rockville's greatest need is at income levels well below market rate, not being provided by current market forces. Working with LIHTC developers to encourage the development of 60% and below AMI units in the city can help address the growing need at those income levels. Maryland DHCD allocates LIHTC on a competitive basis, and projects with additional non-LIHTC funding would also score higher.

KEY ACTIONS

- **Capitalize a gap loan pool:** Capitalize a gap loan pool for LIHTC projects. Sources could include General Fund, MPDU fee-in-lieu, CDBG, and other available sources.
- **Align a gap loan pool with the state LIHTC cycle:** Coordinate with Maryland DHCD and Montgomery County DHHS to align local gap financing allocation with the state LIHTC application cycle, maximizing the multiplier effect of local dollars.
- **LIHTC project tax abatements:** Currently only LIHTC projects owned by a non-profit are allowed a tax abatement. The city should consider extending LIHTC project PILOTs or tax abatements to all projects producing units at 60% AMI or lower.
- **Consider alternate subsidy approaches**: The city could provide indirect subsidy including waiving impact fees for LIHTC projects or consideration of reducing parking ratios for affordable projects.

Tool 5: Stakeholder Alignment and Development Partnerships

Lever	Timeline
Governance / Process Reform	Near-term (0–12 months to launch; ongoing)

Policy 8: Provide financial incentives for the production and preservation of affordable housing.

- **Action 8.6:** Pursue and leverage funding from Montgomery County government's Housing Initiative Fund for affordable housing projects in Rockville.
- **Action 8.8:** Explore strategies and seek opportunities with the development community, foundations and non-profit to utilize New Markets Tax Credits to promote mixed-use developments, including rental and homeownership affordable housing, in eligible Census tracts.

WHAT IT IS

A structured, sustained program through which the city builds working relationships with the private development community, nonprofit housing providers, Montgomery County agencies, and state financing partners. The goal of these engagements is to reduce information gaps and friction that can cause development projects to stall before they reach permitting. This tool operates in parallel with every other tool in this framework as they all depend on the city having trusted counterparts in the development community and at the County.

WHY IT MATTERS FOR ROCKVILLE

Some stalled projects in Rockville may be the result of financing gaps or market conditions, but some may reflect developers not knowing who to speak with at the city, and city Staff not knowing which projects might be close to moving forward. Cultivating Private and nonprofit developer relationships can allow the city to proactively encourage strategic development's in the City with developer input. Nonprofit developer relationships can help developers align with city's needs if the city is able to more clearly and proactively communicate priority goals.

Strategic city - County coordination is also critical to project success. As the county controls HIF capital, HOC project-based vouchers, and DHHS coordination, a standing coordination structure would help give Rockville more input into how County resources are deployed locally.

KEY ACTIONS

- **Establish a City–Developer Housing Roundtable:** Launch a standing quarterly forum with market-rate and affordable developers active in Rockville, focused on pipeline transparency, barrier identification, and feedback on city processes. This is a working session that should be candid, off-record, and action-oriented.
- **Formalize City–County coordination:** Establish a standing staff-level working group with Montgomery County DHCA, HOC, and DHHS to align city HOF deployment with County HIF funding cycles, coordinate project-based voucher applications, and share pipeline intelligence on projects serving the lowest-income households.
- **Conduct a developer barrier audit:** Commission structured interviews with 6–10 developers who are either active in or have pulled back from development in Rockville. Identify the top process, policy, and relational barriers to development. Findings should directly inform HOF investment criteria, permitting priorities, and MPDU reforms.



HR&A

City of Rockville

HOUSING NEEDS ASSESSMENT

June 2026

Agenda

Introduction	3
Key Findings	6
Recommendations	20

Introduction

ABOUT HR&A ADVISORS

HR&A Advisors, Inc. (HR&A) helps create more equitable, resilient, and dynamic communities.

HR&A is an **industry-leading economic development, real estate, and public policy consulting firm** with offices in New York, Washington, DC, Los Angeles, Dallas, Atlanta, and Raleigh.

We bring decades of experience analyzing housing markets and developing strategies for cities, counties and states across the country.



Project Scope

HR&A was engaged by the City of Rockville to conduct a housing needs assessment and develop recommendations to support housing affordability in Rockville.

1	2	3	4	5
Stakeholder Outreach & Events	**Housing Needs Assessment & Market Scan**	**Land Use Analysis**	**Financial Analysis**	**Recommendations**
Conducted community engagement roundtables, community survey, and attended key community events	Analysis of existing housing market conditions, owner and tenant cost burden, and real estate development in Rockville	Developed an interactive tool to identify parcels with development potential	Feasibility analysis of existing MPDU program and alternative policy and economic conditions scenarios to be used in the MPDU rewriting process this upcoming winter	Four main tools to promote adequate and affordable housing supply

Key Findings

KEY FINDINGS — MARKET DRIVERS

Rockville continues to add high wage residents, sustaining strong demand for homeownership, but **economic challenges across the region are leading to a softening rental market.**

Sustained Demand from High Wage Residents

61%

growth in households earning $150K+ since 2014

Multifamily Rental Market Softening

63%

of units approved since 2022 unbuilt

Homeownership Market Remains Strong

35%

of home sales above $750K in 2024

Source: City of Rockville; HMDA; ACS

KEY FINDINGS — IMPACTS

Despite a softening rental market, **cost burden remains an issue for Rockville renters.**

Renters Remain Cost Burdened

52%

of renters pay over 30% of monthly income in rent

Renter Barriers to Ownership

$220K

Gap between homes renters would be able to afford and the typical home value in Rockville

Shortage of Affordable Rentals

31:100

ratio of affordable homes per renter household earning <$50K

Source: American Community Survey; HR&A analysis

COMMUNITY ENGAGEMENT

HR&A partnered with local community engagement firm, Brick & Story, to conduct a thorough community engagement process consisting of a **survey, pop-ups at community events, and stakeholder roundtables.**

SURVEY

340 Responses

86% Rockville Residents

EVENTS

3 Pop-Ups

3 Round Tables

1 Open House

SURVEY TAKEAWAYS

Top Concerns:

1. **High home prices, rent, and cost of maintaining a home**
2. **Difficulty finding preferred housing type at affordable price point in neighborhood of choice**

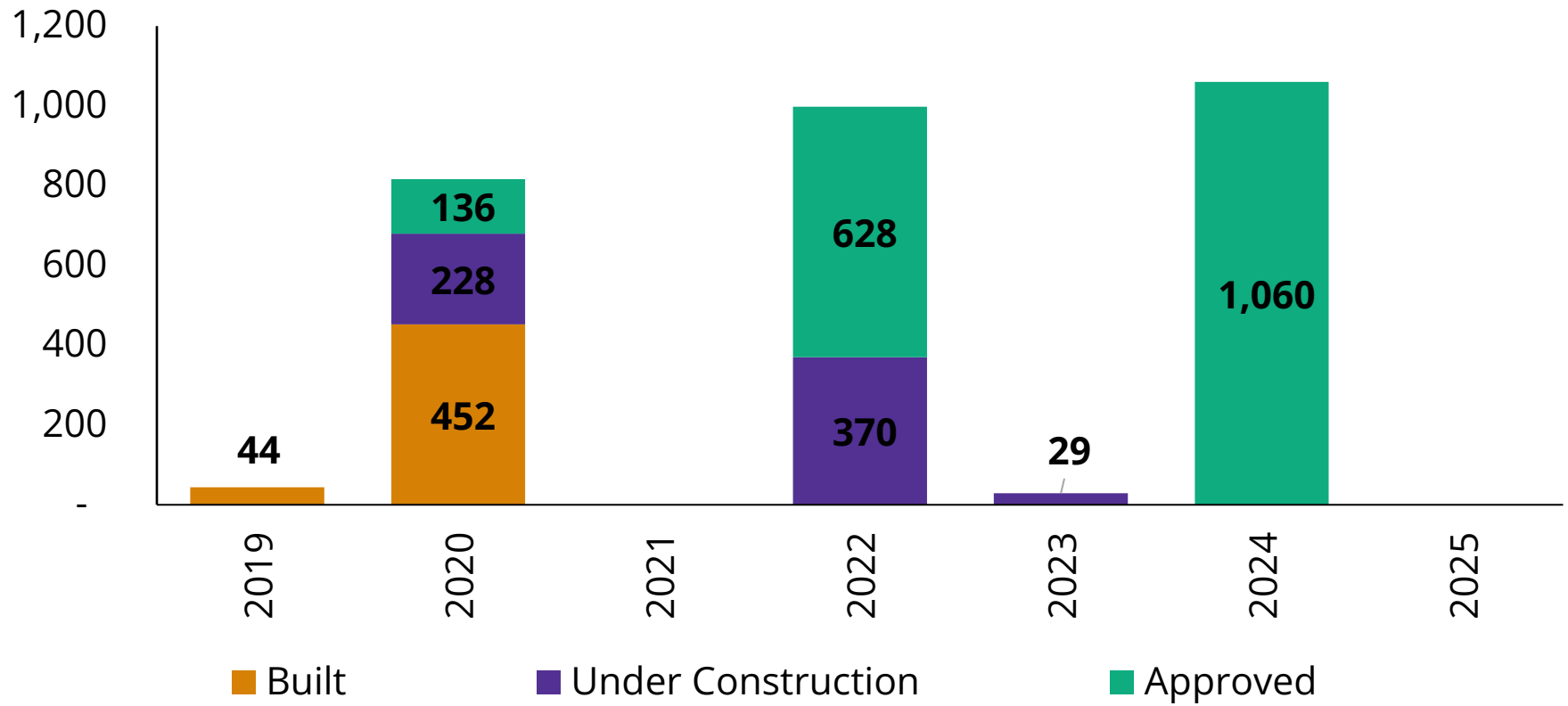
- **43% of renters** have delayed paying other expenses to pay for housing costs (28% of all respondents said they have).

- **68% of respondents** hoped to **stay in Rockville** the next **5-10 years.**
  - Rockville residents listed home options for **downsizing** (29% of respondents), **rent stabilization, rental assistance (27%)**, **mortgage assistance (18%)**, and financial assistance for **home maintenanc**e, as tools that would enable them to stay in the City.

MARKET DRIVERS - BACKLOG OF UNITS

Local and macroeconomic conditions have slowed development, with **only 38% of units of all types that received site plan approval since 2019 either under construction or completed.**

Site Plan Approval by Project Status (2019 - 2025)

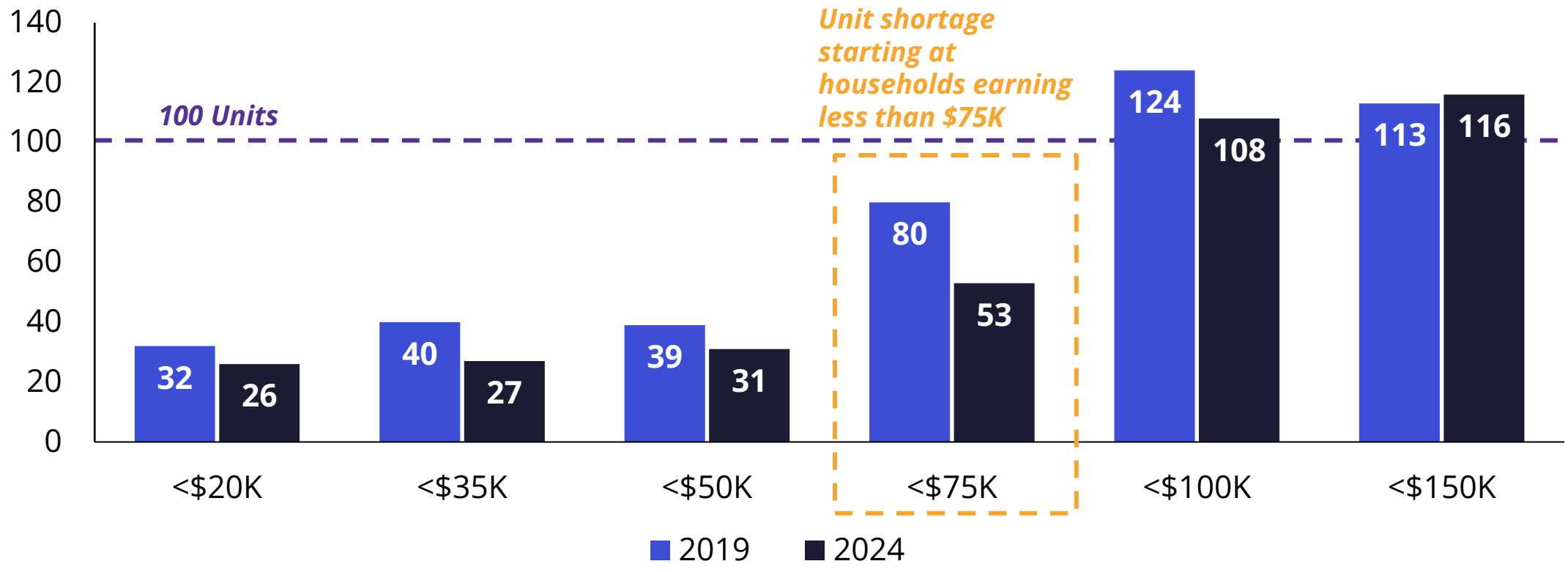


Source: City of Rockville

MARKET DRIVERS - RENTAL HOUSING SHORTAGE

There is currently a shortage of rental homes for all household income groups below $100k. **For every 100 renter households earning less than $75K,** or approximately 60% of AMI for a two-person household, **there are 53 units with rents they can afford.**

Affordable Rental Homes per 100 Renter Households (2019, 2024)

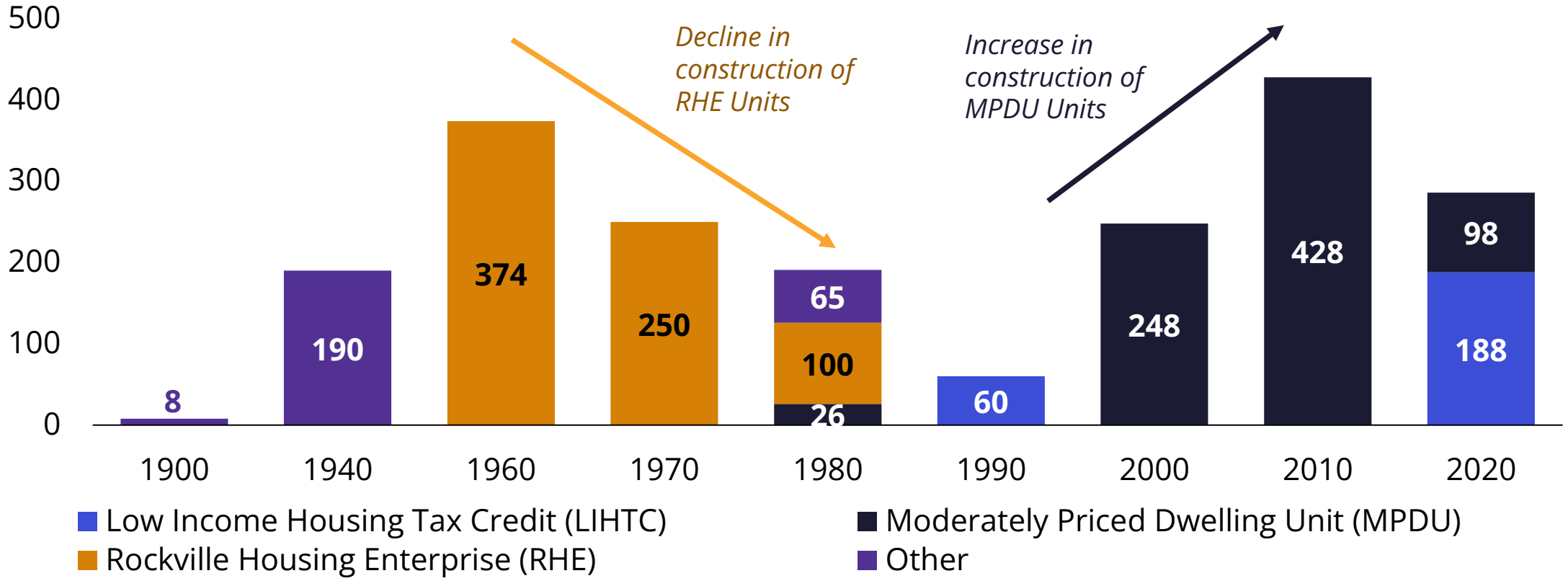


Source: American Community Survey, US Census Bureau. AMI levels assume a household size of four.

MARKET DRIVERS - AFFORDABLE HOUSING STOCK

76% of active deed-restricted affordable units built 1990-2020 were produced through the MPDU program. Future affordable unit production in Rockville relies on the continued delivery of market-rate multifamily housing.

Total Active Affordable Units by Year Building Constructed (2025)

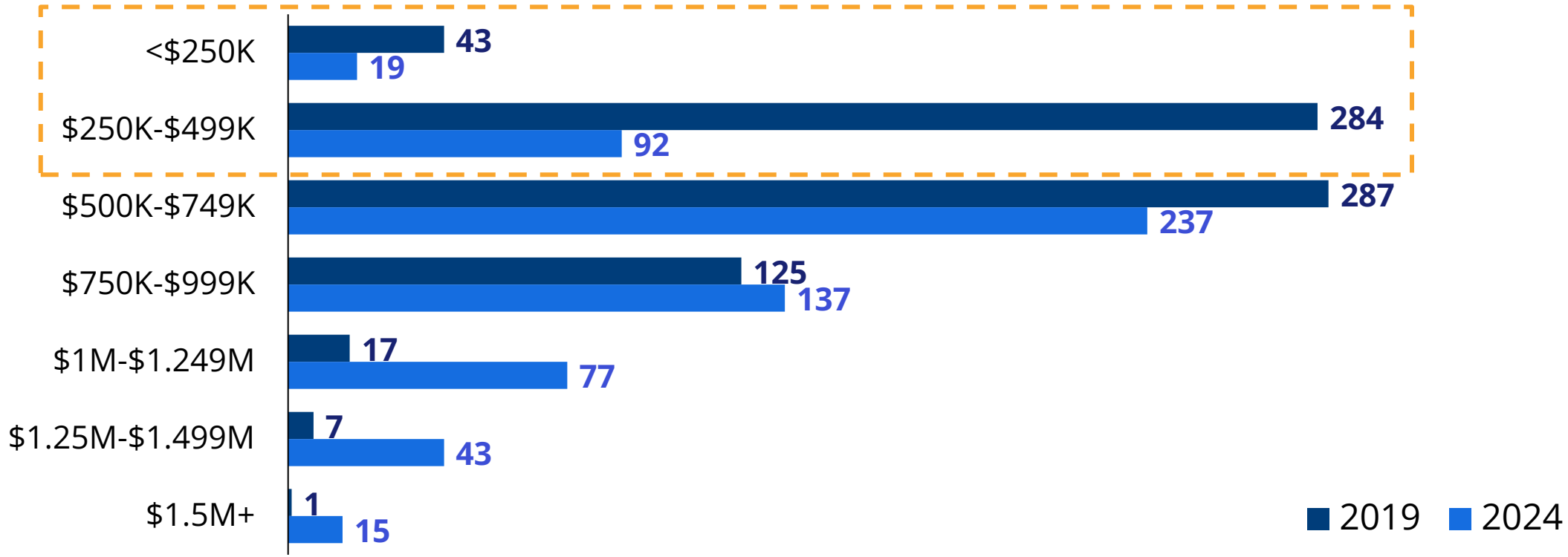


Source: City of Rockville (2025)

IMPACTS - RISING HOME PRICES

From 2019 to 2024, homes selling for under $500K dropped 66%, while homes above $1M rose 440%. The **availability of for sale homes at lower price points has dropped significantly, putting homeownership out of reach for moderate income households.**

Home Sales by Price (2019-2024)

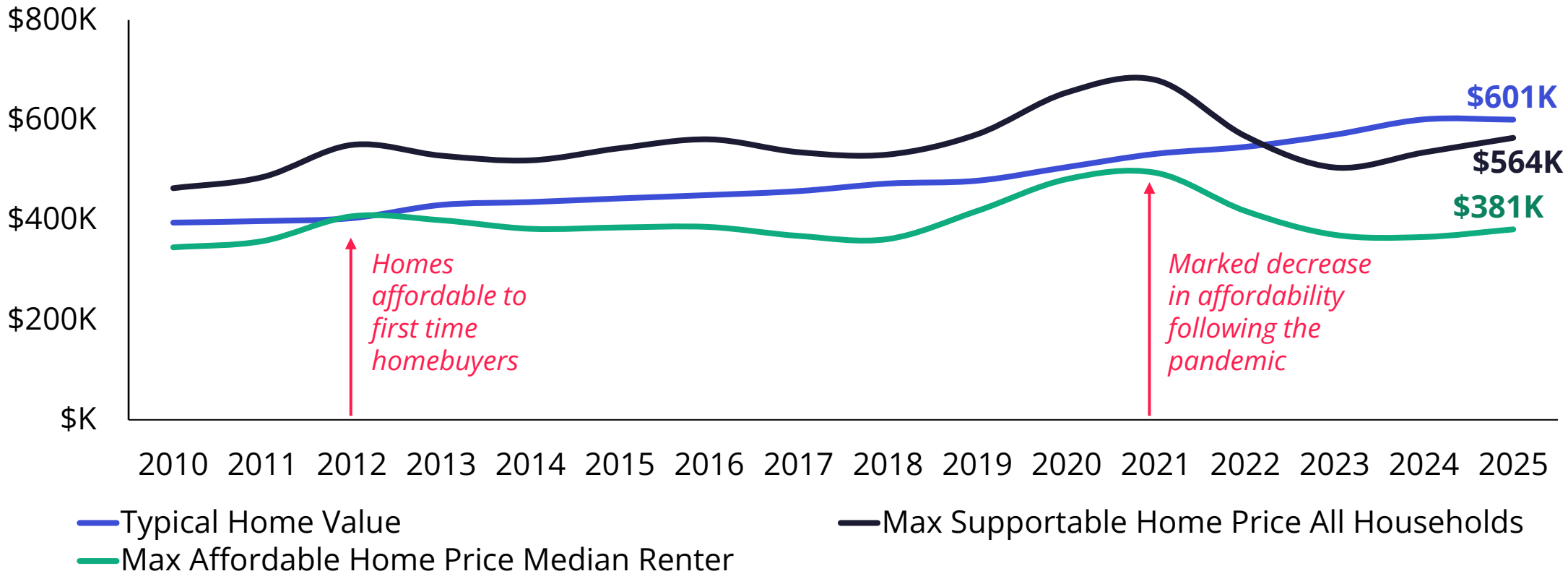


Source: Home Mortgage Disclosure Act (HMDA), FFIEC

IMPACTS - HOME AFFORDABILITY BY TENURE

In 2025, there was a **$220K gap between the median home value and what the median renter household could afford,** driven by home value increases as well as interest rate increases, in a market that was more accessible to renter households before 2022.

Home Values vs. Max Supportable Home Values (2010-2025)



Source: Zillow ZHVI index, ACS, HR&A analysis

IMPACTS – RENTER COST BURDEN

Renters in Rockville have been consistently cost burdened, **with cost burden for all renters not dropping below 45% over the past decade.** High-cost burden disproportionately impacts single-parents, seniors, and Hispanic/Latino households.

Renter Cost Burden Rates by Cohorts

Cohorts	Cost Burden Rate	Number of Cost Burdened Households	Median Share of Income Towards Rent
Single-Parent Households	**74%**	**600**	**53%**
Senior Households	**67%**	**1,090**	**49%**
Hispanic/Latino Households	**61%**	**1,200**	**42%**
Households with Children	**58%**	**1,870**	**40%**
Black Households	**57%**	**1,450**	**42%**
All Renter Households	52%	6,300	31%

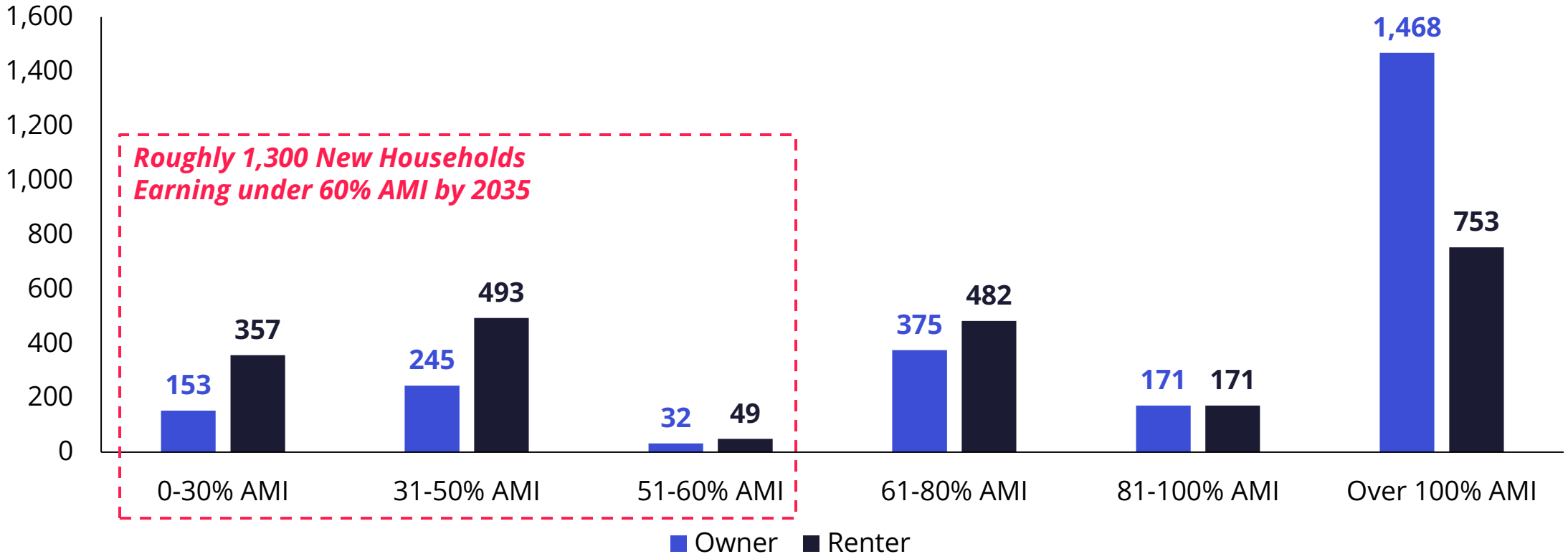
*Senior renters cost burden can be overstated because of fixed incomes; some households fall within multiple categories.

Source: Public Use Microdata Sample (PUMS) and American Community Survey, US Census Bureau.

ROCKVILLE FUTURE HOUSEHOLD GROWTH

The number of households in Rockville is projected to **increase between 3,000 and 4,700 by 2035**. Rockville will need to **permit an average of 330 to 510 units per year** to meet future housing demand. By 2035, **over 40% of renters and just under 20% of owners are projected to earn under 60% of AMI, requiring housing for a wide range of AMIs.**

New Projected Households by AMI and Tenure (2024-2035)



Source: HR&A Analysis of Metropolitan Washington Council of Governments: COG

Recent Housing Deliveries by Affordability

Much of this future demand will need to be met by the market, but most homes built today are at price points out of reach for low and moderate income households. Housing will need to be delivered at a lower price point to accommodate the **+2,500 additional households earning less than 100% AMI**.

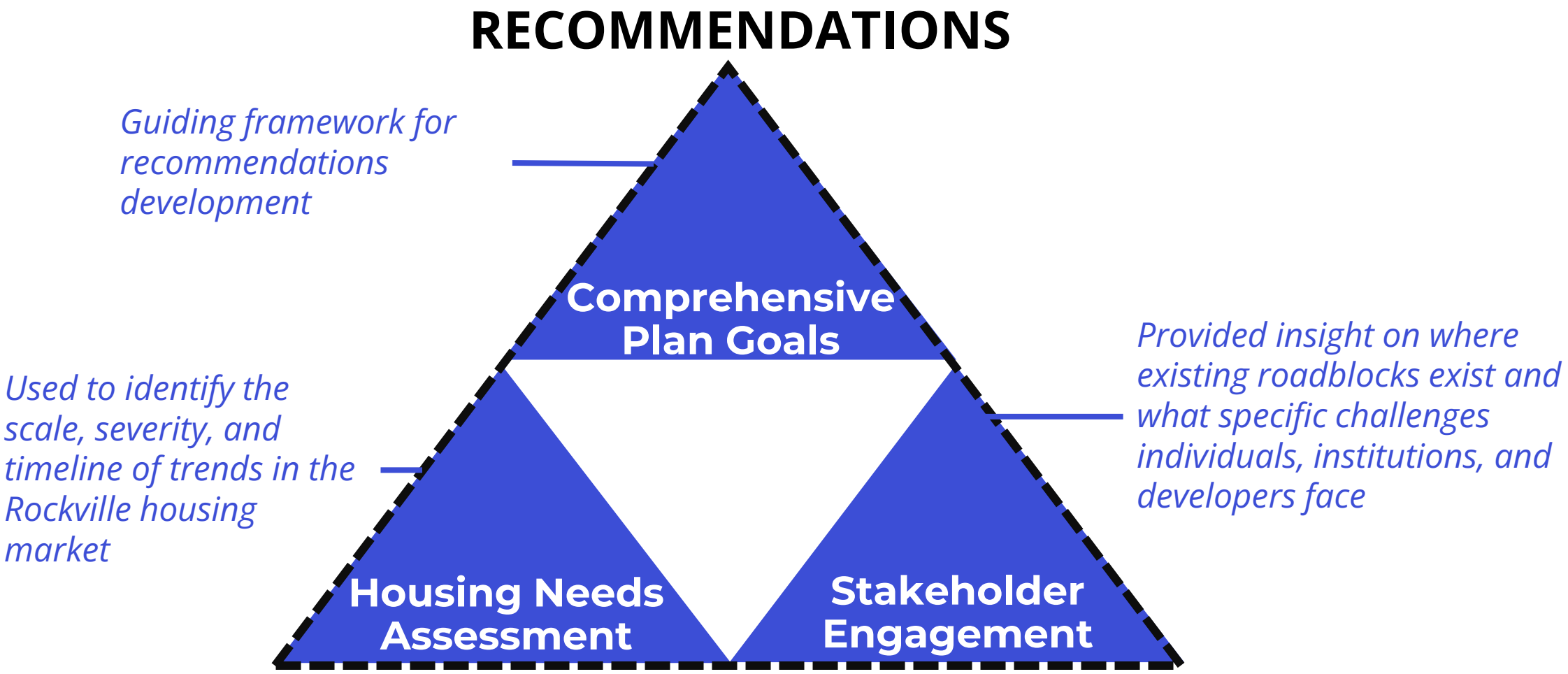


Source: Zillow. CoStar.

Recommendations

Recommendations Formation Process

Recommendations to improve the housing market and meet local housing demands were derived from the combination of our **stakeholder engagement, housing needs assessment, and comprehensive plan goals**.



HOUSING TOOLS OVERVIEW

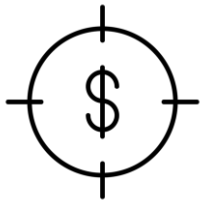
There are three main categories of interventions that municipalities can use to impact housing affordability:



Land Use

Use of countywide comprehensive plans to influence municipal **regulations and zoning** to **indirectly** improve affordability by increasing the supply of housing, and to directly require the production of affordable units.

e.g., by-right development, density bonuses, inclusionary zoning



Subsidy

Provide **below-market rate loans, grants, or other public resources** to close the gap between what a household can afford to pay and the costs to develop and operate housing.

e.g., rental assistance, gap financing for new construction, down payment assistance, public land sale



Tenants' Rights

Preserve existing affordable housing and housing stability by using **laws and regulations** that protect current occupants.

e.g., right to counsel, good cause eviction, landlord-tenant code

HOUSING TOOL JUSTIFICATION

Various market failures and policy shortfalls have resulted in increased unaffordability in Rockville.



Land Availability

Rockville is a built-out suburb with few greenfield sites to develop. Housing construction often requires redevelopment, which can be costly and complicated if rezoning is needed.



MPDU Reliance

The MPDU program is predicated on the continued delivery of new multifamily developments. When nothing is built, affordable housing delivery stagnates.



Interest Rates

High interest rates have driven up both the cost of borrowing for individual prospective home buyers, as well as the cost of development for home builders.



Construction Costs

High construction costs have increased overall project costs, making it challenging for developers to achieve market required returns for projects.

RECOMMENDED TOOLS – LAND USE

Structures that facilitate investment in affordable housing differ in their scale of necessary funding, financing structures, and depth of public involvement.

TOOL	RECOMMENDATION
MPDU PROGRAM ENHANCEMENT	Improve the efficacy and functionality of the current MPDU program by streamlining the for-sale MPDU selection, application, and document review process, increasing the transparency of target AMIs, reforming the fee-in-lieu process, and engaging the developer community for input on the current program.
PUBLIC LAND DISPOSITION POLICY	Leverage public land disposition for affordable housing creation by completing an inventory of all City-owned and City-controlled parcels, adopting a disposition-for-affordability policy, developing a 99-year ground lease framework, coordinating with Montgomery County on County-owned parcels.

RECOMMENDED TOOLS – SUBSIDY

Structures that facilitate investment in affordable housing differ in their scale of necessary funding, financing structures, and depth of public involvement.

TOOL	RECOMMENDATION
HOUSING OPPORTUNITY FUND: DEDICATED FUNDING	Ensure the HOF can continue to serve as a reliable subsidy engine by formalizing governance, securing dedicated revenue, consolidating all City housing accounts into the HOF, establishing programmatic set-asides, and identifying staff capacity for underwriting, compliance, and reporting.
LIHTC PROJECT SUPPORT	Support LIHTC development by creating a gap loan pool for LIHTC projects, aligning local funding cycles with the state LIHTC application cycle, extending LIHTC tax abatements to all projects at 60% AMI or lower, potentially waiving impact fees or reducing parking ratios.

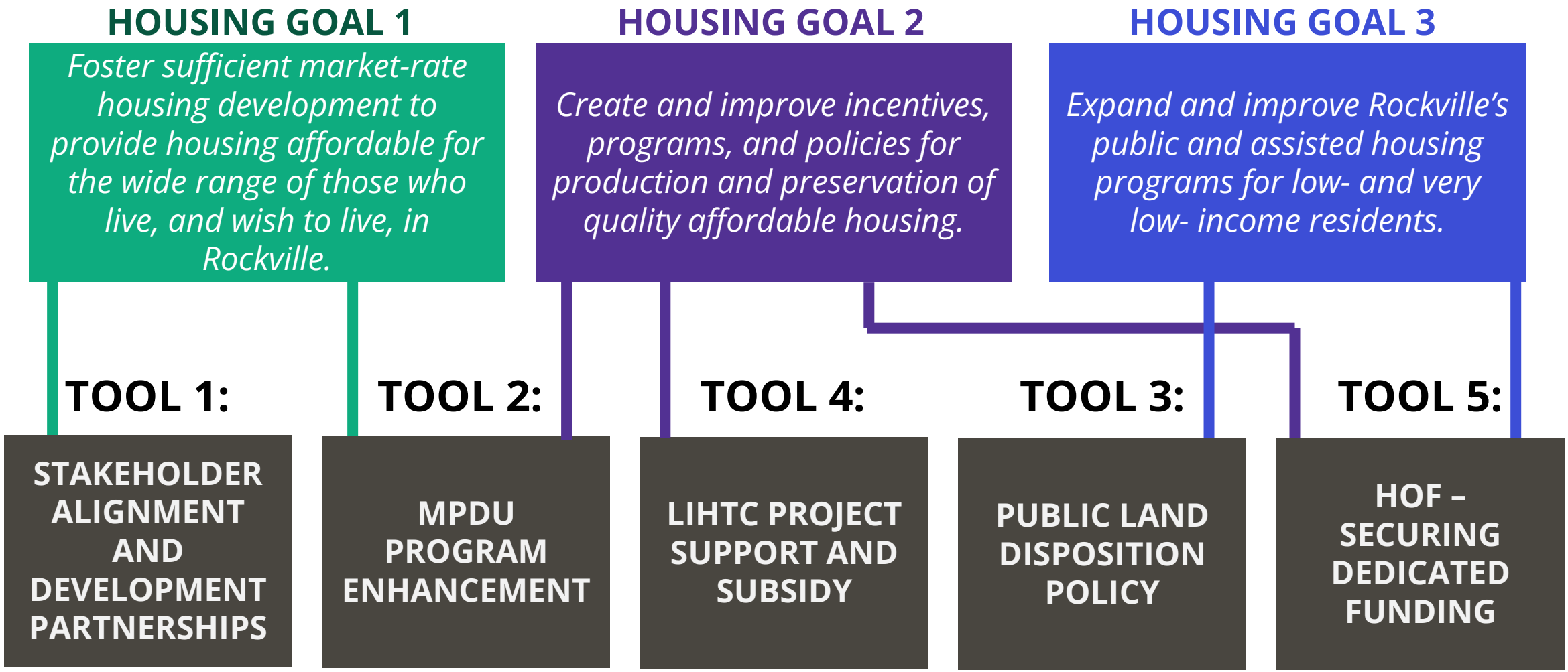
RECOMMENDED TOOLS – CAPACITY-BUILDING

Structures that facilitate investment in affordable housing differ in their scale of necessary funding, financing structures, and depth of public involvement.

TOOL	RECOMMENDATION
STAKEHOLDER ALIGNMENT & DEVELOPMENT PARTNERSHIPS	Ensure stakeholder buy-in through establishing a standing quarterly City–Developer Housing Roundtable, formalizing City–County coordination and conducting a development barrier audit through structured interviews with 6–10 active or pulled-back developers.

HOUSING TOOLS OVERVIEW

The recommended tools were developed through review of HNA Findings and Comprehensive planning goals to identify near term actions that can be made given current market conditions.



Next Steps

This analysis is part of numerous housing initiatives underway in Rockville to improve the quantity, quality, and affordability of the City.

Ongoing and Future Initiatives Include:

1. Adopting landlord tenant code (this evening)
2. Adopting ZOR (this evening)
3. HOF Deployment
4. MPDU Rewrite (Work session December 21st)
5. Integrating HNA recommendations into housing initiatives and prioritization of existing actions

MAYOR AND COUNCIL Meeting Date: June 29, 2026
Agenda Item Type: CONSENT
Department: PW - ENGINEERING
Responsible Staff: GABRIEL P. KOSAREK

Subject

Award, and authorize the City Manager to execute a rider contract with Human Circuit Holdings, LLC, in an Amount Not-to-Exceed $493,849.10 for a one-year term through June 30, 2027, with terms and pricing consistent with the Virginia Commonwealth University (VCU) contract to Provide and Install the Audio-Visual Equipment for the Emergency Operations Center at Taft Center

Department

PW - Engineering

Recommendation

Staff recommends that Mayor and Council award, and authorize the City Manager to execute, a rider contract with Human Circuit Holdings, LLC of Gaithersburg, MD., in an amount not-to-exceed $493,849.10 for a one-year term through June 30, 2027, with terms and pricing consistent with the Virginia Commonwealth University (VCU) contract, Audio Visual Products, Service & Maintenance to provide and install the audio-visual equipment for the Emergency Operations Center at Taft Center.

Discussion

This action awards a rider contract for use in providing and installing the AV equipment needed for the Emergency Operations Center (EOC) at the Taft Center facility. The contract will “ride” the competitive terms and conditions obtained by VCU for the purchase of equipment and the operation of that equipment used by the University. This VCU contract was used to provide audio-visual (AV) equipment upgrades for the Mayor and Council Chambers in 2023 and provides on-going maintenance and support for the same.

The EOC will be the facility where the direction, control, management, and coordination of emergency operations and response will occur for a broad variety of potential events, including extreme weather events (snowstorms, hurricanes, etc.). Human Circuit, Inc has worked with the city’s Emergency Manager to review the plans for the EOC that were developed with the design of the renovations at Taft Center. Human Circuit has developed a statement of work to provide and install the audio-visual equipment which satisfies the requirements of the design for this facility and the needs of its users.

In 2011, Human Circuit, Inc. designed and implemented a television broadcast infrastructure that includes the ability to broadcast live from the Mayor and Council Chambers for Rockville 11, and in 2019, Human Circuit, Inc. duplicated Rockville 11's broadcast infrastructure for the new Public, Education and Government studio on Rockville City Hall's first floor.

Since 2011, Rockville 11 has also had an annual support and maintenance agreement with Human Circuit, Inc. to keep all equipment and computers with broadcast and editing software up-to-date and working efficiently for continued productivity of programming and other Rockville 11 media projects.

In 2023 the Mayor and Council entered a separate rider agreement of the same underlying VCU contract to upgrade the equipment in the City Council Chambers and provide for the on-going maintenance and support of that equipment.

Mayor and Council History

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

Procurement

The Virginia Commonwealth University (VCU) issued Request for Proposal (RFP) #146784801JL for Audio Visual Products, Service & Maintenance November 19, 2021. On December 31, 2021, Human Circuit Holdings, LLC submitted a proposal and entered into a contract on June 6, 2022.

VCU's competitive procurement procedure is similar to the competitive procurement procedure required by the City. The City has utilized previous agreements with VCU for similar services to complete Mayor and Council chamber upgrades in the past.

Section 17-71 (b) of the Rockville City Code, Cooperative Procurement states that the City may contract with any contractor who offers goods, services, insurance, or construction on the same terms as provided other state or local governments or agencies thereof who have arrived at those terms through a competitive procurement procedure similar to the City's.

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

Human Circuit Holdings, LLC is a non-Minority, Female, Disabled or Veteran (non-MFD-V) business.

The draft contract is provided as Attachment 1.

To view all contract documents, please click the links below.

1. Human Circuit Sales Quotation #SQ72124
2. VCU Contract Documents

Fiscal Impact

Funding for the Emergency Operations Center AV equipment is provided via the Maintenance and Emergency Operations Facility Improvements (GD19) CIP (Attachment 2). Sufficient funding is available in this project for award.

Next Steps

Upon Mayor and Council approval, the Procurement Department will complete the execution of the rider agreement with Human Circuit Holdings, LLC to provide and install the audio-visual equipment for the Emergency Operations Center at Taft Center in an amount not-to-exceed $493,849.10 for a one-year term through June 30, 2027.

Attachments

Attachment 1 - Rider Agreement - Human Circuit EOC, Attachment 2 - GD19 FY26 CIP Sheet.pdf

CITY OF ROCKVILLE, MARYLAND
Rider Agreement

This **RIDER AGREEMENT** (this "**Rider Agreement**") is made this is made this ___ day of _____ 2026 (the "**Effective Date**"), by and between **THE MAYOR AND COUNCIL OF ROCKVILLE**, a body politic and municipal corporation of the State of Maryland, acting through its City Manager (the "**Mayor and Council**" or the "**City**"), and **HUMAN CIRCUIT HOLDINGS, LLC**, a Maryland limited liability company with a principal place of business at 211 Perry Parkway, Suite 7, Gaithersburg, MD 20877, formerly known as Human Circuit, Inc. (the "**Contractor**"). Individually, the Mayor and Council and the Contractor may each be referred to as the "**Party**," or collectively as the "**Parties**."

RECITALS

A. **WHEREAS,** the Mayor and Council desires to procure various Goods and Services, including installation, for the City's Emergency Management Center (the "**Goods and Services**"); and

B. **WHEREAS,** in accordance with Section 17-71(b) of the Rockville City Code, the City may enter into a contract to procure the Goods and Services from the Contractor without utilizing the City's formal solicitation process if (i) if the Contractor has entered into a contract to provide the Goods and Services to "other state or local governments or agencies," (ii) the other state or local government or agency arrived at the contract terms for the Goods and Services with the Contractor "through a competitive procurement procedure similar to the procedure used by the City," and (iii) the City obtains the same contract terms the Contractor offered to the other state or local government or agency; and

C. **WHEREAS,** Virginia Commonwealth University, a corporation and an institution of higher education of the Commonwealth of Virginia ("**VCU**") utilizes certain competitive procurement procedures, and the City of Rockville Department of Procurement has determined that VCU's competitive procurement procedures are similar to the competitive procurement procedures utilized by the City; and

D. **WHEREAS,** on November 19, 2021, VCU issued Request for Proposal 146784801JL (the "**VCU RFP**") to solicit the procurement of Audio Visual Products, Service and Maintenance, and on December 22, 2021, the Contractor submitted a response to the VCU RFP agreeing to provide such products, service, and maintenance, including the Goods and Services, to VCU; and

E. **WHEREAS,** on June 6, 2022, VCU entered into an agreement with the Contractor, which agreement was renewed on May 11, 2023, and May 22, 2024, and amended on June 20, 2025 (collectively, the "**VCU Procurement Agreement**"), attached hereto as **Exhibit A** and incorporated by this reference, pursuant to which the Contractor agreed to provide VCU with, among other things, the Goods and Services. In accordance with Section 17-71(b) of the Rockville City Code, the same terms and conditions of the VCU Procurement

Agreement for the procurement of the Goods and Services are extended to the City by Contractor; and

F. **WHEREAS,** the Parties agree that where the terms of this Rider Agreement vary from the terms and conditions of the VCU Procurement Agreement, the terms and conditions of this Rider Agreement shall prevail.

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:

OPERATIVE PROVISIONS

ARTICLE I. CONTRACTOR PROVISION OF GOODS AND/OR SERVICES

Section 1.01. Scope of Work. The Contractor shall, in the usual and customary manner consistent with the highest quality industry standards, provide to the City the Goods and Services in accordance with the "**Scope of Work**" in **Exhibit B**, which is attached hereto and incorporated by this reference. Where the terms of this Rider Agreement vary from the terms and conditions of the Scope of Work, the terms and conditions of this Rider Agreement shall prevail.

Section 1.02. Project Administrator. The Contractor shall provide the Scope of Work to the City under the direction of the following Project Administrator:

Gabriel Kosarek, Engineering Supervisor
111 Maryland Avenue, Rockville, MD 20850
240-314-8513
gkosarek@rockvillemd.gov

It shall be the Contractor's responsibility to ensure that the Project Administrator is kept informed on the progress of the Scope of Work. The Contractor shall refer any decisions which must be made by the City to the Project Administrator. The City Manager or his designee may modify the foregoing list of Project Administrator(s) by notifying the Contractor of such modification in writing.

Section 1.03. Notices to Proceed. The Project Administrator shall provide the Contractor with a City of Rockville Notice to Proceed ("**Notice to Proceed**"), after which the Contractor must provide the goods and services pursuant to the Scope of Work. All changes including without limitation scope and timeline must be communicated to the Project Administrator and if acceptable confirmed by the supplemental Notice to Proceed.

(a) Any work performed outside the scope of a written Notice to Proceed is at Contractor's risk and faces the probability of delayed or denied payment.

(b) Any agreements or stipulations in any work order 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.

ARTICLE II. CONTRACT TERM

Section 2.01. Contract Term. The duration of this Rider Agreement shall begin on the Effective Date and shall expire on June 30, 2027 (the "**Contract Term**"), unless earlier terminated in accordance with Article IX below.

Section 2.02. Time of Essence. Time is of the essence in the performance of the Scope of Work.

ARTICLE III. COMPENSATION AND PAYMENT

Section 3.01. Compensation; Required Appropriation of Funds.

(a) In order to compensate the Contractor for its performance of the Scope of Work and the provision of the Goods and Services, the Mayor and Council agrees to pay the Contractor, subject to any limitations set forth in this Rider Agreement, an amount not to exceed **Four Hundred Ninety Three Thousand Eight Hundred Forty Nine and 10/100 Dollars ($493,849.10)** (the "**Contract Sum**"). Any work performed or expenses incurred for which payment would result in a total exceeding the maximum compensation set forth in this Section 3.01 shall be at no cost to the Mayor and Council.

(b) All payments made under this Rider Agreement are contingent upon appropriation and encumbrance of funds by the Mayor and Council.

Section 3.02. Manner and Method of Payment; Invoices.

(a) The City shall pay the Contractor in accordance with the Scope of Work. The Contractor is not entitled to a total payment, including fees for expenses, that exceed the Contract Sum.

(b) Invoices.

(i) Consistent with the Scope of Work, the Contractor shall submit to the City Manager or his designee invoices, in duplicate, for all work performed, tasks and deliverable completed, and expenses incurred in a form approved by City of Rockville Chief Financial Officer or her designee. The invoice shall include detailed charges for all necessary and actual expenses by the following categories: labor (by sub-category), materials, equipment, supplies, and Subcontractor contracts. Subcontractor charges shall also be detailed by such categories.

(ii) The City Manager or his designee will independently review the invoices submitted by the Contractor to determine whether the work performed, tasks and deliverables

completed, and expenses incurred for the provision of the Audiovisual Equpment are in compliance with the provisions of this Rider Agreement. Except as to any charges for work performed or expenses incurred by the Contractor which are disputed by the City, or as provided in Section 9.03, 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 invoice. In the event any charges or expenses are disputed by the City, the original invoice shall be returned by the City to the Contractor for correction and resubmission.

(iii) All invoices shall be forwarded to the following address:

Gabriel Kosarek, Engineering Supervisor
111 Maryland Avenue, Rockville, MD 20850
240-314-8513
gkosarek@rockvillemd.gov

(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. Within seven days after receipt of amounts paid by the City for work performed by a subcontractor under this Rider Agreement, 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 Rider Agreement; 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.

Section 3.03. Waiver. Payment to the Contractor for work performed and expenses incurred for the provision of the Goods and Services pursuant to this Rider Agreement 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 providing the Goods and Services and services, 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.

ARTICLE IV. COORDINATION OF WORK

Section 4.01. Representatives and Personnel of Contractor. The following key personnel of the Contractor (the "**Key Personnel**") are hereby designated as being the principals

and representatives of the Contractor, authorized to act on its behalf with respect to the work related to the provision of the Goods and Services and make all decisions in connection therewith.

Bruce Kaufmann, President & CEO

It is expressly understood that the experience, knowledge, capability and reputation of the foregoing personnel were a substantial inducement for the City to enter into this Rider Agreement. Therefore, the foregoing Key Personnel shall be responsible during the Term of this Rider Agreement for directing all activities of the Contractor and devoting sufficient time to personally supervise the work hereunder.

Section 4.02. Status of Contractor. The Contractor shall have no authority to bind the officials, officers, employees or agents of the City in any manner, or to incur any obligation, debt or liability of any kind on behalf of or against the City, whether by contract or otherwise, unless such authority is expressly conferred under this Rider Agreement or is otherwise expressly conferred in writing by the City Manager. The Contractor shall not at any time or in any manner represent that the Contractor or any of the Contractor's officers, employees, agents, or Subcontractors are in any manner officials, officers, employees or agents of the City. Neither the Contractor, nor any of the Contractor's officers, employees, agents, or Subcontractors, shall obtain any rights to retirement, health care or any other benefits which may otherwise accrue to the City's employees. The Contractor expressly waives any claim the Contractor may have to any such rights.

Section 4.03. Independent Contractor. Neither the City, nor any of its officials, officers, employees or agents shall (i) have control over the manner, mode or means by which the Contractor, its employees, agents, or Subcontractors perform the work related to the provision of the Goods and Services, except as otherwise set forth herein; or (ii) have a voice in the selection, discharge, supervision or control of the Contractor's employees, servants, representatives or agents, or in fixing their number, compensation or hours of service. The Contractor shall perform all services required herein as an independent contractor of the City and shall remain at all times as to the City a wholly independent contractor with only such obligations as are consistent with that role. The Contractor shall not at any time or in any manner represent that it or any of its agents or employees are agents or employees of the City. The City shall not in any way or for any purpose become or be deemed to be a partner of the Contractor in its business or otherwise or a joint venturer or a member of any joint enterprise with the Contractor.

Section 4.04. Intentionally Omitted.

ARTICLE V. CONTRACTOR COVENANTS AND OBLIGATIONS

Section 5.01. Contractor Qualifications. The Contractor covenants that it, its employees, agents and subcontractors, if any, have and shall maintain during the term of this Rider Agreement all licenses, permits, qualifications, insurance and approvals of whatever nature that are legally required to perform Scope of Work related to the provision of the Goods and Services.

Section 5.02. Standard of Care. The Contractor covenants that it shall follow the highest professional standards in performing the work related to the provision of the Goods and Services required hereunder and that all materials will be of good quality, fit for the purpose intended. For purposes of this Rider Agreement, the phrase "highest professional standards" shall mean those standards of practice recognized by one or more first-class firms performing similar work under similar circumstances.

Section 5.03. Compliance with Law. The Contractor covenants that it shall keep itself informed concerning and shall perform all services and the Scope of Work hereunder in accordance with all ordinances, resolutions, rules, and regulations of the City and any applicable Federal, State or local governmental entity having jurisdiction in effect at the time services are rendered and the Scope of Work performed.

Section 5.04. Licenses, Permits, Fees and Assessments. The Contractor covenants that it shall obtain at its sole cost and expense such licenses, permits and approvals as may be required by law for the performance of the Scope of Work required by this Rider Agreement. 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 Scope of Work required by this Rider Agreement, 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 hereunder.

Section 5.05. 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 related to the provision of the Goods and Services. The Contractor further covenants that in the provision of the Goods and Services, no person having any such interest shall be employed by it as an officer, employee, agent or subcontractor, if any, without the express written consent of the City Manager. The Contractor agrees to at all times avoid conflicts of interest or the appearance of any conflicts of interest with the interests of the City in the performance of this Rider Agreement. The Contractor further covenants that, in the performance of this Rider Agreement, 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 Rider Agreement 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 5.06. 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 Scope of Work specified in this Rider Agreement 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 Scope of Work for the provision of services, benefits or activities provided under this Rider Agreement.

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

Section 6.01. Records. The Contractor shall keep, and require 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 services performed hereunder (the "**Books and Records**"), as shall be necessary to perform the work related to the provision of the Goods and Services required by this Rider Agreement and enable the Project Administrator to evaluate the performance of such Goods and Services. Any and 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 completion of the Scope of Work hereunder, 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 may be given to City, and access shall be provided by the Contractor's successor in interest.

Section 6.02. Reports. The Contractor shall periodically prepare and submit to the Project Administrator such reports concerning the performance related to the provision of the Goods and Services as the Project Administrator shall require. The Contractor hereby acknowledges that the cost of work and services to be performed pursuant to this Rider Agreement 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 or services contemplated herein or, if the Contractor is providing design services, the cost of the project being designed, the Contractor shall promptly notify the Project Administrator of said fact, circumstance, technique or event and the estimated increased or decreased cost related thereto and, if the Contractor is providing design services, the estimated increased or decreased cost estimate for the project being designed.

Section 6.03. 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 this Rider Agreement (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.

(a) Audit. The City's Audit Right includes the right to examine the Books and Records of procedures and practices that the City determines are necessary to discover and verify that the Contractor or Subcontractor is in compliance with all requirements under this Rider Agreement.

(b) Cost Audit. If there is a claim for additional compensation, the City's Audit Right includes the right to Books and Records that the City determines are necessary to discover and verify all direct and indirect costs, of whatever nature, which are claimed to have been incurred, or anticipated to be incurred.

(c) Accounting Records. The Contractor and all Subcontractors shall maintain complete and accurate Books and Records in accordance with generally accepted accounting practices. The Contractor and Subcontractors shall make available to the City for review and audit all Books and Records relating to the Scope of Work. Upon the City's request, the Contractor and Subcontractors shall submit exact duplicates of originals of all requested records to the City.

(d) City's Audit Right Binding on Subcontractors. The Contractor shall include the City's Audit Right as described in this Section 6.03 in any and all of their subcontracts and shall ensure that these sections are binding upon all Subcontractors.

Section 6.04. Intentionally Omitted.

Section 6.05. Confidentiality and Release of Information.

(a) All information gained or work product produced by the Contractor in performance of this Rider Agreement 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 Project Administrator.

(b) The Contractor, its officers, employees, agents or subcontractors, shall not, without prior written authorization from the Project Administrator 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 this Rider Agreement. 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 Rider Agreement, 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 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 Rider Agreement and the work performed there under. The City 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.

ARTICLE VII. INSURANCE AND INDEMNIFICATION

Section 7.01. Insurance Requirement.

(a) At the discretion of the Risk Manager for the City of Rockville (the "**Risk Manager**"), the Contractor shall be required to obtain and maintain, at its sole cost and expense, in a form and content satisfactory to the Risk Manager, during the entire term of this Rider Agreement including any extensions thereof, the insurance coverages described in **Exhibit C**, entitled "**Insurance Requirements**", which Insurance Requirements shall cover the Mayor and Council, its appointed officers, and employees and agents of the City of Rockville.

(b) In the event the Contractor subcontracts any portion of the work in compliance with Section 4.04 of this Rider Agreement, 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 Section 7.01, and such certificates and endorsements shall be provided to the Risk Manager.

Section 7.02. Indemnification. 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 ("**Indemnified Parties**") 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 of this Rider Agreement, and in connection therewith:

(a) 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;

(b) 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;

(c) 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.

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 City hereunder therefore, and failure of 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 Rider Agreement.

Section 7.03. Intentionally Omitted.

Section 7.04. Sufficiency of Insurer or Surety. Insurance or bonds required by this Rider Agreement 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 Rider Agreement continues for more than 3 years duration, or in the event the Risk Manager determines that the work or services to be performed under this Rider Agreement 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.

ARTICLE VIII. CONTRACTOR REPRESENTATIONS AND WARRANTIES

As a material inducement to the Mayor and Council's entry into this Rider Agreement, 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 Rider Agreement, upon learning of any fact or condition which would cause any of the warranties and representations in this Rider Agreement not to be true, the Contractor shall promptly give written notice of such fact or condition to the City Manager or his authorized designee, (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 until the expiration or termination of this Rider Agreement:

Section 8.01. Organization. The Contractor is duly organized, validly existing and in good standing under the laws of the state in which it is organized and is duly qualified to conduct business in the State of Maryland.

Section 8.02. Authority of the Contractor. The Contractor has full power and authority to execute and deliver this Rider Agreement, and all other documents or instruments executed and delivered, or to be executed and delivered, pursuant to this Rider Agreement, and to perform and observe the terms and provisions of all of the above.

Section 8.03. Authority of Persons Executing Documents. This Rider Agreement and all other documents or instruments executed and delivered, or to be executed and delivered, pursuant to this Rider Agreement have been 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 Rider Agreement and all other documents or instruments executed and delivered, or to be executed and delivered, pursuant to this Rider Agreement, have been duly taken (to the extent such actions are required as of the date of execution and delivery of the above-named documents).

Section 8.04. No Breach of Law or Agreement. To the Contractor's knowledge, neither the execution nor delivery of this Rider Agreement or any other documents or instruments executed and delivered, or to be executed or delivered, pursuant to this Rider Agreement, 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 the Contractor is a party, or will result in the creation or imposition of any lien upon assets or property of the Contractor, other than liens established pursuant hereto.

Section 8.05. Qualifications. The Contractor, its employees, agents and subcontractors, if any, possess the necessary professional expertise, qualifications and capabilities, and all required licenses and certifications to perform the Scope of Work and provide the Goods and Services.

ARTICLE IX. ENFORCEMENT OF AGREEMENT AND TERMINATION

Section 9.01. Maryland Law. This Rider Agreement shall be interpreted, construed and governed both as to validity and to performance of the Parties in accordance with the laws of the State of Maryland. Legal actions concerning any dispute, claim or matter arising out of or in relation to this Rider Agreement shall be instituted in the Circuit Court of Montgomery County, State of Maryland, and the Contractor covenants and agrees to submit to the personal jurisdiction

of such court in the event of such action. In the event of litigation in a U.S. District Court, venue shall lie exclusively in the State of Maryland, Southern Division.

Section 9.02. Disputes; Default. In the event that the Contractor is in default under the terms of this Rider Agreement, the City shall not have any obligation or duty to continue compensating the Contractor for any work performed after the date of default. Instead, the City may give notice to the Contractor of the default and the reasons for the default. The notice shall include the timeframe in which the Contractor may cure the default. This timeframe is presumptively twenty (20) days, but may be extended, though not reduced, if circumstances warrant. During the period of time that the Contractor is in default, the City shall hold all invoices and shall, when the default is cured, proceed with payment on the invoices. In the alternative, the City may, in its sole discretion, elect to pay some or all of the outstanding invoices during the period of default. If the Contractor does not cure the default, the City may take necessary steps to terminate this Rider Agreement under this Article. Any failure on the part of the City to give notice of the Contractor's default shall not be deemed to result in a waiver of the City's legal rights or any rights arising out of any provision of this Rider Agreement.

Section 9.03. Retention of Funds. The Contractor hereby authorizes the City to deduct from any amount payable to the Contractor (whether or not arising out of this Rider Agreement) (i) any amounts the payment of which may be in dispute hereunder or which are necessary to compensate the City for any losses, costs, liabilities, or damages suffered by the City, and (ii) all amounts for which the City may be liable to third parties, by reason of the Contractor's acts or omissions in performing or failing to perform the Contractor's obligation under this Rider Agreement. In the event that any claim is made by a third party, the amount or validity of which is disputed by the Contractor, or any indebtedness shall exist which shall appear to be the basis for a claim of lien, the City may withhold from any payment due, without liability for interest because of such withholding, an amount sufficient to cover such claim. The failure of the City to exercise such right to deduct or to withhold shall not, however, affect the obligations of the Contractor to insure, indemnify, and protect the City as elsewhere provided herein.

Section 9.04. Waiver. Waiver by either Party to this Rider Agreement of any term, condition, or covenant of this Rider Agreement shall not constitute a waiver of any other term, condition, or covenant. Waiver by any party of any breach of the provisions of this Rider Agreement shall not constitute a waiver of any other provision or a waiver of any subsequent breach or violation of any provision of this Rider Agreement. Acceptance by the City of any work or services by the Contractor shall not constitute a waiver of any of the provisions of this Rider Agreement. No delay or omission in the exercise of any right or remedy by a non-defaulting party on any default shall impair such right or remedy or be construed as a waiver. Any waiver by either Party of any default must be in writing and shall not be a waiver of any other default concerning the same or any other provision of this Rider Agreement.

Section 9.05. Rights and Remedies are Cumulative. Except with respect to rights and remedies expressly declared to be exclusive in this Rider Agreement, the rights and remedies of the Parties are cumulative and the exercise by either Party of one or more of such rights or remedies

shall not preclude the exercise by it, at the same or different times, of any other rights or remedies for the same default or any other default by the other Party.

Section 9.06. Legal Action. In addition to any other rights or remedies, either Party may take legal action, in law or in equity, to cure, correct or remedy any default, to recover damages for any default, to compel specific performance of this Rider Agreement, to obtain declaratory or injunctive relief, or to obtain any other remedy consistent with the purposes of this Rider Agreement.

Section 9.07. Intentionally Omitted.

Section 9.08. Termination Prior to Expiration of Term. This Section shall govern any termination of this Rider Agreement except as specifically provided in the following Section for termination for cause. The City reserves the right to terminate this Rider Agreement at any time, with or without cause, upon thirty (30) days' written notice to the Contractor, except that where termination is due to the fault of the Contractor, the period of notice may be such shorter time as may be determined by the City Manager or his designee. Upon receipt of any notice of termination, the Contractor shall immediately cease all work hereunder except such as may be specifically approved by the City Manager or his designee. Except where the Contractor has initiated termination, the Contractor shall be entitled to compensation for all portions of the Scope of Work performed prior to the effective date of the notice of termination for any Scope of Work authorized by the City Manager or his designee or such as may be approved by the City Manager or his designee, except as provided in Section 7.02. In the event the Contractor has initiated termination, the Contractor shall be entitled to compensation only for the reasonable value of the work product actually produced hereunder. In the event of termination without cause pursuant to this Section, the terminating party need not provide the non-terminating party with the opportunity to cure pursuant to Section 9.02.

Section 9.09. Termination for Default by Contractor. If termination is due to the failure of the Contractor to fulfill its obligations under this Rider Agreement, the City may, after compliance with the provisions of Section 9.02, take over the work related to the provision of the Goods and Servicesand prosecute the same to completion by contract or otherwise, and the Contractor shall be liable to the extent that the total cost for completion of the Goods and Servicesrequired hereunder exceeds the compensation herein stipulated (provided that the City shall use reasonable efforts to mitigate such damages), and the City may withhold any payments to the Contractor for the purpose of set-off or partial payment of the amounts owed the City as previously stated.

Section 9.10. Attorneys' Fees. If either Party to this Rider Agreement is required to initiate or defend or made a party to any action or proceeding in any way connected with this Rider Agreement, the prevailing party in such action or proceeding, in addition to any other relief which may be granted, whether legal or equitable, shall be entitled to reasonable attorney's fees. Attorney's fees shall include attorney's fees on any appeal, and in addition a party entitled to attorney's fees shall be entitled to all other reasonable costs for investigating such action, taking depositions and discovery and all other necessary costs the court allows which are incurred in such

litigation. All such fees shall be deemed to have accrued on commencement of such action and shall be enforceable whether or not such action is prosecuted to judgment.

ARTICLE X. MISCELLANEOUS PROVISIONS

Section 10.01. Notices, Demands, and Communications Between the Parties. Formal notices, demands, and communications between the Contractor and the City 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 mail postage prepaid service of the United States Postal Service that provides a receipt showing date and time of delivery, addressed to:

To the City:

Mayor and Council of Rockville
c/o Department of Public Works
111 Maryland Avenue
Rockville, Maryland 20850
Attn: Director of Public Works
Email: csimoneau@rockvillemd.gov
Telephone: (240) 314-8502

With copies to:

Office of the City Manager
111 Maryland Avenue
Rockville, Maryland 20850
Attn: City Manager
Email: cmo@rockvillemd.gov
Telephone: (240) 314-8102

Office of the City Attorney
111 Maryland Avenue
Rockville, Maryland 20850
Attn: City Attorney
Email: cityattorney@rockvillemd.gov
Telephone: (240) 314-8150

Department of Purchasing
111 Maryland Avenue
Rockville, Maryland 20850
Attn: Director
Email: procurement@rockvillemd.gov
Telephone: (240) 314-8432

To the Contractor:

Bruce Kaufmann
211 Perry Parkway Suite 7
Gaithersburg, MD 20877
(202)438-0044

bkaufmann@humancircuit.com

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) business day after delivery by such service. Notices mailed shall be deemed effective on the fifth (5^{th}) business 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. As used herein, "business day" means a day other than Saturday, Sunday, or a federal holiday, state holiday in the State of Maryland, or a city holiday in the City of Rockville, Maryland.

Section 10.02. Incorporation of Recitals; Interpretation.

(a) Incorporation of Recitals. The Recitals and Exhibits are an integral part of this Rider Agreement and set forth the intentions of the Parties and the premises on which the Parties have decided to enter into this Rider Agreement. Accordingly, the Recitals above and Exhibits attached are incorporated as if fully set forth into this Rider Agreement by this reference and incorporated by reference and state the obligations as if the parties to the VCU Procurement Agreement were identical to the parties of this Rider Agreement.

(b) Interpretation. The terms of this Rider 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 Rider 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 Rider Agreement. In the event of any conflict or inconsistency between the provisions of this Rider Agreement and the VCU Procurement Agreement, the provisions of this Rider Agreement will prevail and govern the interpretation thereof.

Section 10.03. Non-Liability of Officials, Employees and Agents. No member, official, employee or agent of the Mayor and Council 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 successors or assigns or on any obligation under the terms of this Rider Agreement.

Section 10.04. No Waiver of Sovereign Immunity by Mayor and Council. Notwithstanding any other provisions of this Rider Agreement to the contrary, nothing in this Rider Agreement nor any action taken by the Mayor and Council pursuant to this Rider Agreement nor any document which arises out of this Rider Agreement shall constitute or be construed as a waiver of either the sovereign immunity or governmental immunity of the Mayor and Council and its appointed officials, officers and employees.

Section 10.05. No Third-Party Beneficiaries. No provision of this Rider 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.

Section 10.06. Equal Opportunity Employment. Contractor will not discriminate against any employee or applicant for employment because of age (in accordance with applicable law), sex, race, ancestry, color, religion, sexual orientation, gender identity or expression, physical or mental handicap, marital status, or political expression. Contractor will take affirmative action to ensure that applicants are employed, and the employees are treated fairly and equally during employment with regard to the above. Such action shall include, but not be limited to, the following: employment, upgrading, demotion or transfer; recruitment, layoff or termination, rates of pay or other form of compensation; and selection for training, including apprenticeship. Contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices setting forth the provisions of this nondiscrimination clause.

If Contractor fails to comply with nondiscrimination clauses of this contract or fails to include such contract provisions in all subcontracts, this contract may be declared void AB INITIO, cancelled, terminated or suspended in whole or in part and Contractor may be declared ineligible for further contracts with the Mayor and Council. Any employee, applicant for employment, or prospective employee with information concerning any breach of these requirements may communicate such information to the City Manager who shall commence a prompt investigation of the alleged violation. Pursuant to such investigation, the Contractor will permit access to Contractor's books, records, and accounts. If the City Manager concludes that the Contractor has failed to comply with nondiscrimination clauses, the remedies set out above may be invoked.

Section 10.07. Authority of the City Manager in Disputes. Any dispute concerning a question of fact arising under the agreement signed by the City and the Contractor which is not disposed of by this Rider Agreement shall be decided by the City Manager who shall notify the Contractor in writing of his determination. The Contractor shall be afforded the opportunity to be heard and offer evidence in support of the claim. Pending final decision of the dispute herein, the Contractor shall proceed diligently with performance under this Rider Agreement. The decision of the City Manager shall be final and conclusive unless an appeal is taken pursuant to the City Purchasing Ordinance.

Section 10.08. Tax Exemption. The City is exempt from the payment of any federal excise or any Maryland sales tax.

Section 10.09. Severability. If any term, provision, covenant, or condition of this Rider Agreement is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remainder of this Rider 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 Rider Agreement. In the event that all or any portion of this Rider Agreement is found to be unenforceable, this Rider 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 Rider Agreement or that portion which is found to be unenforceable.

Section 10.10. Entire Agreement, Waivers and Amendments. This Rider Agreement integrates all of the terms and conditions mentioned herein, or incidental hereto, and supersedes all negotiations and previous agreements between the Parties. All waivers of the provisions of this Rider 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.

Section 10.11. Counterparts. This Rider 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.

Section 10.12. Electronic Signatures. This Agreement 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.

[*Signatures on following page*.]

IN WITNESS WHEREOF, the Mayor and Council and the Contractor have each executed, or caused to be duly executed, this Rider Agreement for the procurement of the Goods and Services under seal in duplicate, 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

_____
Cynthia Walters, Acting City Attorney

By: _____
Jeff Mihelich, City Manager

CONTRACTOR

HUMAN CIRCUIT HOLDINGS, LLC, a Maryland limited liability company

By: _____
Bruce Kaufmann, President & CEO

EXHIBIT A
VCU Procurement Agreement

See Attached

EXHIBIT A

Amendment

THIRD AMENDMENT

Virginia Commonwealth University ("VCU" or "University") and Human Circuit, Inc. ("Firm") are amending their Agreement, C0002293, dated June 6, 2022 ("Contract/Agreement").

WHEREAS, VCU desires to continue to obtain the goods and services that Firm offers as revised herein; and

WHEREAS, Firm agrees to continue to provide the goods and services to VCU as revised herein;

NOW THEREFORE, VCU and Firm agree to enter into this Amendment to allow the following changes and additions to the Contract/Agreement:

1. Master Services Agreement, Item 3 titled "TERM and RENEWAL of CONTRACT:" The following shall be added to the end of the paragraph:

   "The renewal term may take place every two years or other term as agreed to by the parties in writing."

2. The parties agree to renew the contract at this time through the period ending on 06/30/2027.

3. Publicly Accessible Contract (PAC) Agreement, Section III. B: The address is deleted in its entirety and replaced with the following:

   Constance Alexander, Office Manager
   Procurement and Supplier Diversity Services
   University of Virginia, Carruthers Hall
   PO Box 400202
   1001 N. Emmet Street
   Charlottesville, VA 22904

4. Except as modified herein, all other provisions of the Contract/Agreement, including all other Appendices and terms and conditions set forth in the Contract/Agreement, shall continue and remain in full force and effect.

IN WITNESS WHEREOF, the parties have caused this Amendment, entered into as of the date of the last signature affixed below, to be duly executed and thereby to be legally bound.

(signature page to follow)

Virginia Commonwealth University

Signature

Name: John McHugh

Title: Director, Procurement Services

Date: June 20, 2025

Human Circuit Inc.

Signature

Name: Bruce Kaufmann

Title: President & CEO

Date: 6/10/2025

Broadcast Television Equipment

Audio	
Sennheiser	10%
Brightline	10%
Wohler	5%
SSL	5%
Cameras, Camcorders, VTRs	
Hitachi	13%
Ikegami	16%
JVC	15%
Panasonic	15%
Sony	5%
Character Generation	
Imagine	13%
Ross Video	10%
Editing	
AJA	10%
Apple	5%
EditShare	5%
SNS (Studio Network Solutions)	5%
CatDV	5%
Lenses	
Fujinon	15%
Canon	10%
Monitoring	
Ikegami	15%
JVC	15%
Marshall	15%
Panasonic	15%
Sony	5%
TVLogic	5%
Wohler	5%
Racks	
Middle Atlantic	15%
SKB	5%
Winsted	17%
Routing	

Evertz	10%
Imagine	15%
Pesa	5%
Ross Video	10%
Servers & Storage	
360 Systems	7%
Elemental	5%
Imagine	15%
Harmonic	15%
EditShare	5%
SNS (Studio Network Solutions)	5%
Cablecast	5%
Support	
Anton Bauer	15%
Brightline	10%
Miller	5%
Sachtler	5%
Vinten	5%
Manfrotto	5%
Switching	
Ross Video	13%
Sony	5%
Panasonic	15%
Intercom	
GreenGo Digital	10%
ClearCom	15%
Teleprompting	
Autoscript	5%
Cuescript	15%
Terminal Equipment	
ADC	11%
Cobalt	10%
Evertz	10%
Imagine	15%
Ross Video	13%
Bitree	10%

Test & Measurement

Evertz	10%
Imagine	15%
Leader	5%

Multimedia Presentation Equipment

Audio

AKG	20%
Audio Technica	15%
Biamp	13%
Brahler	5%
Behringer	5%
BSS Audio	10%
ClearOne	20%
Crown	20%
Earthworks	5%
Electrovoice	20%
JBL	20%
Mackie	15%
Polycom	15%
QSC	17%
Samson	15%
Sennheiser	12%
Shure	20%
Sony	5%
Symetrix	15%
Tannoy	15%
Telex	10%
Telos	5%
TOA	15%

Control Systems

AMX	27%
Crestron	27%
Atlona	5%
Extron	15%
Mersive	15%
Kramer	15%

Displays

Christie	10%

Sharp/NEC	15%
Panasonic	15%
Planar	15%
Samsung	15%
Sony	5%
Document Cameras	
Samsung	15%
Vaddio	12%
Wolfvision	15%
DVD & DVR	
Denon Marantz	15%
JVC	15%
Sony	5%
Tascam	15%
Interactive White Board	
Hitachi	15%
Panasonic	15%
Samsung	15%
Pan/Tilt/Zoom Cameras	
Fujinon	15%
Hitachi	12%
Panasonic	12%
Vaddio	12%
Axis	15%
BirdDog	10%
Projectors	
Christie	10%
Digital Projection	15%
Sharp/NEC	15%
Sony	5%
Barco	15%
Screens	
Chief	20%
Da-Lite	20%
Draper	22%
Stewart	20%
Switching/Routing/Distribution	
Analog Way	10%

AMX	20%
Extron	23%
Kramer	15%
TVOne	15%
Pesa	5%
RGB Spectrum	10%
Evertz	10%
Imagine	15%
IHSE	10%

Multimedia Development Equipment

Computer Peripherals

CatDV	5%
Cisco	10%
APC	5%
Tripplite/Eaton	10%
Quantum	10%
Spectra Logic	10%

Digital Signage

Imagine	15%
Sony	5%
AMX	27%
Brightsign	10%
Spinetix	10%

PC/MAC Hardware

Apple	5%
Dell	5%
Hewlett Packard	5%

Software

Adobe	5%
Apple	5%
Autodesk	10%

Satellite Transmitting and Receiving Equipment

LiveU	5%

Teleconferencing and Communications Equipment

Codecs & Systems

Polycom	15%
Cisco	12%

Computer Presentation Equipment

Control Systems

Altinex	15%
AMX	27%
Crestron	27%
Atlona	5%
Extron	15%
Aurora Multimedia	15%

Displays

Christie	10%
Sharp/NEC	15%
Panasonic	20%
Planar	15%
Samsung	15%
Sony	5%

DVD & DVR

Denon Marantz	15%
JVC	15%
Pioneer	15%
Sony	5%

Interactive White Board

Hitachi	15%
Panasonic	15%
Samsung	15%

Projectors

Christie	10%
Digital Projection	15%
Sharp/NEC	15%
Sony	5%
Barco	15%

Screens

Chief	20%
Da-Lite	20%
Draper	22%
Stewart	20%

Streaming & Encoding

Imagine	12%

HaiVision	10%
Vbrick	17%
Extron	15%
AWS Elemental	5%
AJA	10%
Switching/Routing/Distribution	
Altinex	10%
Analog Way	10%
Extron	23%
Pesa	5%
Atlona	5%
AMX	27%
Crestron	27%
Broadband Distribution Equipment	
Blonder Tongue	10%
Toner	10%
ZVee	10%
Multimedia Furniture	
Bretford	15%
Custom Display	15%
Interpretive Woodworking	17%
Luxor	10%
Marshall	15%
Middle Atlantic	15%
RP Visual	15%
SKB	5%
Winsted	17%
Intercom	
GreenGo Digital	10%
ClearCom	5%
Video Walls	
Barco	10%
Liantronics	10%
Absen	10%

Professional Services

Service	List $	**Discounted Price**
Engineering	$225.00	**$215.06/per hour**
Subject Matter Expert	$350.00	**$334.53/per hour**
Project Supervisor	$123.00	**$117.88/per hour**
Integration	$106.00	**$101.32/per hour**
Project Management	$200.00	**$191.16/per hour**
Programming	$225.00	**$215.06/per hour**
Training	$1,800.00/Day	**$1720.46/per day**
Administrative Services	$ 75.00	**$71.44/per hour**

(After Hours Engineering 2 Hour Minimum Portal to Portal = **$645.18/per hour**)

The number of hours required for After Warranty Period System Maintenance Contracts are determined prices based on individual system composition. A VASCUPP member would call Human Circuit for a quotation as needed.

VCU Procurement Services

CONTRACT RENEWAL

DATE:	**5/22/2024**
CONTRACT TITLE:	**Human Circuit Audio Visual Products, Service and Maintenance**
CONTRACT NO:	**C0002293**
NEW START DATE:	**7/1/2024**
NEW END DATE:	**6/30/2025**
RENEWAL NUMBER:	**2 of 7**
CONTRACTOR:	**Human Circuit Inc.**

PRICING:

Select one of the options below.

☐ Pricing remains the same as the previous contract period.

☒ Attached is the revised pricing in accordance with the contract terms.

CERTIFICATE OF INSURANCE:

☒ By signing and submitting this contract renewal letter Contractor certifies that it will maintain the insurance coverages required at the time the contract was awarded. At renewal, Contractor shall have a new Certificate of Insurance listing Virginia Commonwealth University as the "Additional Insured", citing the contractor's name and contract number, emailed to msmosley@vcu.edu or mailed to Virginia Commonwealth University Risk Management, P.O. Box 843040, Richmond, VA.

All other terms and conditions of C0002293 shall remain unchanged and in full force and effect.

RESPONSE:

Human Circuit Inc.
Name of Firm

Signature Bruce Kaufmann

Name Printed Bruce Kaufmann

Title President & CEO

Date June 17, 2024

Broadcast Television Equipment

Audio	
Sennheiser	10%
Brightline	10%
Wohler	5%
SSL	5%
Cameras, Camcorders, VTRs	
Hitachi	13%
Ikegami	16%
JVC	15%
Panasonic	15%
Sony	5%
Character Generation	
Imagine	13%
Ross Video	10%
Editing	
AJA	10%
Apple	5%
EditShare	5%
SNS (Studio Network Solutions)	5%
CatDV	5%
Lenses	
Fujinon	15%
Canon	10%
Monitoring	
Ikegami	15%
JVC	15%
Marshall	15%
Panasonic	15%
Sony	5%
TVLogic	5%
Wohler	5%
Racks	
Middle Atlantic	15%
SKB	5%
Winsted	17%
Routing	

Evertz	10%
Imagine	15%
Pesa	5%
Ross Video	10%

Servers & Storage

360 Systems	7%
Elemental	5%
Imagine	15%
Harmonic	15%
EditShare	5%
SNS (Studio Network Solutions)	5%
Cablecast	5%

Support

Anton Bauer	15%
Brightline	10%
Miller	5%
Sachtler	5%
Vinten	5%
Manfrotto	5%

Switching

Ross Video	13%
Sony	5%
Panasonic	15%

Intercom

GreenGo Digital	10%
ClearCom	15%

Teleprompting

Autoscript	5%
Cuescript	15%

Terminal Equipment

ADC	11%
Cobalt	10%
Evertz	10%
Imagine	15%
Ross Video	13%
Bitree	10%

Test & Measurement

Evertz	10%
Imagine	15%
Leader	5%

Multimedia Presentation Equipment

Audio

AKG	20%
Audio Technica	15%
Biamp	13%
Brahler	5%
Behringer	5%
BSS Audio	10%
ClearOne	20%
Crown	20%
Earthworks	5%
Electrovoice	20%
JBL	20%
Mackie	15%
Polycom	15%
QSC	17%
Samson	15%
Sennheiser	12%
Shure	20%
Sony	5%
Symetrix	15%
Tannoy	15%
Telex	10%
Telos	5%
TOA	15%

Control Systems

AMX	27%
Crestron	27%
Atlona	5%
Extron	15%
Mersive	15%
Kramer	15%

Displays

Christie	10%

Sharp/NEC	15%
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Planar	15%
Samsung	15%
Sony	5%
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Vaddio	12%
Wolfvision	15%
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Vaddio	12%
Axis	15%
BirdDog	10%
Projectors	
Christie	10%
Digital Projection	15%
Sharp/NEC	15%
Sony	5%
Barco	15%
Screens	
Chief	20%
Da-Lite	20%
Draper	22%
Stewart	20%
Switching/Routing/Distribution	
Analog Way	10%

AMX	20%
Extron	23%
Kramer	15%
TVOne	15%
Pesa	5%
RGB Spectrum	10%
Evertz	10%
Imagine	15%
IHSE	10%

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Computer Peripherals

CatDV	5%
Cisco	10%
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Digital Signage

Imagine	15%
Sony	5%
AMX	27%
Brightsign	10%
Spinetix	10%

PC/MAC Hardware

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Dell	5%
Hewlett Packard	5%

Software

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Apple	5%
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Cisco	12%

Computer Presentation Equipment

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Draper	22%
Stewart	20%

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Imagine	12%

HaiVision	10%
Vbrick	17%
Extron	15%
AWS Elemental	5%
AJA	10%
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Altinex	10%
Analog Way	10%
Extron	23%
Pesa	5%
Atlona	5%
AMX	27%
Crestron	27%
Broadband Distribution Equipment	
Blonder Tongue	10%
Toner	10%
ZVee	10%
Multimedia Furniture	
Bretford	15%
Custom Display	15%
Interpretive Woodworking	17%
Luxor	10%
Marshall	15%
Middle Atlantic	15%
RP Visual	15%
SKB	5%
Winsted	17%
Intercom	
GreenGo Digital	10%
ClearCom	5%
Video Walls	
Barco	10%
Liantronics	10%
Absen	10%

Professional Services

Service	List $	**Discounted Price**
Engineering	$225.00	**$210.22/per hour**
Subject Matter Expert	$350.00	**$327.01/per hour**
Project Supervisor	$123.00	**$115.23/per hour**
Integration	$106.00	**$99.04/per hour**
Project Management	$200.00	**$186.86/per hour**
Programming	$225.00	**$210.22/per hour**
Training	$1,800.00/Day	**$1681.78/per day**
Administrative Services	$ 75.00	**$69.83/per hour**

(After Hours Engineering 2 Hour Minimum Portal to Portal = **$630.67/per hour**)

The number of hours required for After Warranty Period System Maintenance Contracts are determined prices based on individual system composition. A VASCUPP member would call Human Circuit for a quotation as needed.

VCU Procurement Services

CONTRACT RENEWAL

DATE:	**5/11/2023**
CONTRACT TITLE:	**Audio Visual Products & Maintenance**
CONTRACT NO:	**C0002293**
NEW START DATE:	**7/1/2023**
NEW END DATE:	**6/30/2024**
RENEWAL NUMBER:	**1 of 7**
CONTRACTOR:	**Human Circuit Inc**

PRICING:

Select one of the options below.

☒ Attached is the revised pricing in accordance with the contract terms.

PAYMENT METHOD:

VCU is migrating away from processing payments via paper check as much as possible. If you have not already done so, we strongly encourage the use of our electronic payment options.

For more information about costs and **to sign up**, please visit Vendor Invoicing and Payment.

CERTIFICATE OF INSURANCE:

☒ By signing and submitting this contract renewal letter Contractor certifies that it will maintain the insurance coverages required at the time the contract was awarded. At renewal, Contractor shall have a new Certificate of Insurance listing Virginia Commonwealth University as the "Additional Insured", citing the contractor's name and contract number, emailed to sbkessinger@vcu.edu or mailed to Virginia Commonwealth University Risk Management, P.O. Box 843040, Richmond, VA.

All other terms and conditions of C0002293 shall remain unchanged and in full force and effect.

RESPONSE:

Human Circuit Inc
Name of Firm

Bruce Kaufmann
Signature

Bruce Kaufmann
Name Printed

President & CEO
Title

5/24/2023
Date

Human Circuit VASCUPP Rates	Current Rate	New Rates effective 7/1/23-6/30/24
After Hours Engineering	$607.50	**609.93**
Admin Services	$67.50	**67.53**
Engineering	$202.50	**203.31**
Integration	$95.40	**95.78**
Programming	$202.50	**203.31**
Project Management	$180.00	**180.72**
Project Supervisor	$111.00	**111.44**
Subject Matter Expert	$315.00	**316.26**
Training	$1,620.00	**1626.48**

MASTER SERVICES AGREEMENT

This MASTER SERVICES AGREEMENT ("MSA"), effective as of the last date executed ("Effective Date"), is between Virginia Commonwealth University, a corporation and an institution of higher education of the Commonwealth of Virginia, whose address is 912 West Grace Street, Richmond, VA 23298 ("VCU", or "University"), and Human Circuit, Inc., a corporation, with offices located at 9346 Gaither Road, Gaithersburg, Maryland 20877, ("Human Circuit, Inc." or "Contractor"). VCU and Human Circuit, Inc. are sometimes referred to individually as a "Party" and collectively as the "Parties."

WHEREAS, VCU issued a Request For Proposals to solicit proposals for Audio Visual Products, Service & Maintenance, RFP #146784801JL issued November 19, 2021 (the RFP); and

WHEREAS, VENDOR Human Circuit, Inc. submitted its proposal dated December 22, 2021, (the "Proposal") wherein it wished to be considered, inter alia, for the Audio-Visual Products, Service & Maintenance as more fully specified therein (the "Services"); and

WHEREAS, VCU considered all proposals submitted, including Human Circuit, Inc.'s Proposal, and VCU now desires to award to Human Circuit, Inc., as set forth in greater detail below; and

WHEREAS, Human Circuit, Inc. desires to perform the Audio-Visual Products, Service & Maintenance as set forth herein.

NOW THEREFORE, in consideration of the mutual promises set forth herein and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

1. **CONTRACT DOCUMENTS**. The contract documents are integrated and shall consist of: (A) MSA, (B) Price List, and (C) Scope of Work (SOW), Quote, or other similar ordering form (if applicable) (all of the foregoing, together, the "Contract"). Should a conflict arise among the foregoing documents, this MSA shall control.

2. **SERVICES/GOODS**. Human Circuit, Inc. shall provide a broad range of audio visual, multi-media and related products, and on-site consultation, system design, installation, service and maintenance on the audio visual and multi-media products as more fully described below in this Contract.

3. **TERM and RENEWAL OF CONTRACT**: This contract shall have a one (1) year initial term (the "Initial Term") and may be renewed by VCU upon mutual written agreement of authorized representatives of both Parties for seven (7) successive one (1) year period (the "Renewal Term") under the terms and conditions of this original Contract or as otherwise agreed in writing by the Parties at such time.

4. **FEES**: VCU shall pay Contractor a fee consistent with the attached Price List, and as set forth on the applicable Quote, SOW, or other similar ordering form, net 30 days for the Initial Term following receipt of a proper invoice, services rendered, or goods delivered, whichever is later pursuant to and in accordance with Code of Virginia §§ 2.2-4347 through 2.2-4354 known as the Virginia Prompt Payment Act. Should VCU choose to exercise its right to Renew, the fee shall remain fixed during the Renewal Term. Thereafter, VCU shall pay any additional fees or payments due in accordance with this Section 4. Any payment terms requiring payment in less than 30 days will be regarded as requiring payment 30 days after receipt of invoice or delivery, whichever occurs last. This shall not affect offers of early payment discounts for payment in less than 30 days, however. Fees appearing to be incorrect will be researched and challenged,

and that portion of the invoice held in abeyance until a settlement can be reached. Interest on past due amounts accrues at the rate permitted by Code of Virginia §§ 2.2-4347 through 2.2-4354 known as the Virginia Prompt Payment Act. Contractors may enter invoices into the RealSource Vendor Portal, or Contractors may mail an invoice to the Digital Mailroom, VCU's third party payment provider. The address for submission of invoice to the Digital Mailroom is Accounts Payable, Box 398, Scranton, PA 18505.

5. **CONTRACTOR RESPONSIBILITIES**. The Contractor will provide audio visual, multi-media, and related products, services and maintenance. The Contractor will provide access to every audio visual, multimedia and all related products and services that the company sells through this Contract. Audio visual products and services added to the Contractor product mix after the award of this Contract may be incorporated into the Contract. The Contractor will only provide ENERGY STAR or similarly qualified equipment to Commonwealth of Virginia state agencies in any audio-visual category where these energy efficient products are available. The Contractor will be able to install, maintain and service all products supplied in a professional manner while providing excellent customer service. The Contractor must have a Class "A" Contractor's license with the appropriate specialty classification as recognized by the Virginia Board for Contractors, Department of Professional and Occupational Regulation to perform required installation services for any work that is attached to real property. The Contractor will perform all services needed for successful Design, Project Management, Installation/Integration, Commissioning and Closeout Standards. The Contractor will include a minimum of a one (1) year warranty from the date of acceptance on all equipment or in accordance with the standard manufacturer's warranty, whichever is greater. When necessary or as requested by University, the Contractor will provide professional on-site consultation, system design, installation, service and maintenance on the audio visual and multi-media products.

6. **GENERAL TERMS AND CONDITIONS**

A. APPLICABLE LAW AND COURTS: This Contract shall be construed, governed, and interpreted pursuant to the laws of the Commonwealth of Virginia without regard to choice of law principles. The Parties agree that all disputes arising under this Contract shall be brought in the state or federal courts located in Richmond, Virginia. To the extent any provision of the Contract is prohibited by Virginia law, or is otherwise not authorized by Virginia law, due to VCU's status as an agency of the Commonwealth of Virginia, such provision is null and void. Each party shall be responsible for its own legal fees and costs unless otherwise ordered by a court of law.

B. ARBITRATION: Neither Party shall be compelled to arbitrate any matter or otherwise be subject to any form of alternative dispute resolution, but may request and/or opt to participate in alternative dispute resolution in its sole discretion.

C. WAIVER OF CLAIMS: Notwithstanding anything contained herein to the contrary, VCU is an agency of the Commonwealth of Virginia and as such, pursuant to Va. Code § 2.2-514, cannot waive or settle legal claims that VCU may have against another party nor may VCU bestow any right or obligation that is beyond the duly granted authority of the signatory to bestow or incur on behalf of the Commonwealth of Virginia.

D. ANTI-DISCRIMINATION: Contractor certifies to the Commonwealth that it will conform to the provisions of the Federal Civil Rights Act of 1964, as amended, as well as the Virginia Fair Employment Contracting Act of 1975, as amended, the Virginians With Disabilities Act, the Americans With Disabilities Act and Section 2.2-4311 of the *Virginia Public Procurement Act.* If the

award is made to a faith-based organization, the organization shall not discriminate against any recipient of goods, services, or disbursements made pursuant to the contract on the basis of the recipient's religion, religious belief, refusal to participate in a religious practice, or on the basis of race, age, color, gender or national origin and shall be subject to the same rules as other organizations that contract with public bodies to account for the use of the funds provided; however, if the faith-based organization segregates public funds into separate accounts, only the accounts and programs funded with public funds shall be subject to audit by the public body. (*Code of Virginia*, § 2.2-4343.1). In every contract over $10,000 the provisions in 1. and 2. below apply:

1. During the performance of this Contract, the Contractor agrees as follows:

    a. VCU is an equal opportunity/affirmative action institution providing access to education and employment without regard to age, race, color, national origin, gender, religion, sexual orientation, veteran's status, political affiliation or disability. As such, the Contractor will not discriminate against any employee or applicant for employment because of age, race, color, national origin, gender, religion, sexual orientation, veteran's status, political affiliation or disability or any other basis prohibited by state law related to discrimination in employment, except where there is a bona fide occupational qualification reasonably necessary to the normal operation of the Contractor. The Contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices setting forth the provisions of this nondiscrimination clause.

    b. The Contractor, in all solicitations or advertisements for employees placed by or on behalf of the Contractor, will state that such Contractor is an equal opportunity employer.

    c. Notices, advertisements, and solicitations placed in accordance with federal law, rule or regulation shall be deemed sufficient for the purpose of meeting these requirements.

B. The Contractor will include the provisions of a. above in every subcontract or purchase order over $10,000 so that the provisions will be binding upon each subcontractor or vendor who performs work relative to this RFP.

E. IMMIGRATION REFORM AND CONTROL ACT OF 1986: Contractor certifies that it does not and will not during the performance of this contract employ illegal alien workers or otherwise violate the provisions of the Federal Immigration Reform and Control Act of 1986.

F. ANTITRUST: By entering into a contract, Contractor conveys, sells, assigns, and transfers to the Commonwealth of Virginia all rights, title and interest in and to all causes of the action it may now have or hereafter acquire under the antitrust laws of the United States and the Commonwealth of Virginia, relating to the particular goods or services purchased or acquired by the Commonwealth of Virginia under this Contract.

G. ASSIGNMENT OF CONTRACT: The Contract shall not be assignable by Contractor in whole or in part without the written consent of the University.

H. TESTING AND INSPECTION: To the extent applicable, VCU reserves the right to conduct any testing/inspection it may deem advisable to assure goods and services conform to the

specifications/Contract.

I. TERMINATION OF CONTRACT:
   1. Either Party may terminate this Contract if the other Party materially breaches this Contract and such breach is not cured within thirty (30) days after written notice to the breaching Party.
   2. University reserves the right to term this Contract, in part or in whole, without penalty, upon sixty (60) days written notice to the Contractor.
   3. Either Party may terminate this Contract after the initial twelve (12) months of this Contract upon sixty (60) days written notice to the other Party.

J. CHANGES TO THE CONTRACT: Changes may be made to the Contract:

   1. The parties may agree to modify the scope of the Contract. An increase or decrease in the price of the Contract resulting from such modification shall be agreed by the parties as a part of their written Contract to modify the scope of the Contract.

   2. The Purchasing Agency may order changes within the general scope of the contract at any time by written notice to the Contractor. Changes within the scope of the contract include, but are not limited to, things such as services to be performed, the method of packing or shipment, and the place of delivery or installation. The Contractor shall comply with the notice upon receipt. The Contractor shall be compensated for any additional costs incurred as the result of such order and shall give the Purchasing Agency a credit for any savings.

   3. Material, substantive modifications, changes, and amendments to the Contract must be in a writing executed by authorized representatives of each party.

K. NOTICE: All notices provided hereunder in regard to default, claims, actions, or similar events shall be in writing and delivered personally, or sent by registered or certified mail, return receipt requested, postage prepaid, to the respective party at the following addresses:

   For VCU:
   Director, Procurement Services
   912 West Grace Street, 5th Floor
   Richmond, Virginia 23298-0327

   For Human Circuit, Inc.:
   Bruce Kaufmann, President & CEO
   9346 Gaither Road
   Gaithersburg, Maryland 20877

   Any notice sent by any other means shall not be considered duly given or delivered unless the receiving party affirmatively acknowledges receipt. Notices with respect to any services and communications specifically for day-to-day servicing purposes shall be sent to the designated points of contact as specified by each Party.

L. TAXES: Contractor acknowledges all sales to the Commonwealth of Virginia are normally exempt from State sales tax. State sales and use tax certificates of exemption, Form ST-12, will be issued upon request. Deliveries against this Contract shall usually be free of Federal excise and transportation taxes. The Commonwealth's excise tax exemption registration number is 54-73-

0076K.

M. FAILURE TO DELIVER GOODS OR SERVICES: In case of failure to deliver goods or services in accordance with the Contract terms and conditions, VCU, after due oral or written notice, may procure them from other sources and hold the Contractor responsible for any resulting additional purchase and administrative costs. This remedy shall be in addition to any other remedies which VCU may have.

N. SHIPPING: Contractor shall ship all goods FOB destination at the actual freight rate based upon the actual weight of the goods to be shipped.

O. INSURANCE: Contractor certifies it will have the following insurance coverages, and any insurance otherwise required by applicable law, throughout the entire term of the Contract, as well as renewal terms. For construction contracts, if any subcontractors are involved, the subcontractor will have workers' compensation insurance in accordance with §§ 2.2-4332 and 65.2-800 et seq. of the *Code of Virginia*. Contractor further certifies all insurance coverage will be provided by insurance companies authorized by the Virginia State Corporation Commission to sell insurance in Virginia. Minimum Insurance Coverages and Limits Required for Most Contracts:

1. Worker's Compensation - Statutory requirements and benefits. Coverage is compulsory for employers of three or more employees, to include the employer.

2. Employers Liability - $100,000.

3. Commercial General Liability - $1,000,000 per occurrence. Commercial General Liability is to include bodily injury and property damage, personal injury and advertising injury, products, and completed operations coverage. The Commonwealth of Virginia must be named as an additional insured and so endorsed on the policy.

4. Automobile Liability - $1,000,000 per occurrence. (applicable only if motor vehicle is to be used in performance of this Contract)

5. Cyber Security Liability - $5,000,000 (applicable as determined by the University)

P. DRUG-FREE WORKPLACE: During the performance of this contract, the Contractor agrees to (i) provide a drug-free workplace for the contractor's employees; (ii) post in conspicuous places, available to employees and applicants for employment, a statement notifying employees that the unlawful manufacture, sale, distribution, dispensation, possession, or use of a controlled substance or marijuana is prohibited in the contractor's workplace and specifying the actions that will be taken against employees for violation of such prohibition: (iii) state in all solicitations or advertisements for employees placed by or on behalf of the Contractor that the Contractor maintains a drug-free workplace: and (iv) includes the provisions of the foregoing clauses in every subcontract or purchase order of over $10,000, so that the provisions will be binding upon each subcontractor or vendor providing services under this Contract. For the purposes of this section, *"drug-free workplace*" means a site for the performance of work done in connection with a specific contract awarded to a contractor, the employees of whom are prohibited from engaging in the unlawful manufacture, sale, distribution, dispensation, possession or use of any controlled substance or marijuana during the performance of the Contract.

Q. NONDISCRIMINATION: As applicable, federal law requires compliance with the following:

1. 41 CFR § 60-1.4 Equal Opportunity Clause prohibiting discrimination on the basis of race, color, religion, sex, or national origin.

2. 41 CFR 60-741.5(a) and 41 CFR 60-300.5(a). These regulations prohibit discrimination against qualified individuals on the basis of disability (60-741.5(a)) and protected veteran status (41 CFR 60-300.5(a)), and require affirmative action to employ and advance in employment qualified individuals with disabilities and qualified protected veterans.

R. FERPA: To the extent that University provides to Contractor any identifiable student information, including student address, phone number and email address, the University hereby designates Contractor as a school official with a legitimate educational interest in using such student information, and Contractor agrees to use such information only for the purpose of fulfilling its obligations under this Contract. Contractor further agrees not to disclose any such student information to any individual other than the student except as required by applicable law, rule or regulation or court or governmental order or as authorized in writing by the University or the individual student. Contractor acknowledges that this protection of student information is necessary for the University's compliance with the Code of Virginia section 23.1-405(C) and the federal Family Educational Rights and Privacy Act (FERPA).

S. CONFIDENTIAL INFORMATION: "Confidential Information" means all information of a party ("Disclosing party") disclosed or made available to the other party ("Receiving party") that (i) is clearly marked or identified as such at the time of disclosure or within a reasonable time thereafter; or (ii) should be reasonably known by the Receiving party to be confidential due to the nature of the information disclosed and the circumstances surrounding the disclosure. Confidential Information of VCU shall include, but not be limited to information about VCU personnel and students of VCU to the extent such information is not available to the public domain in accordance with the laws of the Commonwealth of Virginia and FERPA. Contractor shall use its reasonable efforts to prevent and protect Confidential Information from unauthorized use or disclosure, with at least the same degree of care that Contractor uses to protect its own confidential and proprietary information, but in no event less than a reasonable degree of care under the circumstances. Each Party will only disclose the other Party's Confidential Information to its employees, consultants, or subcontractors only on a need-to-know basis, provided that such employees or subcontractors are subject to confidentiality obligations no less restrictive than those contained herein. Upon the completion of the services and upon request of VCU, Contractor shall return all Confidential Information received in written format, including copies or reproductions or other media containing Confidential Information within seven (7) days of such request.

T. VA FOIA: Nothing contained herein is intended to limit VCU's compliance with the Virginia Freedom of Information Act ("VFOIA"). For clarity, contracts and pricing between VCU and its vendors are not considered to be exempt from VFOIA requests.

U. INDEMNIFICATION: Contractor agrees to indemnify, defend, and hold harmless VCU, the Commonwealth of Virginia, and their officers, employees and agents from any claim, damage, liability, injury, expense or loss, including defense costs and attorneys' fees, arising from Contractor's negligence under this Agreement. Accordingly, VCU shall promptly notify Contractor of any claim or action brought against VCU in connection with this Agreement. Upon such notification, and at the request and direction of VCU and/or the Office of the Attorney General, Contractor will immediately defend any such claim or action pursuant to the provisions and requirements of § 2.2-514 of the Code of Virginia.

V. LIMITATION OF LIABILITY: Contractor shall be liable for the direct damages caused by the negligence of itself, its officers, employees, and agents in connection with this Contract or any goods, services, actions, or omissions relating to this Contract.

W. STATUTORY DAMAGES: VCU is not authorized to waive damages granted or otherwise available by statute.

X. SOVEREIGN IMMUNITY: VCU is an agency of the Commonwealth of Virginia and is afforded the protection of sovereign immunity under Virginia law. Any claims against VCU or the Commonwealth are subject to the requirements established under Virginia law for bringing such claims against VCU or the Commonwealth, including the Virginia Tort Claims Act (Va. Code §§ 8.01-195.1 et seq.) and other applicable statutes relating to claims against the Commonwealth or its agencies. Notwithstanding any other provision, nothing in this Contract shall be deemed to be or construed as a waiver of VCU's or the Commonwealth's sovereign immunity, or any other applicable requirements under Virginia law for bringing claims against VCU or the Commonwealth. The total cumulative liability of the University, its officers, employees, and agents in connection with this contract or in connection with any goods, services, actions or omissions relating to this contract, shall not under any circumstance exceed payment of the maximum purchase price.

Y. FORCE MAJEURE: Neither Party will be responsible for any losses resulting from delay or failure in performance resulting from any cause beyond either Party's reasonable control, including without limitation, war, strikes or labor disputes, civil disturbances, fires, natural disasters, pandemics, including if VCU, in its sole discretion, must close a campus location or take other restrictive actions due to concerns related to the COVID-19 pandemic or acts of God. If the delay or failure in the performance of the Party claiming Force Majeure continues for thirty (30) days or more, then the Party not claiming Force Majeure may terminate this Agreement by written notice to the other Party without penalty. Any funds paid will be reimbursed pro rata based on Services not provided

Z. AUDIT: The Contractor shall retain all books, records, and other documents relative to this contract for five (5) years after final payment, or until audited by the Commonwealth of Virginia, whichever is sooner. The University, its authorized agents, and/or State auditors shall have full access to and the right to examine any of said materials during said period.

AA. AVAILABILITY OF FUNDS: It is understood and agreed between the parties herein that VCU shall be bound hereunder only to the extent the funds are appropriated, or otherwise made available, from the Virginia General Assembly or other funding source, or which funds may hereafter be provided for the purpose of this Contract.

BB. ADDITIONAL GOODS AND SERVICES: The University may acquire other goods or services that the supplier provides than those specifically solicited. The University reserves the right, subject to mutual contract, for Contractor to provide additional goods and/or services under the same pricing, terms and conditions and to make modifications or enhancements to the existing goods and services. Such additional goods and services may include other products, components, accessories, subsystems, or related services newly introduced during the term of the Contract.

CC. REALSOURCE REGISTRATION: This Contract shall result in a purchase order or purchase orders issued via VCU's source-to-pay platform, RealSource. Contractor shall register in RealSource upon award of contract. For information on registering, visit realsource.vcu.edu. Registration is free, and registered vendors shall have access to purchase order, invoice, and payment information.

Contractor is responsible for the security of its RealSource portal account, including restricting access to it, maintaining the confidentiality of login information, and taking any other actions necessary to protect the security of the Contractor's account. VCU will not be responsible for a third party's fraudulent collection of VCU payments due to the Contractor's failure to update or protect its account information. If this is a cooperative procurement, this clause shall apply to orders placed by VCU only.

DD. eVA REGISTRATION AND FEES: Contractor agrees to self-register with the Commonwealth of Virginia's electronic procurement system, eVA (information on eVA can be found at http://www.eva.virginia.gov), and agrees to maintain self-registered status for the duration of this Contract. The Commonwealth shall assess eVA transaction fees as specified below for each order resulting from this Contract. The Vendor Transaction Fee is:

1. DSBSD-certified Small Businesses: 1%, capped at $500 per order.

2. Businesses that are not DSBSD-certified Small Businesses: 1%, capped at $1,500 per order.

The specified Vendor Transaction Fee will be invoiced by the Commonwealth of Virginia Department of General Services, approximately 30 days after the corresponding purchase order is issued and the invoice is payable 30 days after the invoice date.

Contractor is responsible for the security of its eVA account, including restricting access to it, maintaining the confidentiality of login information, and taking any other actions necessary to protect the security of Contractor's account. VCU will not be responsible for a third party's fraudulent collection of VCU payments due to Contractor's failure to update or protect its account information.

7. SPECIAL TERMS AND CONDITIONS

A. ADVERTISING: Contractor shall not state in any of its advertising or product literature that the University, the Commonwealth of Virginia, or any agency or institution of the Commonwealth has purchased or uses its products or services.

B. TRADEMARKS/LOGOS: The University retains all rights, title and interest to its trademarks, logos and other intellectual property. Contractor shall first submit a request in writing to the VCU Division of University Relations prior to use of any VCU marks, name, or logos.

C. SPECIAL EDUCATIONAL OR PROMOTIONAL DISCOUNTS: The Contractor shall extend any special educational or promotional sale prices or discounts immediately to University during the term of this Contract. Such notice shall also advise the duration of the specific sale or discount price.

D. PROMPT PAYMENT DISCOUNTS: Virginia Commonwealth University will pay within 30 days after receipt and acceptance of an invoice. Offerors are encouraged to offer a prompt payment discount, in which Offeror provides a discount off the invoice total in exchange for VCU paying the invoice in fewer than 30 days. Offeror should describe such an offer at the bottom of their pricing proposal, indicating both A) the discount percentage offered and B) the net number of days in which payment would need to be made in order to achieve the discount.

E. EXTRA CHARGES NOT ALLOWED: The Contract price shall reflect all fees to be incurred for the performance of the Contract, including all applicable freight and installation charges. Any additional fees that arise during the performance of the Contract shall only be paid if approved by the University prior to incurring such fees.

F. ADDITIONAL USERS OF CONTRACT: It is the University's intent to allow for cooperative procurement. Accordingly, any public body, public or private health or educational institution, or any University-related foundation (Additional Users) may access this Agreement if authorized by Selected Firm.

To that end and if agreeable with the Contractor, upon written request from Additional Users the Contractor may allow access to the contract. Although the University desires to provide access on such contract to Additional Users, the Contractor is not required to provide such access. A Contractor's willingness to provide this access to Additional Users, will not be a consideration in awarding this contract. Although the Additional Users have access to any resulting contract, Additional Users are not bound to use the contract and any use of the contract is strictly optional.

If the Additional Users choose to access the contract and the Contractor agrees to such access, the terms and conditions of the contract will be in full force and effect as between the Additional Users and the Contractor. VCU will have no responsibility for the resolution of any contractual disputes, or for payment for services rendered which may arise from an Additional User accessing the contract. The Contractor understands and agrees that it shall not have any recourse against VCU with respect to any claim it may have against another Additional User that accessed this contract.

G. GRAMM-LEACH-BLILEY ACT: The Contractor shall comply with the Act by implementing and maintaining appropriate safeguards to protect and prevent unauthorized release of student, faculty and staff nonpublic information. Nonpublic information is defined as social security numbers, or financial transactions, bank, credit, and tax information.

H. SUBCONTRACTS: No portion of the work shall be subcontracted without prior written consent of the purchasing agency. In the event that the Contractor desires to subcontract some part of the work specified herein, the Contractor shall furnish the University with the names, qualifications and experience of their proposed subcontractors. The Contractor shall, however, remain fully liable and responsible for the work to be done by its subcontractor(s) and shall assure compliance with all requirements of the Contract.

I. CRIMINAL BACKGROUND INVESTIGATION: If Contractor employees and agents will be on the VCU campus, or have access to protected data as defined herein, Contractor must comply with the following: Contractor shall ensure that its employees, full-time or part-time, including newly hired, re-hired, seasonal, and/or temporary, who may have access to VCU confidential or proprietary information, or data about VCU personnel or students, have passed a criminal background check pursuant to the Code of Virginia, § 2.2-1201.1. Criminal background checks shall comply with the standards set forth in VCU's employment policies found at:

http://www.policy.vcu.edu/sites/default/files/Criminal%20Conviction%20Investigations.pdf

Specifically, Contractor shall ensure an investigation is conducted by a third-party vendor

utilizing courthouse records and national databases to obtain records within the past seven (7) years. Convictions related to drugs, violence and/or sexual behavior are generally considered job related due to the nature of the VCU environment and the need to provide reasonable levels of protection for students, patients, employees, visitors, and institutional resources.

J. IDENTIFICATION CARDS: All Contractor employees authorized to work at VCU must obtain a VCU identification card. Information on obtaining a card is available at http://vcucard.vcu.edu/. Contractor's employees must wear their VCU identification when they are on VCU property.

K. REPRESENTATIONS AND WARRANTIES: All representations and warranties made by University are made to the best of its knowledge at the time the representation or warranty is made. University will use its best efforts to comply with all conditions and restrictions on its accounts and the services provided hereunder.

L. WARRANTY: All materials and equipment shall be fully guaranteed against defects in material and workmanship for a minimum period of one (1) year following date of delivery. Should any defect be noted by the owner, the University will notify the Contractor of such defect or non-conformance. Notification will state either (1) that the Contractor shall replace or correct, or (2) the University does not require replacement or correction, but an equitable adjustment to the contract price will be negotiated. If the Contractor is required to correct or replace, it shall be at no cost to the University and shall be subject to all provisions of this clause to the same extent as materials initially delivered. If the Contractor fails or refuses to replace or correct the deficiency, the University may have the materials corrected or replaced with similar items and charge the Contractor the costs occasioned thereby or obtain an equitable adjustment in the contract price

M. SECTION 508 COMPLIANCE: All information technology which, pursuant to this Contract, is purchased or upgraded by or for the use of the University (the "Technology") shall comply with Section 508 of the Rehabilitation Act (29 U.S.C. 794d), as amended. If requested, the Contractor must provide a detailed explanation of how compliance with Section 508 of the Rehabilitation Act is achieved and a validation of concept demonstration. The requirements of this Paragraph along with the Non-Visual Access to Technology clause below shall be construed to achieve full compliance with the Information Technology Access Act, §§ 2.2-3500 through 2.2-3504 of the Code of Virginia.

N. NONVISUAL ACCESS TO TECHNOLOGY: All Technology shall comply with the following nonvisual access standards from the date of purchase or upgrade until the expiration of this Contract:

1. effective, interactive control and use of the Technology shall be readily achievable by nonvisual means;

2. the Technology equipped for nonvisual access shall be compatible with information technology used by other individuals with whom any blind or visually impaired user of the Technology interacts;

3. nonvisual access technology shall be integrated into any networks used to share communications among employees, program participants or the public; and
4. the technology for nonvisual access shall have the capability of providing equivalent access by nonvisual means to telecommunications or other interconnected network services used by persons who are not blind or visually impaired.

Compliance with the foregoing nonvisual access standards shall not be required if University determines (i) the Technology is not available with nonvisual access because the essential elements of the Technology are visual and (ii) nonvisual equivalence is not available. Installation of hardware, software, or peripheral devices used for nonvisual access is not required when the Technology is being used exclusively by individuals who are not blind or visually impaired, but applications programs and underlying operating systems (including the format of the data) used for the manipulation and presentation of information shall permit the installation and effective use of nonvisual access software and peripheral devices. If requested, the Contractor must provide a detailed explanation of how compliance with the foregoing nonvisual access standards is achieved and a validation of concept demonstration. The requirements of this Paragraph shall be construed to achieve full compliance with the Information Technology Access Act, §§ 2.1-807 through 2.1-811 of the Code of Virginia.

8. FEDERAL TERMS AND CONDITIONS

For Contracts funded by a U.S. Government grant or contract, the following provisions found in Appendix II of the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards; Final Rule (2 CFR Part 200, et al) shall be incorporated and made a part of this Contract.

A. Equal Employment Opportunity (E.O. 11246 as amended by E.O. 11375 and supplemented by 41 CFR part 60).

B. For construction with Federal funds: the Davis-Bacon Act (40 U.S.C. 3141-3148) as supplemented by 29 CFR part 5

C. Copeland "Anti-Kickback" Act (40 U.S.C. 3145 and 29 CFR part 3).

D. Where applicable, the Contract Work Hours and Safety Standards Act (40 U.S.C. 3701-3708) as supplemented by 29 CFR part 5.

E. For non-profit organizations and small business, patent rights will be governed by 37 CFR part 401, "Rights to Inventions Made by Non-Profit Organizations and Small Business Firms under Government Grants, Contracts and Cooperative Contracts."

F. The Clean Air Act (42 U.S.C. 7401-7671q.) and the Federal Water Pollution Control Act (33 U.S.C. 1251- 1387.), as amended.

G. Mandatory standards and policies relating to energy efficiency contained in the state energy conservation plan issued in compliance with the Energy Policy and Conservation Act (42 U.S.C. 6201).

H. When applicable, this Contract is subject to Debarment and Suspension (E.O.s 12549 and 12689) as provided in 2 CFR part 180.

I. The BYRD Anti-Lobbying Amendment (31 U. S. C. 1352): awards of $100,000.00 or more will file the required certification.

J. This contractor and subcontractor shall abide by the requirements of 41 CFR 60-

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1.4(a), 60-300.5(a) and 60-741.5(a). These regulations prohibit discrimination against qualified individuals based on their status as protected veterans or individuals with disabilities, and prohibit discrimination against all individuals based on their race, color, religion, sex, sexual orientation, gender identity, national origin, and for inquiring about, discussing or disclosing compensation. Moreover, these regulations require that covered prime contractors and subcontractors take affirmative action to employ and advance in employment individuals without regard to race, color, religion, sex, sexual orientation, gender identity, national origin, disability or veteran status.

9. INFORMATION SECURITY / DATA PRIVACY

A. To the extent Contractor now or in the future accesses, collects, processes, stores, or transmits University Data as defined in the University's Data and Intellectual Property Protection Addendum (the "DPA"), the DPA shall apply. (See Exhibit A, DPA, attached and incorporated herein.)

IN WITNESS WHEREOF, the Parties have executed this Contract on the dates designated below.

VIRGINIA COMMONWEALTH UNIVERSITY

By: DocuSigned by: John McHugh EE6DA7427C67468...

Name: John McHugh

Title: Director, Procurement Services

Date: 6/22/2022

HUMAN CIRCUIT, INC.

By: Bruce Kaufmann

Name: Bruce Kaufmann

Title: President & CEO

Date: June 6, 2022

EXHIBIT A

Data and Intellectual Property Protection Addendum

1. Definitions
   a. "End User" means the individuals authorized by the University to access and use the Services provided by Contractor under this Addendum.
   b. "Personally Identifiable Information" includes but is not limited to: personal identifiers such as name, address, phone number, date of birth, Social Security number, and student or personnel identification number; "personal information" as defined in Virginia Code section 18.2-186.6 and/or any successor laws of the Commonwealth of Virginia; personally identifiable information contained in student education records as that term is defined in the Family Educational Rights and Privacy Act, 20 USC 1232g; "medical information" as defined in Virginia Code Section 32.1-127.1:05; "protected health information" as that term is defined in the Health Insurance Portability and Accountability Act, 45 CFR Part 160.103; nonpublic personal information as that term is defined in the Gramm-Leach-Bliley Financial Modernization Act of 1999, 15 USC 6809; credit and debit card numbers and/or access codes and other cardholder data and sensitive authentication data as those terms are defined in the Payment Card Industry Data Security Standards; other financial account numbers, access codes, driver's license numbers; and state- or federal-identification numbers such as passport, visa or state identity card numbers.
   c. "Securely Destroy" means taking actions that render data written on physical (e.g., hardcopy, microfiche, etc.) or electronic media unrecoverable by both ordinary and extraordinary means. These actions must meet or exceed those sections of the National Institute of Standards and Technology (NIST) SP 800-88 guidelines relevant to data categorized as high security.
   d. "Security Breach" means a security-relevant event in which the security of a system or procedure used to create, obtain, transmit, maintain, use, process, store or dispose of data is breached, and in which University Data is exposed to unauthorized disclosure, access, alteration, or use.
   e. "Services" means any goods or services acquired by the University from the Contractor.
   f. "University Data" includes all Personally Identifiable Information and other information that is not intentionally made generally available by the University on public websites or publications, including but not limited to business, administrative and financial data, intellectual property, and patient, student and personnel data.

2. Rights and License in and to the University Data
   The parties agree that as between them, all rights including all intellectual property rights in and to University Data shall remain the exclusive property of the University, and Contractor has a limited, nonexclusive license to use these data as provided in this Addendum solely for the purpose of performing its obligations hereunder. This Addendum does not give a party any rights, implied or otherwise, to the other's data, content, or intellectual property, except as expressly stated in the Addendum.

3. Intellectual Property Disclosure/Rights
   a. Unless expressly agreed to the contrary in writing, all goods, products, materials, documents, reports, writings, video images, photographs or papers of any nature including software or computer images prepared by Contractor (or its subcontractors) for

the University will not be disclosed to any other person or entity without the written permission of the University.

b. Contractor warrants to the University that the University will own all rights, title and interest in any intellectual property created for the University as part of the performance of this Addendum and will have full ownership and beneficial use thereof, free and clear of claims of any nature by any third party including, without limitation, copyright or patent infringement claims. Contractor agrees to assign and hereby assigns all rights, title, and interest in any and all intellectual property created for the University as part of the performance of this Addendum to the University, and will execute any future assignments or other documents needed for the University to document, register, or otherwise perfect such rights. Nothing in this section is, however, intended to or shall be construed to apply to existing intellectual property created or owned by the vendor that the University is licensing under this Addendum. For avoidance of doubt, the University asserts no intellectual property ownership under this clause to any pre-existing intellectual property of the vendor, and seeks ownership rights only to the extent Vendor is being engaged to develop certain intellectual property as part of its services for the University.

c. Notwithstanding the foregoing, for research collaboration pursuant to subcontracts under sponsored research Addendums administered by the University's Office of Sponsored Programs, intellectual property rights will be governed by the terms of the grant or contract to the University to the extent such grant or contract requires intellectual property terms to apply to subcontractors.

4. Data Privacy

a. Contractor will use University Data only for the purpose of fulfilling its duties under this Addendum and will not share such data with or disclose it to any third party without the prior written consent of the University, except as required by this Addendum or as otherwise required by law.

b. University Data will not be stored outside the United States without prior written consent from the University.

c. Contractor will provide access to University Data only to its employees and subcontractors who need to access the data to fulfill Contractor obligations under this Addendum. Contractor will ensure that employees who perform work under this Addendum have read, understood, and received appropriate instruction as to how to comply with the data protection provisions of this Addendum.

d. The following provision applies only if Contractor will have access to the University's education records as defined under the Family Educational Rights and Privacy Act (FERPA): Contractor acknowledges that for the purposes of this Addendum it will be designated as a "school official" with "legitimate educational interests" in the University education records, as those terms have been defined under FERPA and its implementing regulations, and Contractor agrees to abide by the limitations and requirements imposed on school officials. Contractor will use the education records only for the purpose of fulfilling its duties under this Addendum for University's and its End User's benefit, and will not share such data with or disclose it to any third party except as provided for in this Addendum, required by law, or authorized in writing by the University.

5. Data Security

a. Contractor will store and process University Data in accordance with commercial best practices, including appropriate administrative, physical, and technical safeguards, to secure such data from unauthorized access, disclosure, alteration, and use. Such

measures will be no less protective than those used to secure Contractor's own data of a similar type, and in no event less than reasonable in view of the type and nature of the data involved. Without limiting the foregoing, Contractor warrants that all electronic University Data will be encrypted in transmission (including via web interface) in accordance with industry best practices commensurate to the sensitivity of the information; such as controls outlined in the Moderate or High control baselines in the latest version of National Institute of Standards and Technology Special Publication 800-53.

b. If Contractor stores Personally Identifiable Information as part of this Addendum, Contractor warrants that the information will be stored in accordance with industry best practices commensurate to the sensitivity of the information; such as controls outlined in the Moderate or High control baselines in the latest version of National Institute of Standards and Technology Special Publication 800-53.

c. Contractor will use industry-standard and up-to-date security tools and technologies such as anti-virus protections and intrusion detection methods in providing Services under this Addendum.

6. Employee Background Checks and Qualifications

Contractor shall ensure that its employees, full-time or part-time, including newly hired, re-hired, seasonal, and/or temporary, who may have access to VCU confidential and/or proprietary information, and/or data about VCU personnel and/or students, have passed a criminal background check pursuant to the Code of Virginia, §2.2-1201.1. Criminal background checks shall comply with the standards set forth in VCU's employment policies: http://www.policy.vcu.edu/sites/default/files/Criminal%20Conviction%20Investigations.pdf Individuals with failed background checks shall not participate in the performance of this Addendum and must undergo additional evaluation before access to information is provided. Contractor shall maintain records sufficient to document the completion of required criminal background checks. The University reserves the right in its sole discretion to perform audits of Contractor's compliance at the University's expense to ensure compliance with this term. Contractor shall reasonably cooperate in the performance of such audits. Contractor's obligation to maintain records documenting completion of criminal background checks shall survive the termination of this Addendum for a period of seven (7) years.

7. Data Authenticity and Integrity

Contractor will take reasonable measures, including audit trails, to protect University Data against deterioration or degradation of data quality and authenticity. Contractor will be responsible under the terms of this Addendum, unless otherwise specified elsewhere in this Addendum, for converting and migrating electronic data as often as necessary so that information is not lost due to hardware, software, or media obsolescence or deterioration.

8. Security Breach

a. Response. Upon becoming aware of a Security Breach, or of circumstances that are reasonably understood to suggest a likely Security Breach, Contractor will timely notify the University consistent with applicable state or federal laws, fully investigate the incident, and cooperate fully with the University's investigation of and response to the incident. Except as otherwise required by law, Contractor will not provide notice of the incident directly to individuals whose Personally Identifiable Information was involved, regulatory agencies, or other entities, without prior written permission from the University.

b. Liability.

1) If Contractor must under this Addendum create, obtain, transmit, use, maintain, process, or dispose of the subset of University Data known as Personally Identifiable Information, the following provisions apply. In addition to any other remedies available to the University under law or equity, Contractor will reimburse the University in full for all costs incurred by the University in investigation and remediation of any Security Breach caused by Contractor, including but not limited to providing notification to individuals whose Personally Identifiable Information was compromised and to regulatory agencies or other entities as required by law or contract; providing one year's credit monitoring to the affected individuals if the Personally Identifiable Information exposed during the breach could be used to commit financial identity theft; and the payment of legal fees, audit costs, fines, and other fees imposed by regulatory agencies or contracting partners as a result of the Security Breach.

2) If Contractor will NOT under this Addendum create, obtain, transmit, use, maintain, process, or dispose of the subset of University Data known as Personally Identifiable Information, the following provisions apply. In addition to any other remedies available to the University under law or equity, Contractor will reimburse the University in full for all costs reasonably incurred by the University in investigation and remediation of any Security Breach caused by Contractor.

9. Response to Legal Orders, Demands or Requests for Data

a. Except as otherwise expressly prohibited by law, Contractor will:

- immediately notify the University of any subpoenas, warrants, or other legal orders, demands or requests received by Contractor seeking University Data;
- consult with the University regarding its response;
- cooperate with the University's reasonable requests in connection with efforts by the University to intervene and quash or modify the legal order, demand or request; and
- upon the University's request, provide the University with a copy of its response.

b. If the University receives a subpoena, warrant, or other legal order, demand (including request pursuant to the Virginia Freedom of Information Act) or request seeking University Data maintained by Contractor, the University will promptly provide a copy to Contractor. Contractor will promptly supply the University with copies of data required for the University to respond, and will cooperate with the University's reasonable requests in connection with its response.

10. Data Transfer Upon Termination or Expiration

a. Upon termination or expiration of this Addendum, Contractor will ensure that all University Data are securely returned or destroyed as directed by the University in its sole discretion. Transfer to the University or a third party designated by the University shall occur within a reasonable period of time, and without significant interruption in service. Contractor shall ensure that such transfer/migration uses facilities and methods that are compatible with the relevant systems of the University or its transferee, and to the extent technologically feasible, that the University will have reasonable access to University Data during the transition. In the event that the University requests destruction of its data, Contractor agrees to Securely Destroy all data in its possession and in the possession of any subcontractors or agents to which Contractor might have

transferred University data. Contractor agrees to provide documentation of data destruction to the University.

b. Contractor will notify the University of impending cessation of its business and any contingency plans. This includes immediate transfer of any previously escrowed assets and data and providing the University access to Contractor's facilities to remove and destroy University-owned assets and data. Contractor shall implement its exit plan and take all necessary actions to ensure a smooth transition of service with minimal disruption to the University. Contractor will also provide a full inventory and configuration of servers, routers, other hardware, and software involved in service delivery along with supporting documentation, indicating which if any of these are owned by or dedicated to the University. Contractor will work closely with its successor to ensure a successful transition to the new equipment, with minimal downtime and effect on the University, all such work to be coordinated and performed in advance of the formal, final transition date.

11. Audits

a. The University reserves the right in its sole discretion to perform audits of Contractor at the University's expense to ensure compliance with the terms of this Addendum. Contractor shall reasonably cooperate in the performance of such audits. This provision applies to all agreements under which Contractor must create, obtain, transmit, use, maintain, process, or dispose of University Data.

b. If Contractor must under this Addendum create, obtain, transmit, use, maintain, process, or dispose of the subset of University Data known as Personally Identifiable Information or financial or business data which has been identified to Contractor as having the potential to affect the accuracy of the University's financial statements, Contractor will at its expense conduct or have conducted at least annually a(n):

- American Institute of CPAs Service Organization Controls (SOC 2) Type II audit, or other security audit with audit objectives deemed sufficient by the University, which attests the Contractor's security policies, procedures and controls;
- vulnerability scan of Contractor's electronic systems and facilities that are used in any way to deliver electronic services under this Addendum; and
- formal penetration test of Contractor's electronic systems and facilities that are used in any way to deliver electronic services under this Addendum.

Additionally, Contractor will provide the University upon request the results of the above audits, scans and tests, and will promptly modify its security measures as needed based on those results in order to meet its obligations under this Addendum. The University may require, at University expense, Contractor to perform additional audits and tests, the results of which will be provided promptly to the University.

12. Compliance

a. Contractor will comply with all applicable laws and industry standards in performing services under this Addendum. Any Contractor personnel visiting the University's facilities will comply with all applicable University policies regarding access to, use of, and conduct within such facilities. The University will provide copies of such policies to Contractor upon request.

b. Contractor warrants that the service it will provide to the University is fully compliant with relevant laws, regulations, and guidance that may be applicable to the service, such as: the Family Educational Rights and Privacy Act (FERPA), Health Insurance Portability and Accountability Act (HIPAA) and Health Information Technology for Economic and Clinical Health Act (HITECH), Gramm-Leach-Bliley Financial Modernization Act (GLB), Payment Card Industry Data Security Standards (PCI-DSS), Americans with

Disabilities Act (ADA), Federal Export Administration Regulations, and Defense Federal Acquisitions Regulations.

c. If the Payment Card Industry Data Security Standards (PCI-DSS) are applicable to Contractor service provided to the University, Contractor will, upon written request, furnish proof of compliance with PCI-DSS within 10 business days of the request.

d. Section 508 Compliance: All information technology which, pursuant to this Agreement, is purchased or upgraded by or for the use of the University (the "Technology") shall comply with Section 508 of the Rehabilitation Act (29 U.S.C. 794d), as amended. If requested, the Contractor must provide a detailed explanation of how compliance with Section 508 of the Rehabilitation Act is achieved and a validation of concept demonstration. The requirements of this Paragraph along with the Non-Visual Access to Technology clause below shall be construed to achieve full compliance with the Information Technology Access Act, §§ 2.2-3500 through 2.2-3504 of the *Code of Virginia.*

e. Nonvisual Access to Technology: All Technology shall comply with the following nonvisual access standards from the date of purchase or upgrade until the expiration of this Agreement:

   i. effective, interactive control and use of the Technology shall be readily achievable by nonvisual means;
   ii. the Technology equipped for nonvisual access shall be compatible with information technology used by other individuals with whom any blind or visually impaired user of the Technology interacts;
   iii. nonvisual access technology shall be integrated into any networks used to share communications among employees, program participants or the public; and
   iv. the technology for nonvisual access shall have the capability of providing equivalent access by nonvisual means to telecommunications or other interconnected network services used by persons who are not blind or visually impaired.

Compliance with the foregoing nonvisual access standards shall not be required if University determines (i) the Technology is not available with nonvisual access because the essential elements of the Technology are visual and (ii) nonvisual equivalence is not available.

Installation of hardware, software, or peripheral devices used for nonvisual access is not required when the Technology is being used exclusively by individuals who are not blind or visually impaired, but applications programs and underlying operating systems (including the format of the data) used for the manipulation and presentation of information shall permit the installation and effective use of nonvisual access software and peripheral devices.

If requested, the Contractor must provide a detailed explanation of how compliance with the foregoing nonvisual access standards is achieved and a validation of concept demonstration. The requirements of this Paragraph shall be construed to achieve full compliance with the Information Technology Access Act, §§ 2.1-807 through 2.1-811 of the Code of Virginia.

13. No End User agreements

In the event that Contractor enters into terms of use agreements or other agreements or understandings, whether electronic, click-through, verbal or in writing, with University employees or other End Users, such agreements shall be null, void and without effect, and the terms of this Addendum shall apply.

14. Survival

The Contractor's obligations under Section 10 shall survive termination of this Addendum until all University Data has been returned or securely destroyed.

IV. Statement of Needs
A. Goods 2. Categories, Product Lines, and Associated Discounts

Broadcast Television Equipment

Audio	
Dolby	8%
Sennheiser	10%
Wheatstone	5%
Wohler	10%
SSL	5%
Cameras, Camcorders, VTRs	
Hitachi	13%
Ikegami	16%
JVC	15%
Panasonic	15%
Sony	5%
Black Magic	10%
Character Generation	
Imagine	13%
Ross Video	10%
Editing	
AJA	10%
Apple	5%
Gallery	5%
EditShare	5%
SNS (Studio Network Solutions)	5%
CatDV	5%
Lenses	
Fujinon	15%
Canon	10%
Monitoring	
Ikegami	15%
JVC	15%
Marshall	15%
Panasonic	15%
Sony	5%
TVLogic	5%
Wohler	15%

IV. Statement of Needs – A. Goods 2. Categories, Product Lines, and Associated Discounts

Racks	
Middle Atlantic	15%
SKB	5%
Winsted	17%
Routing	
Evertz	10%
Imagine	15%
Nevion	10%
Pesa	5%
Thinklogical	5%
Blackmagic	10%
Ross Video	10%
Servers & Storage	
360 Systems	7%
Elemental	5%
Imagine	15%
Harmonic	15%
EditShare	5%
SNS (Studio Network Solutions)	5%
Tightrope	5%
Support	
Anton Bauer	15%
Miller	5%
Petrol	10%
Sachtler	5%
Vinten	5%
Manfrotto	5%
Switching	
For-A	10%
Ross Video	13%
Sony	5%
Blackmagic	10%
Panasonic	15%
Intercom	
GreenGo Digital	10%
Riedel	10%
ClearCom	15%

IV. Statement of Needs – A. Goods 2. Categories, Product Lines, and Associated Discounts

Teleprompting	
Autoscript	5%
Cuescript	15%
Terminal Equipment	
ADC	11%
Cobalt	10%
Evertz	10%
Imagine	15%
Nevion	10%
Ross Video	13%
Blackmagic	10%
Bitree	10%
Test & Measurement	
Evertz	10%
Imagine	15%
Leader	5%
Multimedia Presentation Equipment	
Audio	
AKG	20%
Audio Technica	15%
Biamp	13%
BSS Audio	10%
ClearOne	20%
Crown	20%
Earthworks	10%
Electrovoice	20%
For The Record	5%
JBL	20%
KSI	20%
Mackie	15%
Polycom	15%
QSC	17%
Samson	15%
Sennheiser	12%
Shure	20%
Sony	5%
Symetrix	15%
Tannoy	15%
Telex	10%

IV. Statement of Needs – A. Goods 2. Categories, Product Lines, and Associated Discounts

Audio (continued)	
Telos	5%
TOA	15%
Control Systems	
AMX	27%
Crestron	27%
Aurora Multimedia	27%
Extron	15%
Mersive	15%
Kramer	15%
Displays	
Christie	10%
Sharp/NEC	15%
Panasonic	15%
Planar	15%
Samsung	15%
Sony	5%
Document Cameras	
Samsung	15%
Vaddio	12%
Wolfvision	15%
DVD & DVR	
Denon Marantz	15%
For The Record	5%
JVC	15%
Sony	5%
Tascam	15%
Interactive White Board	
Boeckeler Instruments	10%
Hitachi	15%
Panasonic	15%
Samsung	15%
Pan/Tilt/Zoom Cameras	
Fujinon	15%
Hitachi	12%
Panasonic	12%

IV. Statement of Needs – A. Goods 2. Categories, Product Lines, and Associated Discounts

Pan/Tilt/Zoom Cameras (continued)	
Vaddio	12%
Axis	15%
BirdDog	10%

Projectors	
Christie	10%
Digital Projection	15%
Sharp/NEC	15%
Sony	5%
Barco	15%

Screens	
Chief	20%
Da-Lite	20%
Draper	22%
Stewart	20%

Switching/Routing/Distribution	
Analog Way	10%
AMX	20%
Extron	23%
Kramer	15%
TVOne	15%
Pesa	5%
RGB Spectrum	10%
Nevion	10%
Evertz	10%
Imagine	15%
ThinkLogical	5%
IHSE	10%

Multimedia Development Equipment

Computer Peripherals	
APC	5%
CatDV	5%
Cisco	10%
Furman	20%
Raritan	10%
Viewcast	5%
Promise	10%
Quantum	10%

IV. Statement of Needs – A. Goods 2. Categories, Product Lines, and Associated Discounts

Computer Peripherals (continued)	
Spectra Logic	10%
Digital Signage	
Imagine	15%
Sony	5%
AMX	27%
Brightsign	10%
Spinetix	10%
PC/MAC Hardware	
Apple	5%
Dell	5%
Hewlett Packard	5%
Software	
Adobe	5%
Apple	5%
Autodesk	10%
For The Record	5%

Satellite Transmitting and Receiving Equipment

LiveU	5%

Teleconferencing and Communications Equipment

Codecs & Systems	
Polycom	15%
Cisco	12%

Computer Presentation Equipment

Control Systems	
Altinex	15%
AMX	27%
Crestron	27%
Extron	15%
Aurora Multimedia	15%
Displays	
Christie	10%
Sharp/NEC	15%
Panasonic	20%

IV. Statement of Needs – A. Goods 2. Categories, Product Lines, and Associated Discounts

Displays (continued)	
Planar	15%
Samsung	15%
Sony	5%
DVD & DVR	
Denon Marantz	15%
JVC	15%
Pioneer	15%
Sony	5%
Interactive White Board	
Hitachi	15%
Panasonic	15%
Samsung	15%
Projectors	
Christie	10%
Digital Projection	15%
Sharp/NEC	15%
Sony	5%
Barco	15%
Screens	
Chief	20%
Da-Lite	20%
Draper	22%
Stewart	20%
Streaming & Encoding	
Imagine	12%
HaiVision	10%
Vbrick	17%
Extron	15%
For The Record	5%
AWS Elemental	5%
AJA	10%
Switching/Routing/Distribution	
Altinex	10%
Analog Way	10%
Extron	23%

IV. Statement of Needs – A. Goods 2. Categories, Product Lines, and Associated Discounts

Switching/Routing/Distribution (continued)	
Pesa	5%
AMX	27%
Crestron	27%
Broadband Distribution Equipment	
Blonder Tongue	10%
Toner	10%
ZVee	10%
Multimedia Furniture	
Bretford	15%
Custom Display	15%
Interpretive Woodworking	17%
Luxor	10%
Marshall	15%
Middle Atlantic	15%
RP Visual	15%
SKB	5%
Winsted	17%
Intercom	
GreenGo Digital	10%
ClearCom	5%
Video Walls	
Barco	10%
Liantronics	10%
Absen	10%

IV. Statement of Needs – A. Goods 2. Categories, Product Lines, and Associated Discounts

Professional Services

Service

	List $	Discounted Price (10%)
Engineering	$225.00	$202.50
Subject Matter Expert	$350.00	$315.00
Project Supervisor	$123.00	$111.00
Integration	$106.00	$95.40
Project Management	$200.00	$180.00
Programming	$225.00	$202.50
Training	$1,800.00/Day	$1,620.00/Day
Administrative Services	$ 75.00	$67.50

(After Hours Engineering 2 Hour Minimum Portal to Portal = $607.50)

The number of hours required for After Warranty Period System Maintenance Contracts are determined prices based on individual system composition. A VASCUPP member would call Human Circuit for a quotation as needed.

EXHIBIT B
Scope of Work

See Attached

EXHIBIT B

City of Rockville
Emergency Operations Center
Submittal

March 30, 2026

Human Circuit is an applications engineering firm specializing in the design, integration and support of digital video acquisition, distribution, and visualization systems. All Purchase Orders must reference a final SOW (attached) and pricing proposal (attached). Human Circuit utilizes the VASCUPP contract (State of Virginia) and its associated discounts for both equipment and services for the City of Rockville to support sole source contracting capability.

Human Circuit will invoice based on the following payment terms:

- 40% deposit at contract/purchase order
- 25% NET30 at equipment acquisition
- 25% NET30 upon commencement of on-site work and equipment delivery
- 10% NET30 at project completion
- A Service Charge of 1.5% will be added to unpaid balances monthly on any overdue account.

COST

The cost of $493,849.10 for this (SOW) includes equipment, engineering, integration, materials, taxes, and shipping.

VASCUPP DISCOUNTS PER MANUFACTURER

Atlona	N/A
Biamp	13%
Chief	20%
Crestron	27%
Datapath	N/A
GMtec	N/A
Interpretive	N/A
JBL	20%
Legrand	15%
LG	N/A
Listen	N/A
Mersive	15%
Middle Atlantic	15%
Netgear	N/A
Samsung	15%
Shure	20%
Sonance	N/A
Tripplite	10%
Vaddio	12%

Terms and Conditions

1. After the receipt of a purchase order/contract, Human Circuit will provide the name of the Project Manager responsible for the project scheduling, status reports, and delivery. Upon initial communication with Human Circuit's Project Manager, the client will provide all contact names and information (email address and phone numbers) for the project. Human Circuit's project manager will schedule a kick-off meeting with the client principals.

2. Human Circuit will provide a schedule of delivery after the project kick-off meeting.

3. Insurance & Site Security:
   The risk of loss for all products and materials shall pass to Client upon delivery to project site. Human Circuit reserves a security interest in all products and materials delivered to site until payment has been received in full. Client is responsible for providing secure and lockable spaces for all products, materials and Human Circuit tools and equipment.

4. Fees associated with permitting or licensing are not included unless detailed in the cost proposal. Any additional costs incurred by Human Circuit for permitting and licensing that are not detailed in the cost proposal will be passed onto the Client.

5. Customer Furnished Equipment:
   Human Circuit will not be responsible for any additional costs related to malfunctioning or deficient equipment. Human Circuit will recommend a solution for repair or replacement of malfunctioning or deficient equipment. If Customer Furnished Equipment causes project delays, additional fees and costs will be incurred by the Customer.

6. Returns:

   - No returns without prior authorization
   - Some merchandise cannot be returned
   - Authorized returns are subject to a restocking fee
   - Handling and Insurance charges are additional

7. At completion (use of the system), Human Circuit's Project Manager will inform the client's representative. The final invoice will be sent within one business day after notice of completion. Final system documentation will be delivered within the timeline illustrated in the project schedule.

8. Training must begin immediately after system testing is completed.

9. Human Circuit will provide invoices based on the following payment terms:
   - 40% at contract/purchase order
   - 25% NET 30 at equipment acquisition
   - 25% NET 30 upon commencement of on-site work and equipment delivery
   - 10% NET 30 at project completion

   NOTE: A Service Charge of 1.5% will be added to unpaid balances monthly on any overdue account. Standard Human Circuit payment terms are NET 30.

11. All prices within the cost proposal are valid for 30 days.

12. Labor Rate Detail:

    Labor costs reflected in the cost proposal unless noted reflect work performed between the hours of 8:00 am and 5:00 pm, Monday through Friday, except for federal holidays ("Normal Work Hours"). If Client elects to have the work performed outside Normal Work Hours, and Human Circuit agrees, then Client agrees to pay additional labor fees.

13. Installation Warranty:

    Human Circuit warrants that all materials and workmanship directly related to the installation and integration of the system will be free from defects for a period of one year from the acceptance of the system. Human Circuit passes through to the client all manufacturer warranties. Human Circuit will negotiate with manufacturers to start the warranty at client's acceptance of the system but cannot guarantee compliance by all manufacturers. At conclusion of the project Human Circuit will provide full warranty information for the system(s).

14. Non-Confidentiality of System:

    The Client agrees that by acceptance of this document Human Circuit has the right to execute press releases, photograph or videotape the System and may use, display, publish, distribute, transmit or broadcast the said photographs or videos for marketing purposes such as press releases, website, brochures, etc. Any third party wanting to use this material will need to get express permission from the Client and Human Circuit Inc. All images are copyright protected.

HUMANCIRCUIT
CONNECT AND CONQUER

Rockville Emergency Operations Center

March 30, 2026 (rev.4)

Executive Summary

The Emergency Management Center's audiovisual system provides a reliable, easy-to-use platform for situational awareness, collaboration, and decision-making during both daily operations and emergency response. Integrated displays, audio, and video conferencing capabilities enable leadership to quickly assess information and coordinate with internal teams and external partners. The system is centrally managed, intuitive to operate, and designed to support future operational and technological needs.

EOC System Summary

The Rockville Emergency Management Center (EOC) will feature a 2 × 6 video wall measuring approximately 4.5 feet high by 24 feet wide, comprised of twelve 55-inch LG bezel-less LCD displays. A Datapath VSN V3 video wall processor will unify the displays into a single logical canvas and support multi-window layouts for simultaneous viewing of sources. HDMI outputs from the video wall processor will be extended to the displays using HDBaseT extenders, with shielded twisted-pair cabling installed between the processor and the displays. Additionally, an 85-inch LCD display will be wall-mounted on a side wall to serve as an auxiliary display and will be driven directly from the video wall processor.

Up to twelve unique video sources can be displayed on the video wall simultaneously. Operators in the EOC will use a 10-inch touch panel to select which sources are displayed on the wall. Predefined video wall layouts can be selected via the touch panel, with video sources dynamically assigned to the selected layout.

The EOC will be equipped with a Crestron NVX AV-over-IP distribution system, including fourteen encoders installed on two rows of tables (seven per row) and one additional encoder on the podium. These encoders enable connected laptops to be routed as sources to the video wall and auxiliary display.

Additional video sources include two cable TV tuners, a Cisco Codec Pro, and video feeds from five associated offices.

Two Shure ceiling-mounted beamforming microphones, covering the two table rows, along with a gooseneck podium microphone for presenters, will capture in-room audio. All microphone signals will be routed to and processed by a Biamp Tesira Dante-enabled digital signal processor (DSP) located in the server room.

Audio associated with any selected video source displayed on the video wall can be routed to the room via the touch panel. Only one program audio source is presented to the room at a time, as selected. This audio is delivered to the DSP and routed through the EOC audio system.

Program audio is returned to the room via a four-channel power amplifier driving ceiling-mounted loudspeakers. All loudspeaker cabling will be home-run from the server room to the ceiling speakers.

Two wall-mounted PTZ cameras will provide room video to a Cisco Codec Pro (CFE) for video conferencing. The Cisco Codec Pro, along with all core signal processing and AV distribution equipment, will be centrally located in the server room and will use 38 RU of available rack space. NVX video, Dante audio, and control will be transported between the EOC and server room over the existing category structured cabling infrastructure.

All EOC room operations including videowall layout selection, video source selection, cable channel selection, volume control, and VTC operation will be integrated and executed through a Crestron control system, providing centralized control via 10-inch touch panels.

An adjacent room will serve as a Training Room and EOC overflow room. A 115-inch LCD display will be the primary display and will receive video from the VSN wall processor via an HDBaseT extender. Display layouts from the wall processor to the LCD display are selected via the touch panel.

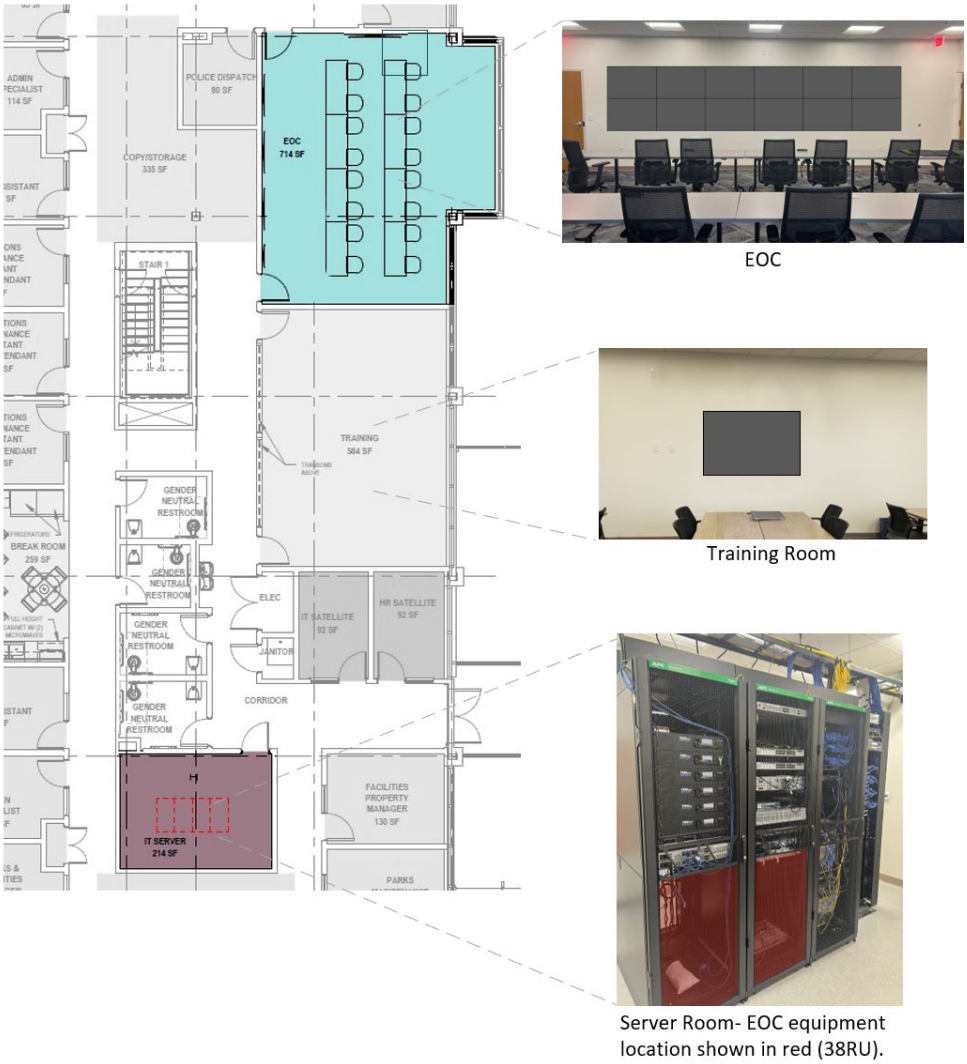


Figure 1: Floorplan

EOC Video Wall Installation

The twelve 55-inch LG bezel-less LCD displays will be wall-mounted using a Chief LVS1U mounting system and powered from existing electrical outlets. HDBaseT video and control cabling will be extended from the server room to the video wall through a wall pass-through located behind the displays. Twelve HDBaseT receivers, one mounted behind each display, will convert the extended HDMI signals for direct connection to each monitor. An 85-inch LCD monitor will be wall-mounted on a side wall to serve as an auxiliary display.

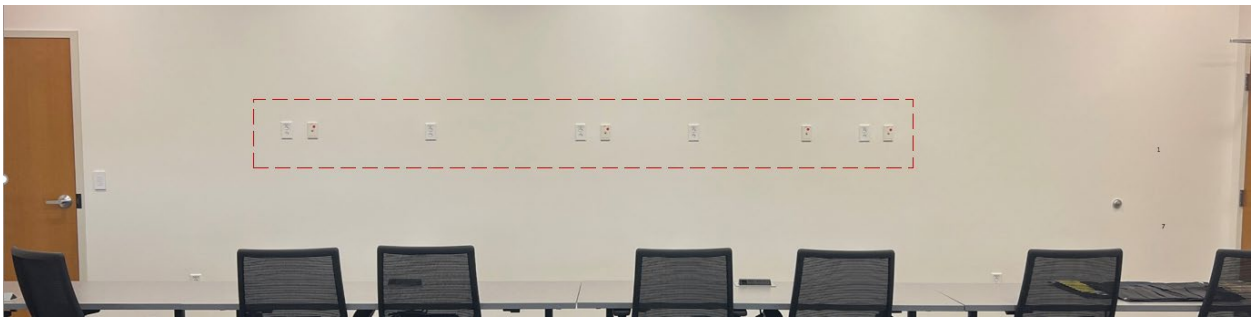


Figure 2: Existing electrical outlets will power the monitor wall.

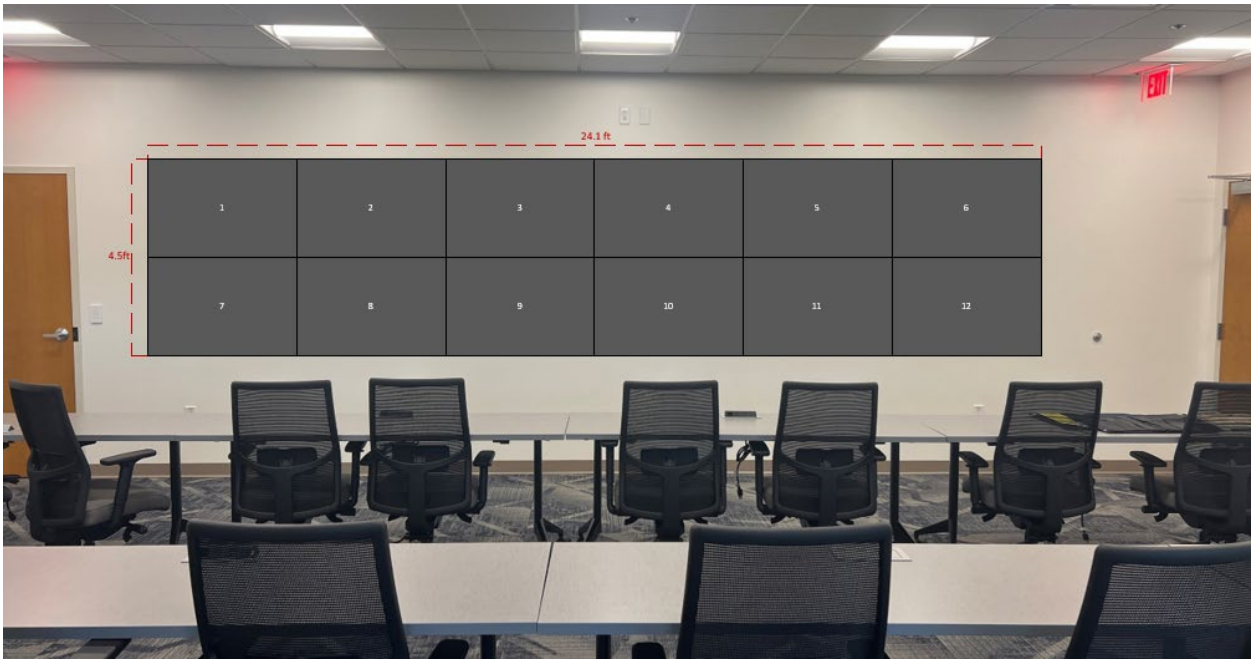


Figure 3: Video Wall 2 x 6 measures 4.5’ x 24.1’

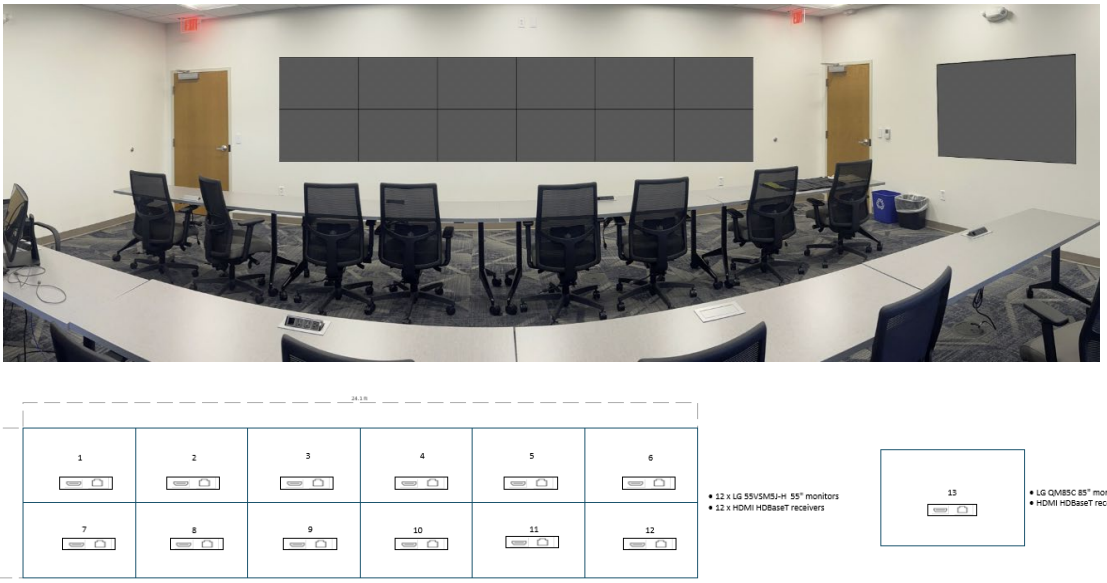


Figure 4: EOC LCD Wall and Aux Display. All displays have an HDBaseT receiver

Crestron NVX Network-Based Video Distribution

The EOC system uses Crestron NVX AV-over-IP technology to distribute video sources over an Ethernet network. Each NVX encoder packetizes its HDMI source into a visually lossless, low-latency IP stream and transmits it using multicast addressing. Multicast delivery allows a single encoded stream to be simultaneously available to multiple endpoints.

At the network layer, NVX relies on IGMP (Internet Group Management Protocol) to manage stream subscriptions. NVX decoders, including those feeding the video wall processor, dynamically “tune” to a desired source by joining the corresponding multicast group via the Ethernet switch. This enables deterministic routing of sources without physical crosspoints.

The EOC system includes two Crestron eight slot NVX card chassis in the server room that houses a total of thirteen NVX HDMI decoder cards (two decoders include audio breakaway) and three NVX encoder cards. Decoders are configured in a one-to-one relationship, with each decoder dedicated to a discrete HDMI input to the video wall processor. This architecture supports up to twelve unique NVX sources being decoded simultaneously and delivered as independent HDMI inputs to the wall processor, allowing multiple sources to be displayed at once across the video wall and auxiliary displays.

The two decoders with audio breakaway allow the operator to route audio associated with a selected video source displayed on the EOC video wall or Training Room monitor to the room via the touch panel interface. To maintain clarity and avoid audio conflicts, only one program audio source is active at any

given time. The selected audio feed is delivered to the DSP for processing and distribution through the EOC audio system.

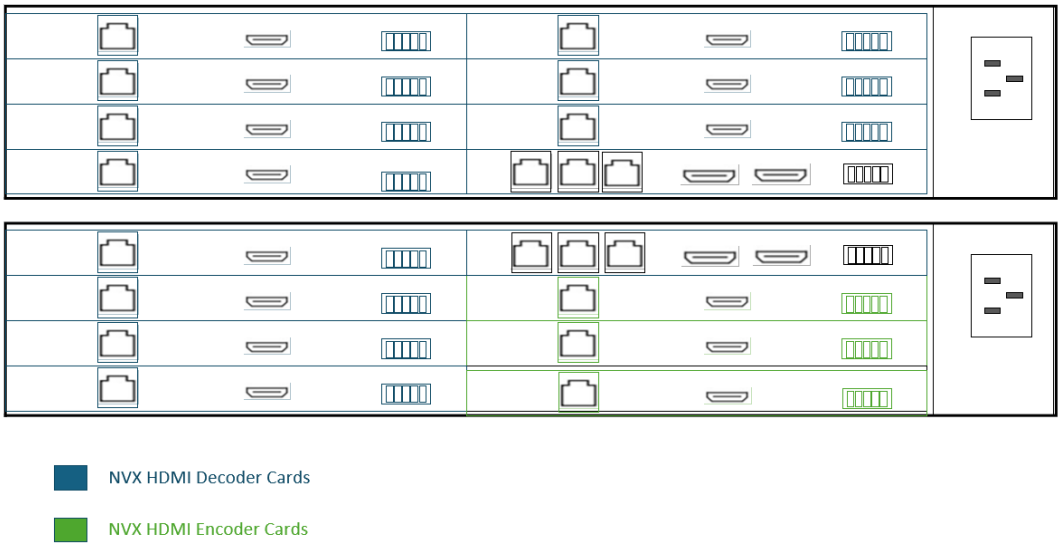


Figure 5: Two NVX chassis will house a total of 13 NVX HDMI decoders (2 with audio breakaway), 3 NVX encoders

Datapath VSN V3 Wall Controller

The VSN V3 video wall controller is the central processing and composition engine for the EOC video wall and auxiliary displays. Discrete HDMI inputs from NVX decoders provide independent video sources to the VSN, which renders real-time, multi-image layouts across the wall with pixel-accurate positioning and scaling.

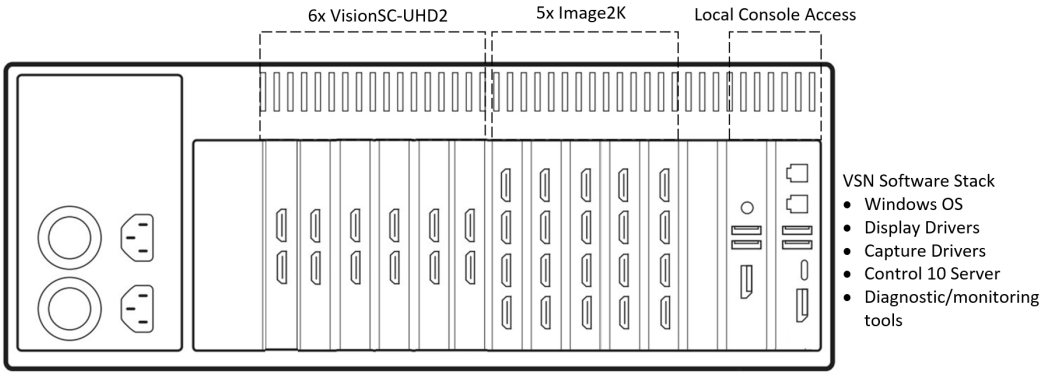


Figure 6: Datapath VSN V3 wall controller (12 HDMI inputs x 20 HDMI outputs)

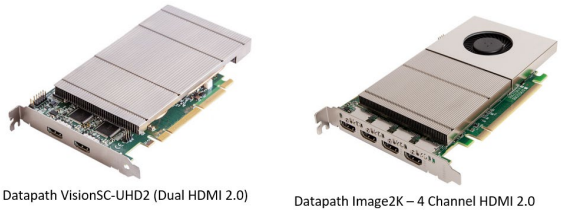
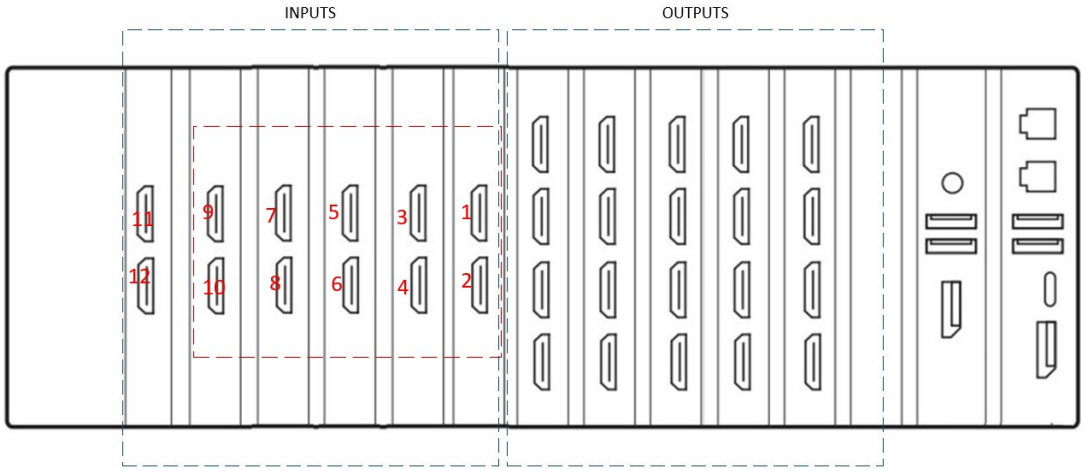
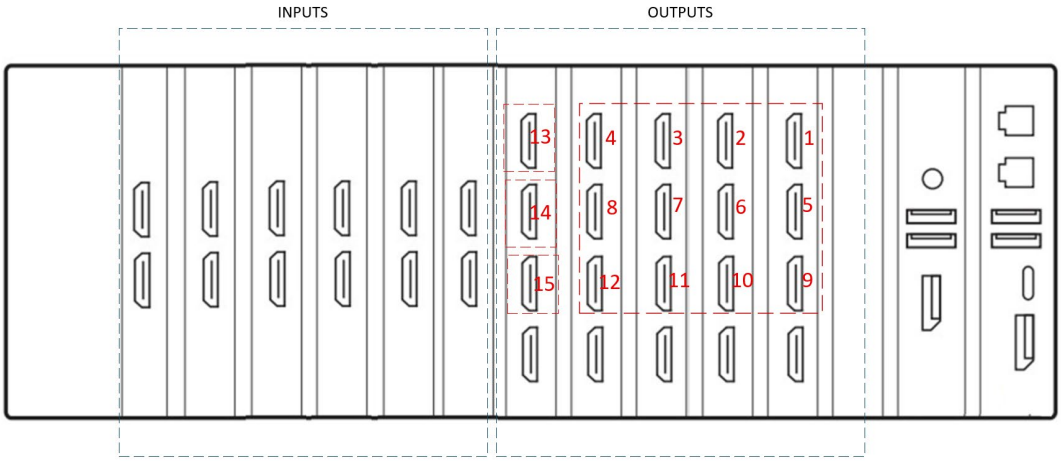


Figure 7: Datapath VSN input and output cards



VSN Inputs *(from NVX HDMI decoder cards)*

- **1 - 10** assigned to any NVX video source via the control GUI (Touch Panels).
- **11-12** EOC Cisco Codec Pro *(direct HDMI output from Codec to wall processor)*



VSN Outputs (Extended *from VSN to wall over HDBaseT)*

- **1 -12** EOC Video wall
- **13** EOC Auxiliary Display (Side Wall)
- **14** Training Room Display
- **15** Wall Layout (A wall layout can be encoded as an NVX stream and available as a video source.)

EOC Video Wall Sources

Fourteen Crestron NVX HDMI encoders will be installed at the tables (seven per row), with an additional encoder installed at the podium. Each encoder connects to the existing floor boxes via Ethernet, enabling connected laptops to be presented as sources to the video wall and auxiliary display. Additional video sources include two cable TV tuners, a Cisco Codec Pro, and five associated spaces: (1) Training room, (2) Police Dispatch, (3) Dispatch Operator, (4) EOC Manager, (5) Conference room.

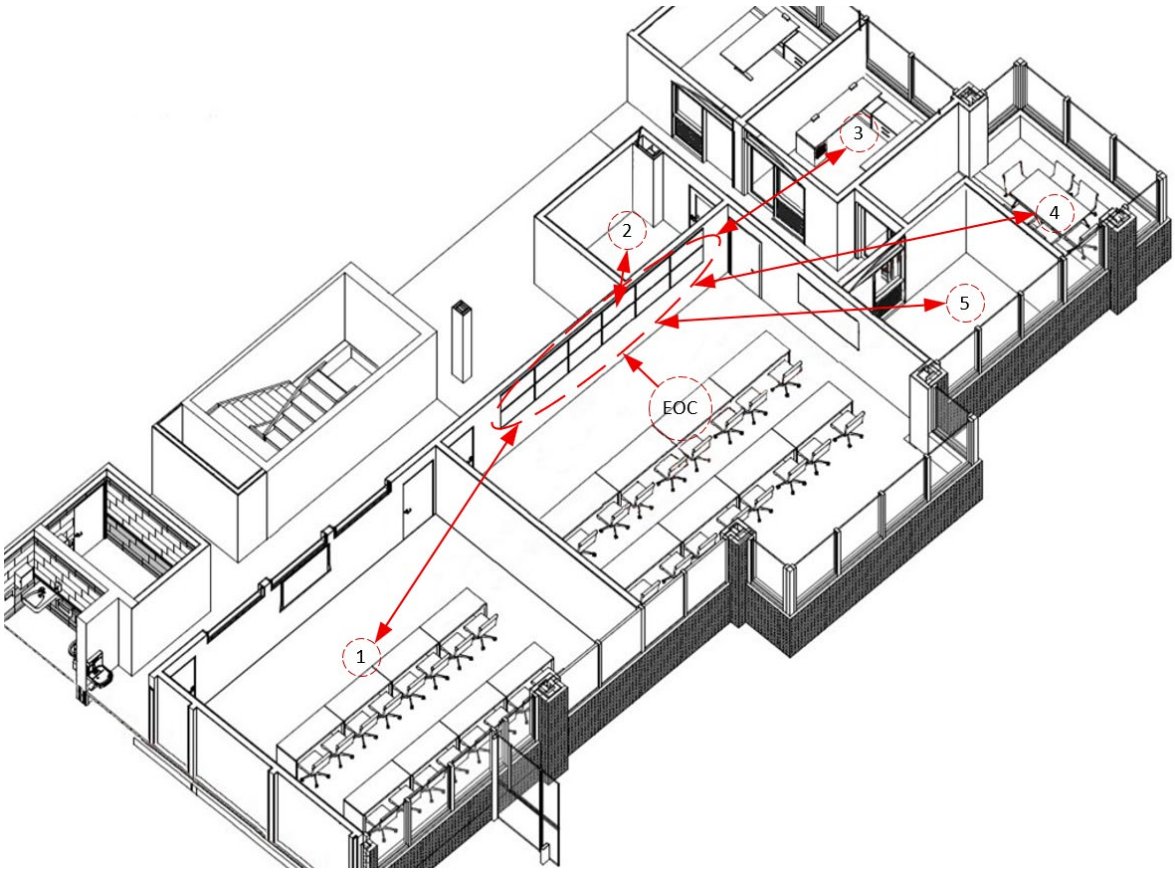


Figure 8: Video sources to the wall from five associated spaces

(EOC) Tabletop and Podium

Fourteen Crestron NVX HDMI encoders will be installed at the tables (seven per row), and one encoder at the podium. Laptop HDMI signals are encoded and transported over the existing structured cabling to NVX HDMI decoders located in the server room, then routed as discrete HDMI inputs to the Datapath VSN video wall processor for placement on the video wall and auxiliary displays.

Sources displayed on the video wall and auxiliary displays (EOC and Training Room) are selected via a 10-inch Crestron touch panel located at the podium.

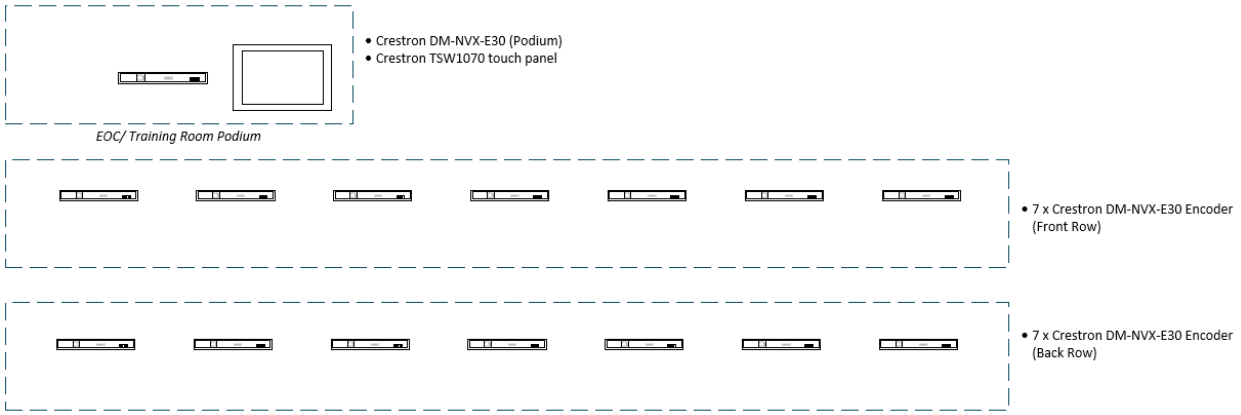


Figure 9: Fifteen NVX HDMI encoders transmit sources from EOC to the display processor

(1) Training Room

The Training Room supports both standalone operation and EOC overflow use. The room features a 115-inch Samsung LCD display, with three HDMI inputs connected to the video wall processor, a Cisco Codec Pro, and a local HDMI wall plate.

Three NVX encoders enable routing of laptop video from the Training Room to the EOC video wall processor. Display source selection is managed via a 10-inch Crestron touch panel located at the podium. A Mersive Solstice Pod, installed at the podium, can be connected to the HDMI wall plate to provide wireless collaboration capabilities, enabling users to present content from their laptops to the room display.

The microphone and speaker configuration are identical in both the EOC and the Training Room. Two Shure MXA920 ceiling-mounted beamforming microphones will be installed above the tables to capture in-room audio, along with a cardioid gooseneck microphone at the podium. All microphones are Dante-enabled and will transmit audio over the existing network cabling to an Ethernet switch located in the server room for centralized processing by the Biamp Tesira DSP.

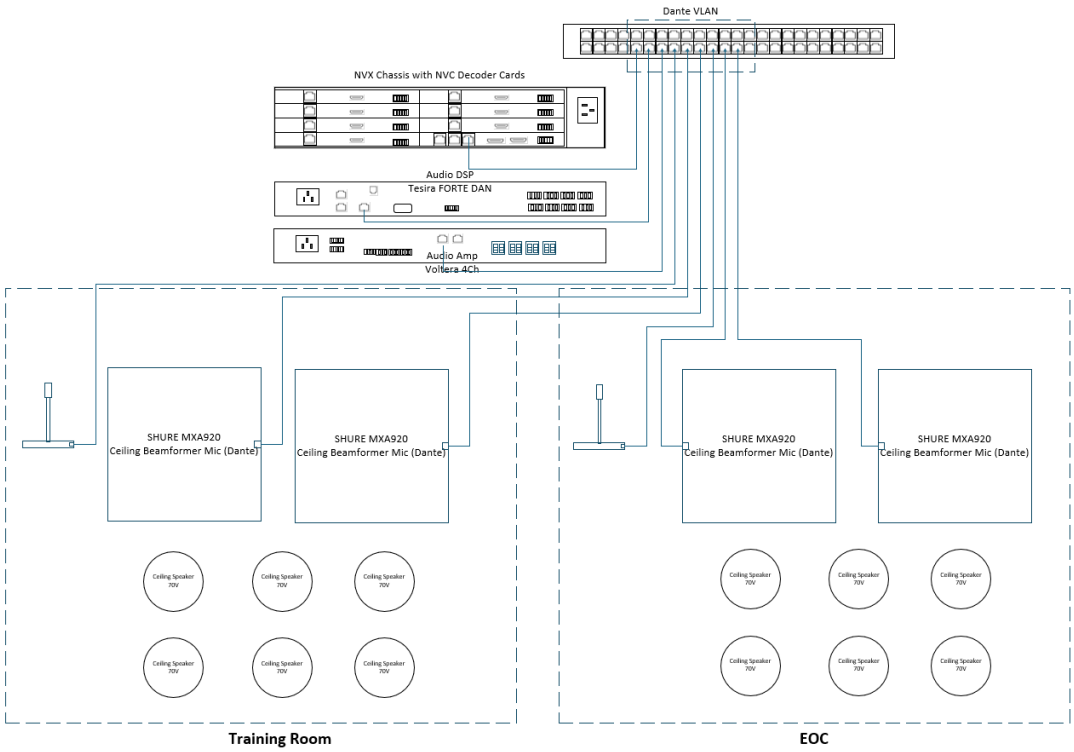


Figure 10: Training Room and EOC audio systems are identical.

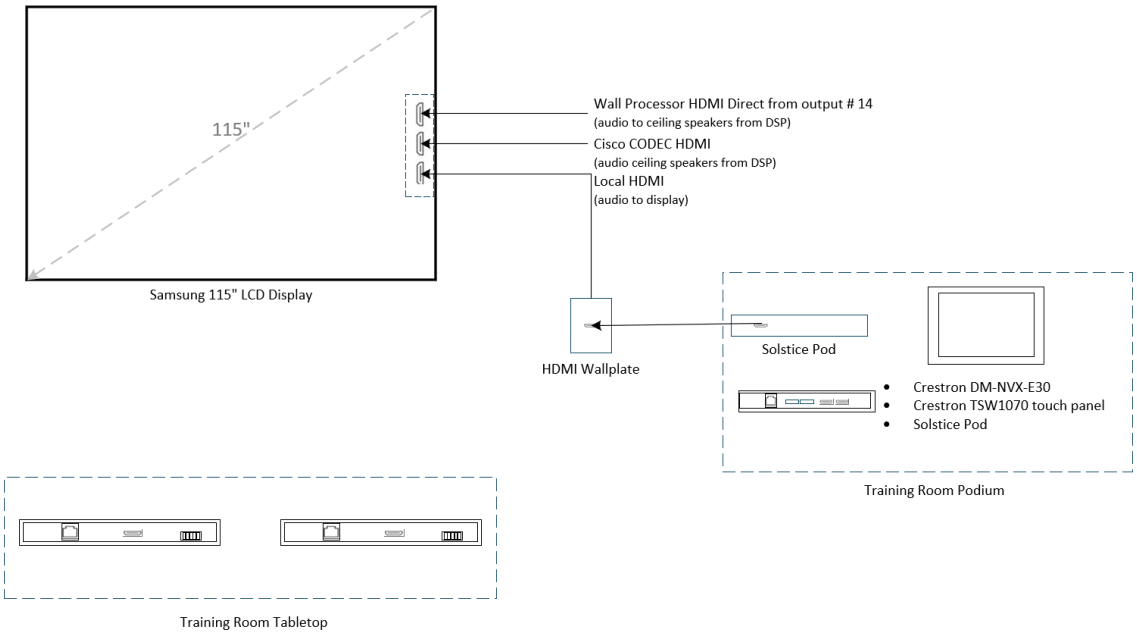


Figure 11: Training Room HDMI signal flow

Assistive Listening

A Dante-enabled assistive listening system will be integrated into the audio design to support accessibility requirements without impacting primary sound reinforcement within the EOC and Training Room.

(EOC) and (1) Training Room Video Cameras and Cisco Codec Pros

Two Cisco Codec Pros (CFE) will be installed in the server room to support video conferencing for the EOC and the Training Room. Each room will include two wall-mounted PTZ camera (location TBD), with camera video and control extended to the server room via a Vaddio HDMI extension system and connected to the Codec Pro camera inputs.

Bi-directional conferencing audio to and from the Codec Pro will be routed through the Biamp Tesira DSP for echo cancellation, signal processing, and integration with the room microphone and loudspeaker systems.

The Cisco CODEC dedicated to the EOC includes two HDMI connections to the Datapath VSN video wall processor. Presentation video sources are delivered to the codec from a Crestron NVX decoder located in the server room (see figure 5).

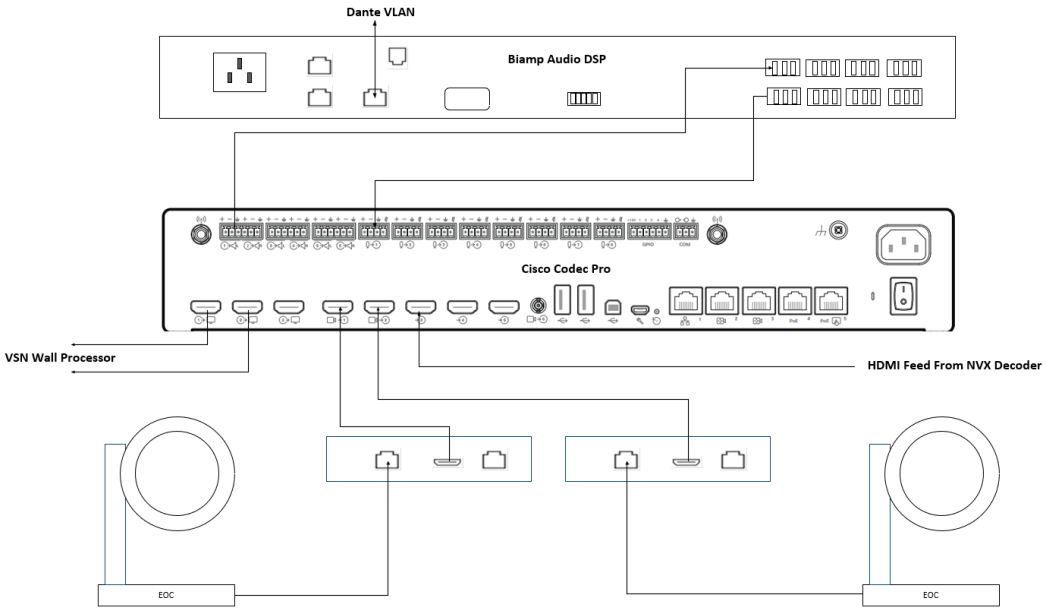


Figure 12: EOC CODEC -wall processor, presentation feed- NVX decoder, audio- DSP.

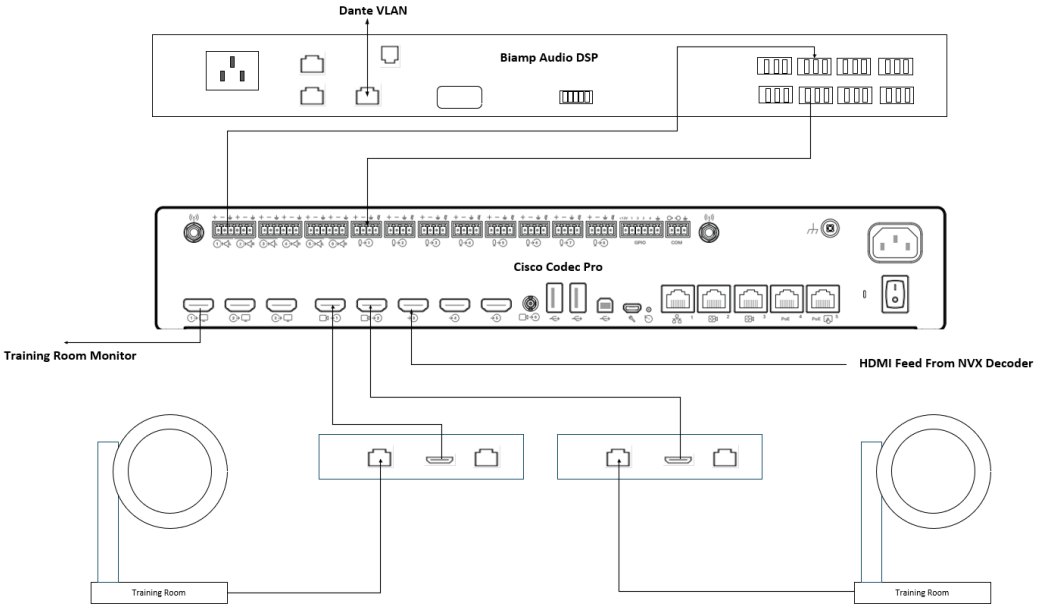


Figure 13: Training Room CODEC - room monitor, presentation - NVX decoder, audio - DSP.

(2) Police Dispatch & (3) Dispatch Operator

These two offices will each have a 43-inch LCD monitor, sound bar, NVX encoder and decoder, and Crestron touch panel. Operators can select and monitor sources from the NVX network while also contributing local content to the EOC video wall via the NVX encoder.

(4) EOC Manager's Office

The EOC Manager's office will include two 43" LCD monitors, sound bar, NVX HDMI decoder, NVX HDMI encoder, and Crestron touch panel. The Manager can select and monitor sources from the NVX network while also contributing local content to the EOC video wall via the NVX encoder.

(5) Conference Room

The conference room will include an 85" LCD monitor, NVX HDMI decoder, NVX HDMI encoder, Crestron control panel, and Cisco Room Bar Pro (CFE). Operators can select and monitor sources from the NVX network while also contributing local content to the EOC video wall via the NVX encoder.

Ethernet Network Architecture

Two Netgear M4250-40G8XF Ethernet switches and one Netgear M4250-26G4XF Ethernet switch will provide switching infrastructure for video, audio, and control traffic. The switches will be interconnected via SFP uplinks configured as 802.1Q trunks carrying the control, NVX, and Dante VLANs. Inter-VLAN communication required for system control will be enabled through controlled Layer-3 routing or ACL-based forwarding within the AV switch fabric, allowing the Crestron control system on the control VLAN to communicate with NVX and Dante devices for discovery, monitoring, and command while preserving logical separation of AV traffic.

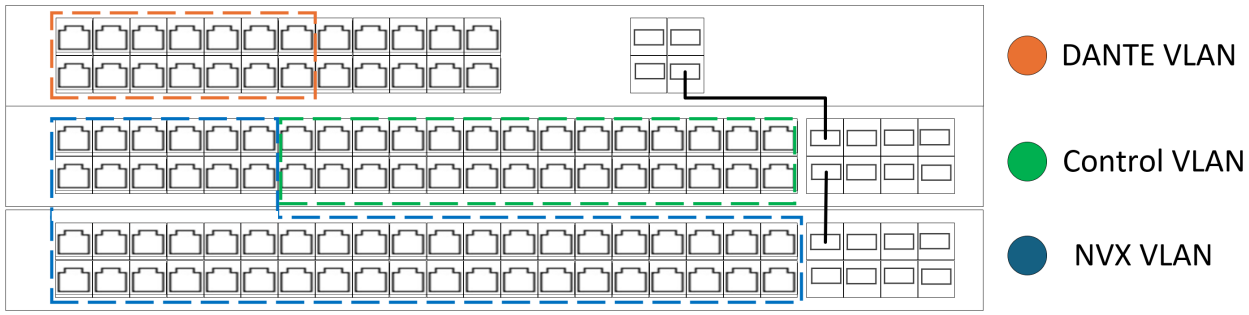


Figure 14: Three Ethernet switches configured for video, audio and control.

Control System

The audiovisual system will be centrally controlled by a Crestron CP4 control processor, which coordinates all video routing, audio source selection, display control, and conferencing functions across the EOC, Training Room, Associated Offices and Conference Room. A Crestron touch panel located in each location allow users to operate the system from any of these locations.

Control commands will be transmitted over the dedicated control network to NVX endpoints, the video wall processor, the audio DSP, and other controlled devices, enabling coordinated system operation while maintaining network segmentation between control, video, and audio traffic. This distributed control architecture ensures consistent system behavior, operational flexibility, and ease of use during both routine operations and emergency response scenarios.

The control system will provide an intuitive GUI with clearly defined functions for source selection, display layouts, audio control, and conferencing operation.

Examples of EOC Wall Layouts and Corresponding Touch Panel GUI

Layout 1:

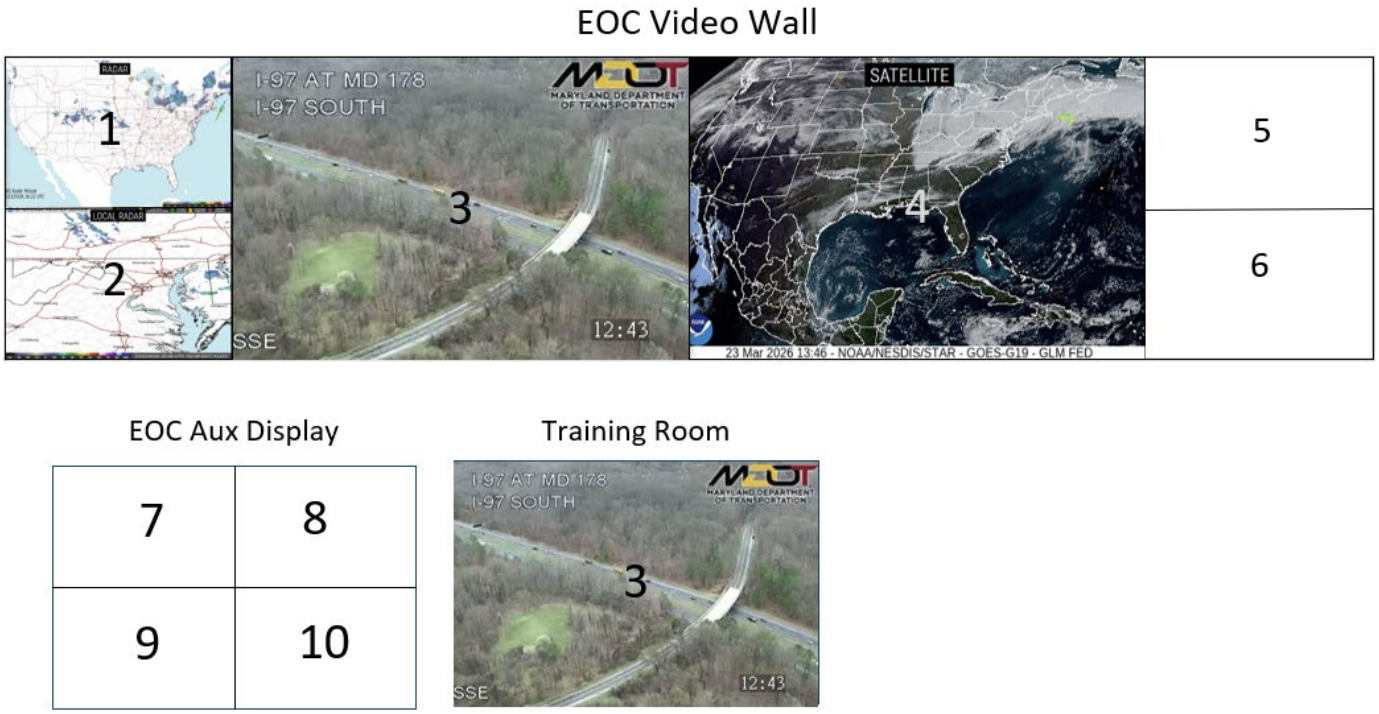
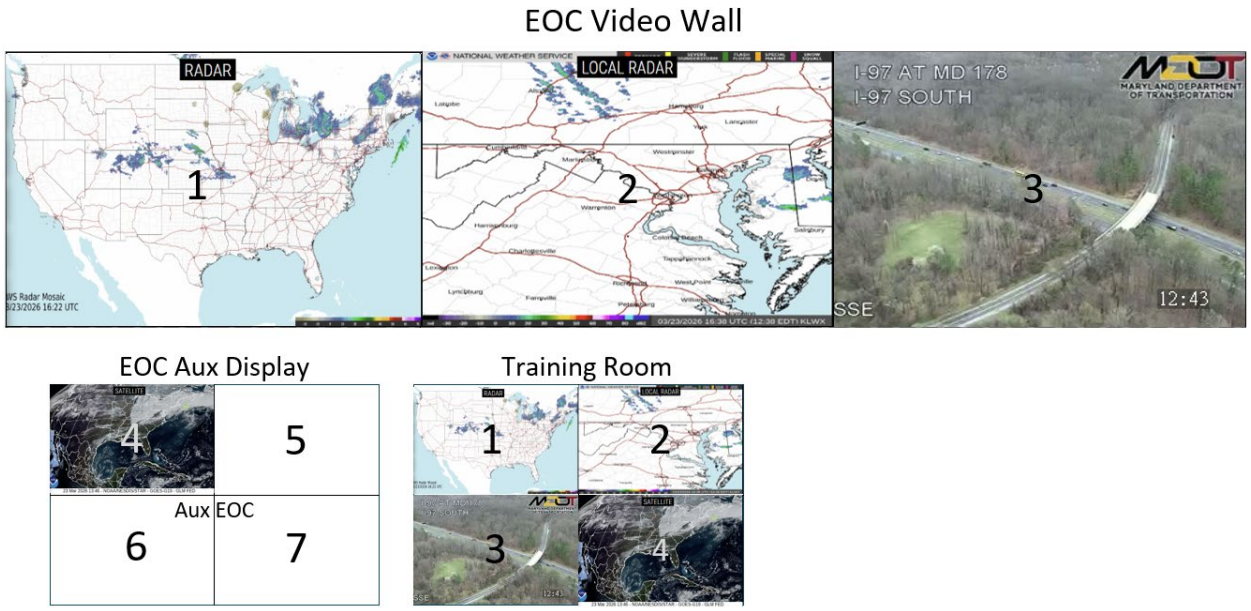




Figure 15: Crestron 10” Touch Panel – Wall Layout 1



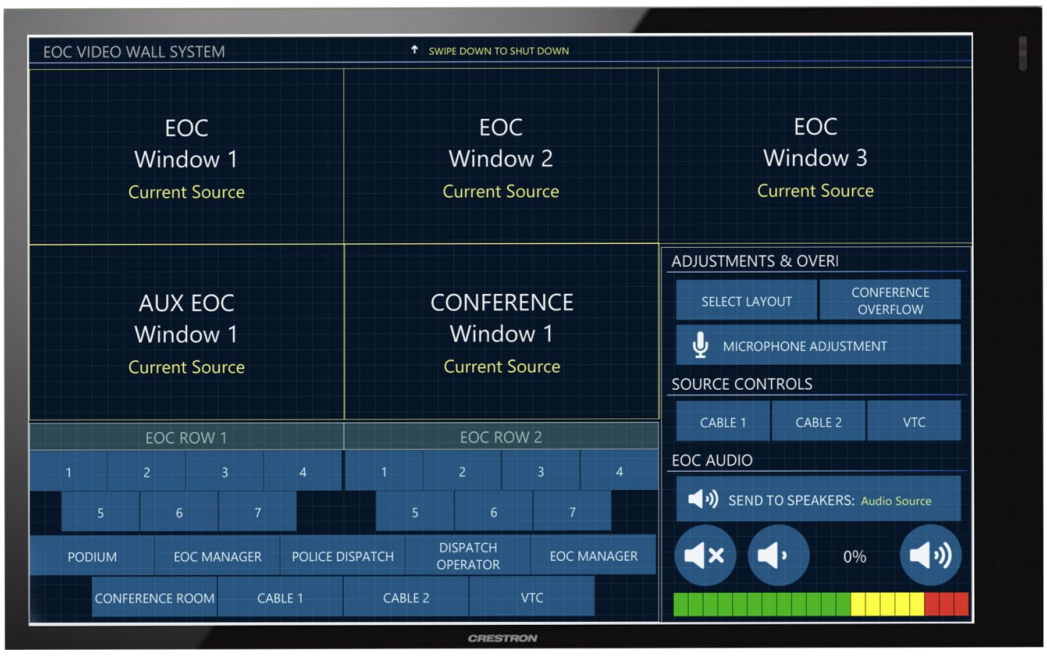


Figure 16: Crestron 10” Touch Panel – Wall Layout 2

Examples of EOC Control GUIs

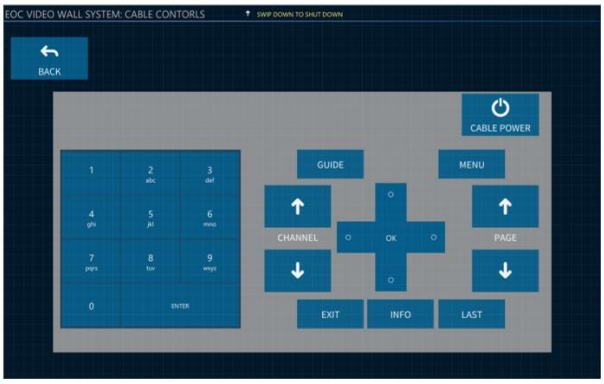
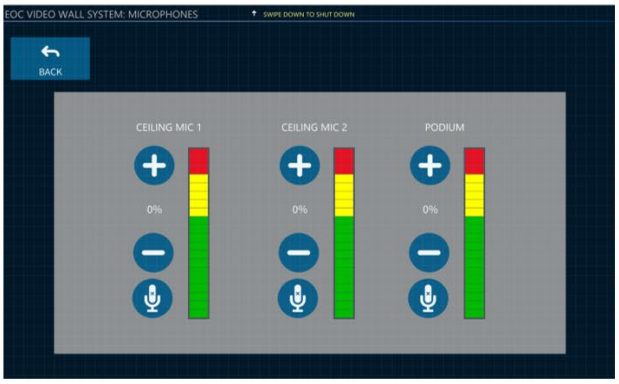


Figure 17: Cable Box



Microphone Level

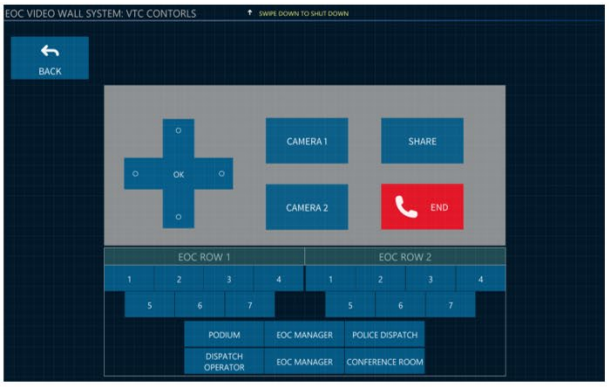
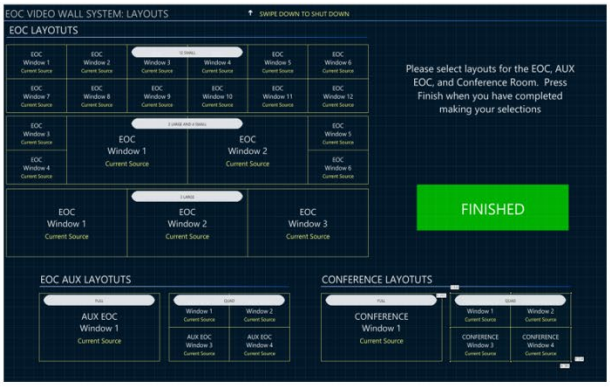


Figure 18: VTC



Video Wall Layouts

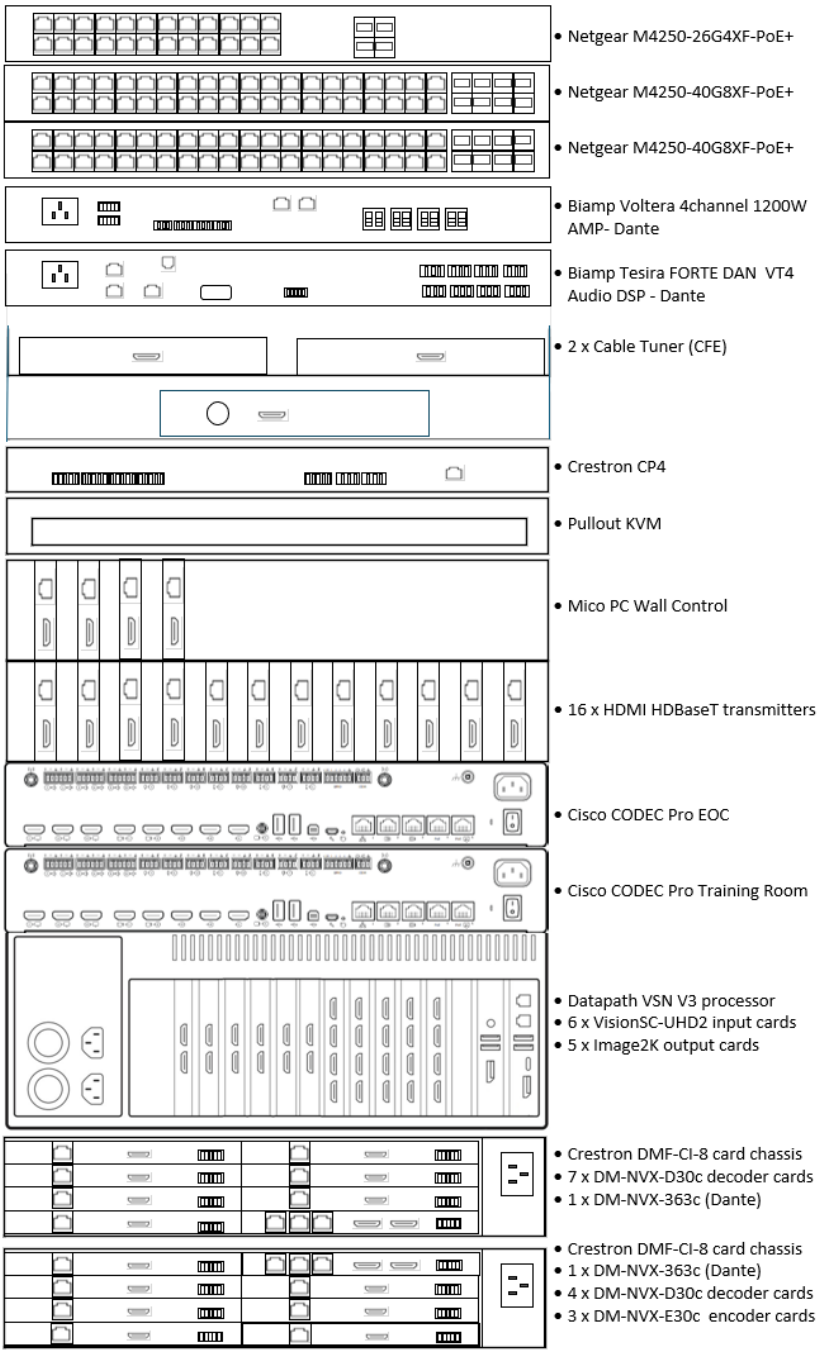


Figure 19: EOC Server Room Equipment

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HUMANCIRCUIT
CONNECT AND CONQUER

Rockville Emergency Operations Center
System Capabilities

March 26, 2026 (rev 3)

Summary

The EOC is designed as a network-centric system that leverages AV-over-IP (NVX), networked audio (Dante), and centralized control (Crestron) to unify video, audio, and control into a single operational platform. This architecture enables flexible routing, simplified infrastructure, and scalable performance.

LG 55” Bezeless LCD Monitor (Part # LG 55VSM5J-H)

The EOC features a 2x6 video wall measuring 4.5 feet high by 24 feet wide, comprised of twelve 55-inch LG bezel-less LCD displays. The LG 55VSM5J-H is well suited for the EOC video wall due to its ultra-narrow bezel design and consistent image performance. The 0.44 mm even bezel enables the construction of a nearly seamless video wall, minimizing visual breaks between panels. The panel provides wide viewing angles and uniform image quality, ensuring content remains legible from all operator positions.

Chief Wall Mount (Part # LVS1U)

The video wall will be mounted using the Chief LVS1U ConnexSys mounting system, a purpose-built solution designed specifically for large-format LCD video walls. The system utilizes a rail-based mounting architecture with fine X, Y, and Z axis micro-adjustments, enabling precise alignment of ultra-narrow bezel displays to create a seamless visual surface. Each display incorporates a pop-out service mechanism, allowing individual panels to be accessed and maintained without disturbing adjacent screens.

Samsung 85” Display (Part #QM85C)

An 85-inch LCD display will be wall-mounted on a side wall of the EOC and will be driven directly from the video wall processor. The Samsung QM85C provides a large-format, high-resolution display for auxiliary monitoring within the EOC. Its commercial 24/7-rated design ensures continuous operation, while the 85-inch 4K panel supports clear presentation of detailed content across the room. The display integrates cleanly into the system architecture via standard HDMI and network interfaces, allowing it to function as an extension of the primary video wall for mirrored or independent content display.

Samsung 115” Display (Part# LH115QHFEBGXZA)

In the Training/EOC overflow room, a 115-inch LCD display is selected in place of projection to provide a brighter, more reliable, and lower-maintenance solution. Unlike projection systems, the display delivers consistent image quality independent of ambient light and eliminates the operational complexity associated with lamps, alignment, and calibration.

The display integrates cleanly into the system architecture via standard HDMI and network interfaces, allowing it to function as the Training Room’s primary display.

Datapath VSN V3 Video Wall Processor

- Part# VSN-V3-11-B-RPSU (Frame)
- Part# VisionSC-UHD2 (Input Card)
- Part# Image2K (Output Card)

The Datapath VSN V3 video wall processor serves as the central visualization engine for the EOC, enabling real-time display and management of multiple video sources across the video wall. The system is configured with a VSN-V3-11-B-RPSU chassis, providing a high-performance, redundant power platform designed for continuous 24/7 operation in mission-critical environments. VisionSC-UHD2 input cards support high-resolution HDMI capture from NVX decoders and other external sources, while Image2K output cards provide precise, synchronized outputs to the video wall displays.

The wall processor integrates with the Crestron control system over a telnet API, providing operators with a simplified, touch panel-driven interface for selecting layouts and assigning sources.

Crestron Control System

- Part# CP4 (Controller)
- Part# TSW1070 (Touch Panel)

The Crestron control system unifies multiple systems into a single, operator-focused interface. EOC room operations including videowall layout selection, video source selection, cable channel selection, volume control, and VTC operation will be integrated and executed through a Crestron control system, providing centralized control via touch panels.

The Crestron TSW-1070 touch panel is selected as the primary control interface due to its optimal screen size, responsiveness, and reliability. The 10-inch format provides a clear and organized interface for video wall control, source selection, and system operation.

Crestron NVX AV-over-IP Distribution System

- Part# DM-NVX-E30 (NVX HDMI Encoder)
- Part# DM-NVX-D30 (NVX HDMI Decoder)

The Crestron NVX AV-over-IP distribution system is aligned with modern network-based system designs. By transporting video over standard Ethernet infrastructure, the system eliminates the constraints of fixed matrix switching and enables dynamic routing of sources throughout the EOC. This approach simplifies cabling, supports future expansion, and provides a resilient, software-defined video distribution platform.

Biamp Tesira FORTE Audio Digital Signal Processor (Part# 920-00453-00001)

The Biamp Tesira DSP is reliable, scalable, and has native Dante audio integration. The system provides consistent, high-quality audio processing including acoustic echo cancellation (AEC), automatic mixing, equalization, and matrix routing and routing while simplifying the overall architecture through network-based audio transport. By centralizing audio control and presenting a single program audio source to the room, the design ensures clarity, reduces operator complexity, and supports predictable performance in time-sensitive EOC environments.

Biamp Voltera Audio Amplifier (Part# 920-01954-00001)

The Biamp Voltera amplifier functions as a managed endpoint within the networked audio system, integrating seamlessly with the Tesira DSP to provide centralized monitoring and control while delivering efficient, consistent amplification for distributed loudspeakers.

Dante - *Audio Transport Protocol*

Dante enables a network-based audio architecture that simplifies cabling, supports flexible routing, and ensures synchronized, low-latency audio transport. By moving audio onto the network, the system becomes more scalable, easier to manage, and aligns with modern IT infrastructure.

The system leverages IP-based transport for both audio (Dante) and video (NVX), creating a unified, network-centric AV architecture.

Shure Beamforming Microphones (Part# MXA920W-S)

Shure MXA920 ceiling-mounted beamforming microphones provide uniform room coverage while eliminating the need for user interaction with microphones. This approach ensures consistent audio pickup, reduces operational complexity, and supports a clean, uncluttered tabletop. Integrated with the DSP, the system delivers predictable, high-quality audio performance for both in-room and VTC applications.

Shure Gooseneck Podium Microphone (Part# MX415LPDF/C)

A podium microphone ensures consistent, high-quality audio capture for presenters at the podium. While the ceiling-mounted beamforming microphones provide broad room coverage, a dedicated podium microphone delivers focused, close-proximity pickup, improving speech clarity, gain before feedback, and overall intelligibility during presentations.

The Shure MX415LPDF/C is selected for its reliability, focused pickup pattern, and ease of use at the podium. The cardioid microphone provides consistent, high-intelligibility speech capture while minimizing ambient noise.

Sonance Ceiling Speakers (Part# PS-C63RTLP White)

These speakers feature a low-profile backcan design that supports installation in constrained ceiling spaces while maintaining consistent acoustic performance. Integrated with the Biamp DSP and amplification, the system delivers reliable, uniform audio coverage. A 70-volt distributed architecture enables efficient power distribution, simplified wiring, and scalable, predictable performance across the EOC.

Listen Technologies Assistive Listening (Part# LS-90-01-D)

The Listen Technologies Assistive Listening system (LS-90-01-D) is included to ensure accessible audio for all participants in both the EOC and Training Room.

With support for Dante audio, the system integrates directly into the networked audio architecture, allowing assistive listening feeds to be sourced from the same DSP-managed audio system used for room reinforcement and conferencing. This ensures consistent, synchronized audio delivery across all endpoints. By delivering audio directly to personal receivers or compatible hearing devices, the system enhances comprehension during briefings, presentations, and video conferencing, while supporting ADA compliance and inclusive communication.

Vaddio RoboSHOT20 PTZ Camera Kit (Part# 999-9950-100W)

The Vaddio RoboSHOT 20 PTZ camera will integrate with the Cisco Room Kit Pro to provide high-quality, flexible video capture. While the Room Kit Pro serves as the conferencing engine, the RoboSHOT camera delivers superior optical performance, including 4K resolution and 20x zoom, enabling both wide room coverage and tight framing of presenters.

The camera integrates with the Crestron control system, allowing operators to recall presets, adjust camera positioning, and manage camera functions directly from the touch panel interface.

Netgear Ethernet Switch (Part# M4250-40G8XF-PoE+)

The Netgear M4250 switch is AV-optimized to support NVX video, Dante audio, and control traffic on a unified network. Built specifically for AV-over-IP, the platform simplifies deployment while providing the multicast management, QoS, and segmentation required for predictable system performance.

Integrated PoE+ capabilities provide both power and connectivity to networked devices, reducing cabling complexity and eliminating the need for local power at endpoints.

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SALES QUOTATION

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(240) 864-4000 www.humancircuit.com

Sales Quotation Number: SQ72124
Sales Quotation Date: 03/26/26
Page: 1

Sold To:
City of Rockville
Gabe Kosarek
111 Maryland Avenue
Rockville, Maryland 20850-2364
United States

Ship To:
City of Rockville
Gabe Kosarek
111 Maryland Avenue
Rockville, MD 20850
United States

Customer ID: 171302000
Terms: SOW

Salesperson: Bruce Kaufmann
Telephone No.: 202-438-0044
E-mail: bkaufmann@humancircuit.com

Qty.	MFR	Model	Description	Unit Price	Extended Priced
Pkg No. : EOC -					
14	LG	55VSM5JH	55" Bezeless LCD Monitor	3,725.00	52,150.00
12	CHIEF	LVS1U	Wall Mount	944.00	11,328.00
12	MIDDLE ATL	PDX215C	Dual Outlet Power Protection	233.60	2,803.20
1	SAMSUNG	QM85C	85" Display	5,355.00	5,355.00
1	CHIEF	LSM1UG	Fixed Wall Mount	247.20	247.20
1	MIDDLE ATL	PDX215C	Dual Outlet Power Protection	248.20	248.20
1	INTERP	CUSTOMINTERPRETIVE	Custom Lectern	5,000.00	5,000.00
1	WIREMOLD	RDZCBK	Power Box Insert w/(2)AC & (2)USB Charging Ports	99.05	99.05
1	SHURE	MX415LPDFC	15" Gooseneck Mic	309.60	309.60
1	SHURE	MX400SMP	Mount	170.40	170.40
1	SHURE	ANI4INBLOCK	Analog to Dante Interface	768.80	768.80
1	CRESTRON	TSW1070BS	Touch Panel	2,338.92	2,338.92
2	SHURE	MXA920WS	Ceiling Mount Mic Array	3,785.60	7,571.20
6	SONANCE	PSC63RTLPWHITE	6.5" Ceiling Speaker	281.25	1,687.50
1	LISTEN	LS9001D	IR ALS Transmitter/Radiator	1,728.49	1,728.49
1	CRESTRON	TSW1070BS	Touch Panel	2,338.92	2,338.92
15	CRESTRON	DMNVXE30	NVX HDMI Encoder	1,096.46	16,446.90

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SALES QUOTATION

Sales Quotation Number: SQ72124
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Qty.	MFR	Model	Description	Unit Price	Extended Priced
2	VADDIO	9999950100W	Roboshot 20 UHD OneLink HDMI PTZ Camera Kit	7,117.44	14,234.88
Total for EOC					124,826.26
Pkg No. : TRAINING -					
1	SAMSUNG	QH115FX	115" Display	27,625.00	27,625.00
1	CHIEF	PSMH2079	Fixed Wall Mount	1,074.40	1,074.40
1	MIDDLE ATL	PDX215C	Dual Outlet Power Protection	248.20	248.20
1	LISTEN	LS9001D	IR ALS Transmitter/Radiator	1,728.49	1,728.49
1	INTERP	CUSTOMINTERPRETIVE	Custom Lecturn	5,000.00	5,000.00
1	WIREMOLD	RDZCBK	Power Box Insert w/(2)AC & (2)USB Charging Ports	99.05	99.05
1	SHURE	MX415LPDFC	15" Gooseneck Mic	309.60	309.60
1	SHURE	MX400SMP	Mount	170.40	170.40
1	SHURE	ANI4INBLOCK	Analog to Dante Interface	768.80	768.80
6	SONANCE	PSC63RTLPWHITE	6.5" Ceiling Speaker	281.25	1,687.50
1	CRESTRON	TSW1070BS	Touch Panel	2,338.92	2,338.92
2	VADDIO	9999950100W	Roboshot 20 UHD OneLink HDMI PTZ Camera Kit	7,117.44	14,234.88
1	MERSIVE	SP8100E5	Solstice Pod Small Group 4 Simultaneous Users	1,935.45	1,935.45
3	CRESTRON	DMNVXE30	NVX Encoder	1,246.66	3,739.98
2	SHURE	MXA920WS	Ceiling Mount Mic Array	3,785.60	7,571.20
Total for TRAINING					68,531.87
Pkg No. : CONFERENCE -					
1	SAMSUNG	QM85C	85" Display	3,910.00	3,910.00
1	CHIEF	TS525TU	Fixed Wall Mount	649.60	649.60

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SALES QUOTATION

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Qty.	MFR	Model	Description	Unit Price	Extended Priced
1	MIDDLE ATL	PDX215C	Dual Outlet Power Protection	248.20	248.20
1	CFE	CFE	Cisco Room Bar Pro Kit		
				Customer Furnished Equipment	
1	CRESTRON	DMNVXE30	NVX Encoder	1,246.66	1,246.66
1	CRESTRON	DMNVXD30	NVX Decoder	1,246.66	1,246.66
1	CRESTRON	TSW1070BS	Touch Panel	2,338.92	2,338.92
			Total for CONFERENCE		9,640.04
Pkg No. : EOC MANAGER -					
2	SAMSUNG	QM43C	43" Monitor	926.50	1,853.00
2	CHIEF	MTM1U	Tilt Wall Mount	223.20	446.40
2	CHIEF	FCK000	Mount Connector	30.40	60.80
2	MIDDLE ATL	PDX215C	Dual Outlet Power Protection	248.20	496.40
1	JBL	PSB1	Speaker Bar	240.00	240.00
1	CRESTRON	DMNVXE30	NVX Encoder	1,246.66	1,246.66
1	CRESTRON	DMNVXD30	NVX Decoder	1,246.66	1,246.66
1	CRESTRON	TSW1070BS	Touch Panel	2,338.92	2,338.92
			Total for EOC MANAGER		7,928.84
Pkg No. : POLICE DISPATCH -					
1	SAMSUNG	QM43C	43" Monitor	926.50	926.50
1	CHIEF	MTM1U	Tilt Wall Mount	223.20	223.20
1	MIDDLE ATL	PDX215C	Dual Outlet Power Protection	248.20	248.20
1	JBL	PSB1	Speaker Bar	240.00	240.00
1	CRESTRON	DMNVXE30	NVX Encoder	1,246.66	1,246.66

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SALES QUOTATION

Sales Quotation Number: SQ72124
Sales Quotation Date: 03/26/26

Qty.	MFR	Model	Description	Unit Price	Extended Priced
1	CRESTRON	DMNVXD30	NVX Decoder	1,246.66	1,246.66
1	CRESTRON	TSW1070BS	Touch Panel	2,338.92	2,338.92
Total for POLICE DISPATCH					6,470.14
Pkg No. : DISPATCH OPERATOR -					
1	SAMSUNG	QM43C	43" Monitor	926.50	926.50
1	CHIEF	MTM1U	Tilt Wall Mount	223.20	223.20
1	JBL	PSB1	Speaker Bar	240.00	240.00
1	MIDDLE ATL	PDX215C	Dual Outlet Power Protection	248.20	248.20
1	CRESTRON	DMNVXE30	NVX Encoder	1,246.66	1,246.66
1	CRESTRON	DMNVXD30	NVX Decoder	1,246.66	1,246.66
1	CRESTRON	TSW1070BS	Touch Panel	2,338.92	2,338.92
Total for DISPATCH OPERATOR					6,470.14
Pkg No. : RACK ROOM -					
2	NETGEAR	M425040G8XFPOE+	40x1G PoE+ 960W and 8xSFP	3,445.00	6,890.00
1	NETGEAR	M425026G4XFPOE+	30 port Ethernet Switch PoE+ 480W	2,120.00	2,120.00
2	NETGEAR	AXC76110000S	1m Passive SFP+ DAC	46.00	92.00
1	DATAPATH	VSNV311BRPSU	Processor Frame	9,988.13	9,988.13
6	DATAPATH	VISIONSCUHD2	2-Channel HDMI Capture Card	2,620.63	15,723.78
5	DATAPATH	IMAGE2K	4-Channel HDMI Graphics Card	1,938.13	9,690.65
1	DATAPATH	WALLCON10PRO	License Dongle for WallControl	6,641.25	6,641.25
1	DATAPATH	RCOMMISSIONINGUS1	1 Day Remote Commissioning	1,643.75	1,643.75
1	DATAPATH	PREMIUM3YEARSERVICE	3 Years Premium Service	7,567.88	7,567.88

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SALES QUOTATION

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Sales Quotation Date: 03/26/26

Qty.	MFR	Model	Description	Unit Price	Extended Priced
1	GMTEC	M3PLUSMINIPC	Windows ll Pro , i9, 32GB RAM	723.75	723.75
16	ATLONA	ATHDREX702PS	HDMI over HDBase Extender	408.50	6,536.00
2	ATLONA	ATRACK1RUME	Rack Shelf	162.45	324.90
1	BIAMP	TESIRAFORTEDANVT4	Fixed I/O DSP w/4 Analog Outputs 4 Analog Outputs Telephone Interface	3,349.50	3,349.50
1	BIAMP	VOLTERAD12004	4-Channel 1200W Amplifier	3,135.48	3,135.48
2	CRESTRON	DMFCI8	NVX 8 Slot Card Chassis	1,686.30	3,372.60
11	CRESTRON	DMNVXD30C	NVX HDMI Decoder Card	1,096.46	12,061.06
2	CRESTRON	DMNVX360C	NVX Network Codec Card w/Dante	1,518.40	3,036.80
3	CRESTRON	DMNVXE30C	NVX Encoder	1,096.46	3,289.38
1	CRESTRON	CP4CR1	4-Series Control System	1,686.30	1,686.30
1	TRIPPLITE	B020U0819IP	8-Port Rack Mount Console w/19" Monitor and IP Remote Access	4,304.70	4,304.70
2	CFE	CFE	Cable TV Boxes	**Customer Furnished Equipment**	
2	CFE	CFE	Cisco Codec Pro	**Customer Furnished Equipment**	

Total for RACK ROOM 102,177.91

Pkg No. : SERVICES -

144	HCI	VASCUPPE	Engineering	215.06	30,968.64
184	HCI	VASCUPPPS	Project Supervisor	117.88	21,689.92
192	HCI	VASCUPPI	Integration	101.32	19,453.44
80	HCI	VASCUPPPM	Project Management	191.16	15,292.80
320	HCI	VASCUPPP	Programming	215.06	68,819.20
1	HCI	MATERIALS	Materials	7,915.70	7,915.70
1	HCI	MATERIALS	Truck Rental	400.00	400.00

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SALES QUOTATION

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Qty.	MFR	Model	Description	Unit Price	Extended Priced
Total for SERVICES					164,539.70
Pkg No. : TARIFF -					
1			Tariff Charges	1,764.20	1,764.20
Total for TARIFF					1,764.20

Amount Subject to Sales Tax	Amount Exempt from Sales Tax
0.00	492,349.10

Subtotal:	492,349.10
Total Sales Tax:	0.00
Shipping:	1,500.00
Total:	493,849.10

END EXHIBIT B

EXHIBIT C
City of Rockville Insurance Requirements

Insurance Requirements

Prior to the execution of the contract by the City, the Contractor must obtain at their own cost and expense and keep in force and effect during the term of the contract including all extensions, the following insurance with an insurance company/companies licensed to do business in the State of Maryland evidenced by a certificate of insurance and/or copies of the insurance policies. The Contractor's insurance shall be primary. The Contractor must submit to the Purchasing Division, 111 Maryland Avenue, Rockville, MD 20850 a certificate of insurance prior to the start of any work. In no event may the insurance coverage be less than shown below.

Unless otherwise described in this contract the successful contractor and subcontractors will be required to maintain for the life of the contract and to furnish the City evidence of insurance as follows:

MANDATORY REQUIREMENTS FOR INSURANCE
Contractor's insurance coverage shall be primary insurance as respects the City, its elected and appointed officials, officers, consultants, agents and employees and any insurance or self-insurance maintained by the City, shall be excess of the Contractor's insurance and shall not be called upon to contribute with it.

Type of Insurance	Amounts of Insurance	Endorsements and Provisions
1. ***Workers' Compensation*** *2.* ***Employers' Liability***	Bodily Injury by Accident: $100,000 each accident Bodily Injury by Disease: $500,000 policy limits Bodily Injury by Disease: $100,000 each employee	Waiver of Subrogation: **WC 00 03 13 Waiver of Our Rights to Recover From Others Endorsement signed and dated.**
3. Commercial General Liability a. Bodily Injury b. Property Damage c. Contractual Liability d. Premise/Operations e. Independent Contractors f. Products/Completed Operations g. Personal Injury	Each Occurrence: $2,000,000 General Aggregate $3,000,000	City to be included as additional insured and provided 30 day notice of cancellation or material change in coverage. **CG 20 37 07 04 and CG 20 10 07 04 forms to be both signed and dated.**
4. Automobile Liability a. All Owned Autos b. Hired Autos c. Non-Owned Autos	Combined Single Limit for Bodily Injury and Property Damage - (each accident): $2,000,000	City to be included as additional insured and provided 30-day notice of cancellation or material change in coverage. **Form CA20 48 02 99 form to be both signed and dated.**
5.		
6. Professional Liability	Each Claim /Aggregate: $1,000,000	

Alternative and/or additional insurance requirements, when outlined under the special provisions of this contract, shall take precedence over the above requirements in part or in full as described therein.

POLICY CANCELLATION

No change, cancellation or non-renewed shall be made in the General Liability, Workers' Compensation, or Automobile Liability insurance coverage without a thirty (30) day written notice to the City Purchasing Division. The Contractor shall furnish a new certificate prior to any change or cancellation date. The failure of the Contractor to deliver a new and valid certificate will result in suspension of all payments and cessation of on-site work activities until a new certificate is furnished.

ADDITIONAL INSURED

The Mayor and Council of Rockville, which includes its elected and appointed officials, officers, consultants, agents and employees must be included as an additional insured on the Contractor's Commercial Insurance for liability arising out of contractor's products, goods, and services provided under this contract. Additionally, The Mayor and Council of Rockville must be included as additional insured on the Contractor's Automobile and General Liability Policies. Endorsements reflecting the Mayor and Council of Rockville as an additional insured are required to be submitted with the insurance certificate.

SUBCONTRACTORS

All subcontractors shall meet the requirements of this Section before commencing work. In addition, Contractor shall include all subcontractors as insureds under its policies or shall furnish separate certificates and endorsements for each subcontractor. All coverages for subcontractors shall be subject to all of the requirements stated herein.

CERTIFICATE HOLDER

The Mayor and Council of Rockville
(Contract #, title)
City Hall
111 Maryland Avenue
Rockville, MD 20850

Maintenance and Emergency Operations Facility Improvements (GD19)



Description: This project includes Phase 1A and 1B renovations to the 50,000+ square foot building at 6 Taft Court. Phase 1A creates an Emergency Operations Center (EOC) and renovates two floors of the north wing and atrium for city employees currently working at the city's Maintenance Facility on Rothgeb Drive, which is past its life span and does not meet accessibility standards or provide adequate space for current operations. Phase 1B renovates the north wing third floor resulting in the relocation of Recreation and Parks and Environmental Management Division staff from City Hall.

Changes from Previous Year: Construction completion extended to FY 2026 to support grant-funded EOC fitout and generator installation. Prior project funding has shifted from 'grants' to 'paygo' to more accurately reflect paygo funding supported by ARPA revenue replacement.

Current Project Appropriations

Prior Appropriations:	21,703,430
Less Expended as of 4/15/25:	18,193,112
Total Carryover:	3,510,318
New Funding:	-
Total FY 2026 Appropriations:	3,510,318

Guiding Principle: Stewardship of the Env. and Infrastructure

Mandate/Plan: N/A

Anticipated Project Outcome: Functional, accessible, and modern building to house maintenance and emergency operations as well as other city programs and resources.

Project Timeline and Total Cost by Type: Original scope and timeline changed to include building purchase and Phase 1A and 1B renovations. Timeline delayed to complete a planning phase for the ultimate use of both 6 Taft Court and City Hall, and extended again to accommodate the grant-funded emergency generator and Emergency Operations Center fitout. This project received ARPA funds during FY 2022. Funding increased in FY 2025 for Phase 1B design and construction.

	Estimated Start		Estimated Completion		Estimated Cost			
Type	**Original**	**Current**	**Original**	**Current**	**Original**	**Current**	**$ Change**	**% Change**
Planning / Design	FY 2019	FY 2019	FY 2020	FY 2022	955,124	400,000	(555,124)	-58%
Construction	FY 2021	FY 2023	FY 2022	FY 2026	6,367,500	15,223,430	8,855,930	139%
Other (land acquisition/FFE)	-	FY 2019	-	FY 2019	-	6,080,000	6,080,000	-
				Project Total ($):	**7,322,624**	**21,703,430**	**14,380,806**	**196%**

Project Funding: This project includes a $592,500 federal earmark for the EOC fitout and a $375,806 federal earmark for an emergency generator.

Source	**Prior**	**FY 2026**	**FY 2027**	**FY 2028**	**FY 2029**	**FY 2030**	**Future**	**Total**
Paygo (Cap)	13,735,124	-	-	-	-	-	-	13,735,124
Bonds (Cap)	7,000,000	-	-	-	-	-	-	7,000,000
Grants (Cap)	968,306	-	-	-	-	-	-	968,306
Total Funded ($)	**21,703,430**	**-**	**-**	**-**	**-**	**-**	**-**	**21,703,430**
Unfunded (Cap)	-	-	-	-	-	-	-	-
Total w/Unfunded ($)	**21,703,430**	**-**	**-**	**-**	**-**	**-**	**-**	**21,703,430**

Operating Cost Impact: General facility maintenance and utilities for the renovated portions of the building. OCI has been phased based on construction timing for Phases 1A and 1B.

Fund	**Prior**	**FY 2026**	**FY 2027**	**FY 2028**	**FY 2029**	**FY 2030**	**Future**	**Total**
General	460,260	72,950	-	-	-	-	-	533,210

Project Manager: Diron H. Baker, Senior Civil Engineer, 240-314-8533.

Notes: This project first appeared in the FY 2019 CIP. Phase 1A and 1B construction and building occupancy was completed in FY 2025. FY 2026 work includes the completion of the Emergency Operations Center and the installation of the emergency generator. Inclusion of solar panels and electric vehicle charging stations are being coordinated, but are not funded through this project.

MAYOR AND COUNCIL Meeting Date: June 29, 2026
Agenda Item Type: CONSENT
Department: PW - ENGINEERING
Responsible Staff: GABE KOSAREK

Subject

Award and Authorize the City Manager to Execute a Contract Responsive to IFB #11-26, SWM Facilities Improvements: City Facility at the Villages of Tower Oaks Project to Magstone LLC

Department

PW - Engineering

Recommendation

Staff recommends that the Mayor and Council award and authorize the City Manager to execute a contract responsive to Invitation for Bids (IFB) IFB# 11-26 (SC26) SWM Facilities Improvements: City Facility at the Villages of Tower Oaks Project to Magstone LLC of Union Bridge, MD. in the amount not to exceed $595,474.00.

Discussion

This agenda item is for the award of IFB #11-26, SWM Facilities Improvements: City Facility at the Villages of Tower Oaks Project. The city facility at the Villages of Tower Oaks was constructed across a tributary to Cabin John Creek in 1999. The facility is bounded by Tower Oaks Boulevard to the West, Wootton Parkway to the South, Cabin John Creek to the East, and Treasure Oak Court to the North. This project is part of the SWM Facilities Improvement: FY26-FY30 CIP SC26 (attachment 1) that is a sustainable program to maximize functionality and extend the life of stormwater treatment facilities.

In August 2023, a bathymetry survey was conducted which indicated 50% loss of overall facility storage due to sedimentation. Additionally, the facility does not currently have a forebay and the low flow frequently gets blocked by sediment. For the area to function as it was designed, sediment removal, maintenance, and other improvements are needed to restore capacity for both flood control and water quality treatment.

The Project will dredge approximately 2,725 cubic yards of sedimentation, install two forebays, and perform other facility maintenance as defined by the Dam Safety Division of the Maryland Department of the Environment (December 11, 2019 inspection), and includes furnishing of all materials, labor, equipment, tools and services, and all other associated work as specified in the contract documents. The forebays will facilitate easier removal of future sedimentation.

Mayor and Council History

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

Public Notification and Engagement

Staff held a community meeting at the end of Treasure Oak Court on September 17, 2022, to present information and solicit input on the conceptual design. Material provided at the meeting included the expected project goals and outcomes, design alternatives, and the potential impacts to the community. Several direct correspondences have taken place with the HOA President, who has also disseminated information about the project to the community. A Neighborhood advisory will be mailed at least two weeks in advance of construction.

Procurement

Staff prepared and publicly advertised IFB #11-26 on February 20, 2026 in accordance with Rockville City Code section 17-61. IFB #11-26 was posted on the City website and electronically provided to 195 prospective bidders via the State of Maryland e-Marketplace Advantage (eMMA) system. Of the 195 prospective bidders, using the new systems reporting capabilities, 28 were Disadvantaged Business Enterprises (DBE), 29 were Minority Business Enterprises (MBE), and 31 were Small Business Enterprises (SBE).

Sealed bids were received and opened on April 9, 2026. The following bids were received.

Vendor	MFD-V Status	Location	Bid Amount
Magstone LLC	Non-MFD-V	Union Bridge, MD	$595,474.00
Environmental Quality Resources LLC	Non-MFD-V	Gambrills, MD	$879,291.50
Bourn Environmental LLC	MFD-V	Mitcheville, MD	$1,014,280.00
Pay Dirt LLC	Non-MFD-V	Edgewater, MD	$1,067,190.00
Stormwater Maintenance LLC	MFD-V	Sparks, MD	$1,215,426.79

Magstone, LLC is the lowest, responsive and responsible bidder for the SWM Facilities Improvements: City Facility at the Villages of Tower Oaks Project. The proposed unit prices have been deemed fair and reasonable by staff.

The SWM Facilities Improvements: City Facility at the Villages of Tower Oaks Project bid is approximately 70% of the Engineer's estimate and allows for contingency dollars within the CIP for the construction of this project, should they be necessary. Magstone, LLC's bid is notably lower than both the Engineer's estimate and the next lowest bidder. However, their excellent recommendations from several local Counties in Maryland are reassuring. The bid is complete and Magstone, LLC has confirmed their understanding of the project scope. Based on the bid results, the design firm (Hazen) also recommends awarding the contract to Magstone, LLC as the lowest responsive bidder with a total bid of $595,474.00.

Staff found the references for Magstone, LLC and their subcontractors to be exemplary for this bid.

Magstone LLC is a non-Minority, Female, Disabled or Veteran (non-MFD-V) business.

The draft contract is attached as Attachment 2.

To view all contract documents, please click the links below:

1. IFB 11-26 Solicitation
2. Appendices A thru I
3. Bid – Magstone LLC
4. Addendum 1
5. Addendum 2

Fiscal Impact

Sufficient funding is available in the SWM Facilities Improvements (SC26) CIP (Attachment 1) for award. Funding for the construction of the SWM facilities improvements at the Villages of Tower Oaks is provided within this project. This CIP assesses, designs, rehabilitates, constructs, decommissions, and maintains stormwater management (SWM) facilities throughout the City of Rockville.

Next Steps

Upon Mayor and Council award, the Procurement Department will obtain insurance certificates, one hundred percent payment and performance bonds, appropriate contract signatures, and issue a contract to Magstone, LLC of Union Bridge, MD.

Attachments

Attachment 1 - SC26 FY27 ADOPTED BUDGET.pdf, Attachment 2 - Magstone contract

SWM Facilities Improvement: FY26-FY30

Overview

Request Owner	Diron Baker, Senior Civil Engineer
Department	Public Works
Type	Capital Improvement
Project Number	SC26

Description

This multi-site sustainable program assesses, designs, rehabilitates, constructs, decommissions, and maintains stormwater management (SWM) facilities. These projects improve water quality, aesthetics, and flood control; promote wildlife; and restore facility function. Projects are identified and prioritized through planning and the city pond sedimentation study.

Images



Example of sedimentation and reduced capacity

Details

Guiding Principle: Stewardship of the Environment and Infrastructure

Mandate/Plan: Climate Action Plan; NPDES Permit; Comprehensive Plan; 2010 Chesapeake Bay TMDL; 2007 SWM Act; 1972 Clean Water Act

Anticipated Project Outcome: Enhancement of SWM facility function and reduction in TMDL pollutant loads.

Changes from Previous Year: Historical budget increased by $2,317,539 due to the transfer of unobligated funding from the prior 5-year portion of this project. Added FY 2031 projects and funding.

Project Manager: Diron H. Baker, Senior Civil Engineer, 240-314-8533.

Notes: This project is considered a routine capital maintenance project and is funded in five year increments. FY 2027 work includes forebay dredging of Horizon Hill Park -Longhill, Hungerford-Stoneridge, and King Farm - Irvington SW Facilities; and the rehabilitation design of Aintree SW Facility. Projects are prioritized based upon sustainability of SWM facilities to ensure compliance with regulatory standards and functionality.

Capital Cost

FY2027 Budget
$1.09M

Total Budget (all years)
$8.13M

Project Total (to date)
$11.5M

Detailed Breakdown

Category	Historical Budgeted	FY2027 *Requested*	FY2028 *Requested*	FY2029 *Requested*	FY2030 *Requested*	FY2031 *Requested*	Future Budgeted	Total
Construction (SWM Fund)	$2,631,084	$744,000	$1,350,000	$1,250,000	$1,290,500	$1,950,000	$0	**$9,215,584**
Design (SWM Fund)	$728,455	$350,000	$100,000	$350,000	$475,000	$275,000	$0	**$2,278,455**
Total	**$3,359,539**	**$1,094,000**	**$1,450,000**	**$1,600,000**	**$1,765,500**	**$2,225,000**	**$0**	**$11,494,039**

Funding Sources

FY2027 Budget
$1.09M

Total Budget (all years)
$8.13M

Project Total (to date)
$11.5M

Detailed Breakdown

Category	Historical Budgeted	FY2027 *Requested*	FY2028 *Requested*	FY2029 *Requested*	FY2030 *Requested*	FY2031 *Requested*	Future Budgeted	Total
PayGo (SWM Fund)	$3,359,539	$1,094,000	$1,450,000	$1,600,000	$1,765,500	$2,225,000	$0	**$11,494,039**
Total	**$3,359,539**	**$1,094,000**	**$1,450,000**	**$1,600,000**	**$1,765,500**	**$2,225,000**	**$0**	**$11,494,039**

Project Timeline

- **07/1/2025**
  Design and Construction Start (FY 2026)
- **07/1/2029**
  Design and Construction Completion (FY 2030)

ROCKVILLE, MARYLAND
CONSTRUCTION CONTRACT

SWM FACILITIES IMPROVEMENTS:
CITY FACILITY AT THE VILLAGES OF TOWER OAKS PROJECT

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** (the "**Mayor and Council**" or "**City**"), and **MAGSTONE, LLC** (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 limited liability company 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,** in accordance with the City of Rockville Procurement Ordinance, on February 20, 2026 , the Department of Procurement issued IFB #11-26 for the dredging of approximately 2,725 cubic yards of sedimentation, installation of two forebays, and performance of other facility maintenance as defined by the Dam Safety Division of the Maryland Department of the Environment (December 11, 2019 inspection), including furnishing of all materials, labor, equipment, tools and services, and all other associated work in the City of Rockville, Maryland; and

D. **WHEREAS,** in accordance with the Procurement Ordinance, on April 9, 2026 , the Department of Procurement opened and recorded the sealed bids submitted in response to IFB #11-26, including the bid submitted by Contractor, and on April 9, 2026 , in accordance with the Procurement Ordinance, the Department of Procurement determined Contractor to be the lowest responsive and responsible bidder; and

E. **WHEREAS,** on _____, 2025, 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.

End of Recitals

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

(a) **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 Addendum 2 of IFB #11-26. 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 Manager. 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.

"*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 #11-26 – Addendum #1 and Addendum #2 (excluding attached General Conditions and Instructions to Bidders)
4. IFB #11-26 – Project Drawings
5. IFB #11-26 – Special Terms and Conditions
6. IFB #11-26 – Technical Specifications/Scope of Work
7. IFB #11-26 – General Conditions and Instructions to Bidders (Construction, 2/2022), attached to Addendum #2
8. IFB #11-26 – Appendices, Announcement, Description and General Information
9. Contractor Bid
10. City of Rockville Notice to Proceed
11. 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 Magstone, LLC, a limited liability company organized under the laws of Maryland which submitted the Contractor Bid.

"*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 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, 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 #11-26*" means the Invitation for Bids #11-26 issued by the Department of Procurement on February 20, 2026 .

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

"***Notice to Proceed***" means a written notice to proceed with the Work issued by the Purchasing Agent. A Notice to Proceed does not include a Limited Notice to Proceed.

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

"***Project***" means the work as described in IFB #11-26 at the rates represented on the Contractor Bid.

"*Project Manager"* means the Project Manager listed Section 2.02 of this Contract, or such other City staff person as may be designated by the Director of the City's Department of Public Works to manage the 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 located within the City of Rockville where the Project is to be constructed, including all adjacent areas for staging, storage, parking and temporary offices.

"*Substantial Completion*" means the 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 Addendum #2 of IFB #11-26 and as otherwise described in the Special Terms or Technical Specifications of IFB #11-26.

"*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 the Project, including without limitation, any changes or additions requested by the City, in accordance with the Contract Documents and all Applicable Code Requirements.

"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

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 three hundred and sixty-five (365) days from issuance of a Notice to Proceed.

Section 2.02. Project Managers. The following staff members of the Public Works Department is the City's designated "**Project Manager**":

Gabriel Kosarek, Engineering Supervisor
City Hall
Department of Public Works
111 Maryland Avenue
Rockville, MD 20850
Telephone: 240-314-8513
Email: gkosarek@rockvillemd.gov

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

Section 2.03. [Intentionally Blank].

Section 2.04. Performance of Work. The Contractor agrees to perform all Work required for Final Completion of the Project, as specified in the Contract Documents. 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) Notice to Proceed. Contractor must commence the Work within 14 calendar days from the date of issuance of a Notice to Proceed. All work associated with this project must be completed within 365 calendar days after issuance of the Notice to Proceed. The City may issue a Limited Notice to Proceed to allow for mobilization, coordination, field measuring, NNI eradication, shop drawing review/approval, submission of work plan and ordering long lead time components. Landscaping may be delayed until the subsequent planting season but must be completed no later than 60 days from the start of the subsequent planting season of April 1 or October 1 of any calendar year.

(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.

(b) 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 Manager 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 Manager 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 Manager 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.

(c) 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 Manager 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 #11-26, Addendum #2.

(iv) The Contractor may submit a written request for a City of Rockville Change Order to the Project Manager 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.

(d) 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 #11-26. 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.

(e) 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.

(f) 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 the Project in compliance with the Contract Documents an amount not-to-exceed **Five Hundred Ninety-Five Thousand Four Hundred Seventy-Four and 00/100 DOLLARS ($595,474.00)** in accordance with 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, this Construction Contract shall terminate on the first day of that fiscal year without further cost to the City.

Section 3.02. Payment Procedures.

(a) Applications for Payment.

(i) The Contractor shall submit to the Project Manager 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.

(ii) The Project Manager 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. All Applications for Payment shall be forwarded to the following address:

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 Director of the Department of Public Works, or the Director's designee. Should the Contractor fail to keep up with clean-up and restoration work, if deemed necessary by the Director of the Department of Public Works, or the Director's designee, 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 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 #11-26, Addendum #2.

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 subcontractors 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 the Project, the Contractor may submit a final Application for Final Payment pursuant to Paragraph 76 of the General Conditions and Instructions to Bidders in IFB #11-26, Addendum #2.

(ii) No retainage will be withheld from payment unless deemed necessary by Director of the Department of Public Works, or the Director's designee.

(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 Manager:

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 Manager.

(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 Manager 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, 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 as may be required by law for the performance of the Work required under the Contract Documents. 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 Manager 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 Manager 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 Manager.

(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.

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 Manager 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 Manager such reports concerning the Work as the Project Manager 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 Manager 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 #11-26, 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 7.01(a), and such certificates and endorsements shall be provided to the Risk Manager.

Section 6.02. Indemnification. 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:

(a) 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;

(b) 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

(c) 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.

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 City hereunder therefore, and failure of 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 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 business entity 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 this Paragraph 8.02(e)1., 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 any 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.

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)1 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: Robert E. Dawson, 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: James Woods, Interim Director

To the Contractor:

Magstone LLC
4141 Bark Hill Road
PO Box 576
Union Bridge, MD 21791
Attn: Ian Stambaugh, 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:

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

Ian Stambaugh - President
Magstone LLC
4141 Bark Hill Road
PO Box 576
Union Bridge, MD 21791
Telephone: 410-635-3836
Email: zjones@magstone.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.

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

_____
Cynthia Walters, Acting City Attorney

By: _____
Jeff Mihelich, City Manager

MAGSTONE, LLC

a Maryland limited liability company

By: _____
Ian Stambaugh, President

EXHIBIT A

BID PRICING FORM

City of Rockville
IFB 11-26

Submittal Checklist and Signature

This page must be completed and submitted with your bid. Failure to submit this page shall deem your bid non-responsive.

✓ Responses shall be submitted electronically via the City's Collaboration Portal no later than the due date and time as shown in this solicitation.
Contract Insight - Collaboration Portal (rockvillemd.gov)

✓ Did an authorized company representative sign the bottom portion of this of this page?

✓ Did an authorized representative sign the Affidavit form?

✓ Did you complete the bidder reference form in attachment c?

✓ Did you attach the five percent bid bond?

✓ Did you attach the Bid Proposal Form?

✓ Did you attach the Bidder's Questionnaire?

✓ Did you complete the warranty information section?

✓ If you are an entity (limited liability partnerships, corporations, limited partnerships, limited liability companies, limited liability limited partnerships, business trusts, real estate investment trust and trade name filings), is the legal name of your company listed with the State of Maryland Department of Assessments and Taxation and in good standing? You may check by going to **https://dat.maryland.gov/Pages/default.aspx**

✓ Did you check the City's Collaboration Portal for any addenda and include a signed copy of each with your response?

Note: The City will no longer generate check payments to awarded vendors. Electronic payments will only be issued. If your company is selected, you shall be required to complete and submit an ACH application prior to award of a contract/purchase order.

PAYMENT TERMS: NET 30 DELIVERY: _____ DAYS AFTER RECEIPT OF ORDER

PROMPT PAYMENT DISCOUNT: 0 % FOR PAYMENT WITHIN ___ DAYS

COMPANY LEGAL NAME: Magstone, LLC

ADDRESS: 4141 Bark Hill Road PO Box 576 Union Bridge, MD 21791

SUBMITTED BY: Zach Jones (SIGN YOUR NAME) 04.06.2026 (DATE)

Zach Jones (PRINT YOUR NAME)

TELEPHONE# 410.635.3836 FAX # N/A

E-MAIL ADDRESS: zjones@magstone.com FEDERAL ID#/OR SS# 52-2035200

For informational purposes only *– Is your company certified as a Minority, Female, Disabled, or Veteran-Owned (MFD-V) business: _____ yes ✓ no _____ I choose not to respond*

ATTACHMENT B
AFFIDAVIT

I hereby affirm that: I am the President and the duly authorized representative of the firm of Magstone, LLC whose address is 4141 Bark Hill Road PO Box 576 Union Bridge, MD 21791 and that I possess the legal authority to make this affidavit on behalf of myself and the firm for which I am acting.

I further affirm:

AFFIDAVIT OF QUALIFICATION TO CONTRACT WITH A PUBLIC BODY

1. Except as described in Paragraph 2 below, neither I nor the above firm no, to the best of my knowledge, any of its controlling stockholders, officers, directors, or partners, performing contracts with any public body (the State or any unit thereof, or any local governmental entity in the state, including any bi-county or multi-county entity), has:

A. been convicted under the laws of the State of Maryland, any other state, or the United States of any of the following:
(1) bribery, attempted bribery, or conspiracy to bribe.
(2) a criminal offense incident to obtaining, attempting to obtain, or performing a public or private contract.
(3) fraud, embezzlement, theft, forgery, falsification or destruction of records, or receiving stolen property.
(4) a criminal violation of an anti-trust statute.
(5) a violation of the Racketeer Influenced and Corrupt Organization act, or the Mail Fraud Act, for acts in connection with the submission of bids or proposals for a public or private contract.
(6) a violation of Section 14-308 of the State Finance and Procurement Article of the Annotated Code of Maryland.
(7) conspiracy to commit any of the foregoing.

B. pled nolo contendere to, or received probation before verdict for, a charge of any offense set forth in subsection A of this paragraph.

C. been found civilly liable under an anti-trust statute of the State of Maryland, another state, or the United States for acts or omissions in connection with the submission of bids or proposals for a public or private contract.

D. during the course of an official investigation or other proceeding, admitted, in writing or under oath, an act or omission that would constitute grounds for conviction or liability under any law or statute described in subsection A or C of this paragraph.

2. [State "none," or as appropriate, list any conviction, plea or admission as described in Paragraph 1 above, with the date, court, official or administrative body, the individuals involved and their position with the firm, and the sentence or disposition, if any]. NONE

3. I further affirm that neither I nor the above firm shall knowingly enter into a contract with the Mayor and Council of Rockville under which a person or business debarred or suspended from contracting with a public body under Title 16 of the State Finance and Procurement Article of the Annotated Code of Maryland, will provide, directly or indirectly, supplies, services, architectural services, construction related services, leases of real property, or construction.

I acknowledge that this Affidavit is to be furnished to the Mayor and Council of Rockville and, where appropriate, to the State Board of Public Works and to the Attorney General. I acknowledge that I am executing this Affidavit in compliance with the provisions of Title 16 of the State Finance and Procurement Article of the Annotated Code of Maryland which provides that persons who have engaged in certain prohibited activity may be disqualified, either by operation in law or after a hearing, from entering into contracts with the Mayor and Council of Rockville. I further acknowledge that if the representations set forth in this Affidavit are not true and correct, the Mayor and Council of Rockville may terminate any contract awarded and take any other appropriate action.

NON—COLLUSION AFFIDAVIT

1. Am fully informed respecting the preparation and contents of the attached bid and of all pertinent circumstances respecting such bid;

2. Such bid is genuine and is not a collusive or sham bid

3. Neither the said bidder nor any of its officers, partners, owners, agents, representatives, employees or parties in interest, including this affiant, has in any way colluded, conspired, connived or agreed, directly or indirectly with any other bidder, firm or person to submit a collusive or sham bid in connection with the Contract for which the attached bid has been submitted or to refrain from bidding in connection with Contract, or has in any manner, directly or indirectly, sought by agreement or collusion or communication or conference with any other bidder, firm or person to fix the price or prices in the attached bid or of any other bidder, or to fix any overhead, profit or cost element of the bid price or the bid price of any other bidder, or to secure through any collusion, conspiracy, connivance or unlawful agreement any advantage against the Mayor and Council of Rockville, Maryland (Local Public Agency) or any person interested in the proposed Contract; and

4. The price or prices quoted in the attached bid are fair and proper and are not tainted by any collusion, conspiracy, connivance or unlawful agreement on the part of the bidder or any of its agents, representatives, owners, employees, or parties in interest, including this affiant. I do solemnly declare and affirm under the penalties of perjury that the contents of these affidavits are true and correct.

Signature and Title [signature] President **Date** 04.06.2026

ATTACHMENT C
BIDDER REFERENCE FORM
BIDDER MUST COMPLETE AND SUBMIT WITH BID

The City of Rockville reserves the right to reject bids from any company not meeting the minimum qualifications. The Bidder shall be a competent and experienced contractor with an established reputation within the community. The bidder shall have performed similar work for a minimum period of five (5) years. He shall furnish a representative list of five (5) projects involving work as specified, two of which shall be the last jobs completed. The City may make such investigations as it deems necessary to determine the ability of the Bidder to perform the work, and the Bidder shall furnish to the City all such information and data for this purpose as the City may request.

Bidder Name	Magstone, LLC

#1 Project Name	Woodmark Pond Repair and Stream Restoration		
Project Owner's Name	Howard County Government Stormwater Management Division		
Project Site Address	Adjacent to Benson Branch Road and Carroll Mill Road Ellicott City, MD 21042		
Project Owner's Contact Name	Brian Cleary (Engineering Specialist III)		
Project Owner's Contact Telephone	410.313.6455		
Project Owner's Contact e-mail	bcleary@howardcountymd.gov		
Contract Value	$ 3,217,824.96		
Scheduled completion date	May 2026	Percent complete	Stream Restoration (100%) Pond Repair (85)
Name of project foreman	Jason Burns (Stream Restoration) Brian Burns (Pond Repair)		

Description of your Project	Clearing and Grubbing, Stakeout/Survey, Tree Protection, ESC, Maintenance of Stream Flow, Turbidity Monitoring, Access Road, Temporary Bridge, Rock Vanes, Toe Boulder Protection, Riffle Grade Control, Flow Diversity Run, Topsoil Respread, Stabilization, Plantings Stream use: Class IV-P (Unnamed Tributary of Benson Branch) 1,075 LF of Stream Restoration Cofferdam using 14' Tall Aquadam, Dewatering, Removal of Unsuitable Spoils, Select Fill, Geosynthetic Clay Liner, Flexamat, Riser Replacement

BIDDER REFERENCE FORM - BIDDER MUST COMPLETE AND SUBMIT WITH BID

#2 Project Name	Samhill Estates SWM Pond Retrofit and Stream Restoration		
Project Owner's Name	Frederick County Government Department of Stormwater		
Project Site Address	Adjacent to Sam Hill Court, Green Valley, MD 21771		
Project Owner's Contact Name	Jacob Grove		
Project Owner's Contact Telephone	240.695.2890		
Project Owner's Contact e-mail	jgrove@frederickcountymd.gov		
Contract Value	$ $2,110,802.56		
Scheduled completion date	Spring 2025	Percent complete	100%
Name of project foreman	Jason Burns (Stream Restoration) Zach Ott (Pond Retrofit)		

Description of your Project	Clearing and Grubbing, Stakeout/Survey, Tree Protection, ESC, Maintenance of Stream Flow, Turbidity Monitoring, Access Road, Temporary Bridge, Riffle Grade Control, Soil Fabric Lift, Root Wads, Log Grade Control, Invasive Species Management, Stabilization, Planting Stream use: Class I-P (Unnamed Tributary) 625 LF of Stream Restoration Dewatering/Mucking of Existing Wet Pond, Riser Removal, Weir Wall Construction, Class 1 Excavation, Gabion Forebay Weir Wall, Gabion Outfall beyond Weir Wall, Geosynthetic Clay Liner, Goose Fencing, Etc.

BIDDER REFERENCE FORM - BIDDER MUST COMPLETE AND SUBMIT WITH BID

#3 Project Name	Catoctin Creek Watershed BMP 29/115/419/752 MS4 Ponds and Stream Restoration		
Project Owner's Name	Frederick County Government Office of Project Management		
Project Site Address	Various Locations in Jefferson and Middletown, Maryland		
Project Owner's Contact Name	John Barrett, Assistant Chief, Office of Project Management		
Project Owner's Contact Telephone	301.600.6021		
Project Owner's Contact e-mail	jbarrett@frederickcountymd.gov		
Contract Value	$ 3,027,706.76		
Scheduled completion date	2023	Percent complete	100%
Name of project foreman	Jason Burns		

Description of your Project	Stormwater Management Retrofit of (4) SWM Facilities and (1) Stream Restoration w/Clearing and Grubbing, Erosion Control, Tree Protection, Maintenance of Stream Flow, Dewatering, Clearwater Diversion, Clay Liner, Embankment Construction, Structure Modifications, Mass Grading, Haul Off, Slip Lining, Storm Drain Pipe, Storm Drain Riser/Structures, Toe Boulder Protection, Cascade Structures, Riffle Grade Control, Permanent Stabilization, Plantings, Survey, Etc.

BIDDER REFERENCE FORM - BIDDER MUST COMPLETE AND SUBMIT WITH BID

#4 Project Name	Melstone Valley Stormwater Management Retrofit		
Project Owner's Name	Carroll County Bureau of Resource Management		
Project Site Address	7145 Melstone Valley Way, Marriottsville, MD 21104		
Project Owner's Contact Name	Janet O'Meara, Bureau Chief		
Project Owner's Contact Telephone	410.386.2712		
Project Owner's Contact e-mail	jomeara@carrollcountymd.gov		
Contract Value	$ 895,000.00		
Scheduled completion date	Fall 2025	Percent complete	100%
Name of project foreman	Brandon Wetzel		
Description of your Project	Slip Lining of Existing Culverts beneath Roadway, Clearing and Grubbing, Tree Removal, Tree Protection, ESC, Dewatering, Class 1 Excavation to Enlarge Existing Facility and Convert to Sand Filter, Gabion Walls, Gabion Outfalls, Sand Filter Media w/ Wetland Soil and Aggregates, Underdrain, Storm Drain Replacement and New Installation, Stabilization, Plantings, Survey, Etc.		

BIDDER REFERENCE FORM - BIDDER MUST COMPLETE AND SUBMIT WITH BID

#5 Project Name	St. George's Gate SWM Retrofit		
Project Owner's Name	Carroll County Bureau of Resource Management		
Project Site Address	Adjacent to 3040 Wheatfield Road, Finksburg, MD 21048		
Project Owner's Contact Name	Claire Hirt (Watershed Restoration Manager)		
Project Owner's Contact Telephone	410.386.2074		
Project Owner's Contact e-mail	chirt@carrollcountymd.gov		
Contract Value	$442,500.00		
Scheduled completion date	Fall 2024	Percent complete	100%
Name of project foreman	Brandon Wetzel		
Description of your Project	Clearing and Grubbing, Tree Removal, Tree Protection, ESC, Dewatering, Class 1 Excavation to Enlarge Existing Facility and Convert to Sand Filter, Sand Filter Media w/Wetland Soil and Aggregates, Underdrain, Storm Drain Replacement and New Installation, Stabilization, Plantings, Survey, Etc.		

SUBCONTRACTOR REFERENCE FORM
BIDDER MUST COMPLETE AND SUBMIT WITH BID
Submit a Separate Reference Form For Each Proposed Subcontractor

Subcontractor's Name	Colliers Engineering & Design, Inc.
Address	7001 Columbia Gateway Dr I Suite 220
	Columbia, MD 21046
Telephone	443-539-7135
Subcontractor's Contact Name	Ryan Hughes, PLS
Description of Work to be Subcontracted	Land Surveying Services

#1 Reference Organization Name	Gilbane Building Company		
Address	1100 N Glebe Road I Suite 1000		
	Arlington, VA 22201		
Contact Name	Carli Kitto Sims I Project Executive		
Contact Name Telephone	571-212-6245		
Contact Name e-mail	csims@gilbaneco.com		
Contract Value	$ 80,000		
Scheduled completion date	2/28/2026	Percent complete	100%
Description of Project Work	Land surveying & Construction Stakeout Services.		

#2 Reference Organization Name	Mead & Hunt, Inc.		
Address	7055 Samuel Morse Dr I Suite 100		
	Columbia, MD 21046		
Contact Name	Bryon White		
Contact Name Telephone	443-741-3500		
Contact Name e-mail	bryon.white@meadhunt.com		
Contract Value	$ 75,000		
Scheduled completion date	12/31/2025	Percent complete	95%
Description of Project Work	Land Surveying Services: topography, subsurface utility engineering, right-of-way survey		

#3 Reference Organization Name	Terra Constructs		
Address	14566 Lee Road I Suite 400		
	Chantilly, VA 20151		
Contact Name	Geoff Bambini I Sr. Vice President		
Contact Name Telephone	703-581-9702		
Contact Name e-mail	gbambini@terraconstructs.com		
Contract Value	$ 360,000		
Scheduled completion date	5/31/2026	Percent complete	80%

Land surveying, subsurface utility, 3D LIDAR scanning, historical preservation, Design-Build

SUBCONTRACTOR REFERENCE FORM
BIDDER MUST COMPLETE AND SUBMIT WITH BID

SUBMIT A SEPARATE REFERENCE FORM FOR EACH PROPOSED SUBCONTRACTOR

Subcontractor's Name	Empire Landscape LLC
Address	15717 New Hampshire Ave Silver Spring MD 20905
Telephone	301-775-8651
Subcontractor's Contact Name	Karen Chen
Description of Work to be Subcontracted	Erosion and Sediment Control; Environmental Planting; Tree Removal

#1 Reference Organization Name	Meadville Land Service Inc.		
Address	17693 State Highway 285 Cochrantan PA 16314		
Contact Name	Kristin Smock		
Contact Name Telephone	814-337-1974 x308		
Contact Name e-mail	kristin@meadvillelandservice.com		
Contract Value	$ 542,064.00		
Scheduled completion date	April 2018	Percent complete	100%
Description of Project Work	Towson Run at Cloisters Drive E & S; Tree Removal; Environmental Planting		

SUB-CONTRACTOR REFERENCE FORM
BIDDER MUST COMPLETE AND SUBMIT WITH BID

#2 Reference Organization Name	Sagres Construction Corp.		
Address	3680 Wheeler Ave Suite 300		
	Alexandria VA 22304		
Contact Name	Eduardson Yao		
Contact Name Telephone	703-924-7220		
Contact Name e-mail	Eduardson@sagresconstruction.com		
Contract Value	$ 106,383.00		
Scheduled completion date	November 2023	Percent complete	100%
Description of Project Work	Donaldson Tributary Stream Restoration E & S; Tree Removal; Environmental Planting		

#3 Reference Organization Name	Triangle Contracting		
Address	PO Box 489		
	Frederick MD 21701		
Contact Name	Tim Allen		
Contact Name Telephone	301-676-3735		
Contact Name e-mail	tallen@trianglecontracting.com		
Contract Value	$ 121,070.00		
Scheduled completion date	Spring 2024	Percent complete	100%
	Harry Nice Bridge Stream Restoration NNI Removal/Treatment; Environmental Planting		

SUBCONTRACTOR REFERENCE FORM
BIDDER MUST COMPLETE AND SUBMIT WITH BID

SUBMIT A SEPARATE REFERENCE FORM FOR EACH PROPOSED SUBCONTRACTOR

Subcontractor's Name	Ecological Restoration and Management
Address	10600 York Road Suite 203
	Cockeysville MD 21030
Telephone	410-337-4899
Subcontractor's Contact Name	Stephanie Ermer
Description of Work to be Subcontracted	Plantings, Non-native Invasive Plant Management

#1 Reference Organization Name	Biohabitats		
Address	2081 Clipper Park Road		
	Baltimore, MD 21211		
Contact Name	Jim Favret		
Contact Name Telephone	443-962-2630		
Contact Name e-mail	jfavret@biohabitats.com		
Contract Value	$ 188,271.00 Project Title: Park Drive Gully Restoration		
Scheduled completion date	2025	Percent complete	100%
Description of Project Work	Planting of 1,365 trees & shrubs (mix of bare-root, 3g & 5g), 1,454 quarts, and 3,391 plugs. Container plants were grouped together and we created welded wire super clumps around each cluster as deer protection. Invasive Management was carried out to monitor and treat invasives throughout the Construction Entrances.		

SUB-CONTRACTOR REFERENCE FORM
BIDDER MUST COMPLETE AND SUBMIT WITH BID

#2 Reference Organization Name	Kleinfelder		
Address	10710 Gilroy Road		
	Hunt Valley, MD 21031		
Contact Name	Carissa Byers		
Contact Name Telephone	717-965-7884		
Contact Name e-mail	creh@kleinfelder.com		
Contract Value	$ 83,782.00 - Project Title: Chestnut Hill Cove Tidal Wetland Mitigation		
Scheduled completion date	2026	Percent complete	100%
Description of Project Work	Installation of 326 shrubs (3g) , 38 trees (7g) , and 16,660 plugs (2"); Installation of Goose fence exclusion fencing; 5 Year Invasive Management duration		

#3 Reference Organization Name	Resource Restoration Group		
Address	211 Hidden Valley Road		
	Tracys Landing MD 20779		
Contact Name	Ben Hutzell		
Contact Name Telephone	301-491-2386		
Contact Name e-mail	bhutzell@rrgroup.us		
Contract Value	$ 121,792.00 Project Title: Gravelly		
Scheduled completion date	Fall 2020	Percent complete	100%
Description of Project Work	Planting of 1,698 container grown trees & shrubs (3-7gal), 926 rigid black mesh barkguards, and 722 welded wire deer exclusions cages.		

SUBCONTRACTOR REFERENCE FORM
BIDDER MUST COMPLETE AND SUBMIT WITH BID

SUBMIT A SEPARATE REFERENCE FORM FOR EACH PROPOSED SUBCONTRACTOR

Subcontractor's Name	Wolff Tree & Landscape, LLC
Address	3180 Buffalo Road New Windsor, MD 21157
Telephone	443-340-9732
Subcontractor's Contact Name	Ben Wolff
Description of Work to be Subcontracted	Clearing/Tree Removal

#1 Reference Organization Name	Concrete General		
Address	8000 Beechcraft Avenue Gaithersburg, MD 20879		
Contact Name	Steve Beckley		
Contact Name Telephone	240-372-3102		
Contact Name e-mail	sbeckley@concretegeneral.com		
Contract Value	$ 490,000		
Scheduled completion date	TBD	Percent complete	90%
Description of Project Work	I-95 Belvidere Clearing/Tree Removal		

SUB-CONTRACTOR REFERENCE FORM
BIDDER MUST COMPLETE AND SUBMIT WITH BID

#2 Reference Organization Name	Stambaugh's Inc.		
Address	P.O. Box 594		
	Union Bridge, MD 21791		
Contact Name	Sean Linfield		
Contact Name Telephone	410-861-0030		
Contact Name e-mail	sean@stambaughs.net		
Contract Value	$ 78,000		
Scheduled completion date	12/8/2025	Percent complete	100%
Description of Project Work	Dennis Estates Clearing/Tree Removal		

#3 Reference Organization Name	SEH Excavating, Inc.		
Address	2940 Dede Road		
	Finksburg, MD 210448		
Contact Name	Chris Tackett		
Contact Name Telephone	443-377-9051		
Contact Name e-mail	ctackett@sehexc.com		
Contract Value	$ 180,000		
Scheduled completion date	4/15/2026	Percent complete	60%
Description of Project Work	Woodyard Clearing/Tree Removal		

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Bid Bond

CONTRACTOR:
(Name, legal status and address)
Magstone, LLC
P.O. Box 570
Union Bridge, MD 21791

SURETY:
(Name, legal status and principal place of business)
The Cincinnati Insurance Company
P.O. Box 145496
Cincinnati, OH 45250-5496

OWNER:
(Name, legal status and address)
Mayor and City Council of Rockville
111 Maryland Avenue, 1st Floor
Rockville, Maryland 20850

ADDITIONS AND DELETIONS:
The author of this document has added information needed for its completion. The author may also have revised the text of the original AIA standard form.

This document has important legal consequences. Consultation with an attorney is encouraged with respect to its completion or modification.

Any singular reference to Contractor, Surety, Owner or other party shall be considered plural where applicable.

BOND AMOUNT: $ Five Percent of Bid Amount (5% of Bid)

PROJECT:
(Name, location or address, and Project number, if any)
BIDS #11-26
SWM Facilities Improvements: City Facility at the Villages of Tower Oak

The Contractor and Surety are bound to the Owner in the amount set forth above, for the payment of which the Contractor and Surety bind themselves, their heirs, executors, administrators, successors and assigns, jointly and severally, as provided herein. The conditions of this Bond are such that if the Owner accepts the bid of the Contractor within the time specified in the bid documents, or within such time period as may be agreed to by the Owner and Contractor, and the Contractor either (1) enters into a contract with the Owner in accordance with the terms of such bid, and gives such bond or bonds as may be specified in the bidding or Contract Documents, with a surety admitted in the jurisdiction of the Project and otherwise acceptable to the Owner, for the faithful performance of such Contract and for the prompt payment of labor and material furnished in the prosecution thereof; or (2) pays to the Owner the difference, not to exceed the amount of this Bond, between the amount specified in said bid and such larger amount for which the Owner may in good faith contract with another party to perform the work covered by said bid, then this obligation shall be null and void, otherwise to remain in full force and effect. The Surety hereby waives any notice of an agreement between the Owner and Contractor to extend the time in which the Owner may accept the bid. Waiver of notice by the Surety shall not apply to any extension exceeding sixty (60) days in the aggregate beyond the time for acceptance of bids specified in the bid documents, and the Owner and Contractor shall obtain the Surety's consent for an extension beyond sixty (60) days.

If this Bond is issued in connection with a subcontractor's bid to a Contractor, the term Contractor in this Bond shall be deemed to be Subcontractor and the term Owner shall be deemed to be Contractor.

When this Bond has been furnished to comply with a statutory or other legal requirement in the location of the Project, any provision in this Bond conflicting with said statutory or legal requirement shall be deemed deleted herefrom and provisions conforming to such statutory or other legal requirement shall be deemed incorporated herein. When so

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furnished, the intent is that this Bond shall be construed as a statutory bond and not as a common law bond.

Signed and sealed this 9th day of April, 2026

Zach Jones
(Witness)

Katie Celano
(Witness) Katie Celano

Magstone, LLC
(Contractor as Principal) (Seal)
President
(Title)

The Cincinnati Insurance Company
(Surety) (Seal)
Bryan Johnson
(Title) Bryan Johnson, Attorney-in-Fact

2020 The Cincinnati Insurance Company
CINCINNATI, OHIO

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THE CINCINNATI INSURANCE COMPANY
THE CINCINNATI CASUALTY COMPANY

Fairfield, Ohio

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS: That THE CINCINNATI INSURANCE COMPANY and THE CINCINNATI CASUALTY COMPANY, corporations organized under the laws of the State of Ohio, and having their principal offices in the City of Fairfield, Ohio (herein collectively called the "Companies"), do hereby constitute and appoint

Norman C. Breitenbach, Jr.; Leonard E. Callahan; Steve T. Johnson; Deborah B. Hill and/or Bryan Johnson

of Hunt Valley, Maryland
their true and legal Attorney(s)-in-Fact, each in their separate capacity if more than one is named above, to sign, execute, seal and deliver on behalf of the Companies as Surety, any and all bonds, policies, undertakings or other like instruments, as follows:

Any such obligations in the United States, up to
Forty Million and No/100 Dollars ($40,000,000.00).

This appointment is made under and by authority of the following resolutions adopted by the Boards of Directors of The Cincinnati Insurance Company and The Cincinnati Casualty Company, which resolutions are now in full force and effect, reading as follows:

RESOLVED, that the President or any Senior Vice President be hereby authorized, and empowered to appoint Attorneys-in-Fact of the Company to execute any and all bonds, policies, undertakings, or other like instruments on behalf of the Corporation, and may authorize any officer or any such Attorney-in-Fact to affix the corporate seal; and may with or without cause modify or revoke any such appointment or authority. Any such writings so executed by such Attorneys-in-Fact shall be binding upon the Company as if they had been duly executed and acknowledged by the regularly elected officers of the Company.

RESOLVED, that the signature of the President or any Senior Vice President and the seal of the Company may be affixed by facsimile on any power of attorney granted, and the signature of the Secretary or Assistant Vice-President and the Seal of the Company may be affixed by facsimile to any certificate of any such power and any such power of certificate bearing such facsimile signature and seal shall be valid and binding on the Company. Any such power so executed and sealed and certified by certificate so executed and sealed shall, with respect to any bond or undertaking to which it is attached, continue to be valid and binding on the Company.

IN WITNESS WHEREOF, the Companies have caused these presents to be sealed with their corporate seals, duly attested by their President or any Senior Vice President this 16th day of March, 2021.

THE CINCINNATI INSURANCE COMPANY
THE CINCINNATI CASUALTY COMPANY

STATE OF OHIO)SS:
COUNTY OF BUTLER)

On this 16th day of March, 2021 before me came the above-named President or Senior Vice President of The Cincinnati Insurance Company and The Cincinnati Casualty Company, to me personally known to be the officer described herein, and acknowledged that the seals affixed to the preceding instrument are the corporate seals of said Companies and the corporate seals and the signature of the officer were duly affixed and subscribed to said instrument by the authority and direction of said corporations.

Keith Collett, Attorney at Law
Notary Public – State of Ohio
My commission has no expiration date.
Section 147.03 O.R.C.

I, the undersigned Secretary or Assistant Vice-President of The Cincinnati Insurance Company and The Cincinnati Casualty Company, hereby certify that the above is the Original Power of Attorney issued by said Companies, and do hereby further certify that the said Power of Attorney is still in full force and effect.

Given under my hand and seal of said Companies at Fairfield, Ohio, this 9th day of April , 2026 .

BN-1457 (3/21)

CITY OF ROCKVILLE
ROCKVILLE, MARYLAND

SWM FACILITIES IMPROVEMENTS – CITY FACILITY AT THE VILLAGES OF TOWER OAKS, SC21
BID PROPOSAL FORM

THIS FORM MUST BE COMPLETED, SIGNED AND SUBMITTED

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 TO CONSTRUCT THE VILLAGES OF TOWER OAKS SWM FACILITY IMPROVEMENT PROJECT. PROVIDE PRICING BELOW TO INCLUDE OVERHEAD, PROFIT, TAXES, INSURANCE AND OTHER APPLICABLE FEES AND COSTS.

ITEM NO.	DESCRIPTION	EST QTY	UNIT	UNIT PRICE	TOTAL
1	Mobilization	1	LS	11,000.00	11,000.00
2	Construction Stakeout	1	LS	25,000.00	25,000.00
3	Demolition and Disposal of Ex. Structures and Debris	1	LS	3,500.00	3,500.00
4	Clearing and Grubbing	0.5	AC	7,400.00	3,700.00
5	Tree Removal (DBH ≥ 12" to < 18")	5	EA	1,000.00	5,000.00
6	Tree Removal (DBH ≥ 18" to < 24")	4	EA	1,200.00	4,800.00
7	Tree Removal (DBH ≥ 24")	2	EA	1,500.00	3,000.00
8	Tree Pruning	240	LF	10.00	2,400.00
9	Non Native Invasive Plant Controls	0.25	AC	48,000.00	12,000.00
10	Stabilized Construction Entrance	1	EA	3,000.00	3,000.00
11	Site Dewatering System	1	LS	5,000.00	5,000.00
12	Water Handling - 18" HDPE Pipe	1005	LF	36.00	36,180.00
13	Clear Water Diversion	1	LS	35,000.00	35,000.00
14	Silt Fence	290	LF	3.00	870.00
15	Super Silt Fence	160	LF	10.00	1,600.00
16	Tree Protection Fence	0	LF	-	-
17	High Visibility Fence	1650	LF	3.00	4,950.00
18	Temporary Construction Access Road	75	LF	90.00	6,750.00
19	Tree Protection Planking	18	EA	275.00	4,950.00
20	Unclassified Excavation, Offsite Removal & Grading	1	LS	255,000.00	255,000.00
21	Class I Riprap Placement with Geotextile	405	SY	79.00	31,995.00
22	Import and Place Wetland Soil Media	355	CY	90.00	31,950.00
23	Topsoil	1	LS	12,200.00	12,200.00
24	Herbaceous (Wetland Plants), Plugs	1500	EA	5.80	8,700.00
25	Herbaceous (Wetland Plants), Quarts	800	EA	11.75	9,400.00
26	Woody Vegetation: Shrubs, 3 Gallon	68	EA	105.00	7,140.00
27	Woody Vegetation: Understory Tree 4'-5' HT	9	EA	570.00	5,130.00
28	Woody Vegetation: Overstory Tree 2" Caliper	15	EA	850.00	12,750.00
29	Temporary Stabilization	3900	SY	0.45	1,755.00

30	Permanent Stabilization	6690	SY	1.30	8,697.00
31	Single Jute Net Excelsior Matting	4060	SY	1.95	7,917.00
32	Staging and Stockpiling Areas	210	SY	24.00	5,040.00
33	Goose Protection Fencing	1500	LF	16.60	24,900.00
34	Remove and Replace Gate Valve and Stem Extension		LS	4,200.00	4,200.00
				GRAND TOTAL	595,474.00

Write the Total Bid Price for the **SWM FACILITIES IMPROVEMENTS – CITY FACILITY AT THE VILLAGES OF TOWER OAKS, SC21** in words:

Five hundred ninety five thousand, four hundred and seventy four dollars and zero cents

CONTRACT DURATION

This contract will begin 14 calendar days from the date of issuance of a notice to proceed. All work, excluding landscaping, shall be completed within 365 calendar days after the notice to proceed has been issued.

If directed by the DPW Inspector or Forestry Inspector for specific landscape pay items, landscaping may be delayed until the subsequent planting season, but must be completed no later than 60 calendar days from the start of the subsequent planting season as detailed in the Contract Documents.

Confirm your ability to meet the above schedule. ✓ YES _____ NO

The City reserves the right to reject any or all bids, offer or proposals, to waive informalities, and to accept all or any part of any bid, offer proposal as they may deem to be in the best interest of the City of Rockville.

This bid and its Firm Fixed Prices shall remain valid for the Contract Duration.

I/We hereby certify that I/we are the only person(s) interested in this proposal as principals, and that an examination has been made of the work site, the specifications, the plans and the bid documents. We propose to furnish all necessary machinery, materials, equipment, tools, labor, and other means of construction required to complete the project.

All Bid Items shall be performed per the referenced Contract Documents on file in the Purchasing Division of the City of Rockville. Descriptions, Submittals, Measurements and Payment of all Bid Items shall be as described in the Technical Specifications, unless otherwise specified in the Contract Documents. All work items described in the Contract Documents that are not referenced by a specific pay item shall be considered incidental to all other items in the Contract Documents.

I/We hereby certify that I/we have read and understand the requirements of this Bid Proposal Form and, that I/we, as the Bidder, will comply with all requirements. I/we am/are duly authorized to execute this proposal document and any contract(s) and/or other transactions required by award of this Bid Proposal Form.

Magstone, LLC	President	04.06.2026
Contractor	Title	Date

BIDDER'S QUESTIONNAIRE
CITY MAY REQUIRE COMPLETION AND SUBMISSION AFTER RECEIPT OF BIDS

In order to be considered for award, the Bidder must complete this questionnaire in its entirety and submit it to the Purchasing Manager within the time specified. The bidder must answer all questions. If additional space is required, attach continuation sheets and clearly indicate the question being answered. The City reserves the right to verify any information contained within this report and to request additional information or clarification. The City reserves the right to reject the bid of a bidder who has previously failed to perform properly or to complete in a timely manner contracts of a similar nature, or if investigation shows the bidder unable to perform the requirements of the Contract or if the bidder fails to complete and submit the Bidder's Questionnaire in its entirety. If additional sheets are necessary please attach to this form and reference the applicable number.

Bidder's Name	Magstone, LLC		
Bidder's Address	4141 Bark Hill Road PO Box 576		
City	Union Bridge	State / Zip	MD 21791
Telephone	410.635.3836	Fax Number	N/A
Organized under the laws of State of:	Maryland		
BIDDER'S AUTHORIZED REPRESENTATIVE'S SIGNATURE BELOW		DATE	04.06.2026
Print Name:	Ian Stambaugh		
Title:	President		

1. ORGANIZATION

1.1 How many years has your organization been in business as a Contractor? 29

1.2 How many years has your organization been in business under its present business name? 29

1.3 Under what **other** or former names has your organization operated? N/A

1.4 If your organization is a corporation, answer the following:

Date of incorporation:

State of incorporation:

President's name:

Vice-president's name(s):

Secretary's name:

Treasurer's name:

1.5 If your organization is a partnership, answer the following:

Date of organization:

Type of partnership (if applicable):

Name(s) of general partner(s):

1.6 If your organization is individually owned, answer the following:

Date of organization:

Name of owner:

1.7 If the form of your organization is other than those listed above, describe it and name the principals: LLC Taxed as an S Corporation
Owner/Principal: Ian Stambaugh

2. LICENSING

2.1 List jurisdictions and trade categories in which your organization is legally qualified to do business, and indicate registration or license numbers, if applicable.

Maryland: Construction Firm 06326706

3. **EXPERIENCE**

3.1 List the categories of work that your organization normally performs with its own forces.

Erosion and Sediment Control, Light Clearing, Tree Protection, Excavation, Grading, Storm Drain, SWM Retrofit, Gabion, Dry Utilities, Structure Mods, Dewatering, Maintenance of Stream Flow, Etc.

3.2 Has your organization ever failed to complete any work awarded to it? If yes, provide details on a separate sheet. NO: ✓ YES: _____

3.3 Are there any judgment, claims, arbitration, proceedings or suits pending or outstanding against your organization or its officers? If yes, provide details. NO: ✓ YES: _____

3.4 Within the past five years, has any officer or principal of your organization ever been an officer or principal of another organization when it failed to complete a construction contract? If yes, provide details. NO: ✓ YES: _____

3.5 Within the last two years, has any owner of any project threatened to impose or imposed liquidated damages against your organization? If yes, provide details. NO: ✓ YES: _____

3.6 Within the last two years, has your organization constructed any projects where the date of substantial completion was more than 30 days after the contract completion date as determined by the contract and any changes orders? If yes, provide details. NO: ✓ YES: _____

3.7 Within the last 2 years, has your organization constructed any projects where the change orders exceeded 10% of the contract price? If yes, provide details. NO: ✓ YES: _____

3.8 State the total worth of work in progress and under contract:

In Progress	$ 8,000,000
Under Contract	$ 19,000,000

3.9 State the average annual amount of construction work performed during the past five years:

$ +/- $15,000,000 (Fifteen Million)

4. FINANCIAL

4.1 State that you will provide a copy of your firm's audited financial statements for the past two (2) years, if requested, by the City of Rockville. YES: ✓ NO: _____

4.2 Is your firm currently for sale or involved in any transaction to expend or to become acquired by another business entity? If yes, please explain the impact both in organizational and directional terms. NO: ✓ YES: _____

4.3 Is your firm currently in default on any loan agreement or financing agreement with any bank, financial institution, or other entity? If yes, specify date(s), details, circumstances, and prospects for resolution. NO: ✓ YES: _____

5. SAFETY

5.1 Has your organization been cited by OSHA (or State equivalent) in the past five years? If so, provide a copy of the citation(s). NO: _____ YES: ✓

5.2 Has your organization experienced a work-related fatality in the past 10 years? If so, provide details. NO: ✓ YES: _____

5.3 Provide copies of the last 3-years OSHA Form 300A or OSHA 300 Log. Please omit any personally identifiable or confidential information.

See Attached

5.4 Provide a copy of your current Workers' Compensation Experience Rating from the NCCI.

See Attached

5.5 Does your organization have a written safety program? NO: _____ YES: ✓

5.5.1 Describe the safety training programs offered to all employees on the elements of the safety program. All PPE Provided including Instructions on Use, OSHA 10, Trench Safety, Confined Space, CPR/First Aid, Stop the Bleed, OSHA 30 (Managers), In-House Operator Certification

5.6.2 When was the last year the written safety program was audited or updated?

Updated 2025

5.6.3 Provide an overview of the elements of your written safety program (i.e., table of contents). (This may be returned to non-awarded bidders.) See Attached

5.7 Does your organization hire subcontractors? NO: ____ YES: ✓

5.7.1 Does your organization conduct pre-contractor qualification of these subcontractors specifically focusing on their safety performance? NO: ____ YES: ✓

Please See Attached Subcontractor Safety Requirements

5.7.2 Describe how your organization manages the safety performance of subcontractors on the jobsite.

SAFETY MEETING W/ RANDOM AUDITS OF SUBCONTRACTOR CREWS

5.7.3 Does your organization have a written policy addressing subcontractor's responsibility for complying with OSHA regulations on jobsites? (i.e., OSHA's multi-employer citation policy).

NO: ____ YES: ✓

CERTIFICATION

The above statements are certified to be true and accurate.

BY: _____

Signature

Date 04/06/26

Print Signature/Title IAN STAMBAUGH

OSHA's Form 300A (Rev. 01/2004)
Summary of Work-Related Injuries and Illnesses

Year 2023

U.S. Department of Labor
Occupational Safety and Health Administration
Form approved OMB no. 1218-0176

All establishments covered by Part 1904 must complete this Summary page, even if no injuries or illnesses occurred during the year. Remember to review the Log to verify that the entries are complete and accurate.

Using the Log, count the individual entries you made for each category. Then write the totals below, making sure you've added the entries from every page of the log. If you had no cases, write "0."

Employees, former employees, and their representatives have the right to review the OSHA Form 300 in its entirety. They also have limited access to the OSHA Form 301 or its equivalent. See 29 CFR 1904.35, in OSHA's Recordkeeping rule, for further details on the access provisions for these forms.

Number of Cases

Total number of deaths	Total number of cases with days away from work	Total number of cases with job transfer or restriction	Total number of other recordable cases
0 (G)	0 (H)	0 (I)	0 (J)

Number of Days

Total number of days away from work	Total number of days of job transfer or restriction
0 (K)	0 (L)

Injury and Illness Types

Total number of...	(M)		(M)
(1) Injury	0	(4) Poisoning	0
(2) Skin Disorder	0	(5) Hearing Loss	0
(3) Respiratory Condition	0	(6) All Other Illnesses	0

Post this Summary page from February 1 to April 30 of the year following the year covered by the form

Public reporting burden for this collection of information is estimated to average 58 minutes per response, including time to review the instructions, search and gather the data needed, and complete and review the collection of information. Persons are not required to respond to the collection of information unless it displays a currently valid OMB control number. If you have any comments about these estimates or any aspects of this data collection, contact: US Department of Labor, OSHA Office of Statistics, Room N-3644, 200 Constitution Ave. NW, Washington, DC 20210. Do not send the completed forms to this office.

Establishment information

Your establishment name: Magstone, LLC

Street: 4141 Back Hill Road, P.O. Box 575

City: Union Bridge State: MD Zip: 21791

Industry description (e.g., Manufacture of motor truck trailers):
Excavation

Standard Industrial Classification (SIC), if known (e.g., SIC 3715):

OR North American Industrial Classification (NAICS), if known (e.g., 336212):
2 3 8 9 1 0

Employment information

Annual average number of employees: 64

Total hours worked by all employees last year: 140,490.00

Sign here

Knowingly falsifying this document may result in a fine.

I certify that I have examined this document and that to the best of my knowledge the entries are true, accurate, and complete.

Company executive

Title: Office Admin

(410) 835-3836
Phone

Date: 2/1/2024

OSHA's Form 300A (Rev. 04/2004)

Summary of Work-Related Injuries and Illnesses

Note: You can type input into this form and save it. Because the forms in this recordkeeping package are "fillable/writable" PDF documents, you can type into the input form fields and then save your inputs using the free Adobe PDF Reader.

Year 20 24

U.S. Department of Labor
Occupational Safety and Health Administration

Form approved OMB no. 1218-0176

All establishments covered by Part 1904 must complete this Summary page, even if no work-related injuries or illnesses occurred during the year. Remember to review the Log to verify that the entries are complete and accurate before completing this summary.

Using the Log, count the individual entries you made for each category. Then write the totals below, making sure you've added the entries from every page of the Log. If you had no cases, write "0."

Employees, former employees, and their representatives have the right to review the OSHA Form 300 in its entirety. They also have limited access to the OSHA Form 301 or its equivalent. See 29 CFR Part 1904.35, in OSHA's recordkeeping rule, for further details on the access provisions for these forms.

Number of Cases

Total number of deaths	Total number of cases with days away from work	Total number of cases with job transfer or restriction	Total number of other recordable cases
0	0	1	0
(G)	(H)	(I)	(J)

Number of Days

Total number of days away from work	Total number of days of job transfer or restriction
0	3
(K)	(L)

Injury and Illness Types

Total number of... (M)			
(1) Injuries	1	(4) Poisonings	0
(2) Skin disorders	0	(5) Hearing loss	0
(3) Respiratory conditions	0	(6) All other illnesses	0

Post this Summary page from February 1 to April 30 of the year following the year covered by the form.

Public reporting burden for this collection of information is estimated to average 5k minutes per response, including time to review the instructions, search and gather the data needed, and complete and review the collection of information. Persons are not required to respond to the collection of information unless it displays a currently valid OMB control number. If you have any comments about these estimates or any other aspects of this data collection, contact: US Department of Labor, OSHA Office of Statistical Analysis, Room N-3644, 200 Constitution Avenue, NW, Washington, DC 20210. Do not send the completed forms to this office

Establishment information

Your establishment name: MAGSTONE, LLC

Street: 4141 BARK HILL ROAD P.O.BOX 576

City: UNION BRIDGE State: MD Zip: 21791

Industry description (e.g., *Manufacture of motor truck trailers*)

EXCAVATION

North American Industrial Classification (NAICS), if known (e.g., 336212)

2 3 8 9 1 0

Employment information *(If you don't have these figures, see the Worksheet on the next page to estimate.)*

Annual average number of employees: 69

Total hours worked by all employees last year: 141,763.75

Sign here

Knowingly falsifying this document may result in a fine.

I certify that I have examined this document and that to the best of my knowledge the entries are true, accurate, and complete.

Laura Stambaugh-Zepp — Company executive

Office Administrator — Title

Phone: 410-635-3836 Date: 2/1/2025

Reset

OSHA's Form 300A (Rev. 04/2004)

Summary of Work-Related Injuries and Illnesses

Note: You can type input into this form and save it. Because the forms in this recordkeeping package are "fillable/writable" PDF documents, you can type into the input form fields and then save your inputs using the free Adobe PDF Reader.

Year 20 25

U.S. Department of Labor
Occupational Safety and Health Administration

Form approved OMB no. 1218-0176

All establishments covered by Part 1904 must complete this Summary page, even if no work-related injuries or illnesses occurred during the year. Remember to review the Log to verify that the entries are complete and accurate before completing this summary.

Using the Log, count the individual entries you made for each category. Then write the totals below, making sure you've added the entries from every page of the Log. If you had no cases, write "0."

Employees, former employees, and their representatives have the right to review the OSHA Form 300 in its entirety. They also have limited access to the OSHA Form 301 or its equivalent. See 29 CFR Part 1904.35, in OSHA's recordkeeping rule, for further details on the access provisions for these forms.

Number of Cases

Total number of deaths	Total number of cases with days away from work	Total number of cases with job transfer or restriction	Total number of other recordable cases
0	0	1	0
(G)	(H)	(I)	(J)

Number of Days

Total number of days away from work	Total number of days of job transfer or restriction
0	3
(K)	(L)

Injury and Illness Types

Total number of . . .	(M)		
(1) Injuries	1	(4) Poisonings	0
(2) Skin disorders	0	(5) Hearing loss	0
(3) Respiratory conditions	0	(6) All other illnesses	0

Post this Summary page from February 1 to April 30 of the year following the year covered by the form.

Public reporting burden for this collection of information is estimated to average 58 minutes per response, including time to review the instructions, search and gather the data needed, and complete and review the collection of information. Persons are not required to respond to the collection of information unless it displays a currently valid OMB control number. If you have any comments about these estimates or any other aspects of this data collection, contact: US Department of Labor, OSHA Office of Statistical Analysis, Room N-3644, 200 Constitution Avenue, NW, Washington, DC 20210. Do not send the completed forms to this office.

Establishment information

Your establishment's name: MAGSTONE,LLC

Street: 4141 BARK HILL RD P.O. BOX 576

City: UNION BRIDGE State: MD Zip: 21791

Industry description (e.g. *Manufacture of motor truck trailers*)

EXCAVATION

North American Industrial Classification (NAICS) if known (e.g. 336212)

2 3 8 9 1 0

Employment information *(If you don't have these figures, see the Worksheet on the next page to estimate.)*

Annual average number of employees: 67

Total hours worked by all employees last year: 145.102

Sign here

Knowingly falsifying this document may result in a fine.

I certify that I have examined this document and that to the best of my knowledge the entries are true, accurate, and complete.

Company executive: [signature] Title: Office Administrator

Phone: 410-635-3836 Date: 1/1/2026

Reset

WORKERS COMPENSATION EXPERIENCE RATING

Risk Name: MAGSTONE LLC

Risk ID: 190055531

Rating Effective Date: 05/15/2026 Production Date: 02/10/2026 State: MARYLAND

State	Wt	Exp Excess Losses	Expected Losses	Exp Prim Losses	Act Exc Losses	Ballast	Act Inc Losses	Act Prim Losses	Split Point
MD	.15	49,421	70,481	21,060	33,874	49,220	51,874	18,000	18,000
MD-G	.15	77	109	32	0	49,220	0	0	18,000
MD-H	.15	27,392	39,063	11,671	0	49,220	0	0	18,000
MD-I	.15	0	0	0	0	49,220	0	0	18,000
MD-J	.15	75	105	30	0	49,220	0	0	18,000

(A) Wt	(B)	(C) Exp Excess Losses (D - E)	(D) Expected Losses	(E) Exp Prim Losses	(F) Act Exc Losses (H - I)	(G) Ballast	(H) Act Inc Losses	(I) Act Prim Losses
.15		76,965	109,758	32,793	33,874	49,220	51,874	18,000

	Primary Losses	Stabilizing Value	Ratable Excess	Totals
Actual	(I) 18,000	C * (1 - A) + G 114,640	(A) * (F) 5,081	(J) 137,721
Expected	(E) 32,793	C * (1 - A) + G 114,640	(A) * (C) 11,545	(K) 158,978

	ARAP	FLARAP	SARAP	MAARAP	Exp Mod
Factors					(J) / (K) .87

NCCI'S EXPERIENCE RATING WORKSHEET SUMMARY PAGE NOW INCLUDES A COLUMN FOR THE STATE'S APPROVED PRIMARY/EXCESS LOSS SPLIT POINT, APPLICABLE TO THE RATING EFFECTIVE DATE.

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WORKERS COMPENSATION EXPERIENCE RATING

Risk Name: MAGSTONE LLC

Risk ID: 190055531

Rating Effective Date: 05/15/2026 Production Date: 02/10/2026 State: MARYLAND

19-MARYLAND Firm ID: Firm Name: MAGSTONE LLC

Carrier: 35947 Policy No. Q896500710 Eff Date: 05/15/2023 Exp Date: 05/15/2024

Code	ELR	D-Ratio	Payroll	Expected Losses	Exp Prim Losses
0930	WAIVER OF SUBROGAT			0	0
5606	.254	.29	159,641	405	117
6217	1.089	.29	2,271,302	24,734	7,173
6325	1.033	.29	194,917	2,013	584
8227	1.029	.33	525,753	5,410	1,785
8742	.069	.37	510,701	352	130
8810	.029	.42	935,639	271	114
9812	EMPLOYERS LIABILIT			0	0
Policy Total:			4,597,953	Subject Premium:	107,112

Claim Data	IJ	OF	Act Inc Losses	Act Prim Losses
A00005396092	09	F	51,874	18,000
Total Act Inc Losses:			51,874	

19-MARYLAND Firm ID: Firm Name: MAGSTONE LLC

Carrier: 35947 Policy No. Q896500710 Eff Date: 05/15/2024 Exp Date: 05/15/2025

Code	ELR	D-Ratio	Payroll	Expected Losses	Exp Prim Losses
0930	WAIVER OF SUBROGAT			0	0
5606	.254	.29	72,900	185	54
6217	1.089	.29	2,561,695	27,897	8,090
6325	1.033	.29	174,140	1,799	522
8227	1.029	.33	524,230	5,394	1,780
8742	.069	.37	434,902	300	111
8810	.029	.42	1,212,310	352	148
9402	1.450	.33	94,400	1,369	452
9812	EMPLOYERS LIABILIT			0	0
Policy Total:			5,074,577	Subject Premium:	108,402

Claim Data	IJ	OF	Act Inc Losses	Act Prim Losses
Total Act Inc Losses:			0	

19-MARYLAND Firm ID: G Firm Name: MAGSTONE LLC

Carrier: 17965 Policy No. WC849184900 Eff Date: 07/27/2022 Exp Date: 05/01/2023

Code	ELR	D-Ratio	Payroll	Expected Losses	Exp Prim Losses
6217	1.089	.29	10,025	109	32
9837	EMPLOYERS LIABILIT			0	0
9848	MINIMUM PREMIUM FO			0	0
Policy Total:			10,025	Subject Premium:	380

Claim Data	IJ	OF	Act Inc Losses	Act Prim Losses
Total Act Inc Losses:			0	

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* Total by Policy Year of all cases $2,000 or less. D Disease Loss X Ex-Medical Coverage U USL&HW

C Catastrophic Loss E Employers Liability Loss # Limited Loss

WORKERS COMPENSATION EXPERIENCE RATING

Risk Name: MAGSTONE LLC Risk ID: 190055531

Rating Effective Date: 05/15/2026 Production Date: 02/10/2026 State: MARYLAND

19-MARYLAND Firm ID: G Firm Name: MAGSTONE LLC

Carrier: 17965 Policy No. WC849184901 Eff Date: 05/01/2023 Exp Date: 05/01/2024

Code	ELR	D-Ratio	Payroll	Expected Losses	Exp Prim Losses	Claim Data	IJ	OF	Act Inc Losses	Act Prim Losses
9848	MINIMUM PREMIUM FO			0	0					
Policy Total:			0	Subject Premium:	140	Total Act Inc Losses:			0	

19-MARYLAND Firm ID: G Firm Name: MAGSTONE LLC

Carrier: 17965 Policy No. WC849184902 Eff Date: 05/01/2024 Exp Date: 05/01/2025

Code	ELR	D-Ratio	Payroll	Expected Losses	Exp Prim Losses	Claim Data	IJ	OF	Act Inc Losses	Act Prim Losses
9848	MINIMUM PREMIUM FO			0	0					
9848	MINIMUM PREMIUM FO			0	0					
Policy Total:			0	Subject Premium:	140	Total Act Inc Losses:			0	

19-MARYLAND Firm ID: H Firm Name: MAGSTONE LLC

Carrier: 90468 Policy No. AFWCP100028785 Eff Date: 05/15/2022 Exp Date: 05/15/2023

Code	ELR	D-Ratio	Payroll	Expected Losses	Exp Prim Losses	Claim Data	IJ	OF	Act Inc Losses	Act Prim Losses
0930	WAIVER OF SUBROGAT			0	0					
6217	1.089	.29	2,729,990	29,730	8,622					
6325	1.033	.29	188,848	1,951	566					
8227	1.029	.33	650,233	6,691	2,208					
8742	.069	.37	444,427	307	114					
8810	.029	.42	1,323,080	384	161					
9812	EMPLOYERS LIABILIT			0	0					
Policy Total:			5,336,578	Subject Premium:	163,433	Total Act Inc Losses:			0	

19-MARYLAND Firm ID: I Firm Name: MAGSTONE LLC

Carrier: 31720 Policy No. 2254321460 Eff Date: 12/31/2021 Exp Date: 12/31/2022

Code	ELR	D-Ratio	Payroll	Expected Losses	Exp Prim Losses	Claim Data	IJ	OF	Act Inc Losses	Act Prim Losses
9848	MINIMUM PREMIUM FO			0	0					
Policy Total:			0	Subject Premium:	120	Total Act Inc Losses:			0	

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* Total by Policy Year of all cases $2,000 or less. D Disease Loss X Ex-Medical Coverage U USL&HW

C Catastrophic Loss E Employers Liability Loss # Limited Loss

WORKERS COMPENSATION EXPERIENCE RATING

Risk Name: MAGSTONE LLC

Risk ID: 190055531

Rating Effective Date: 05/15/2026 Production Date: 02/10/2026 State: MARYLAND

19-MARYLAND Firm ID: J Firm Name: MAGSTONE LLC

Carrier: 28355 Policy No. 11WCI6317300 Eff Date: 02/02/2024 Exp Date: 05/15/2024

Code	ELR	D-Ratio	Payroll	Expected Losses	Exp Prim Losses	Claim Data	IJ	OF	Act Inc Losses	Act Prim Losses
0930	WAIVER OF SUBROGAT			0	0					
6217	1.089	.29	7,727	84	24					
9812	EMPLOYERS LIABILIT			0	0					
9848	MINIMUM PREMIUM FO			0	0					
Policy Total:			7,727	Subject Premium:	397	Total Act Inc Losses:			0	

19-MARYLAND Firm ID: J Firm Name: MAGSTONE LLC

Carrier: 28355 Policy No. 11WCI6317301 Eff Date: 05/15/2024 Exp Date: 05/15/2025

Code	ELR	D-Ratio	Payroll	Expected Losses	Exp Prim Losses	Claim Data	IJ	OF	Act Inc Losses	Act Prim Losses
0930	WAIVER OF SUBROGAT			0	0					
6217	1.089	.29	1,974	21	6					
9812	EMPLOYERS LIABILIT			0	0					
9848	MINIMUM PREMIUM FO			0	0					
Policy Total:			1,974	Subject Premium:	190	Total Act Inc Losses:			0	

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* Total by Policy Year of all cases $2,000 or less. D Disease Loss X Ex-Medical Coverage U USL&HW

C Catastrophic Loss E Employers Liability Loss # Limited Loss

Maryland Department of Labor
Division of Labor and Industry
Maryland Occupational Safety and Health (MOSH)

Inspection Number: 1820812
Case Number: H5389-031-25
Inspection Date: 06/09/2025-07/11/2025
Issuance Date: 08/08/2025

Citation and Notification of Penalty
Company Name: Magstone, LLC
Inspection Site: 3208 Kimberly Ridge Road, Laurel, MD 20724

Citation 1 Item 1 a Type of Violation: **Serious**

29 CFR 1926.651(k)(2): Where the competent person found evidence of a situation that could have resulted in possible cave-in, indications of failure of protective systems, hazardous atmospheres, or other hazardous conditions, exposed employees were not removed from the hazardous area until the necessary precautions were taken to ensure their safety:

(a) Date of Violation: On or About 06/05/25
Location: Outside the North Corner of Building #2
Condition: The competent person, who conducted daily inspections, did not remove an employee from a trench 7 feet wide, 12 feet long, 6 feet deep in Type "C" soil that lacked cave-in protection.

Abatement documentation (photographs, receipts, copies of programs, training certification, etc.) is required for this item.

Date By Which Violation Must be Abated: August 18, 2025
Proposed Penalty: $1950.00

Maryland Department of Labor
Division of Labor and Industry
Maryland Occupational Safety and Health (MOSH)

Inspection Number: 1829812
Case Number: 1153890-031-25
Inspection Date: 06 09 2025-07 11 2025
Issuance Date: 08 08 2025

Citation and Notification of Penalty
Company Name: Magstone, LLC
Inspection Site: 3208 Kimberly Ridge Road, Laurel, MD 20724

Citation 1 Item 1 b Type of Violation: **Serious**

29 CFR 1926.652(a)(1): Each employee in an excavation was not protected from cave-ins by an adequate protective system designed in accordance with 29 CFR 1926.652(b) or 1926.652(c):

(a) Date of Violation: On or About 06 05 25
Location: Outside the North Corner of Building #2
Condition: An employee was installing 1-inch conduit in an unprotected trench measuring 7 feet wide, 12 feet long, and 6 feet deep, in Type "C" soil.

Abatement documentation (photographs, receipts, copies of programs, training certification, etc.) is required for this item.

Date By Which Violation Must be Abated: August 18, 2025
Proposed Penalty: $0.00

Michael A. Penn, CSP, SMP
Chief of Compliance

STATE OF MARYLAND
DEPARTMENT OF LABOR
DIVISION OF LABOR AND INDUSTRY
OCCUPATIONAL SAFETY AND HEALTH

In the Matter of:

MAGSTONE, LLC
CASE NO. H5389-031-25

AGREEMENT OF SETTLEMENT

The Department of Labor, Division of Labor and Industry, Occupational Safety and Health (hereinafter "MOSH") and Magstone, LLC ("the Company") hereby agree and stipulate this 14th day of October 2025, that:

1) On August 8, 2025, MOSH issued a Citation and Notification of Penalty document to the Company. The Citation and Notification of Penalty, which is hereby incorporated into this Agreement, consisted of two (2) Serious citations, with penalties totaling $1,950.00.

2) The Company withdraws its Notice of Contest as to the Citation, penalties and abatement periods in Case Number H5389-031-25.

3) MOSH agrees to reclassify Citation 1, Item 1a and Citation 1, Item 1b as Other than Serious and delete the penalty associated with Citation 1.

4) The Company agrees and consents to and the Commissioner of Labor and Industry ("Commissioner") hereby enters an Order consistent with this Settlement Agreement.

5) The Company states that it has abated the conditions cited in the Citation.

6) In exchange for the Company's completion of abatement of the cited conditions, MOSH has agreed to delete the penalty imposed as follows:

Citation 1, Items 1a-b:	$	0.00
TOTAL PENALTY:	**$**	**0.00**

7) The Company is entering into this Agreement of Settlement in the spirit of conciliation and cooperation and in an effort to avoid litigation. The Company's withdrawal of its Notice of Contest, consent to the Final Order, performance of any abatement and payment of any penalty pursuant to this Agreement is not, and is not to be construed as, an admission of any violation, fault or liability on its part or that of its employees. The Company is entering into this Agreement without prejudice to its right to raise any defense or any argument in any future proceedings conducted by the

Commissioner which result from subsequent citations. It is expressly agreed and understood between the Company and the Commissioner that nothing in this Agreement of Settlement shall be deemed to authorize or permit the parties in any such proceeding to litigate any issue relating to any citation that is a Final Order pursuant to this Agreement. This Agreement is not admissible, or to be introduced into evidence in any claim, action or proceeding which now exists or may arise and be pursued by any person, agency or entity, other than in any proceeding brought by the Commissioner pursuant to this Agreement or under the provisions of the Maryland Occupational Safety and Health Law, Labor and Employment Article, Title 5, Annotated Code of Maryland. By entering into this Agreement of Settlement, the Company does not admit the truth of any facts, any of the characterizations of the Company's alleged conduct, or any conclusions set forth in the citations issued in this matter.

8) The Company agrees and recognizes that the Commissioner reserves the right to conduct inspections pursuant to the Maryland Occupational Safety and Health Law to determine if it is in compliance with this Agreement of Settlement, the MOSH Law, rules, regulations and standards. The Company agrees that failure to comply may result in additional penalties under the provisions of Labor and Employment Article, §§5-

101 through 5-909, Maryland Annotated Code. Nothing in this Agreement shall constitute a waiver by the Company of any rights guaranteed to it by the Constitution and laws of the United States or the State of Maryland.

9) A copy of this Agreement of Settlement shall be prominently posted by the Company for a period of three (3) days or until abatement is completed, whichever is longer, in all places and in the same manner as required for the posting of a citation issued by the Commissioner of Labor and Industry so as to give notice to all affected employees.

MAGSTONE, LLC

By: _____

Title: Counsel

MARYLAND DEPARTMENT OF LABOR,
DIVISION OF LABOR AND INDUSTRY

By: _____

MICHAEL A. PENN
Chief of Compliance,
Division of Labor & Industry
Maryland Occupational Safety and Health

TABLE OF CONTENTS

SAFETY PLAN

- PURPOSE — Page 3
- EMPLOYEE COMPLIANCE — Page 4
- DISCIPLINARY PROGRAM — Page 5
- GENERAL SAFETY RULES — Page 6-7
- DRIVER REQUIREMENTS — Page 8-9
- MOTOR VEHICLE ACCIDENT — Page 10
- PERSONAL INJURY ACCIDENT — Page 11
- OPERATOR SAFETY RULES — Page 12
- SHOP AND MECHANIC SAFETY RULES — Page 13-14
- SAWMAN AND LABORER SAFETY RULES — Page 15-16
- ALCOHOL & DRUG POLICY — Page 17-23
- TRENCHING & SHORING & CONFINED SPACE — Page 24-26
- PERSONAL PROTECTIVE & LIFE SAVING EQUIPMENT — Page 27-34
- GENERAL FIRST AID PRACTICES — Page 35
- WRITTEN HAZARD COMMUNICATION PROGRAM — Page 36-50
- BLOODBORNE PATHOGEN — Page 51-52
- HEAT ILLNESS PREVENTION — Page 53-68

Subcontractor Safety Agreement

The following Personal Protective Equipment (PPE) is required on all Magstone LLC projects. A Magstone Safety Handbook is also available upon request:

1. Hard hat – worn correctly with bill forward
2. Steel toe footwear
3. Eye protection – wrap-around style safety glasses, safety glasses with side shields, or face shield must be worn when tool or equipment use present potential eye or face injury from physical, chemical, or radiation agents and/or the project prime contractor or Owner requires full-time eye protection. (Eye protection is not required in enclosed cabs)
4. Hearing Protection – ear plugs or ear muffs must be worn when noise level is equal to or greater than 90 dBA
5. Dust mask – must wear a mask with a minimum rating of N-95 when cutting or grinding metal, concrete, or asphalt
6. High visibility shirt or Class 2 safety vest – shirt sleeve length must be a minimum of 4 inches. Reflective safety vests must be worn while flagging.
7. Long pants

Contractor _____

Sub Contractor _____

Warranty/Maintenance Information

Please supply the following information during and after the warranty period (attach additional pages as required).

During the warranty period:

1. Maintenance (service) is available from (company name, address and contact telephone):
Magstone, LLC 410.635.3836 4141 Bark Hill Road Union Bridge, MD 21791 (Site Work)
Ecological Restoration & Management 10600 York Road, Suite 203, Cockeysville, MD 21030 410.337.4899 (If Chosen)
Empire Landscape, LLC 15717 New Hampshire Avenue, Silver Spring, MD 20905 301.775.8651 (If Chosen)

2. The Warranty length is (~~minimum of ten years~~) Landscape Warranty Period is 2 Years per Bid Docs

3. Detail what the warranty does not include:
Animal Predation/Herbivory Damage, Improper Hydrological Regime, Vandalism, Storm Damage
Mowing, Re-Mulching, Weeding, Re-Edging, Cutting Back Perennials, Trash Pick Up, Leaf Removal
Annual Flower Rotations, Snow Removal, Week to Week Landscape Maintenance Activities

After the warranty period

4. Maintenance (service) is available from (company name, address and contact telephone):
Same as Above

5. What is the usual delay period between the time service is requested and the arrival time of the service personnel?
1-2 Weeks

CITY OF ROCKVILLE
Procurement Department
111 Maryland Avenue
Rockville, Maryland 20850-2364
Phone 240-314-8430 Fax 240-314-8439

ADDENDUM 1

DATE: March 3, 2026

REFERENCE: City of Rockville

Invitation for Bids: **IFB 11-26**
SWM FACILITIES IMPROVEMENTS:
CITY FACILITY AT THE VILLAGES OF TOWER OAKS PROJECT

Scheduled Bid Due Date **Thursday, April 2, 2026 at 2:00 P.M. (EST)**

Pre-Bid Conference Change:

1. **The new Pre-Bid Conference date is Friday, March 6, 2026 at 11:00 A.M. EST. Updated link provided below:**
   https://rockvillemd.webex.com/rockvillemd/j.php?MTID=m85f99f7a3674cb1f3abbfb3ca53a96f6

Please sign below to acknowledge receipt of addendum and return with your bid.

Magstone, LLC
Company Name

Zach Jones
Authorized Signature

04.06.26
Date

CITY OF ROCKVILLE
Procurement Department
111 Maryland Avenue
Rockville, Maryland 20850-2364
Phone 240-314-8430 Fax 240-314-8439

ADDENDUM 2

DATE: **March 25, 2026**

REFERENCE: **City of Rockville**
Invitation for Bids: **INVITATION FOR BIDS #11-26**
SWM FACILITIES IMPROVEMENTS:
CITY FACILITY AT THE VILLAGES OF TOWER OAKS

Scheduled Bid Due Date **Thursday, April 9, 2026 at 2:00 P.M. (ET) (changed)**

ATTENTION ALL BIDDERS:
The following addendum is being issued to amend and clarify certain information contained in the above named IFB. All information contained herein is binding on all Bidders who respond to this IFB. Specific parts of the IFB have been amended. Bidders are required to acknowledge receipt of the addendum by signing in the appropriate space at the end of the addendum. Failure to do so may subject your bid to disqualification. No provided answer to a question may in and of itself change any requirement of the IFB. The following revisions /deletions / additions are listed below; new language has been underlined and marked in red bold (ex: new language) and language deleted has been marked with a strikeout (ex. ~~language deleted~~).

THE BID DUE DATE HAS BEEN CHANGED FROM APRIL 2, 2026 AT 2:00 PM EST TO APRIL 9, 2026 AT 2:00 PM EST.

THE BID OPENING HAS BEEN CHANGED FROM APRIL 2, 2026 AT 2:20 PM EST TO APRIL 9, 2026 AT 2:20 PM EST.

Delete the following:

CITY OF ROCKVILLE, MARYLAND SECTION II: GENERAL CONDITIONS AND INSTRUCTIONS TO BIDDERS

Replace with the following:

CITY OF ROCKVILLE, MARYLAND GENERAL CONDITIONS AND INSTRUCTIONS TO BIDDERS
CONSTRUCTION 3/2022

Delete the following:

BID PROPOSAL FORM IN THE SOLICITATION

Replace with the following:

ATTACHED REVISED BID PROPOSAL FORM

Attachments:

CITY OF ROCKVILLE, MARYLAND GENERAL CONDITIONS AND INSTRUCTIONS TO BIDDERS
CONSTRUCTION 3/2022. REVISED BID PROPOSAL FORM.

The following has been added to Section III. Special Terms and Conditions. 3.11 Insurance Requirements of the solicitation:

Project Specific Insurance:
Subject to the full terms of the Insurance Requirements section, the Contractor shall also procure and maintain Contractor's Pollution Liability Insurance, also known as Environmental Impairment Liability, insurance covering liabilities arising from pollution conditions associated with the scope of work with limits of no less than $1,000,000 per claim.

QUESTIONS AND ANSWERS

ADDITION 1. On the bid form, bidders are to include "Additional Pay Item 34: Remove and Replace Gate Valve and Stem Extension." This additional pay item is for the removal and replacement-in-kind of the eight inch (8") MJ Gate Valve as shown on As-builts C-160A-1995 Sheet 5 of 6.

CLARIFICATION 1. Please note Pay Item 13 Clear Water Diversion requires the submittal of a Clear Water Diversion Plan.

QUESTION. Can the CAD files for the project be provided?

ADDITION 2. The CAD file for the project and a waiver have been posted to the Collaboration Portal. All bidders must sign a disclaimer of liability from the Engineer of Record - Hazen Electronic File Transfer Form – BID/CAD Files. All bids must submit a signed Disclaimer of Liability with their bid, regardless of whether they have used or downloaded the CAD files. Bidders who fail to include the disclaimer with their bid may be deemed nonresponsive.

QUESTION. Was the original pond bottom elevation 330.0 and all existing grades shown assumed to be muck? Or is the bottom elevation of the pond getting deeper to increase storage?

CLARIFICATION 2. The as-built pond bottom elevation is 330, as shown on the Record Drawings C-160A-H1995 Sheet 1 of 6.

QUESTION. Can 5' wooden stakes be used in lieu of the metal T-posts in the goose exclusion fence? This material is less expensive and also easier to remove.

CLARIFICATION 3. Yes, 2" x 2" x 60" hardwood (oak) stakes can be used in lieu of the metal t-posts, as specified on Sheet 13 of 15 and in the Technical Specifications for Pay Item 33.

QUESTION. Is this a prevailing wage project? If so, can you please provide the wage determination. Do prevailing wage rates apply? If so, please provide them.

CLARIFICATION 4. The City of Rockville has no minimum/living wage requirements above those set by the federal government. Prior to submitting a bid, bidders should consult their accountants or bookkeepers with regard to how State of Maryland and Montgomery County, Maryland legislation related to minimum and living wages impacts their labor costs for the solicited work, as any additional costs associated with the legislation shall be the responsibility of the bidder.

QUESTION. Do liquidated damages apply? If so, what is the amount per day?

ADDITION 3. LIQUIDATED DAMAGES are addressed in the attached GENERAL CONDITIONS AND INSTRUCTIONS TO BIDDERS CONSTRUCTION 3/2022.

QUESTION. Is there a geotechnical report available for this project and can the county share that with the contractors? May we please have a geotechnical report.

CLARIFICATION 5. A geotechnical investigation was not performed.

QUESTION. Are there any contaminated materials onsite?

CLARIFICATION 6. All excavated material is assumed to be free of hazardous material and does not require testing for contaminated/hazardous materials.

QUESTION. When does the county anticipate they will issue NTP?

We do not have an anticipated date for the issuance of the NTP at this time.

QUESTION. Are there any time or year restrictions for this project?

CLARIFICATION 7. Stream closure period for this project is March 1 through June 15.

QUESTION. There seems to be a large amount of sediment in the existing box culvert, is this to be cleaned out or remain? It appears to extend deep into the storm drain.

CLARIFICATION 8. The project LOD does not include the existing box culvert.

QUESTION. Can topsoil stripped from the site be used as respread, or should we figure on importing topsoil meeting the SHA specs?

CLARIFICATION 9. Suitable fill details can be found in PAY ITEM NO. 20 – UNCLASSIFIED EXCAVATION, OFFSITE REMOVAL, AND GRADING. See Description, bullet 9.

QUESTION. Page 6, Project Timing/Completion: state all work to be completed within 260 calendar days but Page 19, 3.15-Contract Term-State all work should be completed within 365 calendar days.)

CORRECTION 1. All locations throughout the contract should indicate 365 calendar days for completion of construction.

QUESTION. Page 15, 3.3-Contract Term: state that contract will be effective until 6/30/2027 and the City reserves the right to renew the contract annually for four additional one-year terms through June 30, 2031. Is this a mistype or is this an annual contract?

CLARIFICATION 10. This is an oversight.

REVISION 1. The following Special Provisions will be stricken from the bid
3.3 Contract Term

Upon satisfactory service and by mutual agreement the City reserves the right to renew the contract annually for four additional one-year terms, through June 30, 2031.

3.4 Option to Renew Contract Period
A. Upon satisfactory service and by mutual agreement the City reserves the right to renew the contract. The term of renewal shall not exceed four (4) additional one (1) year periods.

B. The City expects all vendors to provide year over year cost reductions recommendations.

C. Price decreases are acceptable at any time, need not be verifiable, and are required should the contractor/producer/processor/manufacturer experience a decrease in costs associated with the execution of the contract.

D. Price adjustments from the contractor/producer/processor/manufacturer for any/all items may be considered at renewal. The request is subject to approval by the Director of Procurement. The request must be submitted in writing at least sixty (60) days prior to the renewal term and shall be accompanied by supporting documentation. The increased contract unit price shall not apply to orders received by the Contactor prior to the effective date of the approved increased contract unit price. The City may cancel, without liability to either party, any portion of the contract affected by the requested increase and any materials, supplies or services undelivered at the time of such cancellation. The request for a change in the unit price shall include at a minimum; (1) the cause for the adjustment; (2) proposed effective date (minimum of 60 days); and, (3) the amount of the change requested with documentation to support the requested adjustment (i.e. appropriate Bureau of Labor Statistics, Consumer Price Index (CPI-U) change in manufacturer's price, etc.).
restr
E. Should the awarded vendor, at any time during the life of the contract, sell materials of similar quality to another customer, or advertise special discounts or sales, at a price below those quoted within the contract, the lowest discounted prices shall be offered to the City.

Additionally, please be sure to submit all required forms with your bid per this addendum and the solicitation instructions.

ACKNOWLEDGE RECEIPT OF ADDENDUM NO. 2 BY SIGNING BELOW AND RETURNING A COPY OF THE ADDENDUM WITH YOUR BID OR ACKNOWLEDGING IN YOUR BID.

Please sign below to acknowledge receipt of addendum and return with your bid.

Magstone, LLC
Company Name

Zach Jones
Authorized Signature

04.06.2026
Date

MAYOR AND COUNCIL Meeting Date: June 29, 2026
Agenda Item Type: CONSENT
Department: PW - TRAFFIC & TRANSPORTATION
Responsible Staff: FARAMARZ MOKHTARI

Subject

Approval of Applicant Requested Road Code Waivers to the Requirements of Chapter 21 of the "Rockville City Code", Section 21-42 to Reduce the Required Right-of-Way Width and the Pavement Width for New Secondary Residential Streets Proposed as Part of Planned Residential Development Located at 2277 Research Boulevard

Department

PW - Traffic & Transportation

Recommendation

Staff recommends that the Mayor and Council approve the resolution (Attachment 1) that approves applicant's requested waivers from the Road Code requirements for rights-of-way, and pavement width for new secondary residential street that will be constructed as part of the submitted level I site plan redevelopment application.

Discussion

The PA/MD NNN Office Research, LLC (Applicant) has submitted for approval a redevelopment application for a portion of the existing office park complex located at 2277 Research Boulevard in the City of Rockville. With this application, the applicant plans to demolish one (1) office building and construct up to 31 townhouse and about 100 two-over-two residential dwelling units, of which and in compliance with Rockville City Code Chapter 13.5, 15% of the total units (5 townhouse units and 15 two over two units) will be constructed as Moderately Priced Dwelling Units (MPDU). The plan also proposes conversion of approximately 10,800 square feet of office space to commercial retail uses (restaurants). The submitted level I site plan application proposes a network of residential public streets to serve the proposed development and has worked with staff on the design of these roadways to fit the needs of city and future residents.

A typical Secondary Residential Street must have a minimum total right-of-way width of 62 feet, and a pavement width of at least 36 feet. Since it has been determined that it is not possible to fully reconfigure the proposed roads in accordance with the required standards, the applicant - with staff support - has prepared and submitted a waiver request justification letter and Exhibit (Attachment 2) for the approval of the following specific and limited Road Code waivers:

A. Reductions of the ROW widths for a portion of the proposed Street A (55 feet) and a portion of proposed Street C (55 feet).

The reduced ROW sections would be improved, as with other sections, to have the required secondary residential street elements of two 11-foot travel lanes, standard buffers and 5-foot-wide sidewalks on both sides. The reduction of the ROW width in these sections results from area anticipated for parking and will not create any operational or safety concerns for motorists or pedestrians.

B. Reduction in pavement width for proposed Street A, B, and C from the minimum code required of 36 feet curb to curb to 22 feet, 29 feet, or 33 feet.

The reduced 22-foot pavement-width segments along these streets are proposed for short segments that are near intersections and/or crosswalks, and where there is no opportunity to provide for on-street parking. The reduced 29-foot pavement wide segments allow for provision of on-street parking only on one side of street. The modified 33-foot pavement wide segment allows for provision of added turning lane at or in proximately of an intersection where typically on-street parking cannot be provided.

Staff does not have concerns with the proposed roadway segments featuring reduced pavement widths, as the proposed reductions are not expected to create operational or safety issues for any anticipated users, including service and emergency vehicles.

Prior to receiving staff support for any waiver from Road Code requirements, the applicant must demonstrate that the proposed development, including the narrowed roadways, provides an adequate number of visitor parking spaces in accordance with DPW requirements, or alternatively provides at least 0.50 visitor parking spaces per unit in addition to the required parking specified by the Zoning Ordinance.

For these reasons, staff recommends granting the approval of the requested waivers to reduce the required minimum ROW width and pavement width.

Next Steps

The next step will be for the applicant to obtain administrative review and approval of the submitted level I site plan amendment which must occur prior to the applicant seeking a Public Works permit for construction of proposed streets.

Attachments

Attachment 1 - Draft resolution -Waiver Request-2277 Research, Attachment 2-Road_Waiver_Exhibit -2277 Research

Resolution No. _____ RESOLUTION: To Approve the Requested Road Code Waivers Associated with redevelopment application for a portion of property located at 2277 Research Boulevard, and to construct new Secondary Residential Streets Pursuant to Rockville Code Sections 21-42, and 21-57.

WHEREAS, pursuant to Chapter 21, Section 21-42, 21-57 of the Rockville City Code, The PA/MD NNN Office Research, LLC has filed a written request for a waiver of the road construction requirements for new secondary residential roads with the proposed redevelopment application for a portion of the existing office park complex located at 2277 Research Boulevard in the City of Rockville, to reduce the required right-of-way width and pavement width. The right-of-way would be reduced to 55 feet, and the pavement width will be reduced to between 22 feet to 33 feet in certain sections; and

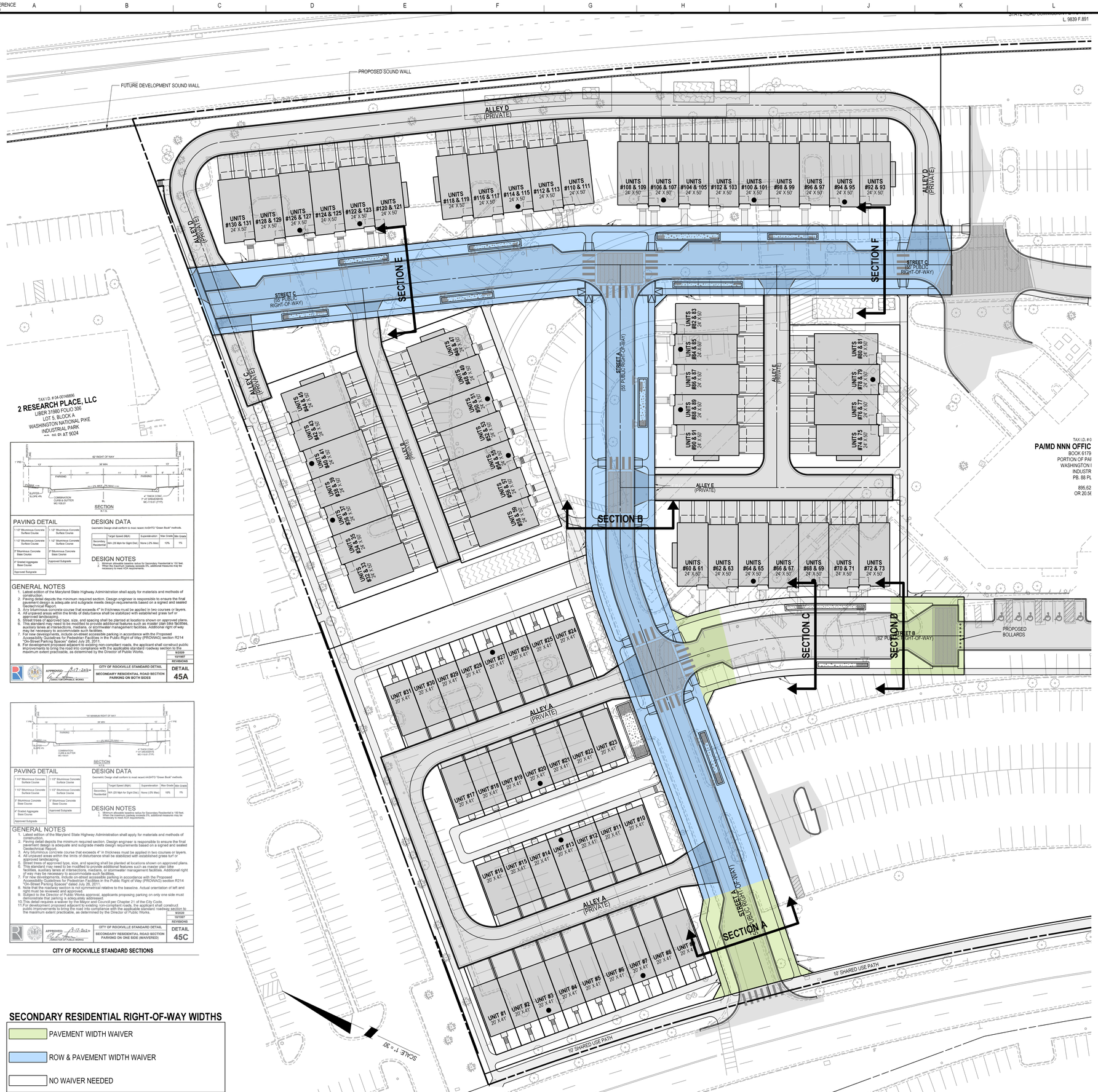
WHEREAS, after consideration, the City Manager has recommended that it would be in the public interest to grant this waiver to allow an adjustment in the requirements set forth in Section 21-42, and 21-57 of Chapter 21 of the Rockville City Code for such construction.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL OF ROCKVILLE, MARYLAND, that the subject waiver requested by the PA/MD NNN Office Research, LLC be, and the same is hereby, approved.

* *

I hereby certify that the foregoing is a true and correct copy of a resolution adopted by the Mayor and Council at its meeting of June 29, 20236

REFERENCE GRID A B C D E F G H I J K L M N O



TAX I.D. # 04-00148896
2 RESEARCH PLACE, LLC
UBER 31980 FOLIO 306
LOT 5, BLOCK A
WASHINGTON NATIONAL PIKE INDUSTRIAL PARK
SUBDIVISION PLAT 9024

TAX I.D. # 0
PA/MD NNN OFFIC
BOOK 6179
PORTION OF PAI
WASHINGTON I
INDUSTR
PB. 88 PL

895.62
OR 20.5E

PAVING DETAIL

1 1/2" Bituminous Concrete Surface Course	1 1/2" Bituminous Concrete Surface Course
1 1/2" Bituminous Concrete Surface Course	1 1/2" Bituminous Concrete Surface Course
3" Bituminous Concrete Base Course	3" Bituminous Concrete Base Course
4" Graded Aggregate Base Course	Approved Subgrade
Approved Subgrade	

DESIGN DATA

Geometric Design shall conform to most recent AASHTO "Green Book" methods.

	Target Speed (Mph)	Superelevation	Max Grade	Min Grade
Secondary Residential	N/A (25 Mph for Sight Dist.)	None (-2% Max)	10%	1%

DESIGN NOTES

1. Minimum allowable baseline radius for Secondary Residential is 150 feet. Where this minimum radius cannot be maintained, additional measures may be necessary to meet ADA requirements.

GENERAL NOTES

1. Latest edition of the Maryland State Highway Administration shall apply for materials and methods of construction.
2. Paving detail depicts the minimum required section. Design engineer is responsible to ensure the final pavement design is adequate and subgrade meets design requirements based on a signed and sealed Geotechnical Report.
3. Any bituminous concrete course that exceeds 4" in thickness must be applied in two courses or layers.
4. All unpaved areas within the limits of disturbance shall be stabilized with established grass turf or approved landscaping.
5. Street trees of approved type, size, and spacing shall be planted at locations shown on approved plans.
6. This standard may need to be modified to provide additional features such as master plan bike facilities, auxiliary lanes at intersections, medians, or stormwater management facilities. Additional right of way may be necessary to accommodate such facilities.
7. For new developments, include on-street accessible parking in accordance with the Proposed Accessibility Guidelines for Pedestrian Facilities in the Public Right of Way (PROWAG) section R214 "On-Street Parking Spaces" dated July 26, 2011.
8. For development proposed adjacent to existing non-compliant roads, the applicant shall construct public improvements to bring the road into compliance with the applicable standard roadway section to the maximum extent practicable, as determined by the Director of Public Works.

APPROVED: 4-17-2025 DIRECTOR OF PUBLIC WORKS	CITY OF ROCKVILLE STANDARD DETAIL
	SECONDARY RESIDENTIAL ROAD SECTION PARKING ON BOTH SIDES
	DETAIL 45A

REVISIONS
9/2020
10/1997

PAVING DETAIL

1 1/2" Bituminous Concrete Surface Course	1 1/2" Bituminous Concrete Surface Course
1 1/2" Bituminous Concrete Surface Course	1 1/2" Bituminous Concrete Surface Course
3" Bituminous Concrete Base Course	3" Bituminous Concrete Base Course
4" Graded Aggregate Base Course	Approved Subgrade
Approved Subgrade	

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7. For new developments, include on-street accessible parking in accordance with the Proposed Accessibility Guidelines for Pedestrian Facilities in the Public Right of Way (PROWAG) section R214
8. Note that the roadway section is not symmetrical relative to the baseline. Actual orientation of left and right must be reviewed and approved.
9. Subject to the Director of Public Works approval, applicants proposing parking on only one side must demonstrate that parking is adequately addressed.
10. Refer to Section 25-196 of the City Code and Council per Chapter 21 of the City Code.
11. For development proposed adjacent to existing non-compliant roads, the applicant shall construct public improvements to bring the road into compliance with the applicable standard roadway section to the maximum extent practicable, as determined by the Director of Public Works.

APPROVED: 4-17-2025 DIRECTOR OF PUBLIC WORKS	CITY OF ROCKVILLE STANDARD DETAIL
	SECONDARY RESIDENTIAL ROAD SECTION PARKING ON ONE SIDE (WAIVERED)
	DETAIL 45C

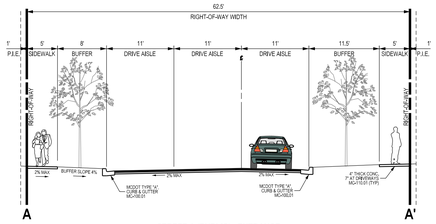
REVISIONS
9/2020
10/1997

CITY OF ROCKVILLE STANDARD SECTIONS

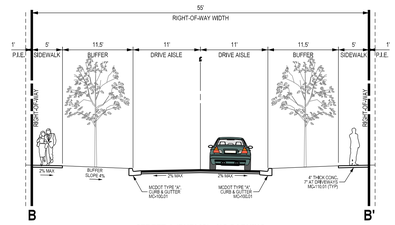
SECONDARY RESIDENTIAL RIGHT-OF-WAY WIDTHS

- PAVEMENT WIDTH WAIVER
- ROW & PAVEMENT WIDTH WAIVER
- NO WAIVER NEEDED

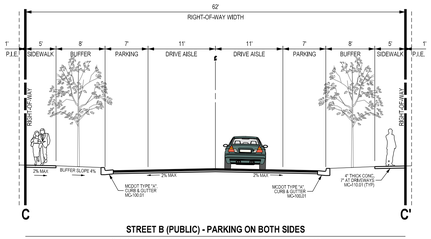
30 15 0 30 60
SCALE: 1" = 30'



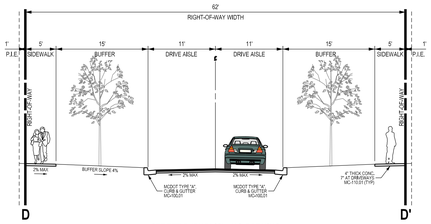
STREET A (PUBLIC) - ENTRANCE
MODIFIED SECONDARY RESIDENTIAL ROAD SECTION (DETAIL 45A)
PAVEMENT WIDTH WAIVER NEEDED



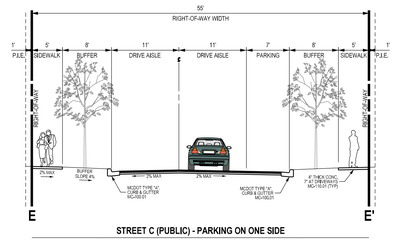
STREET A (PUBLIC) - NO PARKING
MODIFIED SECONDARY RESIDENTIAL
PARKING ON ONE SIDE (DETAIL 45C)
ROW & PAVEMENT WIDTH WAIVER NEEDED



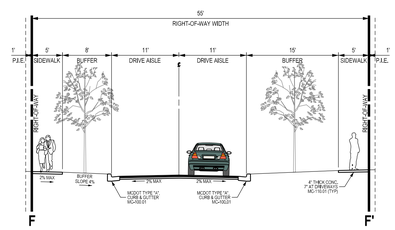
STREET B (PUBLIC) - PARKING ON BOTH SIDES
SECONDARY RESIDENTIAL ROAD SECTION (DETAIL 45A)
NO WAIVER NEEDED



STREET B (PUBLIC) - NO PARKING
MODIFIED SECONDARY RESIDENTIAL ROAD SECTION (DETAIL 45A)
PAVEMENT WIDTH WAIVER NEEDED



STREET C (PUBLIC) - PARKING ON ONE SIDE
SECONDARY RESIDENTIAL ROAD SECTION (DETAIL 45C)
ROW & PAVEMENT WIDTH WAIVER NEEDED



STREET C (PUBLIC) - NO PARKING
MODIFIED SECONDARY RESIDENTIAL
PARKING ON ONE SIDE (DETAIL 45C)
ROW & PAVEMENT WIDTH WAIVER NEEDED

SOLTESZ, INC.
ROCKVILLE OFFICE
2 Research Place, Suite 100
Rockville, MD 20850
P. 301.948.2750 F. 301.948.9067
www.solteszco.com

Engineering
Surveying
Planning
Environmental Sciences

NO.	REVISIONS	BY	DATE

MISS UTILITY NOTE

INFORMATION CONCERNING EXISTING UNDERGROUND UTILITIES WAS OBTAINED FROM AVAILABLE RECORDS. THE CONTRACTOR MUST DETERMINE THE EXACT LOCATION AND ELEVATION OF ALL EXISTING UTILITIES AND UTILITY CROSSINGS BY DIGGING TEST PITS BY HAND, WELL IN ADVANCE OF THE START OF EXCAVATION. CONTACT "MISS UTILITY" AT 1-800-257-7777, 48 HOURS PRIOR TO THE START OF EXCAVATION, IF CLEARANCES ARE LESS THAN SHOWN ON THIS PLAN OR TWELVE (12) INCHES, WHICHEVER IS LESS, CONTACT THE ENGINEER AND THE UTILITY COMPANY BEFORE PROCEEDING WITH CONSTRUCTION. CLEARANCES LESS THAN NOTED MAY REQUIRE REVISIONS TO THIS PLAN.

APPLICANT

PA/MD NNN OFFICE RESEARCH, LLC
9 WEST 57TH STREET, 29TH FLOOR
NEW YORK, NY 10019
646-604-1271

CONTACT: DAN BARTOK
EMAIL: DBARTOK@DKP.COM

ENGINEER

SOLTESZ, INC.
2 RESEARCH PLACE, SUITE 100
ROCKVILLE, MD 20850
301-948-2750

CONTACT: JIGAR BHATT
EMAIL: JBHATT@SOLTESZCO.COM

ATTORNEY

SELZER GURVITCH RABIN WERTHEIMER POLOTT, P.C.
4416 EAST-WEST HWY, SUITE 400
BETHESDA, MD 20814
301-455-5451

CONTACT: MATTHEW GORDON
EMAIL: MGORDON@SGRWLAW.COM

ROAD WAIVER EXHIBIT

SITE PLAN EXHIBITS
ROC CENTER

ROCKVILLE (4th) ELECTION DISTRICT, MONTGOMERY COUNTY, MARYLAND

WSSC 200' SHEET: 220NW09	ZONING CATEGORY: MXE
SITE DATUM: HORIZONTAL: NAD83/2011 VERTICAL: NAVD88	TAX MAP: FS61
1" = 30'	DATE: 3/10/2026
SHEET 1 OF 1	DESIGNED: JS TECHNICIAN: CHECKED: JB CAD STD'S. VERSION: ORD / NCS
PROJECT NO. 4564-00-00	

The original of this drawing document was prepared by Soltesz, Inc. (SOLTESZ). If this document was not obtained directly from SOLTESZ and/or it was transmitted electronically, SOLTESZ cannot guarantee that unauthorized changes and / or alterations were not made by others. If verification of the information contained hereon is needed, contact should be made directly with SOLTESZ. SOLTESZ makes no warranties, express or implied, concerning the accuracy of any information that has been transmitted by electronic means.

MAYOR AND COUNCIL Meeting Date: June 29, 2026
Agenda Item Type: CONSENT
Department: PW - TRAFFIC & TRANSPORTATION
Responsible Staff: FARAMARZ MOKHTARI

Subject

Approval of Applicant Requested Road Code Waivers to the Requirements of Chapter 21 of the "Rockville City Code", Section 21-42 to Reduce the Required Right-of-Way Width and the Pavement Width for New Secondary Residential Streets Proposed as Part of Planned Residential Development Located at 1455 Research Boulevard

Department

PW - Traffic & Transportation

Recommendation

Staff recommends that the Mayor and Council approve the resolution (Attachment 1) that approves applicant's requested waivers from the Road Code requirements for rights-of-way, and pavement width for new secondary residential streets that will be constructed as part of the submitted redevelopment application.

Discussion

Pulte Home Company has submitted for approval an application (site Plan) that proposes demolishing an existing office building with approximately 228,221 square feet of office space with a residential community containing no more than 198 residential units, including 15 percent moderately priced units. The property is located at 1455 Research Boulevard in the City of Rockville. The submitted site plan application proposes a network of three secondary residential public streets to serve the proposed development, and the applicant has worked with staff on the design of these roadways to fit the needs of city and future residents.

A typical Secondary Residential Street must have a minimum total right-of-way width of 62 feet, and a pavement width of at least 36 feet. Since it has been determined that it is not possible to fully reconfigure the proposed roads in accordance with the required standards, the applicant - with staff support - has prepared and submitted a waiver request justification letter and Exhibit (Attachment 2) for the approval of the following specific and limited Road Code waivers:

A. Reductions of the ROW widths for a portion of the proposed Street 1 (55 feet) and a portion of proposed Street 2 (55 feet).

The reduced ROW sections would be improved, as with other sections, to have the required secondary residential street elements of two 11-foot travel lanes, standard buffers and 5-foot-

wide sidewalks on both sides. The reduction of the ROW width in these sections results from area anticipated for parking and will not create any operational or safety concerns for motorists or pedestrians.

B. Reduction in pavement width for proposed Street 1, 2, and 3 from the minimum code required of 36 feet curb to curb to 22 feet, or 29 feet.

The reduced 22-foot pavement-width segments along these streets are proposed for short segments that are near intersections and/or crosswalks, and where there is no opportunity to provide for on-street parking. The reduced 29-foot pavement wide segments allow for provision of on-street parking only on one side of street

Staff does not have concerns with the proposed roadway segments featuring reduced pavement widths, as the proposed reductions are not expected to create operational or safety issues for any anticipated users, including service and emergency vehicles.

Prior to receiving staff support for any waiver from Road Code requirements, the applicant must demonstrate that the proposed development, including the narrowed roadways, provides an adequate number of visitor parking spaces in accordance with DPW requirements, or alternatively provides at least 0.50 visitor parking spaces per unit in addition to the required parking specified by the Zoning Ordinance.

For these reasons, staff recommends granting the approval of the requested waivers to reduce the required minimum ROW width and pavement width.

Next Steps

The next step will be for the applicant to obtain Planning Commission review and approval of the submitted level II site plan, which is tentatively scheduled for late July 2026. This requested Road code waiver approval is needed prior to applicant seeking a Public Works permit for construction of proposed streets.

Attachments

Attachment 1- Draft resolution -Waiver Request-1455 Research, Attachment 2 - Road Code Waiver Exhibit- 1455 Research

Resolution No. _____ RESOLUTION: To Approve the Requested Road Code Waivers Associated with redevelopment application for a property located at 1455 Research Boulevard, and to construct new Secondary Residential Streets Pursuant to Rockville Code Sections 21-42, and 21-57.

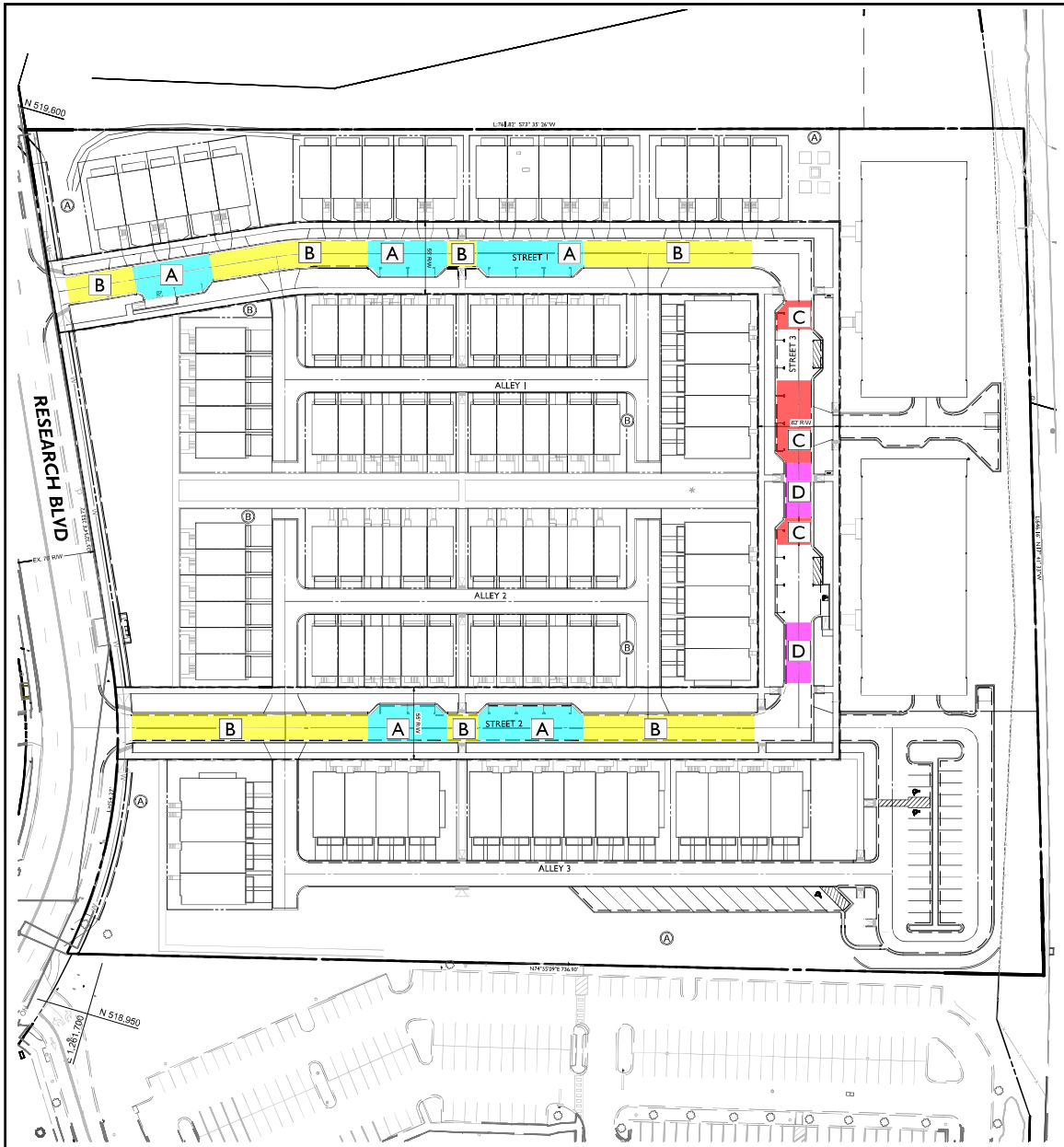
WHEREAS, pursuant to Chapter 21, Section 21-42, 21-57 of the Rockville City Code, Pulte Home Company has filed a written request for a waiver of the road construction requirements for new secondary residential roads in support of a submitted redevelopment application, to reduce the required right-of-way width and pavement width. The right-of-way would be reduced to 55 feet, and the pavement width will be reduced to 22 feet to 29 feet in certain sections; and

WHEREAS, after consideration, the City Manager has recommended that it would be in the public interest to grant this waiver to allow an adjustment in the requirements set forth in Section 21-42, and 21-57 of Chapter 21 of the Rockville City Code for such construction.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL OF ROCKVILLE, MARYLAND, that the subject waiver requested by Pulte Home Company be, and the same is hereby, approved.

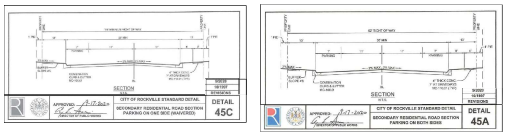
* *

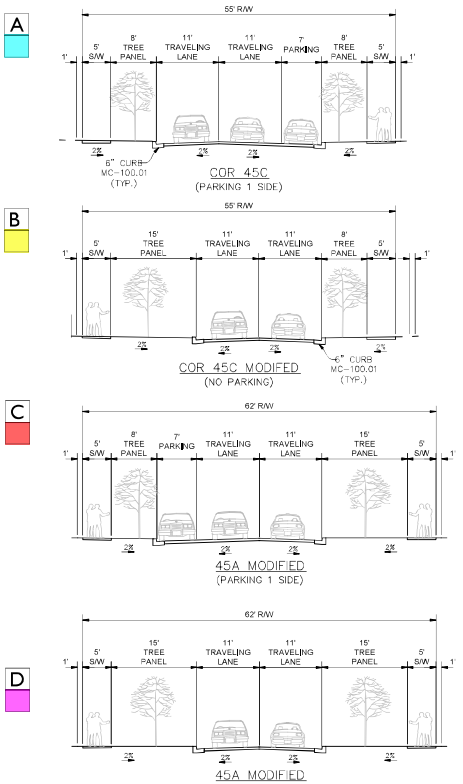
I hereby certify that the foregoing is a true and correct copy of a resolution adopted by the Mayor and Council at its meeting of June 29, 2026



ROAD WAIVER
SCALE: 1" = 40'

GRAPHIC SCALE
40' 0 20' 40' 80' 160'
1 INCH = 40 FT





Preliminary Not For Construction

Pulte Homes

RODGERS CONSULTING
19847 Century Boulevard, Suite 200, Germantown, Maryland 20874
Ph: 301.948.4700 (Main), Fx: 301.948.6256, www.rodgers.com

DESIGN TEAM

Developer
Pulte Home Company, LLC
9302 Route 29, Suite 1000
Fairfax, VA 22031
Attn: Chris Spahr

Legal
Lerch Early Brewer
7600 Wisconsin Avenue, Suite 700
Bethesda, Maryland 20814
301.347.3756
Attn: Patricia Harris

Land Planning / Landscape Architect / Civil Engineering
Rodgers Consulting, Inc.
19847 Century Boulevard, Suite 200
Germantown, Maryland 20878
301.948.4700
Attn: Randall Rentfro

SEAL & SIGNATURE

PROFESSIONAL CERTIFICATION
I HEREBY CERTIFY THAT THESE DOCUMENTS WERE PREPARED OR APPROVED BY ME, AND THAT I AM A DULY LICENSED PROFESSIONAL ENGINEER UNDER THE LAWS OF THE STATE OF MARYLAND, LICENSE NO. 26328, EXPIRATION DATE: 1810/26.

1455 RESEARCH BLVD

SITE PLAN - 2026-101-STP

WSSC GRID: 219NW09 & 219NW08, Tax Map: GR13
City Of Rockville, Rockville, Election District 04

ISSUE DATE	DESCRIPTION
2025.07.11	1st Submission

REVISIONS NO	DATE	DESCRIPTION

PROJECT NUMBER	0377AS
DATE	2025.07.11
SCALE	1" = 40'

DRAWING TITLE
Site Plan

DRAWING NUMBER **SP-02**

MAYOR AND COUNCIL Meeting Date: June 29, 2026
Agenda Item Type: CONSENT
Department: PW - TRAFFIC & TRANSPORTATION
Responsible Staff: EMAD ELSHAFEI

Subject

Award and Authorize the City Manager to Execute a Contract Responsive to RFP # 21-26, City's Phase 1 Wayfinding Sign Package Fabrication and Installation Details, to KM Printing, LLC dba Strategic Factory, of Owings Mill, MD, in the amount not to exceed $354,100

Department

PW - Traffic & Transportation

Recommendation

Staff recommends that the Mayor and Council award and authorize the City Manager to execute a contract responsive to Request for Proposals RFP #21-16 City's Phase 1 Wayfinding Sign Package Fabrication and Installation Details to KM Printing, LLC dba Strategic Factory, of Owings Mill, MD, in the amount not to exceed $354,100, with delivery of fabricated signs to occur in or before December 2026.

Discussion

The contract includes all signs in Phase 1 of the City's Wayfinding Sign Package. The FY26 operating budget originally included funds to procure only signs in Phase 1a, primarily Town Center. City staff identified additional funds to include all signs previously in Phase 1a and 1b.

Phase 1 includes fabrication and installation of seventy-three (73) vehicular directional, eight (8) pedestrian and biking directional, five (5) destination identification, and five (5) parking identification wayfinding signs, which go beyond the Town Center area. Staff successfully negotiated with the selected vendor a best and final offer of $354,000 to fabricate and deliver all Phase 1 signs, signposts with installation details and hardware. After delivery, the City's DPW staff will install the signs. Staff determined that the best and final offer amount is fair and reasonable.

In its continuing efforts to transform Rockville, and more importantly the Town Center, into the shopping, dining, entertainment and employment heart of the city, the City of Rockville engaged the signage design firm: KMA Design in 2018 to develop a comprehensive wayfinding program for the city that can be expanded as new destinations are added but with primary focus on Town Center, and City's Parks and Recreational areas. The consultant effort started with the review of a report prepared by the council that summarized the existing and limited wayfinding and sign system in the city and primary within the Town Center area, dated

November 6, 2016. Also, a wayfinding Focus Group was created and included members of Rockville Chamber of Commerce, The Federal Reality Development Group, and Rockville Economic Development Inc. Staff also worked with the vendor in creating and distributing an online survey that was distributed at various city events in 2019 and was posted on the City's web Page for residents' input and suggestions. The vendor developed sign concepts and packages that were comprehensively reviewed by all stakeholders. In September 2021, the Mayor and Council approved the full implementation of the City's Wayfinding Sign Study, which was recommended by city staff and the Focus Group. Implementation was put on hold per the recommendation of the focus group and the Urban Land Institute (ULI) report calling for completion of branding and then wayfinding. The FY26 Budget funded the implementation of Phase 1a. Staff then proceeded with the preparation and execution of RFP #21-26 to fabricate the signs and provide construction design and installation details.

Mayor and Council History

Discussion of Wayfinding concept plans was conducted in January 2020. In September 2021, the Mayor and Council approved the City's Wayfinding Sign Package.

Public Notification and Engagement

Extensive citizen engagement occurred during the consultant work leading to the preparation and approval of the City's multiphase Wayfinding Package.

Procurement

Staff prepared and publicly advertised RFP #21-26 on March 12, 2026 in accordance with Rockville City Code section 17-62. RFP #21-26 was posted on the City website and electronically provided to 130 prospective offerors via the State of Maryland new e-Marketplace Advantage (eMMA) system. Of the 130 prospective offerors, using the new systems reporting capabilities, 14 were Disadvantaged Business Enterprises (DBE), 17 were Minority Business Enterprises (MBE), and 17 were Small Business Enterprises (SBE). Three proposals were received from:

1. KM Printing LLC
2. Blink Marketing Inc.
3. DMS Sign Connection Inc.

The evaluation committee consisted of staff from DPW assisted by the Procurement Department. DPW staff ranked the proposals based on five criteria:

Evaluation Criteria

Tab Assignment	Category	Maximum Points
A	Firm's Qualifications and Experience	10
B	Similar Projects/References	20
C	Project Approach	15
D	Cost	45

E	Project Schedule	10
	MAXIMUM TOTAL POINTS	**100**

The proposals were ranked as follows:

Vendor	MFD-V Status	Location	Score
KM Printing LLC	Non-MFD-V	Owings Mills, MD	First
Blink Marketing Inc.	Non-MFD-V	Cleveland, OH	Second
DMS Sign Connection Inc.	Non-MFD-V	Mt. Airy, MD	Third

The evaluation committee determined KM Printing LLC to have best met the criteria in the solicitation. The proposer demonstrated excellent experience with similar projects, a fast project schedule, great project approach and the lowest cost proposal.

Staff found the references for KM Printing LLC and their subcontractors to be satisfactory for this proposal.

KM Printing LLC is a non-Minority, Female, Disabled or Veteran (non-MFD-V) business.

The draft contract is attached as Attachment 1.

To view all contract documents, please click the links below:

1. Solicitation
2. Appendices
3. KM Printing LLC – Proposal
4. Addendum 1
5. Addendum 2
6. Addendum 3
7. BAFO

Fiscal Impact

$160,000 was originally allocated for the implementation of the Town Center portion of the Phase 1 wayfinding initiative. Staff has successfully identified additional sources of funds to complement the approved amount which is sufficient to complete the fabrication of all required signs for Phase 1. Wayfinding efforts beyond Phase 1 will require additional appropriations.

Next Steps

Upon approval by the Mayor and Council, staff will coordinate with the Procurement Department to finalize the contract and issue a work order to the selected vendor for the fabrication and the delivery of Phase 1 Wayfinding Signs. City staff will then install the signs starting the fall of 2026.

Attachments

Attachment 1 - KM Printing contract

CITY OF ROCKVILLE, MARYLAND
Phase 1 Wayfinding Sign Package Fabrication & Installation Details

This City of Rockville **SERVICES CONTRACT** ("**Contract**") is made this __ day of _____ 2026 (the "**Effective Date**"), by and between **THE MAYOR AND COUNCIL OF ROCKVILLE** (the "**Mayor and Council**" or the "**City**"), and **KM Printing, LLC** (the "**Contractor**"). Individually, the Mayor and Council and the Contractor may each be referred to as the "**Party**," or collectively as the "**Parties**."

RECITALS

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 limited liability company duly organized and in good standing in the State of Maryland, and has the background, knowledge, experience and expertise to perform the obligations set forth in this Contract; and

C. WHEREAS, the Mayor and Council desires to procure the redesign and fabrication of wayfinding signs developed through a previously completed wayfinding concept plan, consistent with RFP #21-26: Phase 1 Wayfinding Sign Package Fabrication and Installation Details (the "**Services**")**;** and

D. WHEREAS, in accordance with Rockville City Code Chapter 17 ("**Procurement Ordinance**"), on March 12, 2026, the City issued RFP #21-26: Phase 1 Wayfinding Sign Package Fabrication and Installation Details, as amended by Addendum #1, dated April 1, 2026, Addendum #2, dated April 1, 2026, and Addendum #3, dated April 16, 2026 (collectively, the "**Solicitation**").

E. WHEREAS, in response to the Solicitation the Contractor submitted a proposal dated April 22, 2026 and a best and final offer dated May 29, 2026 (the "**Proposal**"); and

F. WHEREAS, on _____, 2026, the Mayor and Council awarded this Contract to the Contractor pursuant to the following terms and conditions, subject to approval as to legal form by the Office of the City Attorney.

NOW, THEREFORE, in consideration of the mutual promises contained herein, and other good and valuable consideration, the sufficiency of which are hereby acknowledged, the Mayor and Council and Contractor agree as follows:

DRAFT

ARTICLE 1. PRELIMINARY PROVISIONS

1.1 Recitals

All of the Solicitation, Proposal (together, the "**Bid Documents**"), and recitals are substantive parts of this Contract and are hereby incorporated by reference as though fully restated.

1.2 Contract Documents

Contract Documents consist of the following documents, which are records retained on file with the City and are hereby incorporated into this Contract as though fully restated by reference ("**Contract Documents**"):

1. City of Rockville Change Order
2. This Contract
3. City of Rockville – Purchase Order
4. City of Rockville RFP #21-26 – Addenda #1, #2, and #3
5. City of Rockville RFP #21-26
6. Contractor Best and Final Offer
7. Contractor Proposal
8. Contractor's Proof of Insurance.

1.2.1 Order of Precedence. For purposes of resolving inconsistencies between and among the provisions of this 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.

1.3 Interpretation

This Contract shall be interpreted as follows:

1.3.1 Capitalized terms shall have the meanings set forth in this Contract and the Bid Documents, including its General Conditions. If there is a conflict between the definitions in this Contract and the General Conditions, the definitions in the Contract shall prevail.

1.3.2 Definitions are to be applicable equally to the singular and the plural forms of such terms and to all genders.

1.3.3 The titles and headings of the sections of this Contract have been inserted for convenience of reference only and shall not be construed to limit or extend the meaning of this Contract.

1.3.4 Terms 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 Contract or any other rule of construction which might otherwise apply.

End of Article 1 – Preliminary Provisions

DRAFT

ARTICLE 2: WORK TO BE PERFORMED: SCOPE, TERM, SCHEDULE OF PERFORMANCE

2.1 Scope of Work

The Contractor shall provide to the City the Services identified in the Bid Documents, as amended and revised, in accordance with requirements and deliverables identified therein ("**Scope of Work**").

2.1.1 The Contractor shall provide all labor, materials, equipment, services, licenses, and all things necessary for the Contractor to provide the Services in accordance with recognized standards of the applicable industry or profession and in accordance with the terms, conditions, technical specification of the Bid Documents and applicable codes in a timely, diligent and professional manner.

2.2.2 The Services shall be consistent with the Bid Documents on file with the City and incorporated by reference herein. In the event of any inconsistency between the terms and conditions of the Contractor's Proposal and this Contract, the terms and conditions of this Contract shall govern.

2.2 Term

The term of this Contract shall begin on the Effective Date and shall terminate upon completion of all Services pursuant to the Bid Documents, unless earlier terminated pursuant to this Contract.

2.3 Schedule of Performance

Time of is the essence in the performance of the Services under this Contract.

2.3.1 Contractor shall complete all Services within twenty-four (24) weeks of the City's issuance of a purchase order.

2.3.2 Coordination of work and communication of work progress shall be in accordance with the terms of this Contract.

2.3.3 City working days are as follows: 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 ("**Working Days**").

The City's agreement to extend the term or the schedule of performance shall not preclude the City's recovery of damages for delay if the extension is required due to the fault of the Contractor.

End of Article 2 – Work to be Performed

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ARTICLE 3 - COMPENSATION

3.1 Contract Sum

The total compensation to provide the Services shall be an amount not to exceed **Three Hundred Fifty-Four Thousand One Hundred Dollars ($354,100.00)**. ("**Contract Sum**").

3.1.1 Any work performed, or expenses incurred for which payment would result in a total exceeding the maximum compensation identified herein shall be at no cost to the City. The Contractor agrees to complete all services and provide all Services within this amount. No additional payment will be made for travel expenses.

3.2 Tax exempt

The City is exempt from sales and use taxes. The Contractor shall exclude such taxes from all forms of requests for payment issued to the City; the City shall not be liable for or pay or reimburse the Contractor for any such taxes.

3.3 Method and Manner of Payment

The Contractor shall submit to the Contract Administrator identified herein an invoice in the form of an application for payment for all Services performed, including tasks and deliverables completed, and expenses incurred ("**Application for Payment**"). The application for payment must be accompanied by supporting data and documents.

3.3.1 Review: The Contract Administrator will independently review the Applications for Payment submitted by the Contractor to determine whether the Services performed and expenses incurred comply with the provisions of the Contract Documents.

3.3.2 Timing: Except as to any charges for Services 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.

3.3.3 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.

3.4 Applications for Payment

All applications for payment shall be forwarded to the following address (email preferred):

Faramarz Mokhtari
Senior Transportation Planner
Department of Public Works
City of Rockville
111 Maryland Avenue
Rockville, MD 20850
240-314-8509
fmokhtari@rockvillemd.gov

3.5 Final Payment

Final payment is the last payment made in the completion of the Contract, made after all Services and conditions outlined have been fully delivered or completed and accepted by the City ("**Final Payment**").

3.6 Payment to Subcontractor

The Contractor shall promptly and fully pay each authorized subcontractor and supplier for work completed upon receipt of payment from the City the amount to which said subcontractor is entitled

3.6.1 The Contractor shall, by an appropriate agreement with each subcontractor, require each subcontractor to make prompt payments to his subcontractors in a similar manner.

3.6.2 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.

3.6.3 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.

3.7 Release of Claims

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 Services and work under the Contract Documents.

3.8 Waiver

Payment to the Contractor for Services performed and expenses incurred pursuant to this Contract shall not be deemed to waive defects in the Services performed by the Contractor.

3.9 **Errors and Omissions**

The Contractor is solely responsible for costs, including, but not limited to, increases in the cost of performing the Services 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-related markup costs, or costs arising from delay caused by the errors and omissions or unreasonable delay in correcting the errors and omissions.

3.9.1 The Contractor acknowledges that prior to executing this Contract, the Contractor has reviewed the Contract Documents and notified the City of any errors, omissions, or discrepancies in the Contract Documents of which it was aware.

End of Article 3 - Compensation

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ARTICLE 4 - COORDINATION OF WORK

4.1 **Contract Administrator**

The Department will designate personnel responsible for contract and Services administration ("**Contract Administrator**"). The Contractor shall deliver the Services to the City under the direction of the following designated representatives of the City:

Faramarz Mokhtari
Senior Transportation Planner
Department of Public Works
City of Rockville
111 Maryland Avenue
Rockville, MD 20850
240-314-8509
fmokhtari@rockvillemd.gov

4.1.1 The Contractor must ensure that the Contract Administrator is kept informed on the progress of the work related to the provision of the Services.

4.1.2 The Contractor shall refer any decisions which must be made by the City to the Contract Administrator.

4.1.3 The City Manager or his designee may modify the foregoing list of Contract Administrators by notifying the Contractor of such modification in writing.

4.2 **Representative of Contractor**

The following key personnel of the Contractor (the "**Key Personnel**") are hereby designated as being the principals and representatives of the Contractor, authorized to act on its behalf with respect to the provision of the Services and make all decisions in connection therewith.

Scott Stein
Senior Vice President, Client Relations
11195 Dolfield Blvd.
Owings Mills, MD 21117
443.548.3430

4.2.1 The Contractor acknowledges that the experience, knowledge, capability and reputation of the foregoing personnel were a substantial inducement for the City to enter into this Contract. Therefore, the foregoing Key Personnel shall be responsible during the Contract Time for directing all activities of the Contractor and devoting sufficient time to personally supervise the work hereunder. All personnel of the Contractor, and any authorized agents and subcontractors, shall at all times be under the exclusive direction and control of the Key Personnel.

4.2.2 For purposes of this Contract, the foregoing Key Personnel may not be replaced, nor may their responsibilities be substantially reduced by the Contractor without the express written approval of Contract Administrator.

4.2.3 The Contractor shall make every reasonable effort to maintain the stability and continuity of the Contractor's staff and subcontractors, if any, assigned to perform the Services.

4.3 **Notice to Proceed**

The 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, issuance of a notice to proceed, and issuance of a purchase order.

4.3.1 Work Outside the Scope: Any work performed outside the scope of an authorized written Notice to Proceed is at Contractor's risk and faces the probability of delayed or denied payment.

4.3.2 Work Contrary to Terms: Any agreements or stipulations that are contrary to the terms of this Contract shall be void unless the Parties have expressly agreed in writing that such agreement shall supersede the terms of this Contract.

4.4 **[Intentionally Blank.]**

4.5 **Delay**

If the Contractor is delayed in the Services 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 in writing if warranted. All claims for extensions must be made by written notice sent to the Contract Administrator within ten (10) calendar days after the date when the alleged cause for the extension of time occurred.

4.5.1 Writing required: All such claims shall state specifically the amount of time of the delay the Contractor believes to have suffered. If the Contract 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 by the passage of time.

4.5.2 Waiver of claim of damages for delay: By executing this 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.

4.6 **Modification of Scope of Services**

All changes to the Contract shall require a written agreement signed by the Parties prior to the any change. Contractor shall obtain the written consent of the City Manager or his designee to the proposed change prior to implementing any changes to the Services and is subject to the City's written approval to proceed. In no event shall the City's consent be construed to relieve the Contractor from its duty to provide all Services in accordance with applicable law and industry standards.

4.6.1 Change Orders.

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.

4.6.1.1 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.

4.6.1.2 The Contractor shall perform extra Services, for which there is no quantity or price included in the Contract, whenever it is deemed necessary or desirable, to complete fully the Services 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.

4.6.1.3 The Contractor may submit a written request for a City of Rockville Change Order to the Contract Administrator in the event the Contractor believes a City of Rockville Change Order is warranted or desirable. The City will consider the request but is under no obligation to issue a City of Rockville Change Order.

4.7 **Additional Work**

Subject to the approval requirements set forth in Section 17-40 of the Purchasing Ordinance, the City shall have the right to request, at any time during the performance of the Services, that the Contractor provide additional services beyond those described in the Scope of Work (the "**Additional Work**"). Before the Contractor commences the Additional Work, the Parties must agree upon a fee in writing for the Additional Work, including reasonably related expenses, and must agree to any adjustments to the schedule of performance in accordance with Section 2. It is expressly understood by the Contractor that the provisions of this subsection shall not apply to the Services specifically set forth in the Scope of Work or reasonably contemplated therein.

4.8 **Force Majeure**

The time period(s) specified in the Contract for work related to the provision of the Scope of Work shall be extended for delays due to unforeseeable causes beyond the control and without the fault or negligence of the Contractor, including, but not restricted to, acts of God or of the public enemy, unusually severe weather, fires, earthquakes, floods, epidemics, quarantine restrictions, riots, strikes, freight embargoes, and wars, provided the Contractor, within five (5) days of the commencement of such delay, notifies the Contract Administrator in writing of the causes of the delay.

4.8.1 The Contract Administrator shall ascertain the facts and the extent of delay and extend the time for performing the Services for the period of the enforced delay when and if in the judgment of the Contract Administrator such delay is justified.

4.8.2 The Contract Administrator's determination shall be final and conclusive.

4.8.3 In no event shall the Contractor be entitled to recover damages against the City for any delay in the performance of this Contract, however caused, the Contractor's sole remedy being extension of the Contract pursuant to this Section.

4.9 Review and Final Acceptance

The Contract Administrator shall review and accept or reject any of the Contractor's work under this Contract, either during performance or when completed.

4.9.1 The Contract Administrator's acceptance shall be conclusive as to such work related to the provision of the Services, except with respect to latent defects, fraud and such gross mistakes as amount to fraud.

4.9.2 Acceptance of any work by the Contract Administrator shall not constitute a waiver of any of the provisions of this Contract including, but not limited to, Article 7, pertaining to indemnification and insurance, respectively.

End of Article 4 – Coordination of Work

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ARTICLE 5 - CONTRACTOR REQUIREMENTS AND CONTINUING OBLIGATIONS

As a material inducement to the Mayor and Council's entry into this Contract, the Contractor hereby

(i) makes the following representations and warranties and confirms the representations and warranties made regarding its financial condition in its Proposal, and

(ii) covenants that until the expiration or earlier termination of this Contract, upon learning of any fact or condition which would cause any of the warranties and representations in this Contract not to be true, the Contractor shall promptly give written notice of such fact or condition to the City Manager or his authorized designee,

(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 until the expiration or termination of this Contract.

5.1 Qualifications

5.1.1 Permits and insurance

The Contractor covenants that it, its employees, agents and subcontractors, if any, have and shall maintain or obtain at its sole cost and expense during the term of this Contract all licenses, permits, qualifications, insurance and approvals of whatever nature that are required by law to perform work related to providing the Services and are capable of performing the type, scope and complexity of work in the Scope of Work to prevailing professional standards.

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 Services required by this Contract, 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 hereunder..

5.1.2 Qualified for Type, Scope and Complexity of Work

The Contractor, its employees, agents and subcontractors, if any, possess the necessary professional expertise, qualifications and capabilities, and all required licenses and certifications to perform and provide the Services.

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5.2 Covenants and Certifications

The Contractor makes or confirms the following certification upon which Mayor and Council rely.

5.2.1 Free from 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 Services related to the provision of the Scope of Work.

5.2.1.1 The Contractor certifies that it has fully disclosed to the City any and all practices and or contracts of whatever nature or duration that could give rise to even the appearance of a conflict of interest with the parties or subject matter of this contract and will continue to do so during the term of this Contract and any renewals or extensions.

5.2.1.2 The Contractor covenants that in the performance of work related to the provision of the Services, 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 at all times avoid conflicts of interest or the appearance of any conflicts of interest with the interests of the City in the performance of this Contract.

5.2.1.3 The Contractor covenants that, in the performance of this 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 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.

5.2.2 Improper Practices

5.2.2.1 The Contractor confirms the certifications in its Proposal to the Mayor and Council that it has not engaged in corrupt, fraudulent, collusive, or coercive practices in competing for or in executing this Contract.

5.2.2.2 The Contractor covenants it has not agreed to pay any person or entity a fee or any other consideration contingent on the making this Contract.

5.3 Authorized to Conduct Business in Maryland and Enter this Contract

5.3.1 The Contractor is duly organized, validly existing and in good standing under the laws of the state in which it is organized and is duly qualified to conduct business in the State of

Maryland, including registration in good standing with the Maryland Department of Assessments and Taxation.

5.3.2 The Contractor represents and warrants it has full power and authority 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 Contract, and to perform and observe the terms and provisions of all of the above.

5.3.3 The Contractor represents and warrants that this Contract, the other Contract Documents, and all other documents or instruments executed and delivered or to be executed and delivered pursuant to this 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 Contract and the other Contract Documents and all other documents or instruments executed and delivered, or to be executed and delivered, pursuant to this Contract, have been or will be duly taken prior to delivery of each document or instrument and constitute, legal, valid and binding obligations of the Contractor enforceable against it in accordance with their respective terms.

5.4 No Breach of Law or Contract

Contractor covenants that to the Contractor's knowledge, neither the execution nor delivery of this Contract or any other documents or instruments executed and delivered, or to be executed or delivered, pursuant to this 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 the Contractor is a party, or will result in the creation or imposition of any lien upon assets or property of the Contractor, other than liens established pursuant hereto.

5.4.1 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.

5.4.2 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 creditor.

5.4.3 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, services, operation or management of any facility, building, Services or system.

5.4.4 Intellectual Property Contractor covenants that it possesses all legal permission to use the materials, supplies, equipment or services involved with this Contract and agrees to indemnify and save harmless the City, its officers, agents and employees with respect to any claim, action, cost or judgment for patent infringement, or trademark or copyright violation arising out of purchase or use of materials, supplies, equipment or services covered by this Contract.

5.5 **Covenants and Obligations of Performance**

Contractor must perform and shall deliver the Services in accordance with the terms and conditions herein, including the technical specifications and other Bid Document requirements incorporated by reference as though fully restated as well as any additional terms such as those that may be required by the use of state and federal financial assistance, if applicable.

5.5.1 **Standard of Care**

The Contractor shall perform its services consistent with the professional skill and care ordinarily provided by design professionals for the scope, type and complexity of Services herein, practicing in the same or similar locality under the same or similar circumstances. The Contractor shall perform its services as expeditiously as is consistent with such professional skill and care.

5.5.2 **Federal and State Requirements**

Contractor covenants that it will perform the Services in conformance with all applicable Federal and State requirements, metropolitan and statewide planning process, and public involvement activities.

5.5.3 **Legal compliance**

The Contractor covenants that it shall keep itself informed concerning and shall render all services hereunder in accordance with all codes, ordinances, resolutions, rules, and regulations of the City and any applicable Federal, State or local governmental entity having jurisdiction in effect at the time services are rendered including, without limitation, the following:

5.5.3.1 **ADA:** The Americans with Disabilities Act of 1990, Title II ("**ADA**"), requires City programs, services and other activities provided by a public entity to the public, whether directly or through a Contractor or Subcontractor, to be accessible to the disabled public,

and at Titles I, III and V incorporates requirements for accessibility and specific prohibitions of discrimination on the basis of disability. The Contractor will provide the Services specified in this 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 provision of services, benefits or activities provided under this Contract.

5.5.3.2 **Nondiscrimination:** Contractor will not discriminate against any employee or applicant for employment because of age (in accordance with applicable law), sex, race, ancestry, color, religion, sexual orientation, gender identity or expression, physical or mental handicap, marital status, or political expression.

5.5.3.2.1 Contractor will take affirmative measures to ensure that applicants are employed, and the employees are treated fairly and equally during employment regarding the above. Such action shall include, but not be limited to, the following: employment, upgrading, demotion or transfer; recruitment, layoff or termination, rates of pay or other form of compensation; and selection for training, including apprenticeship. Contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices setting forth the provisions of this nondiscrimination clause.

5.5.3.2.2 If Contractor fails to comply with nondiscrimination clauses of this Contract or fails to include such contract provisions in all subcontracts, this Contract may be declared void AB INITIO, cancelled, terminated or suspended in whole or in part and Contractor may be declared ineligible for further contracts with the Mayor and Council. Any employee, applicant for employment, or prospective employee with information concerning any breach of these requirements may communicate such information to the City Manager who shall commence a prompt investigation of the alleged violation. Pursuant to such investigation, the Contractor will permit access to Contractor's books, records, and accounts. If the City Manager concludes that the Contractor has failed to comply with nondiscrimination clauses, the remedies set out above may be invoked.

5.5.3.2.3 In addition to the above requirements, the Contractor, sub recipient or subcontractor shall not discriminate on the basis of race, color, national origin, or sex in the performance of this Contract. The contractor shall carry out applicable requirements of 49 CFR part 26 in the award and administration of DOT-assisted contracts. Failure by the contractor to carry out these requirements is a material breach of this contract, which may result in the termination of this contract or such other remedy as the recipient deems appropriate, which may include, but is not limited to:

(1) Withholding monthly progress payments;

(2) Assessing sanctions;

(3) Liquidated damages; and/or

(4) Disqualifying the contractor from future bidding as non-responsible.

5.5.3.3 All materials, supplies, equipment, or services supplied as a result of this Contract shall comply with the applicable U. S. and Maryland Occupational Safety and Health Act standards

5.6 Documents and Release of Information

5.6.1 Ownership of Documents

All finished or unfinished work or work product including any and all deliverables, including but not limited to reports, drawings, specifications, maps, designs, photographs, studies, surveys, data including artificial intelligence inputs and outputs, notes, electronic files and documents, records, documents and other materials (the "**Documents and Materials**") prepared by the Contractor, its employees, Subcontractor and agents in the performance of this Contract shall be the property of the City.

5.6.1.1 All Documents and Materials shall be delivered to the City upon request of the Contract Administrator or upon the termination of this Contract.

5.6.1.2 Contractor shall have no claim for further employment or additional compensation as a result of the exercise by the City of its full rights of ownership use, reuse, or assignment of the Documents and Materials hereunder. The Contractor shall not use, willingly allow, or cause the Documents and Materials to be used for any purpose other than performance of the Contractor's obligations under this Contract.

5.6.1.3 The City remains at all times the owner of all of the City's information.

5.6.2 Records

The Contractor shall keep, and require Subcontractors 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 services performed hereunder (the "**Books and Records**"), as shall be necessary to perform the work related to the provision of the Contractor Services required by this Contract and enable the Contract Administrator to evaluate the performance of such Services.

5.6.2.1 Any and all such documents shall be maintained in accordance with generally accepted accounting principles and shall be complete and detailed. The City Manager, the Manager's designee, or any of their duly authorized representatives 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.

5.6.2.2 Such records shall be maintained for a period of three (3) years following Final Payment for the Services hereunder, 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 may be given to City, and access shall be provided by the Contractor's successor in interest.

5.6.3 **Reports**

The Contractor shall periodically prepare and submit to the Contract Administrator such reports concerning the performance related to the provision of the Services as the Contract Administrator shall require.

5.6.3.1 The Contractor hereby acknowledges that the City is greatly concerned about the cost of work and services to be performed pursuant to this Contract. 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 or services contemplated herein the Contractor shall promptly notify the Contract Administrator of said fact, circumstance, technique or event and the estimated increased or decreased cost related thereto.

5.7 **[Intentionally Blank.]**

5.8 **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 this Contract (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.

5.8.1 The City's Audit Right includes the right to examine the Books and Records of procedures and practices that the City determines are necessary to discover and verify that the Contractor or Subcontractor is in compliance with all requirements under this Contract.

5.8.2 If there is a claim for additional compensation or for Additional Work, the City's Audit Right includes the right to Books and Records that the City determines are necessary to discover and verify all direct and indirect costs, of whatever nature, which are claimed to have been incurred, or anticipated to be incurred.

5.8.3 The Contractor and all Subcontractors shall maintain complete and accurate Books and Records in accordance with generally accepted accounting practices. The Contractor and Subcontractors shall make available to the City for review and audit all Books and Records relating to the Contractor Services. Upon the City's request, the Contractor and Subcontractors shall submit exact duplicates of originals of all requested records to the City.

5.8.4 The Contractor shall include the City's Audit Right in all of their subcontracts and shall ensure that these sections are binding upon all Subcontractors.

5.8.5 The Contractor shall be responsible for repayment of any and all applicable audit exceptions, including any City expenses related thereto, which the City auditors or their designated representatives may identify and are material and adverse to the City as to create an audit disallowance.

5.9 Confidentiality

All information gained or work product produced by the Contractor in performance of this Contract shall be considered confidential, unless such information is in the public domain or already known to the Contractor.

5.9.1 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 Contract Administrator. The Contractor will not make use thereof other than for the performance of these contractual obligations and will only release it to employes requiring such information.

5.9.2 If the Contractor requires access to the City's electronic information resources and/or its electronic data assets, the Contractor must adhere to all requirements of Maryland data privacy and security laws and the terms and conditions of the City's Contractor/Vendor on-site and remote access confidentiality agreement, which can be viewed at: http://www.rockvillemd.gov/documentcenter/view/74. which requires the City's consent for any secondary use of data or input of City data into public AI-tools, requires the Contractor to implement and maintain appropriate security measures to safeguard City data, inputs, and output from unauthorized access or use; and will notify City if it becomes aware of any unauthorized third-party access to City data.

5.9.3 The Contractor, its officers, employees, agents or subcontractors, shall not, without prior written authorization from the Contract Administrator 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 this Contract. Response to a subpoena or court order shall not be considered "voluntary" provided the Contractor gives City notice of such court order or subpoena.

5.9.4 If the Contractor, or any officer, employee, agent or subcontractor of the Contractor, provides any information or work product in violation of this 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.

5.9.5 The Contractor shall promptly notify the City 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 Contract and the work performed there under. The City 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 5 – Contractor Requirements

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ARTICLE 6 – RELATIONSHIP OF THE PARTIES

6.1 Status of Contractor

6.1.1 The Contractor shall have no authority to bind the officials, officers, employees or agents of the City in any manner, or to incur any obligation, debt or liability of any kind on behalf of or against the City, whether by contract or otherwise, unless such authority is expressly conferred under this Contract or is otherwise expressly conferred in writing by the City Manager.

6.1.2 The Contractor shall not at any time or in any manner represent that the Contractor or any of the Contractor's officers, employees, agents, or Subcontractors are in any manner officials, officers, employees or agents of the City.

6.1.3 Neither the Contractor, nor any of the Contractor's officers, employees, agents, or Subcontractors shall obtain any rights to retirement, health care or any other benefits which may otherwise accrue to the City's employees. The Contractor expressly waives any claim the Contractor may have to any such rights.

6.2 Independent Contractor

Neither the City, nor any of its officials, officers, employees or agents shall

(i) have control over the manner, mode or means by which the Contractor, its employees, agents, or Subcontractors perform the work related to the provision of the Scope of Work, except as otherwise set forth herein; or

(ii) have a voice in the selection, discharge, supervision or control of the Contractor's employees, servants, representatives or agents, or in fixing their number, compensation or hours of service. The Contractor shall perform all services required herein as an independent contractor of the City and shall remain at all times as to the City a wholly independent contractor with only such obligations as are consistent with that role.

(iii) The City shall not in any way or for any purpose become or be deemed to be a partner of the Contractor in its business or otherwise or a joint venturer or a member of any joint enterprise with the Contractor.

6.3 Non-assignability

The experience, knowledge, capability and reputation of the Contractor and its principals and employees were a substantial inducement for the City to enter into this Contract. Contractor shall not assign or transfer any interest nor the performance of obligations without the prior written approval of the City Manager. Any purported assignment without approval in writing shall be void.

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6.4 **Subcontractors**

Notwithstanding the above, if the City agrees that subcontractors may be used to provide products or services, the Contractor's hiring or retaining of any third parties ("**Subcontractors**") to perform work related to providing the Services is subject to the Contract Administrator's prior written approval. When requesting the Contract Administrator's prior written approval, the Contractor must provide in writing a justification for the need of a Subcontractor, a description of the work the Subcontractor will perform, and an estimated cost of the Subcontractor Services.

6.4.1 **Subcontract Requirements**

The Contractor shall expressly understand and agree the Contractor shall assume and be solely responsible for all legal and financial responsibilities related to the execution of a subcontract, and use of a subcontract shall in no way relieve the Contractor of the responsibility to provide the Services described herein.

6.4.1.1 The Contractor shall require each Subcontractor to obtain and maintain insurance policies as required by the City for the duration of this Contract. The Contractor shall determine Subcontractor policy limits and required endorsements proportionate to the work performed by Subcontractor.

6.4.1.2 The subcontract must include appropriate provisions and contractual obligations to ensure the successful fulfillment of all contractual obligations and to ensure the City is held harmless from all claims of damage, loss and cost of any kind related to the subcontract.

6.4.1.3 Contractor is obligated to pay Subcontractor, for Contractor and City approved invoice amounts, out of the compensation paid by the City to the Contractor not later than fourteen working days from the Contractor 's receipt of payment from the City. Nothing in this paragraph shall be construed to impair the right of the Contractor and any Subcontractor to negotiate fair and reasonable pricing and payment provisions among themselves.

6.4.2 **Deficient Subcontractor Performance**

If Subcontractor's performance is deficient, the Contractor shall notify the Contract Administrator in writing of any withholding of payment to Subcontractor, specifying: (i) the amount withheld; (ii) the specific cause under the terms of the subcontract for withholding payment; (iii) the connection between the cause for withholding payment and the amount withheld; and (iv) the remedial action Subcontractor must take in order to receive the amount withheld. Once Subcontractor corrects the deficiency, the Contractor shall pay Subcontractor the amount withheld within fourteen working days of the Contractor 's receipt of the City's next payment. It is the Contractor's responsibility to ensure that no lien for work performed by the Contractor or subcontractor is placed on the City.

6.4.3 **Indemnification**

6.4.3.1 The City shall not be made a party to any judicial or administrative proceedings to resolve any dispute between the Contractor and Subcontractor.

6.4.3.2 The Contractor agrees to defend and indemnify the City as described in Section 7 below, in any dispute between the Contractor and Subcontractor should the City be made a party to any judicial or administrative proceeding to resolve the dispute in violation of this position.

6.4.4 **Intended Beneficiary**

The City is an intended beneficiary of any work performed by Subcontractor for purposes of establishing a duty of care between Subcontractor and City.

End of Article 6 – Relationship of the Parties

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ARTICLE 7 – LIABILITIES

7.1 Insurance

The Contractor shall be required to obtain and maintain, at its sole cost and expense, in a form and content satisfactory to the Risk Manager for the City of Rockville, during the entire term of this Contract including any extensions thereof, the insurance coverages described in the Bid Documents, which shall cover the Mayor and Council, its appointed officers, and employees and agents of the City of Rockville.

7.1.1 Certificates evidencing insurance shall be filed with the City concurrently with executing this Contract. If not received the parties agree this Contract may be suspended.

7.1.2 Contractor's insurance coverage shall be primary insurance as respects the City, its elected and appointed officials, officers, consultants, agents and employees and any insurance or self-insurance maintained by the City, shall be excess of the Contractor's insurance and shall not be called upon to contribute with it.

7.1.3 Insurance or bonds required by this Contract 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 Contract continues for more than 3 years duration, or in the event the Risk Manager determines that the work or services to be performed under this Contract 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.

7.1.4 In the event the Contractor subcontracts any portion of the Scope of Work hereunder, 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, and such certificates and endorsements shall be provided to the Risk Manager.

7.1.5 The procuring of such required policy or policies of insurance will not be construed to limit Contractor's liability hereunder nor to fulfill the indemnification provisions of this Contract. Notwithstanding the policy or policies of insurance, Contractor will be obligated for the full and total amount of any damage, injury, or loss caused by or directly arising as a result of the Services performed under this Contract, including such damage, injury, or loss arising after the Contract is terminated or the term has expired.

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7.2 **Indemnification**

To the full extent permitted by law, the Contractor shall indemnify and hold harmless the Mayor and Council and its appointed officers, employees and agents ("**Indemnified Parties**") 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 of this Contract, and in connection therewith.

7.2.1 The Contractor shall 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.

7.2.2 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.

7.2.3 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 City hereunder therefore, and failure of City to monitor compliance with these provisions shall not be a waiver hereof.

7.2.4 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 negligence or willful acts or omissions.

7.2.5 The indemnity obligation shall be binding on successors and assigns of the Contractor and shall survive termination of this Contract.

7.3 Non-Liability of City Officers and Employees

No member, official, employee or agent of the Mayor and Council shall be personally liable to the Contractor in the event of any Default or breach by the City or for any amount which may become due to the Contractor or its successors or assigns or on any obligation under the terms of this Contract.

7.4 No Waiver of Sovereign Immunity

Notwithstanding any other provisions of this Contract to the contrary, nothing in this Contract nor any action taken by the Mayor and Council pursuant to this Contract nor any document which arises out of this Contract shall constitute or be construed as a waiver of either the sovereign immunity or governmental immunity of the Mayor and Council and its appointed officials, officers, and employees.

End of Art. 7 - Liabilities

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ARTICLE 8. ENFORCEMENT AND TERMINATION

The City may proceed at any time or from time to time to protect and enforce all rights and remedies available.

Default of this Contract shall include circumstances where any of the scope of Services are not performed in good faith; any representation or warranty is found to be not true and correct; failure to comply with any covenant, condition or warranty of this Contract or disregard of law, ordinances or instructions of the City; failure to satisfy a condition precedent to receive a disbursement; failure to make prompt payment to any subcontractors; or if Contractor shall be adjudged bankrupt, make a general assignment for the benefit of its creditors, or a receiver be appointed on account of its insolvency ("**Default**").

8.1 **Governing Law**

This Contract shall be interpreted, construed and governed both as to validity and to performance of the Parties in accordance with the laws of the State of Maryland.

8.2 **No third-party beneficiary**

The Services to be performed by the Contractor are intended solely for the benefit of the City. No provision of this 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.

8.3 **Disputes**

8.3.1 **Resolution by City Manager**

Any dispute concerning a question of fact arising under this Contract which is not disposed of by this Contract shall be decided by the City Manager in accordance with the Rockville Procurement Code, who shall notify the Contractor in writing of the determination. The Contractor shall be afforded the opportunity to be heard and offer evidence in support of the claim and shall cooperate during any such investigation. Pending final decision of the dispute herein, the Contractor shall proceed diligently with performance under this Contract. The decision of the City Manager shall be final and conclusive unless an appeal is taken pursuant to the City Purchasing Ordinance. Pending final resolution of a dispute the Contractor shall proceed diligently with Contract performance.

8.3.2 **Retain funds**

The Contractor hereby authorizes the City to deduct from any amount payable to the Contractor (whether or not arising out of this Contract) (i) any amounts the payment of which may be in dispute hereunder or which are necessary to compensate the City for any losses, costs, liabilities, or damages suffered by the City, and (ii) all amounts for which the City may be liable to third parties, by reason of the Contractor's acts or omissions in performing or failing to perform the

Contractor's obligation under this Contract. In the event that any claim is made by a third party, the amount or validity of which is disputed by the Contractor, or any indebtedness shall exist which shall appear to be the basis for a claim of lien, the City may withhold from any payment due, without liability for interest because of such withholding, an amount sufficient to cover such claim. The failure of the City to exercise such right to deduct or to withhold shall not, however, affect the obligations of the Contractor to insure, indemnify, and protect the City as elsewhere provided herein.

8.3.3 City Duties during Dispute

In the event that the Contractor is in Default under the terms of this Contract, the City shall not have any obligation or duty to continue compensating the Contractor for any work performed after the date of Default.

8.3.3.1 The City may give notice to the Contractor of the Default and the reasons for the Default.

8.3.3.2 The notice shall include the timeframe in which the Contractor may cure the Default. This timeframe is presumptively thirty (30) days, but may be extended, though not reduced, if circumstances warrant.

8.3.3.3 During the period of time that the Contractor is in Default, the City shall hold all invoices and shall, when the Default is cured, proceed with payment on the invoices. In the alternative, the City may, in its sole discretion, elect to pay some or all of the outstanding invoices during the period of Default. If the Contractor does not cure the Default, the City may take necessary steps to terminate this Contract under this Contract.

8.3.3.4 Any failure on the part of the City to give notice of the Contractor's Default shall not be deemed to result in a waiver of the City's legal rights or any rights arising out of any provision of this Contract.

8.4 No Waiver of Claims

Waiver by any party to this Contract of any term, condition, or covenant of this Contract shall not constitute a waiver of any other term, condition, or covenant. Waiver by any party of any breach of the provisions of this Contract shall not constitute a waiver of any other provision or a waiver of any subsequent breach or violation of any provision of this Contract. Acceptance by the City of any work or services by the Contractor shall not constitute a waiver of any of the provisions of this Contract. No delay or omission in the exercise of any right or remedy by a non-Defaulting party on any Default shall impair such right or remedy or be construed as a waiver. Any waiver by either Party of any Default must be in writing and shall not be a waiver of any other Default concerning the same or any other provision of this Contract.

8.5 Legal Action

In addition to any other rights or remedies, either Party may take legal action, in law or in equity, to cure, correct or remedy any Default, to recover damages for any Default, to compel specific performance of this Contract, to obtain declaratory or injunctive relief, or to obtain any other remedy consistent with the purposes of this Contract.

8.5.1 Delay damages. By executing this 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.

8.6 Cumulative Rights and Remedies

Except with respect to rights and remedies expressly declared to be exclusive in this Contract, the rights and remedies of the Parties are cumulative and the exercise by either Party of one or more of such rights or remedies shall not preclude the exercise by it, at the same or different times, of any other rights or remedies for the same Default or any other Default by the other Party.

8.7 Termination

8.7.1 Duty Upon Notice of Termination

After receipt of a Notice of Termination, and except as otherwise directed by the Contract Administrator, the Contractor shall:

(a) Stop work under the Contract on the date and to the extent specified in the Notice of Termination;

(b) Place no further orders or subcontracts for materials, services or facilities, except as may be necessary for completion of the portion of the work under the contract as is not terminated;

(c) Terminate all orders and subcontracts to the extent that they relate to the performance of work terminated by Notice of Termination;

(d) Assign to the City in the manner, at the times, and to the extent the City directs, all of the right, title, and interest of the Contractor under the orders and subcontracts so terminated, in which case the City shall have the right, in its discretion, to settle or pay any or all claims arising out of the termination of such orders and subcontracts;

(e) Settle all outstanding liabilities and all claims arising out of the termination of orders and subcontracts, with the approval or ratification of the procurement officer, to the extent the City may require, which approval or ratification shall be final for all the purposes of this clause;

(f) Transfer title and deliver to the City, in the manner, at the times and to the extent, if any,

directed by the City, (i) the fabricated or unfabricated parts, work in process, completed work, supplies, and other material produced as a part of, or acquired in connection with the performance of, the work terminated by the Notice of Termination, and (ii) the completed or partially completed plans, drawings, information, and other property which, if the contract had been completed, would have been required to be furnished to the City;

(g) Use the Contractor's best effort to sell, in the manner, at the times, to the extent, and at the price or prices directed or authorized by the City, any property of the types referred to in (f) of this clause; provided, however, that the Contractor (i) shall not be required to extend credit to any purchaser, and (ii) may acquire any such property under the conditions prescribed by and at a price or prices approved by the City; and provided further that the proceeds of any such transfer or disposition shall be applied in reduction of any payments to be made by the City to the Contractor under this Contract or shall otherwise be credited to the price or cost of the work covered by this contract or paid in such other manner as the City may direct;

(h) Complete performance of such part of the Services as may not have been terminated by the Notice of Termination.

8.7.2 **Termination for No Appropriation or Availability of Funds**

The validity of this Contract is subject to appropriation and encumbrance of funding pursuant to Maryland law and the Rockville City Code. If Mayor and Council fails to approve an appropriation to fund a multi-year contract, the Contract shall terminate on the first day of that fiscal year without further cost to the City per Rockville Code § 17-41.

8.7.3 **[Intentionally Blank]**

8.7.4 **Termination for Convenience**

This Section shall govern any termination of this Contract except as specifically provided in the following Section for termination for cause.

8.7.4.1 The City reserves the right to terminate this Contract at any time, with or without cause, upon thirty (30) days' written notice to the Contractor, except that where termination is due to the fault of the Contractor, the period of notice may be such shorter time as may be determined by the City Manager or his designee.

8.7.4.1.1 Upon receipt of any notice of termination, the Contractor shall immediately cease all work hereunder except such as may be specifically approved by the City Manager or his designee.

8.7.4.1.2 Except where the Contractor has initiated termination, the Contractor shall be entitled to compensation for all Services rendered prior to the effective date of the notice of termination and for any Services authorized by the

City Manager or his designee thereafter in accordance with the Compensation and Fee Schedule or such as may be approved by the City Manager or his designee.

8.7.4.2 The Contractor reserves the right to terminate this Contract at any time, with or without cause, upon sixty (60) days' written notice to the City, except that where termination is due to the fault of the City, the period of notice may be such shorter time as the Contractor may determine.

8.7.4.2.1 In the event the Contractor has initiated termination, the Contractor shall be entitled to compensation only for the reasonable value of the work product actually produced hereunder.

8.7.4.3 In the event of termination without cause pursuant to this Section, the terminating party need not provide the non-terminating party with the opportunity to cure.

8.7.5 **Termination for Cause**

The Contract may be cancelled or annulled by the City in whole or in part by providing notice in writing of Default.

8.7.5.1 If termination is due to the failure of the Contractor to fulfill its obligations under this Contract or other condition of Default, the City may, after compliance with the provisions of Section 8.3.3, take over the work related to the provision of the Scope of Work and prosecute the same to completion by contract or otherwise.

8.7.5.2 The Contractor shall be liable to the extent that the total cost for completion of the Scope of Work required hereunder exceeds the compensation herein stipulated (provided that the City shall use reasonable efforts to mitigate such damages), and the City may withhold any payments to the Contractor for the purpose of set-off or partial payment of the amounts owed the City as previously stated.

End of Art. 8 – Enforcement and Termination

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ARTICLE 9 - MISCELLANEOUS

9.1 Notices and Demands

Formal notices, demands, and communications between the Contractor and the City 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 mail postage prepaid service of the United States Postal Service that provides a receipt showing date and time of delivery, addressed to:

To the City:

Mayor and Council of Rockville
c/o Office of the City Clerk / Director of Council Operations
111 Maryland Avenue
Rockville, Maryland 20850
Attn: City Clerk / Director of Council Operations
cityclerk@rockvillemd.gov
Telephone: (240) 314-8283

With copies to:

Office of the City Manager
111 Maryland Avenue
Rockville, Maryland 20850
Attn: City Manager
Email: cmo@rockvillemd.gov
Telephone: (240) 314-8102

Office of the City Attorney
111 Maryland Avenue
Rockville, Maryland 20850
Attn: City Attorney
Email: cityattorney@rockvillemd.gov
Telephone: (240) 314-8150

Department of Procurement
111 Maryland Avenue
Rockville, Maryland 20850
Attn: Director
Email: procurement@rockvillemd.gov
Telephone: (240) 314-8432

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To the Contractor: Scott Stein
Vice President
KM Printing, LLC dba Strategic Factory
11195 Dolfield Blvd.
Owings Mills, MD 21117
Email: scotts@strategicfactory.com
Phone: 443-548-3500 ext. 3430

9.1.1 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) business day after delivery by such service. Notices mailed shall be deemed effective on the fifth (5th) business 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. As used herein, "business day" means a day other than Saturday, Sunday, or a federal holiday, state holiday in the State of Maryland, or a city holiday in the City of Rockville, Maryland.

9.1.2 Contractor must inform City immediately of any changes of entity name or contact information during the contract term and warranty period.

9.2 **Governing Law**

This Contract shall be interpreted, construed and governed both as to validity and to performance of the Parties in accordance with the laws of the State of Maryland.

9.2.1 Legal actions concerning any dispute, claim or matter arising out of or in relation to this Contract shall be instituted in the Circuit Court of Montgomery County, State of Maryland, and the Contractor covenants and agrees to submit to the personal jurisdiction of such court in the event of such action. In the event of litigation in a U.S. District Court, venue shall lie exclusively in the State of Maryland, Southern Division.

9.2.2 Notwithstanding anything herein contained to the contrary, Contractor acknowledge the Mayor and Council is a municipal corporation and its obligations hereunder are given only to the extent permitted by applicable law; contingent upon the appropriation and encumbrance of funding; subject to the Maryland Public Information Act presumption that all records within the custody of the City are available to the public for review; and subject to the notice requirements and damage 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.

9.3 **Survival**

The parties agree that provisions of this Contract which by their nature are intended to survive in the event of a dispute or because their obligations continue past termination of the Contract,

including provisions relating to representations, warranties, acknowledgements, reservation of rights, use restrictions, fees, confidentiality, limits of liability, indemnification, and termination will so survive.

9.4 Severability

If any term, provision, covenant, or condition of this Contract is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remainder of this Contract shall not be affected thereby to the extent such remaining provisions are not rendered impractical to perform taking into consideration the purposes of this Contract. In the event that all or any portion of this Contract is found to be unenforceable, this 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 this Contract or that portion which is found to be unenforceable.

9.5 Entire Agreement

This Contract integrates all of the terms and conditions mentioned herein, or incidental hereto, and supersedes all negotiations and previous agreements between the Parties.

9.6 Waivers and Amendments, Writing Required

9.6.1 All waivers of the provisions of this 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.

9.6.2 No waiver by any party at any time of any of the terms, conditions, or covenants shall be deemed as a waiver at any time thereafter of the same or of any other terms, condition or covenant.

9.7 Successors

The covenants of this Contract shall be binding upon and shall inure to the benefit of the parties, their respective successors, administrators, executors, and assigns.

9.8 Signatures

9.8.1 This Contract 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.

9.8.2 This 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.

End of Article 9 – Miscellaneous Provisions

(Signature page follows)

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IN WITNESS WHEREOF, the Mayor and Council and the Contractor have each executed, or caused to be duly executed, this Contract under seal in duplicate, 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: _____
Jeff Mihelich, City Manager

_____
Cynthia Walters
Acting City Attorney

CONTRACTOR

KM Printing, LLC, a Maryland LLC

By: _____
Scott Stein, Vice President

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MAYOR AND COUNCIL Meeting Date: June 29, 2026
Agenda Item Type: CONSENT
Department: HOUSING AND COMMUNITY DEVELOPMENT
Responsible Staff: JANE LYONS-RAEDER

Subject

Approval of, and authorization of the City Manager to Execute the Moderately Priced Dwelling Unit Homeownership Program Agreement; and Approval of, and authorization of the City Manager to Execute the Declaration of Restrictive Covenants for Phase III Flats at Northside Condominium Units between the Mayor and Council of Rockville and Pulte Home Company, LLC, Subject to Approval as to Legal Form by the Acting City Attorney

Department

Housing and Community Development

Recommendation

Staff recommend that the Mayor and Council approve and authorize the City Manager to execute the
Moderately Priced Dwelling Unit Homeownership Program Agreement and approve and authorize the City Manager to execute the Declaration of Restrictive Covenants between the Mayor and Council and Pulte Home Company, LLC.

Discussion

Per Section 13.5-5(a) of the City Code on Moderately Priced Housing, prior to obtaining a building permit, an applicant must submit a written Moderately Priced Dwelling Unit (MPDU) program agreement that has been approved by the Mayor and Council and the City Attorney to the building permit application.

The attached MPDU Homeownership Program Agreement (Attachment A) is for Phase III Flats at Northside Condominium Units. The applicant will be constructing 48 residential condominium units, including seven condominiums designated as MPDUs. A substantially final version of the MPDU Homeownership Program Agreement is attached, ready for the Mayor and Council to approve and to authorize the City Manager to execute on the Mayor and Council's behalf.

Additionally, the building permit application must execute and record covenants. This is to assure that the restrictions included in Section 13.5-5 run with the land for the entire period of

control and bind the applicant, any assignee, mortgagee, or buyer and all other parties that receive title to the property. The covenants are to be senior among the instruments for securing permanent financing. Staff and the City Attorney's Office drafted the Declaration of Restrictive Covenants (Attachment B) for Pulte Home Company, LLC.

Mayor and Council History

The Mayor and Council approved the MPDU Homeownership Program Agreements for the Flats at Northside phases one and two on August 5, 2024 and December 16, 2024, respectively.

Boards and Commissions Review

The Planning Commission approved the Level 2 Site Plan application #2020-00399 on August 11, 2021 for the Potomac Woods Multi-Use Development Project, which includes: i) the demolition of an existing office building, ii) the construction of a four-story parking garage, iii) the construction of approximately 99 townhomes, 96 multifamily residential units, and 213 multifamily senior housing residential units.

On April 11, 2022, the Planning Commission approved the Final Record Plat Condition for Phase III Northside Condominium Real Property, which will include the construction of a five-story condominium building with 48 residential units.

On January 24, 2025, the Planning Commission approved a Minor Site Plan Amendment for Phase III Northside Condominium Real Property.

Next Steps

The Moderately Priced Dwelling Unit Homeownership Program Agreement and Declaration of Restrictive Covenants between the Mayor and Council and Pulte Home Company, LLC will be finalized for execution by all parties.

Attachments

Flats at Northside (Pulte Phase III) - MPDU Program Agreement, Flats at Northside (Pulte Phase III) - MPDU Declaration of Restrictive Covenants

CITY OF ROCKVILLE, MARYLAND
MODERATELY PRICED DWELLING UNITS
HOMEOWNERSHIP PROGRAM AGREEMENT

Phase III
Flats at Northside Condominium Units

This **MODERATELY PRICED DWELLING UNITS HOMEOWNERSHIP PROGRAM AGREEMENT** (this "**Agreement**") is entered into as of this _____ day of _____ _____ 2026 (the "**Effective Date**") by and between **THE MAYOR AND COUNCIL OF ROCKVILLE**, a body corporate and municipal corporation of the State of Maryland (the "**Mayor and Council**") and **PULTE HOME COMPANY, LLC**, a Michigan limited liability company, having a principal address at 4000 Legato Road, Suite 900, Fairfax, VA 22033 and qualified to do business in the State of Maryland (the "**Owner**"). Individually, the Mayor and Council and the Owner may each be referred to hereinafter as the "**Party**," or collectively as the "**Parties**."

R E C I T A L S

A. **WHEREAS,** on January 13, 2020, EYA Development LLC, a Maryland limited liability company (the "**Original Site Plan Applicant**") submitted Level 2 Site Plan Application #2020-00399 ("**STP #2020-00399**") to the City of Rockville Department of Community Planning and Development Services ("**CPDS**") on behalf of the Northside Condo Real Property Sellers (defined below), and on August 11, 2021, the Planning Commission for the City of Rockville (the "**Planning Commission**") approved STP #2020-00399 to allow for **(i)** the demolition of an existing office building **(ii)** the construction of a 4-story parking garage with 376 spaces to serve the existing Lifetime Fitness health club, and **(iii)** the construction of approximately 99 townhomes, 96 multifamily residential units, and 213 multifamily senior housing residential units (collectively, the "**Potomac Woods Multi-Use Development Project**"), on an approximately 13.15 acre site, identified as Part of Lot 23, Block A, Wheel of Fortune Subdivision at 11511 Fortune Terrace (the "**Potomac Woods Multi-Use Development Real Property**"), subject to certain conditions, including a condition that the Original Site Plan Applicant submit for review and approval by the Planning Commission a final record plat application to resubdivide the Potomac Woods Multi-Use Development Real Property into new record lots for the Potomac Woods Multi-Use Development Project (the "**Final Record Plat Condition**"), which final record plat must be approved and recorded prior to the issuance of building permits for the Potomac Woods Multi-Use Development Project; and

B. **WHEREAS,** in order to comply with the Final Record Plat Condition, on April 11, 2022, Marsol Fortune Terrace, LLC, a Maryland limited liability company (the "**Marsol**") submitted Final Record Plat application PLT #2022-00599 ("**PLT #2022-00599"**) to CPDS on behalf of the Northside Condo Real Property Sellers (defined below), and on October 19, 2022, the Planning Commission approved PLT #2022-00599 to allow for the resubdivision of the Potomac Woods Multi-Use Development Real Property and create, among other things, Lot 127 in Block A, being a resubdivision of part of Lot 23, Wheel of

Fortune Subdivision, as described on **Exhibit A** and attached hereto (the "**Phase III Northside Condominium Real Property**"), in order to facilitate the transfer of ownership of the Phase III Northside Condominium Real Property to the Owner and accommodate the construction of one (1) five (5) story condominium building on Lot 127 which building will contain a total of forty-eight (48) residential condominium units; and

C. **WHEREAS,** on January 24, 2025, CPDS approved a Minor Site Plan Amendment STP #2025-00497 ("**STP #2025-00497**") as an amendment to STP #2020-00399 to allow for the construction of building on Lot 127, the Phase III Northside Condominium Real Property, which will contain a total of forty-eight (48) residential condominium units, amend open and public use space areas, add parking spaces, and redesign utilities and stormwater management; and

D. **WHEREAS,** the Owner was formed and organized as a Michigan limited liability company for the purpose of, among other things, acquiring the fee simple title to the Phase III Northside Condominium Real Property and developing, financing, constructing, owning and selling forty-eight (48) residential condominium units (the **"Phase III Flats at Northside Condominium Units**") constructed on the Phase III Northside Condominium Real Property; and

E. **WHEREAS,** on April 1, 2026, in order to facilitate the implementation of a portion of STP #2020-00399, the Owner acquired the fee ownership interest in the Phase III Northside Condominium Real Property from the Marsol, Dafink Fortune Terrace LLC, a Maryland limited liability company ("**Dafink**"), Sufink Fortune Terrace LLC, a Maryland limited liability company ("**Sufink**"), Solfam Fortune Terrace LLC, a Maryland limited liability company ("**Solfam**"), Fortune Terrace Investment LLC, a Maryland limited liability company ("**FTI**"), and Tash Development, LLC, a Delaware limited liability company ("**Tash**")(Marsol, Dafink, Sufink, Solfam, FTI and Tash jointly referred to as the "**Northside Condo Real Property Sellers**") by virtue of that certain Special Warranty Deed dated April 1, 2026, and recorded on April 6, 2026, in Book 70331, at Page 80, among the Montgomery County land records; and;

F. **WHEREAS,** (i) Lot 125 in Block A, Wheel of Forture Subdivision (the "**Phase 1 Northside Condominium Real Property**"), (ii) Lot 126 in Block A, Wheel of Fortune Subdivision (the "**Phase II Northside Condominium Real Property**"); (iii) the Phase III Northside Condominium Real Property, and (iv) Lots 23A through 23E in Block A, Wheel of Fortune Subdivision (the "**Northside Townhomes Real Property**") will be developed as a residential community (the "**Northside Residential Development**") consisting of, among other things, forty-seven (47) multi-family residential condominium units to be developed and constructed on the Phase 1 Northside Condominium Real Property, the forty-eight (48) multi-family residential condominium units to be developed and constructed on the Phase II Northside Condominium Real Property, the Phase III Northside Flats at Northside Condominium Units, and approximately ninety-nine (99) residential

townhome units to be developed and constructed on the Northside Townhomes Real Property, as well as public use space, private open space, and private alleys; and

G. **WHEREAS,** pursuant to Chapter 13.5 of the Rockville City Code (the "**MPDU Ordinance**") and the associated City of Rockville, Maryland Moderately Priced Housing Regulations (the "**MPDU Regulations**"), a minimum of fifteen percent (15%) of the residential units constructed in the Northside Residential Development are required to be designated as moderately priced dwelling units ("**Moderately Priced Dwelling Units**" or "**MPDUs**"), which must be reserved for sale to Eligible Households (as defined below) (the "**Rockville Affordable Housing Contribution Requirement**"); and

H. **WHEREAS,** pursuant to the MPDU Ordinance and the terms of this Agreement, the Owner shall designate, administer, and sell seven (7) Phase III Flats at Northside Condominium Units as Moderately Priced Dwelling Units (the "**Phase III MPDU Condominium Units**"), of which **(i)** two (2) shall be reserved for sale to and occupancy by Eligible Households with annual incomes at or below fifty percent (50%) of the Area Median Income, **(ii)** two (2) shall be reserved for sale to and occupancy by Eligible Households with annual incomes at or below sixty percent (60%) of the Area Median Income, and (**iii**) three (3) shall be reserved for sale to and occupancy by Eligible Households with annual incomes at or below eighty percent (80%) of the Area Median Income; and

I. **WHEREAS,** pursuant to that certain Assignment and Assumption of Development Approvals, dated April 1, 2026, by and between the Northside Condo Real Property Sellers and the Owner, the Northside Condo Real Property Sellers transferred and assigned to the Owner all of their respective rights and obligations under the development approvals for the Phase III Northside Condominium Real Property, including PLT #2022-00599 and STP #2020-00399; and

J. **WHEREAS,** as required by the MPDU Ordinance, **(i)** in order to obtain a building permit for all or portions of the Phase III Northside Condominium Real Property and the Phase III Flats at Northside Condominium Units, the Owner is required to submit to the CPDS a fully executed copy of this Agreement that has been approved by the Mayor and Council and the City Attorney, and (**ii**) the Owner is required to execute certain documents in order to evidence compliance with the Rockville Affordable Housing Contribution Requirement and, pursuant thereto, the Owner's execution of this Agreement and the MPDU Restrictive Covenants (as defined below) shall evidence such compliance, as more particularly set forth below.

NOW, THEREFORE, IN CONSIDERATION of the foregoing and the covenants 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; AND EXHIBITS

Section 1.01. Incorporation of Recitals. The foregoing recitals above are an integral part of this Agreement and set forth the intentions of the Parties and the premises on which the Parties have decided to enter into this Agreement. Accordingly, the foregoing recitals are fully incorporated into this Agreement by this reference as if fully set forth herein.

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

"***Area Median Income***" or "***AMI***" means the median income for the Washington, DC-Arlington-Alexandria, DC-VA-MD HUD Metro FMR Area, adjusted for Household Size, as published from time to time by HUD pursuant to Section 4 of the United States Housing Act of 1937.

"***Construction Staging Plan***" shall have the meaning described in Section 2.03(a),

"***CPDS***" shall have the meaning described in Recital A.

"***Dafink***" shall have the meaning described in Recital E.

"***DHCD***" means the City of Rockville Department of Housing and Community Development.

"***Director***" means the Director of the City of Rockville Department of Housing and Community Development.

"***Eligible Household***" means a person or household whose annual gross income qualifies the person or household to participate in the Mayor and Council's moderately priced dwelling unit (MPDU) homeownership program, as determined by the City Manager or his authorized designee.

"***Eligibility List***" means the list, maintained by DHCD in accordance with the MPDU Ordinance, of Eligible Households who are seeking to purchase moderately priced dwelling units in the City of Rockville pursuant to the Mayor and Council's moderately priced dwelling unit (MPDU) homeownership program.

"***FTI***" shall have the meaning described in Recital E.

"***Household Size***" means the actual number of persons in the Eligible Household.

"***Housing Agency***" means Rockville Housing Enterprises, the successor entity to the Housing Authority of the City of Rockville, or such other agency or organization as the Mayor and Council may designate.

"*HUD*" means the United States Department of Housing and Urban Development.

"*Marsol*" shall have the meaning described in Recital E.

"***Moderately Priced Dwelling Units***" or "***MPDUs***" shall have the meaning described in Recital F.

"*MPDU Ordinance*" shall have the meaning described in Recital G.

"*MPDU Regulations*" shall have the meaning described in Recital G.

"*MPDU Restrictive Covenants*" means that certain Deed of Declaration of Restrictive Covenants and Conditions for the Mayor and Council of Rockville's Moderately Priced Dwelling Unit (MPDU) Homeownership Program, to be recorded among the Montgomery County, Maryland land records (the "**Land Records**") by the Owner for the benefit of the Mayor and Council and its MPDU Home Ownership Program, containing covenants, conditions and restrictions regarding the ownership, operation, use, sale and occupancy of each Phase III MPDU Condominium Unit during the Phase III MPDU Condominium Unit Compliance Control Period, substantially in the form attached hereto as **Exhibit C**.

"*Northside Condo Real Property Sellers*" shall have the meaning described in the Recital E.

"*Northside Residential Development*" shall have the meaning described in Recital F.

"*Northside Townhomes Real Property*" shall have the meaning described in Recital F.

"*Owner*" means Pulte Home Company, LLC, a Michigan limited liability company, qualified to do business in the State of Maryland, having a principal address at 4000 Legato Road, Suite 900, Fairfax, VA 22033, and its successors and approved assigns.

"*Phase III Flats at Northside Condominium Units*" shall have the meaning described in Recital D.

"***Phase III MPDU Condominium Unit Compliance Control Period***" means the thirty (30) year period commencing upon the date of the first sale and settlement of each Phase III MPDU Condominium Unit and terminating thirty (30) years later at 11:59 p.m., during which time the Owner covenants and agrees for itself, its successors, or its assigns, that each Phase III MPDU Condominium Unit shall be conveyed subject to the MPDU Restrictive Covenants and Article II of this Agreement.

"*Phase III MPDU Condominium Units*" shall have the meaning described in Recital H.

"*Phase III Northside Condominium Real Property*" shall have the meaning described in Recital B.

"*Phase 1 Northside Condominium Real Property*" shall have the meaning described in Recital F.

"*Phase II Northside Condominium Real Property*" shall have the meaning described in Recital F.

"*Planning Commission*" shall have the meaning described in Recital A.

"*PLT #2022-00599*" shall have the meaning described in Recital B.

"*Potomac Woods Multi-Use Development Project*" shall have the meaning described in Recital A.

"*Potomac Woods Multi-Use Development Real Property*" shall have the meaning described in Recital A.

"*Priority Eligibility List*" means that certain list, maintained by DHCD, of Eligible Households who are seeking to purchase moderately priced dwelling units in the City of Rockville pursuant to the Mayor and Council's moderately priced dwelling unit homeownership program, that includes: (i) persons in an Eligible Households that live or work within the corporate boundaries of the City of Rockville, (ii) Eligible Households that are headed by a person or persons over the age of fifty-five, or (iii) Eligible Households that are seeking to purchase an MPDU with 3 or more bedrooms.

"*Priority Marketing Period*" means the ninety (90) day period, as determined by DHCD, during which time only Eligible Households who are listed on the Priority Eligibility List may contract to purchase MPDUs listed in an Offering Notice.

"*Rockville Affordable Housing Contribution Requirement*" shall have the meaning described in Recital G.

"*Solfam*" shall have the meaning described in Recital E.

"*Sufink*" shall have the meaning described in Recital E.

"*STP #2020-00399*" shall have the meaning described in Recital A.

"*Tash*" shall have the meaning described in Recital E.

"*Term*" means from the Effective Date through the date of the closing of the sale of the last Phase III MPDU Condominium Unit, during which time the Owner covenants and agrees for itself, its successors or its assigns under this Agreement, to comply with each restriction and covenant set forth in the MPDU Restrictive Covenants and this Agreement.

Section 1.03. General. Any capitalized term to which a meaning is expressly given in this Agreement shall have the meaning assigned to it hereunder, such definitions to be applicable equally to the singular and the plural forms of such terms and to all genders.

Section 1.04. Exhibits. The following Exhibits are attached to this Agreement and are fully incorporated into this Agreement by this reference as if fully set forth herein:

Exhibit A	Legal Description of the Phase III Northside Condominium Real Property
Exhibit B	Intentionally Omitted
Exhibit C	Form of MPDU Restrictive Covenants
Exhibit D	Construction Staging Plan

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ARTICLE II
ROCKVILLE AFFORDABLE HOUSING CONTRIBUTION COVENANTS

Section 2.01. General Covenant. In accordance with the MPDU Ordinance, the Owner hereby covenants and agrees for itself, its successors, and its assigns, to comply with each restriction and covenant set forth in the MPDU Restrictive Covenants and this Article II for the duration of the Term.

Section 2.02. Affordable Housing Contribution Requirement – Designation of MPDUs.

(a) Intentionally Omitted.

(b) Phase III MPDU Condominium Units. The Owner covenants and agrees to comply with the Rockville Affordable Housing Contribution Requirement and the MPDU Ordinance by designating the following eight (8) residential condominium units on the Phase III Northside Condominium Real Property as Moderately Priced Dwelling Units solely for sale to and occupancy by Eligible Households pursuant to the terms of this Agreement and the MPDU Restrictive Covenants:

Address	Unit Number	Tax ID Number	Eligible Household Maximum Income	Number Of BRs/ BAs	Approx. NET Sq Ft	Initial Maximum Sale Price
1. 1101 Fortune Terrace	106	TBD	60% AMI	2BR/2BA	1,566 sf	$251,000
2. 1101 Fortune Terrace	107	TBD	50% AMI	1BR/1BA	1,177 sf	$162,500
3. 1101 Fortune Terrace	206	TBD	80% AMI	2BR/2BA	1,566 sf	$272,500
4. 1101 Fortune Terrace	207	TBD	50% AMI	1BR/1BA	1,177 sf	$162,500
5. 1101 Fortune Terrace	306	TBD	80% AMI	2BR/2BA	1,566 sf	$272,500
6. 1101 Fortune Terrace	307	TBD	60% AMI	1BR/1BA	1,177 sf	$195,000
7. 1101 Fortune Terrace	407	TBD	80% AMI	1BR/1BA	1,177 sf	$212,000

(c) Intentionally Omitted.

Section 2.03. Construction and Occupancy of the Phase III MPDU Condominium Units.

(a) Construction Staging. In accordance with the MPDU Ordinance, and pursuant to that certain plan for staging construction of the Phase III Flats at Northside Condominium Units (the "**Construction Staging Plan**"), attached hereto as **Exhibit D**, the Owner covenants and agrees to construct, or cause to be constructed, the Phase III MPDU Condominium Units contemporaneously with or before the market-rate Phase III Flats at Northside Condominium Units, as provided for in the Construction Staging Plan.

(b) The Owner covenants and agrees that each Phase III MPDU Condominium Unit constructed shall be comparable in infrastructure, construction quality, and exterior design to market-rate units constructed on the Phase III Northside Condominium Real Property. Interior features and finishes must be durable, of good quality, and consistent with contemporary standards for new housing and comparable in quality to the market-rate units constructed on the Phase III Northside Condominium Real Property.

(c) The Owner covenants and agrees that each Phase III MPDU Condominium Unit constructed shall comply with all applicable local, state, and federal laws, statutes, ordinances, and regulations necessary to permit occupancy of the Phase III MPDU Condominium Unit.

(d) The Owner covenants and agrees that, upon completion of construction and prior to the occupancy of each Phase III MPDU Condominium Unit, the City Manager or his authorized designee shall have the right to perform on-site inspections during normal business hours after reasonable prior written notice to the Owner in order to confirm compliance with the terms of this Agreement. The Owner shall cooperate with any such inspection.

(e) The Owner covenants and agrees to submit a fully executed and recorded copy of the MPDU Restrictive Covenants to the City of Rockville Department of Community Planning and Development Services – Division of Inspection Services prior to obtaining a certificate of occupancy for the Phase III MPDU Condominium Units.

Section 2.04. Offering of Phase III MPDU Condominium Units.

(a) Offerings. The Owner covenants and agrees to offer the Phase III MPDU Condominium Units for sale to Eligible Households in accordance with the MPDU Ordinance and the terms of this Agreement.

(b) Offering Notice. The Owner covenants and agrees that prior to offering any Phase III MPDU Condominium Unit for sale, the Owner shall provide the DHCD Director with the following:

i. An "**Offering Notice**" that shall include the following information:

A. The number of Phase III MPDU Condominium Units being offered for sale;

B. The bedroom mix of the Phase III MPDU Condominium Units being offered for sale;

C. The floor area for each Phase III MPDU Condominium Unit type being offered for sale;

D. A description of the amenities offered in each Phase III MPDU Condominium Unit being offered for sale;

E. A statement of the availability of Phase III MPDU Condominium Units for sale, including information regarding any mortgage financing available to potential buyers;

F. The date on which the Owner will be ready to begin marketing the Phase III MPDU Condominium Units listed in the Offering Notice for sale to Eligible Households;

ii. A vicinity map of the area where the Phase III MPDU Condominium Units that will be offered are located; and

iii. A fully executed copy of the approved development, subdivision or site plan, as applicable, for the Northside Residential Development; and

iv. Such additional information or documents as the DHCD Director may reasonably require.

(c) Acceptance of Offering Notice. In accordance with the MPDU Ordinance, upon acceptance by the DHCD Director of a complete Offering Notice, the DHCD Director shall:

i. notify the Housing Agency that it has an option to purchase up to 33 and 1/3% of the Phase III MPDU Condominium Units listed in the Offering Notice (In order to exercise its option, the Housing Agency must submit to the Owner, within twenty-one (21) calendar days of receipt of the notification from the DHCD Director, a notice of intent to exercise its option to purchase specific Phase III MPDU Condominium Units); and

ii. notify the Owner (A) as to when the Priority Marketing Period will begin for the available Phase III MPDU Condominium Units listed in the Offering Notice, and (B) as to whether the Owner will be required to offer the available Phase III MPDU Condominium Units listed in the Offering Notice to Eligible Households pursuant to a lottery or by another method that will assure that Eligible Households will have an equitable opportunity to purchase the available Phase III MPDU Condominium Units not otherwise purchased by the Housing Agency.

Section 2.05. Initial Sale of Phase III MPDU Condominium Units.

(a) Sale – Eligible Households on the Priority Eligibility List.

i. During the ninety (90) day Priority Marketing Period, all of the Phase III MPDU Condominium Units listed in the Offering Notice (excluding those units that the Housing Agency will purchase pursuant to its option) shall be exclusively offered for sale to Eligible Households selected from the Priority Eligibility List, in accordance with DHCD's notification, marketing, and selection procedures. The Owner shall make a good faith effort to enter into purchase contracts with Eligible Households selected from the Priority Eligibility List during the Priority Marketing Period.

ii. Intentionally Omitted.

(b) Sale – Eligible Households on the Eligibility List. If any of the Phase III MPDU Condominium Units listed in the Offering Notice remain unsold after the Priority Marketing Period, then all of the remaining unsold Phase III MPDU Condominium Units listed in the Offering Notice shall be offered for sale to Eligible Households selected from the Eligibility List, in accordance with DHCD's notification, marketing, and selection procedures.

(c) Agreement of Sale. A final executed copy of the agreement of sale for each Phase III MPDU Condominium Unit must be delivered to the DHCD Director no later than thirty (30) days prior to settlement. The agreement of sale for each Phase III MPDU Condominium Unit must include a notice provision which fully and completely discloses the resale price restrictions and controls established in this Agreement.

(d) Notification, Marketing, and Selection Procedures. The Owner covenants and agrees to comply with all notification, marketing, and selection procedures established by the DHCD Director in order to assure Eligible Households an equitable opportunity to purchase available Phase III MPDU Condominium Units listed in the Offering Notice.

Section 2.06. Maximum Sale Price Restrictions.

(a) In accordance with the MPDU Ordinance, the Owner covenants and agrees that the Phase III MPDU Condominium Units shall not be sold by the Owner at prices that exceed the initial maximum sale prices established by the Mayor and Council, as listed in Section 2.02(b).

(b) The Owner covenants and agrees that the owners of the Phase III MPDU Condominium Units shall have full access to all amenities provided to owners of the market-rate Phase III Flats at Northside Condominium Units, if any, subject to the rules, regulations and conditions governing the use of these facilities for all owners as reasonably established by the Owner, its agent, or a home owners association created for the Northside Residential Development ("**HOA**"). For the duration of the Phase III MPDU Condominium Unit Compliance Control Period, each owner of a Phase III MPDU Condominium Unit shall pay no more than fifty percent (50%) of the regular monthly HOA assessment fees and the condominium fees charged to owners of the market-rate Phase III Flats at Northside Condominium Units. The fifty percent (50%) cap on regular monthly HOA assessments for each owner of a Phase III MPDU Condominium Unit will not apply to special HOA assessments charged to such owner.

Section 2.07. Buyer Certification.

(a) In accordance with the MPDU Ordinance, every buyer of a Phase III MPDU Condominium Unit shall certify on a certificate prescribed by the City Manager (the "**Certificate of Eligibility**") that such buyer will be purchasing the Phase III MPDU Condominium Unit under the Mayor and Council of Rockville's MPDU Homeownership Program for such buyer's own use, or as the primary residence of the buyer's family. A copy of each Certificate of Eligibility must be provided to the DHCD Director and must be maintained on file with DHCD.

(b) The Owner covenants and agrees that it shall not sell any Phase III MPDU Condominium Units without first obtaining the buyer's Certificate of Eligibility.

Section 2.08. Required Deed Language.

(a) The Owner covenants and agrees that each deed from the Owner to the initial purchaser of a Phase III MPDU Condominium Unit shall contain the following language setting forth that the condominium unit being conveyed is subject to the MPDU Restrictive Covenants, and that all future deeds transferring the Phase III MPDU Condominium Unit being conveyed shall be subject to the MPDU Restrictive Covenants for the duration of the Phase III MPDU Condominium Unit Compliance Control Period:

> *THIS CONDOMINIUM UNIT IS SUBJECT TO THAT CERTAIN DEED OF DECLARATION OF RESTRICTIVE COVENANTS AND CONDITIONS FOR THE MAYOR AND COUNCIL OF ROCKVILLE'S MODERATELY PRICED DWELLING UNIT (MPDU) HOMEOWNERSHIP PROGRAM, RECORDED IN DEED BOOK _____, PAGE _____ AMONG THE MONTGOMERY COUNTY LAND RECORDS. This provision shall run with the property and bind upon the property and shall bind Grantee(s) and each Grantee's, heirs, personal representatives, successors and assigns. All future deeds for this property shall contain this provision.*

(b) Intentionally Omitted.

(c) The Owner covenants and agrees that during the Term, the Owner shall submit to the DHCD Director a copy each fully executed purchase agreement and, upon closing of the sale of each Phase III MPDU Condominium Unit, the closing statement and a copy of the recorded deed. Further, the Owner covenants and agrees to provide any additional information reasonably requested by the DHCD Director. The City Manager or his written designee shall have the right to examine and make copies of all books, records or other documents of the Owner which pertain to the Phase III MPDU Condominium Units.

Section 2.09. Intentionally Omitted.

Section 2.10. Term of this Agreement. The Parties hereby declare their express intent that the covenants and restrictions set forth in this Article II shall bind the Owner during the Term. Upon the expiration of the Term (*i.e.*, the closing date of the sale of the last Phase III MPDU Condominium Unit, subject to the terms of this Agreement), the Owner shall have no further obligation under this Article II. Every contract, deed or other instrument hereafter executed covering Phase III MPDU Condominium Units during the Term, shall be held conclusively to have been executed, delivered and accepted subject to such covenants and restrictions, regardless of whether such covenants or restrictions are set forth in such contract, deed or other instrument.

Section 2.11. Restrictive Covenants to Run with the Land. The Owner covenants and agrees to record in the Land Records the MPDU Restrictive Covenants, substantially in the form attached hereto as **Exhibit C**. The Mayor and Council and the Owner hereby declare their express

intent that the MPDU Restrictive Covenants shall run with the land and shall bind all successors in title to each of the Phase III MPDU Condominium Units. All deeds to purchasers of the Phase III MPDU Condominium Units shall state that the real property which is encumbered by such deed is subject to the MPDU Restrictive Covenants for the duration of the Phase III MPDU Condominium Unit Compliance Period as set forth in Section 2.08(a) above. The City Manager (or his authorized designee) shall administer, implement, and enforce the requirements of the MPDU Restrictive Covenants for every Phase III MPDU Condominium Unit. After the initial sale of all of the Phase III MPDU Condominium Units by the Owner, the Owner shall have no obligation to administer, implement or enforce the MPDU Restrictive Covenants.

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ARTICLE III
REPRESENTATIONS AND WARRANTIES OF THE OWNER

The Owner hereby (i) makes the following representations and warranties to the Mayor and Council, as of the Effective Date, (ii) covenant that until the expiration or earlier termination of this Agreement, upon learning of any fact or condition which would cause any of the warranties and representations in this Agreement not to be true in any material respect, the Owner shall promptly give written notice of such fact or condition to the City Manager or his written designee, and (iii) acknowledge that the Mayor and Council shall rely upon the Owner's representations made herein notwithstanding any investigation made by or on behalf of the Mayor and Council:

Section 3.01. Organization.

(a) Intentionally Omitted.

(b) The Owner is duly organized, validly existing and in good standing under the laws of the State of Michigan, is duly qualified to do business under the laws of the State of Maryland and has the power and authority to own the Phase III Northside Condominium Real Property and carry on its business as now being conducted.

(c) Intentionally Omitted.

Section 3.02. Authority of the Owner. The Owner has full power and authority to execute and deliver this Agreement and all other documents or instruments executed and delivered, or to be executed and delivered, pursuant to this Agreement, and to perform and observe the terms and provisions of all of the above.

Section 3.03. Authority of Persons Executing Documents. This Agreement and all other documents or instruments executed and delivered, or to be executed and delivered, pursuant to this Agreement have been executed and delivered by persons who are duly authorized to execute and deliver the same for and on behalf of the Owner, and all actions required under the Owner's organizational documents and applicable governing law for the authorization, execution, delivery and performance of this Agreement and all other documents or instruments executed and delivered, or to be executed and delivered, pursuant to this Agreement, have been duly taken (to the extent such actions are required as of the date of execution and delivery of the above-named documents).

Section 3.04. Valid Binding Agreements. This Agreement and all other documents or instruments which have been executed and delivered pursuant to or in connection with this Agreement constitute or, if not yet executed or delivered, will when so executed, and delivered constitute, legal, valid, and binding obligations of the Owner enforceable against the Owner in accordance with their respective terms, subject to laws affecting creditors rights and principles of equity.

Section 3.05. No Breach of Law or Agreement. To the knowledge of the Owner, neither the execution nor delivery of this Agreement nor any other documents or instruments executed

and delivered, or to be executed or delivered, pursuant to this Agreement, 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 Owner, or any provision of the organizational documents of the Owner, or will materially conflict with or constitute a material breach of or a material default under any agreement to which the Owner is a Party, or will result in the creation or imposition of any lien upon assets or property of the Owner.

Section 3.06. Pending Proceedings. To the knowledge of the Owner, the Owner is not in default in any material respect under any law or regulation or under any order of any court, board, commission or agency whatsoever, and there are no claims, actions, suits or proceedings pending or, to the knowledge of the Owner, threatened against or affecting the Owner or the Phase III Northside Condominium Real Property, at law or in equity, before or by any court, board, commission or agency whatsoever which might, if determined adversely to the Owner, materially affect the Owner's obligations under this Agreement.

Section 3.07. Title to Land. At the time of recordation of the MPDU Restrictive Covenants, the Owner shall have good and marketable fee title to the Phase III Northside Condominium Real Property, subject to any ground leases, mortgages, deeds of trusts, easements, rights of way, and other encumbrances, none of which interferes with the use and intended use of the Phase III Northside Condominium Real Property or the MPDU Restrictive Covenants.

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ARTICLE IV
MISCELLANEOUS PROVISIONS

Section 4.01. Notices, Demands, and Communications Between the Parties. Formal notices, demands, and communications between the Owner 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: Cynthia Walters, Acting City Attorney

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

Department of Housing and Community Development
111 Maryland Avenue
Rockville, Maryland 20850
Attn: Ryan Trout, Director

To the Owner:

Pulte Home Company, LLC
4000 Legato Road, Suite 900
Fairfax, Virginia 22033
Attn: Christopher Spahr

With copies to:

Pulte Home Company. LLC
4000 Legato Road, Suite 900
Fairfax, Virginia 22033
Attn: Sheila Novak

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

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(1) business day after delivery by such service. Notices mailed shall be deemed effective on the third (3rd) business 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. As used herein, "business day" means a day other than Saturday, Sunday, or a federal holiday, state holiday in the State of Maryland, or a city holiday in the City of Rockville, Maryland

Section 4.02. Relationship of Parties. The provisions of this Agreement 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 this Agreement.

Section 4.03. 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.

Section 4.04. Indemnification. The Owner shall indemnify, defend and hold the Mayor and Council and its respective officers, employees, agents, successors and assigns harmless from and against: (a) any and all claims, liabilities and losses whatsoever (together with any expenses directly related thereto, including but not limited to, damages, court costs and reasonable attorneys' fees) occurring to or resulting from any and all persons, firms or corporations furnishing or supplying work, services, materials, or supplies in connection with the performance of this Agreement, (b) any and all claims, liabilities and losses occurring or resulting to any person, firm, or corporation for damage, injury, or death arising out of or connected with the Owner's performance of this Agreement, including but not limited to any such claims, liabilities or losses which occur on the Phase III Northside Condominium Real Property, and (c) such claims, liabilities, or losses which arise out of the renovation, construction and operation of the Phase III Northside Condominium Real Property. "Owner's performance" includes Owner's action or inaction and the action or inaction of the Owner's officers, employees, agents, contractors, and subcontractors. This indemnification and hold harmless obligation shall not extend to any claim arising solely out of the gross negligence or willful misconduct of the Mayor and Council and its respective employees and agents. The provision of this Section 4.04 shall survive the expiration of the Phase III MPDU Condominium Unit Compliance Control Period.

Section 4.05. 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 Owner in the event of any default or breach by the Mayor and Council or for any amount which may become due to the Owner or its respective successors or assigns or on any obligation under the terms of this Agreement.

Section 4.06. 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.

Section 4.07. Parties Bound. Except as otherwise limited herein, the provisions of this Agreement shall be binding upon and inure to the benefit of the Parties and their heirs, executors, administrators, legal representatives, successors, and assigns. This Agreement is intended to run with the land shall bind the Owner and its respective successors and assigns for the entire Term, and the benefit hereof shall inure to the benefit of the Mayor and Council and its successors and assigns.

Section 4.08. 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.

Section 4.09. Governing Law. This Agreement shall be construed in accordance with and governed by the laws of the State of Maryland. The Parties consent to the jurisdiction and venue of the Circuit Court for Montgomery County, Maryland.

Section 4.10. Liability of the Mayor and Council. The Mayor and Council, by the acceptance and performance of this Agreement does not assume any liability (other than to the Owner pursuant to the terms hereof), and the Owner hereby releases the Mayor and Council and any of its individual agents or employees from any such liability, and no claim shall be made by the Owner upon the Mayor and Council or such employees or agents for or on account of any matter or thing.

Section 4.11. Exhibits. All Exhibits referred to in this Agreement are by such references fully incorporated herein.

Section 4.12. 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 Rockville Affordable Housing Contribution Requirement. 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.

Section 4.13. Time of the Essence. Time is of the essence in the performance of this Agreement.

Section 4.14. Language Construction. The language of each and all paragraphs, terms and/or provisions of this Agreement, shall in all cases and for any and all purposes, and in any way and all circumstances whatsoever, be construed as a whole, according to its fair meaning, and not for or against any Party and with no regard whatsoever to the identity or status of any person or persons who drafted all or any portion of this Agreement.

Section 4.15. Counterparts. This Agreement 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 4.16. No Waiver of Sovereign Immunity by Mayor and Council. Notwithstanding any other provisions of this Agreement to the contrary, nothing in this Agreement nor any action taken by the 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 the City of Rockville's elected and appointed officials, officers, and employees.

Section 4.17. Violation. Any breach, default, or violation of or under this Agreement by the Owner that is not cured within a reasonable period of time after written notice by the City Manager shall also be considered a violation of the MPDU Ordinance.

(**Signature pages to follow**)

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IN WITNESS WHEREOF, the Mayor and Council and the Owner have each executed, or caused to be duly executed, this Moderately Priced Dwelling Units Program Agreement – For Sale Units under seal in duplicate, 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: _____
Jeff Mihelich, City Manager

_____
Cynthia Walters, Acting City Attorney

Attest:

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

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OWNER

Pulte Home Company, LLC, a Michigan limited liability company.

By: _____
Christopher Spahr, Division Vice President of Land Planning and Development

ACKNOWLEDGMENT

STATE OF MARYLAND
COUNTY OF MONTGOMERY

On this the ___ day of _____ 2026, before me, personally appeared Christopher Spahr, who acknowledged himself to be the Division Vice President of Land Planning and Development of Pulte Home Company, LLC, a Michigan limited liability company and named as Owner in the above instrument, and that he, as Division Vice President of Land Planning and Development, being authorized so to do, executed the foregoing instrument for the purposes therein contained, by signing the name of Pulte Home Company, LLC, a Michigan limited liability company by him as the Division Vice President of Land Planning and Development of said Pulte Home Company, LLC.

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

_____
NOTARY PUBLIC

My Commission Expires: _____
Serial Number: _____

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Exhibit A
LEGAL DESCRIPTION OF
TOWER PRESERVE TOWNHOMES REAL PROPERTY

Legal Description

All those lots or parcels of land, together with the improvements thereon and appurtenances thereunto belonging, lying, situate and being in the City of Rockville, Montgomery County, Maryland, being more particularly described as follows:

Unit 106, as shown on 'Phase III, Condominium Plat, The Flats at Northside Condominium', recorded in Plats Nos. _____.

Unit 107, as shown on 'Phase III, Condominium Plat, The Flats at Northside Condominium', recorded in Plats Nos. _____.

Unit 206, as shown on 'Phase III, Condominium Plat, The Flats at Northside Condominium', recorded in Plats Nos. _____.

Unit 207, as shown on 'Phase III, Condominium Plat, The Flats at Northside Condominium', recorded in Plats Nos. _____.

Unit 306, as shown on 'Phase III, Condominium Plat, The Flats at Northside Condominium', recorded in Plats Nos. _____.

Unit 307, as shown on 'Phase III, Condominium Plat, The Flats at Northside Condominium', recorded in Plats Nos. _____.

Unit 407, as shown on 'Phase III, Condominium Plat, The Flats at Northside Condominium', recorded in Plats Nos. _____.

NOTE FOR INFORMATIONAL PURPOSES ONLY:

Address	Unit	Lot #	Block	Tax ID Number
1101 Fortune Terrace	106	127	A	
1101 Fortune Terrace	107	127	A	
1101 Fortune Terrace	206	127	A	
1101 Fortune Terrace	207	127	A	
1101 Fortune Terrace	306	127	A	
1101 Fortune Terrace	307	127	A	
1101 Fortune Terrace	407	127	A	

(End of Exhibit "A")

Exhibit B
INTENTIONALLY OMITTED

Intentionally Omitted

(End of Exhibit "B")

Exhibit C
FORM OF MPDU RESTRICTIVE COVENANTS

(See Attached)

(End of Exhibit "C")

EXHIBIT C

Tax Identification Numbers: TBD

Office of the Rockville City Attorney
111 Maryland Avenue, 3rd Floor
Rockville, Maryland 20850
Attn: Cynthia Walters, Acting City Attorney

(For Recorder's Use)

DEED OF DECLARATION OF RESTRICTIVE COVENANTS AND CONDITIONS
For
The Mayor and Council of Rockville's
Moderately Priced Dwelling Unit (MPDU) Homeownership Program

THIS DEED OF DECLARATION OF RESTRICTIVE COVENANTS AND CONDITIONS FOR THE MAYOR AND COUNCIL OF ROCKVILLE'S MODERATELY PRICED DWELLING UNIT (MPDU) HOMEOWNERSHIP PROGRAM (this "**Declaration**") is made this ___ day of _____ 2026 (the "**Effective Date**"), by **PULTE HOME COMPANY, LLC**, a Michigan limited liability company, qualified to do business in the State of Maryland, having a principal address at 4000 Legato Road, Suite 900, Fairfax, VA 22033 (the "**Declarant**"), in order to comply with Chapter 13.5 of the Rockville City Code (the "**MPDU Ordinance**") and the associated City of Rockville, Maryland Moderately Priced Housing Regulations (the "**MPDU Regulations**").

R E C I T A L S

WHEREAS, the Declarant is the fee owner of that certain parcel(s) of land located in the City of Rockville, Maryland, as more particularly described in **Exhibit A** (the "**Phase III Northside Condominium Real Property**"), which is part of a residential community located in the City of Rockville, Maryland consisting of, among other things, fifty-two (252) lots on which residential townhouse dwelling units with front or rear-loaded garages will be constructed and thre (3) lots on which three (3) buildings and one-hundred forty-three (143) residential dwelling condominium units will be constructed, with permanent open spaces and other common facilities (the "**Northside Residential Development**"); and

WHEREAS, the Declarant was formed and organized as a Michigan limited liability company for the purpose of, among other things, developing, financing, constructing, owning and selling forty-eight (48) residential condominium units within the Northside Residential Development, including the seven (7) Phase III MPDU Condominium Units; and;

WHEREAS, on August 11, 2021, the Planning Commission for the City of Rockville approved Level 2 Site Plan Application #2020-00399 ("**STP #2020-00399**"), permitting, subject to certain conditions of approval, the development of the Northside Residential Development; and

WHEREAS, in accordance with the MPDU Ordinance and STP #2020-00399, a minimum of seven (7) residential dwelling condominium units developed and constructed on the Phase III Northside Condominium Real Property are required to be designated as Moderately Priced Dwelling Units ("**MPDUs**") that must be reserved for sale to and occupancy by Eligible Households; and

WHEREAS, in order to comply with the MPDU Ordinance and STP #2020-00399, the Declarant has agreed to designate, construct, administer, and offer for sale seven (7) Flats at Northside Condominium Units to be constructed on the Phase III Northside Condominium Real Property in the Northside Residential Development as Moderately Priced Dwelling Units, listed in Section 1 below (the "**Phase III MPDU Condominium Units**"). The Phase III MPDU Condominium Units will be reserved and designated for purchase and occupancy by Eligible Households pursuant to the terms and conditions of this Declaration, and Article II of that certain Moderately Priced Dwelling Units Homeownership Program Agreement, by and between the Declarant and The Mayor and Council of Rockville, a body corporate and politic and municipal corporation of the State of Maryland (the "**Mayor and Council**"), dated _____, 2026 (the "**MPDU Program Agreement**"); and

WHEREAS, the Declarant shall by this Declaration impose upon each Phase III MPDU Condominium Unit certain restrictive covenants, conditions and requirements for the benefit of the Mayor and Council and Eligible Households who desire to reside in the City of Rockville, Maryland and purchase available Phase III MPDU Condominium Units in the Northside Residential Development; and

WHEREAS, the Declarant is required to record this Declaration among the land records of Montgomery County, Maryland in order to provide notice that the Phase III Northside Condominium Real Property and the Phase III MPDU Condominium Units constructed thereon are subject to the restrictive covenants, conditions and requirements set forth below to maintain the long-term affordability of the Phase III MPDU Condominium Units for the duration of the Phase III MPDU Condominium Unit Compliance Control Period; and

WHEREAS the Declarant has agreed to execute all necessary documents in order to evidence compliance with the MPDU Ordinance, which this Declaration is intended to evidence, as more particularly set forth below; and

WHEREAS, all capitalized terms used but not defined herein shall have the meaning ascribed to such terms in the MPDU Program Agreement.

NOW, THEREFORE, the Declarant hereby declares that the Phase III Northside Condominium Real Property and the Phase III MPDU Condominium Units constructed thereon shall be held, transferred, conveyed, and sold subject to the following restrictive covenants, conditions and requirements which are for the purpose of offering for sale moderately priced dwelling units to Eligible Households for the duration of the Phase III MPDU Condominium Unit Compliance Control Period, as further described herein, and such restrictive covenants, conditions

and requirements shall run with the Phase III Northside Condominium Real Property submitted to this Declaration and each Phase III MPDU Condominium Unit constructed thereon and shall be binding on all parties having any right, title, or interest in the Phase III Northside Condominium Real Property and each Phase III MPDU Condominium Unit constructed thereon, their respective heirs, successors, successors-in-title and assigns.

D E C L A R A T I O N S

1. **Designation of Moderately Priced Dwelling Units**. In compliance with the MPDU Ordinance, the Declarant covenants, declares, and agrees to designate the following Phase III MPDU Condominium Units to be constructed on the Phase III Northside Condominium Real Property as Moderately Priced Dwelling Units, solely for sale to and occupancy by Eligible Households during the Phase III MPDU Condominium Unit Compliance Control Period, in accordance with the terms of this Declaration and Article II of the MPDU Program Agreement:

Address	Unit Number	Tax Identification Number	Initial Maximum Sale Price
1. 1101 Fortune Terrace	106	TBD	$251,000
2. 1101 Fortune Terrace	107	TBD	$162,500
3. 1101 Fortune Terrace	206	TBD	$272,500
4. 1101 Fortune Terrace	207	TBD	$162,500
5. 1101 Fortune Terrace	306	TBD	$272,500
6. 1101 Fortune Terrace	307	TBD	$195,000
7. 1101 Fortune Terrace	407	TBD	$212,000

2. **Initial MPDU Maximum Sale Price Restrictions; Limit on HOA and Condominium Fees.**

(a) In accordance with the MPDU Ordinance, the Declarant covenants, declares, and agrees that the initial sale price for each Phase III MPDU Condominium Unit shall not exceed the initial maximum sale price established by the Mayor and Council, as listed in Section 1 above. The initial maximum sale prices shall include closing costs and brokerage fees (if any).

(b) The Declarant covenants and agrees that the owners of the Phase III MPDU Condominium Units shall have full access to all amenities provided to owners of the market-rate Flats at Northside Condominium Units, if any, subject to the rules, regulations and conditions governing the use of these facilities for all owners as reasonably established by the Owner, its agent, or a home owners association created for the Northside Residential Development ("**HOA**"). For the duration of the Phase III MPDU Condominium Unit Compliance Control Period, the owners of the Phase III MPDU Condominium Units shall pay no more than fifty percent (50%) of the monthly HOA assessment fees and the condominium fees charged to

owners of the market-rate Flats at Northside Condominium Units. The fifty percent (50%) cap on regular monthly HOA assessments for each owner of a Phase III MPDU Condominium Unit will not apply to special HOA assessments charged to such owner.

3. Initial Sale of MPDUs.

(a) Offering to the General Public. The Declarant covenants, declares, and agrees to offer each of the Phase III MPDU Condominium Units for sale to an Eligible Household purchaser pursuant to the MPDU Ordinance and the terms of the MPDU Program Agreement.

(b) Notice must be included in any agreement of sale which fully and completely discloses the resale price restrictions and controls established in this Declaration. A copy of the agreement signed by all parties shall be delivered to the DHCD Director no later than thirty (30) days prior to settlement.

(c) The deed from Declarant to the initial purchaser of each Phase III MPDU Condominium Unit shall contain the following language setting forth that the condominium unit is subject, for the duration of the Phase III MPDU Condominium Unit Compliance Control Period, to this Declaration, and that all future deeds transferring the Phase III MPDU Condominium Unit shall be subject to this Declaration.

> *THIS CONDOMINIUM UNIT IS SUBJECT TO THAT CERTAIN DEED OF DECLARATION OF RESTRICTIVE COVENANTS AND CONDITIONS FOR THE MAYOR AND COUNCIL OF ROCKVILLE'S MODERATELY PRICED DWELLING UNIT (MPDU) HOMEOWNERSHIP PROGRAM, RECORDED IN DEED BOOK _____, PAGE _____ AMONG THE MONTGOMERY COUNTY LAND RECORDS. This provision shall run with the property and bind upon the property and shall bind Grantee(s) and each Grantee's, heirs, personal representatives, successors and assigns. All future deeds for this property shall contain this provision.*

(d) Notwithstanding anything herein to the contrary, failure to comply with the terms of this Section 3 shall not in any way diminish or invalidate this Declaration as to any MPDU Condominium Unit.

4. Subsequent MPDU Sale Price Restrictions. In accordance with the MPDU Ordinance, during the Phase III MPDU Condominium Unit Compliance Control Period, and subject to the foreclosure regulations set forth in Section 13.5-9(e) of the MPDU Ordinance, Phase III MPDU Condominium Units shall not be resold or refinanced by either the initial purchasers of Phase III MPDU Condominium Units or any subsequent purchasers (each referred to herein as an "**Owner**") for a price greater than the original selling price for the

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applicable MPDU Condominium Unit, plus: **(a)** a percentage of the applicable MPDU Condominium Unit's original selling price equal to the increase in the cost of living, as determined by the consumer price index, **(b)** an allowance for improvements made to the applicable Phase III MPDU Condominium Unit by the selling Owner, not to exceed ten percent (10%) of the selling price calculated in accordance with subsection (a) of this Section 4, **(c)** an allowance for closing costs which were not paid by the Declarant, but which was paid by the initial buyer of the applicable MPDU Condominium Unit, for the benefit of the subsequent buyer of the applicable MPDU Condominium Unit, and **(d)** a reasonable sales commission if the applicable Phase III MPDU Condominium Unit is not sold within sixty (60) days to an Eligible Households from the Eligibility List (the "**MPDU Resale Price**").

5. Subsequent Sale of MPDUs – During the Phase III MPDU Condominium Unit Compliance Control Period.

(a) Notification Requirements. An Owner shall immediately notify the DHCD Director in the event such Owner wants to offer his or her Phase III MPDU Condominium Unit for resale during the Phase III MPDU Condominium Unit Compliance Control Period.

(b) Offering. Each Phase III MPDU Condominium Unit that is offered for resale during the Phase III MPDU Condominium Unit Compliance Control Period must be offered as follows:

i. *Housing Agency*. The Phase III MPDU Condominium Unit shall first be exclusively offered for resale to the Housing Agency. The DHCD Director shall notify the Housing Agency of any Phase III MPDU Condominium Unit that will be offered for resale. Upon receipt of such notice, the Housing Agency will have twenty-one (21) days to indicate to the selling Owner of its interest in acquiring the MPDU Condominium Unit.

ii. *Eligible Households on the Eligibility List*. If the Housing Agency does not exercise its right to purchase the Phase III MPDU Condominium Unit being offered for resale within the timeframes set forth in the MPDU Ordinance, the Phase III MPDU Condominium Unit shall next be exclusively offered for resale to Eligible Households who are on the Eligibility List for forty-five (45) days.

iii. *General Public*. If an Eligible Household from the Eligibility List does not exercise its right to purchase the Phase III MPDU Condominium Unit being offered for resale within the forty-five (45) day period, the selling Owner may then offer the Phase III MPDU Condominium Unit to Eligible Households from the general public. No later than thirty (30) days prior to settlement of any resale to an Eligible Household from the general public,

the selling Owner shall deliver to the DHCD Director written proof of buyer's eligibility, which shall be satisfactory to the DHCD Director.

iv. *Market Rate Sale*. If the Phase III MPDU Condominium Unit remains unsold 180 days after the unit is offered for resale to the general public, then the City Manager may permit the selling Owner to sell the Phase III MPDU Condominium Unit at a price in excess of the MPDU Resale Price (the "**Market Rate Price**"). If the Phase III MPDU Condominium Unit is sold at the Market Rate Price, the selling Owner must pay to the Mayor and Council all sales proceeds in excess of the MPDU Resale Price. Once the sales proceeds are paid to the Mayor and Council for deposit into its Moderately Priced Housing Fund, the Mayor and Council will release this Declaration from the applicable MPDU Condominium Unit.

(c) Notice must be included in any agreement of sale for a Phase III MPDU Condominium Unit which fully and completely discloses the resale price restrictions and controls established in this Declaration. A copy of the agreement of sale signed by all parties shall be delivered to the DHCD Director no later than thirty (30) days prior to settlement.

(d) Intentionally Omitted.

(e) No transfer or conveyance of any Phase III MPDU Condominium Unit shall occur without the written consent of the City Manager, or his authorized designee, as evidenced by the City Manager's or authorized designee's signature on the deed. Additionally, the deed from an Owner to a subsequent purchaser of each Phase III MPDU Condominium Unit shall contain the following language setting forth that the condominium unit is subject, for the remaining duration of the Phase III MPDU Condominium Unit Compliance Control Period, to this Declaration, and that all future deeds transferring the Phase III MPDU Condominium Unit shall be subject to this Declaration.

> *THIS CONDOMINIUM UNIT IS SUBJECT TO THAT CERTAIN DEED OF DECLARATION OF RESTRICTIVE COVENANTS AND CONDITIONS FOR THE MAYOR AND COUNCIL OF ROCKVILLE'S MODERATELY PRICED DWELLING UNIT (MPDU) HOMEOWNERSHIP PROGRAM, RECORDED IN DEED BOOK _____, PAGE _____ AMONG THE MONTGOMERY COUNTY LAND RECORDS. This provision shall run with the property and bind upon the property and shall bind Grantee(s) and each Grantee's, heirs, personal representatives, successors and assigns. All future deeds for this property shall contain this provision.*

(f) Failure to comply with the terms of this Section 5 shall not in any way diminish or invalidate this Declaration as to any MPDU Condominium Unit.

6. Subsequent Sale of MPDUs – Post Phase III MPDU Condominium Unit Compliance Control Period.

(a) If a Phase III MPDU Condominium Unit is sold or resold following the expiration of the Phase III MPDU Condominium Unit Compliance Control Period, the price and resale restrictions set forth in Section 5 above shall not apply. However, for the first sale of each Phase III MPDU Condominium Unit following the expiration of the Phase III MPDU Condominium Unit Compliance Control Period, the selling Owner shall pay to the Mayor and Council, for deposit into its Moderately Priced Housing Fund, one-half (1/2) of the excess of the total resale price over the sum of the following: (i) the original selling price, (ii) a percentage of the MPDU Condominium Unit's original selling price equal to the increase in the cost of living as determined by the consumer price index, (iii) an allowance for improvements made to the Phase III MPDU Condominium Unit not to exceed ten percent (10%) of the selling price calculated in accordance with subsection (a)(ii) of this Section 6, and (iv) a reasonable sales commission. The City Manager shall adjust the amount paid into the Moderately Priced Housing Fund so that the selling Owner retains at least $10,000 of the excess of the resale price over the sum of the items in (i) through (iv).

(b) When the City Manager determines that the price and terms of the sale or resale of the Phase III MPDU Condominium Unit covered by Section 6(a) have been met, and the Mayor and Council receives the amount due, the Mayor and Council will release this Declaration from the applicable MPDU Condominium Unit.

7. Principal Residence Requirement.

(a) Subject to Section 13.5-8(a)(6) of the MPDU Ordinance, Owners of Phase III MPDU Condominium Units (i) shall occupy the Phase III MPDU Condominium Unit subject to this Declaration as his/her principal residence, and (ii) shall not lease, sublease, rent or otherwise accept compensation for use of the Phase III MPDU Condominium Unit premises or any portion thereof. In the event of any violation of this provision, Owner shall be liable to the Mayor and Council for 150% of the compensation collected by such Owner for the period the lessee (or sublessee) is in violation, in addition to any other remedies to which the Mayor and Council is entitled in law or equity.

(b) Owner further agrees to submit to the DHCD Director annually a notarized affidavit executed by Owner on the anniversary date of initial settlement certifying Owner's continuing occupancy of the Phase III MPDU Condominium Unit as the purchaser's primary residence.

8. Obligation to Maintain. Declarant and each successor Owner of each Phase III MPDU Condominium Unit is obligated during its ownership of the Phase III MPDU Condominium

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Unit to keep and maintain the Phase III MPDU Condominium Unit in good order, repair, and condition.

9. **Financing.** This Declaration shall be superior to all instruments securing financing with respect to each MPDU Condominium Unit, and this Declaration shall be binding upon all assignees, mortgagees, purchasers and other successors in interest, except that, subject to Section 13.5-9(e) of the MPDU Ordinance, this Declaration may be released in the event of foreclosure by lending institution holding a first priority purchase money deed of trust on the MPDU Condominium Unit.

10. **Non-Discrimination**.

(a) The Declarant shall not, in the offering for sale of Phase III MPDU Condominium Units, discriminate against any person on the grounds of Race, National Origin, Color, Marital Status, Sex, Religion, Age/Elderliness, Disability (physical or mental), Sexual Orientation, or Familial Status (being pregnant or having children under age 18), or discriminate in violation of any applicable law or regulation. The Declarant shall comply with all requirements imposed by Title VIII of the Civil Rights Act of 1968, and any related rules and regulations.

(b) The Declarant agrees not to discriminate against prospective Owners on the basis that they receive or are eligible to receive housing assistance under any Federal, State, or local housing assistance program.

11. **Administration of Declaration.**

(a) Declarant, for itself and its heirs, assigns and successors, hereby irrevocably assigns, transfers, and conveys unto the Mayor and Council and its designees all of its rights, title, interest or obligation to enforce and maintain in full force and effect the terms and conditions, and requirements of this Declaration.

(b) The Mayor and Council and its designee shall monitor and evaluate and the Owners' efforts in performing the Owners' obligations under this Declaration, and each Owner agrees to cooperate fully with the Mayor and Council's monitoring and administration efforts. Each Owner shall submit to the Mayor and Council or its designee any documents or information that may be reasonably required by the Mayor and Council from time to time.

12. **Default; Enforcement**. In the event that the Declarant defaults in the performance of any of the covenants or its obligations under this Declaration, the Mayor and Council may, after providing notice of such default to the Declarant and a reasonable period within which Declarant may cure such default, at its option, pursue any one or more of the remedies provided by the MPDU Program Agreement, law or in equity, including but not limited to the right to apply to any court of competent jurisdiction within the State of Maryland to enforce specific performance by the Declarant of its obligations hereunder or to obtain an

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injunction against any violations hereof, or to obtain any other such relief as may be appropriate.

13. **Waiver; Forbearance**. The Mayor and Council shall have the right to waive at its option any of the rights granted to it hereunder to enforce the terms hereof, provided that the Mayor and Council's election not to pursue any particular remedy in the event of a default hereunder shall not be construed to preclude or be a waiver of the Mayor and Council's right to pursue any of the other remedies with respect to the violation for which such remedy was pursued or with respect to any other violation prior or subsequent thereto. In addition, any forbearance by the Mayor and Council in exercising any of its rights hereunder shall not constitute a waiver or preclude the exercise of such rights.

14. **Estoppels**. From time to time upon the written request of the Declarant, the City Manager shall provide to any purchasers of a Phase III MPDU Condominium Unit or any lender making a loan secured by the Phase III MPDU Condominium Unit an estoppel certificate confirming the provisions of the Declaration; certifying, to the best of the City Manager's knowledge, that the Declarant remains in full force and effect; and specifying whether any default(s) exist under any of the provisions of the Declaration.

15. **Amendment**. This Declaration may be amended only by written agreement by and between the Declarant and the Mayor and Council.

16. **Governing Law**. This Declaration shall be governed by the laws of the State of Maryland.

17. **Severability.** The invalidity of any clause, part, or provision of this Declaration shall not affect the validity of the remaining portions hereof.

18. **Covenants Run with the Land.** The covenants set forth herein shall be deemed covenants running with the land and shall be an encumbrance on each of the Phase III MPDU Condominium Units for the duration of the Phase III MPDU Condominium Unit Compliance Control Period. Such covenants shall be binding upon the Declarant and its successors and assigns, including any successors in title to each of the Phase III MPDU Condominium Units.

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EXHIBIT C

IN WITNESS WHEREOF, the Declarant has caused this Declaration to be executed as of the date first above written.

DECLARANT

Pulte Home Company, LLC, a Michigan limited liability company

By: _____
Christopher Spahr, Division Vice President of Land Planning and Development

ACKNOWLEDGMENT

STATE OF MARYLAND
COUNTY OF MONTGOMERY

On this the ___ day of _____, 2026, before me, personally appeared Christopher Spahr, who acknowledged himself to be the Division Vice President of Land Planning and Development of Pulte Home Company, LLC, a Michigan limited liability company and named as Owner in the above instrument, and that he, as Division Vice President of Land Planning and Development, being authorized so to do, executed the foregoing instrument for the purposes therein contained, by signing the name of Pulte Home Company, LLC, a Michigan limited liability company by him as the Division Vice President of Land Planning and Development of said Pulte Home Company, LLC.

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

_____
NOTARY PUBLIC
My Commission Expires: _____

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EXHIBIT C

ACKNOWLEDGED AND AGREED TO:

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

By: _____
Jeff Mihelich, City Manager

Approved as to form:

By: _____
Cynthia Walters, Acting City Attorney

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EXHIBIT C

Exhibit A

Legal Description

ALL THAT CERTAIN lot or parcel of land, together with all rights, privileges and appurtenances thereunto belonging or in anywise appertaining, lying and being situate in Montgomery County, Maryland, and more particularly described as follows:

Unit 106, as shown on 'Phase III, Condominium Plat, The Flats at Northside Condominium', recorded in Plats Nos. _____.

Unit 107, as shown on 'Phase III, Condominium Plat, The Flats at Northside Condominium', recorded in Plats Nos. _____.

Unit 206, as shown on 'Phase III, Condominium Plat, The Flats at Northside Condominium', recorded in Plats Nos. _____.

Unit 207, as shown on 'Phase III, Condominium Plat, The Flats at Northside Condominium', recorded in Plats Nos. _____.

Unit 306, as shown on 'Phase III, Condominium Plat, The Flats at Northside Condominium', recorded in Plats Nos. _____.

Unit 307, as shown on 'Phase III, Condominium Plat, The Flats at Northside Condominium', recorded in Plats Nos. _____.

Unit 407, as shown on 'Phase III, Condominium Plat, The Flats at Northside Condominium', recorded in Plats Nos. _____.

NOTE FOR INFORMATIONAL PURPOSES ONLY:

Address	Unit	Lot #	Block	Tax ID Number
1101 Fortune Terrace	106	127	A	
1101 Fortune Terrace	107	127	A	
1101 Fortune Terrace	206	127	A	
1101 Fortune Terrace	207	127	A	
1101 Fortune Terrace	306	127	A	
1101 Fortune Terrace	307	127	A	
1101 Fortune Terrace	407	127	A	

(End of Exhibit "A")

Exhibit D
CONSTRUCTION STAGING PLAN

(See Attached)

(End of Exhibit "D")

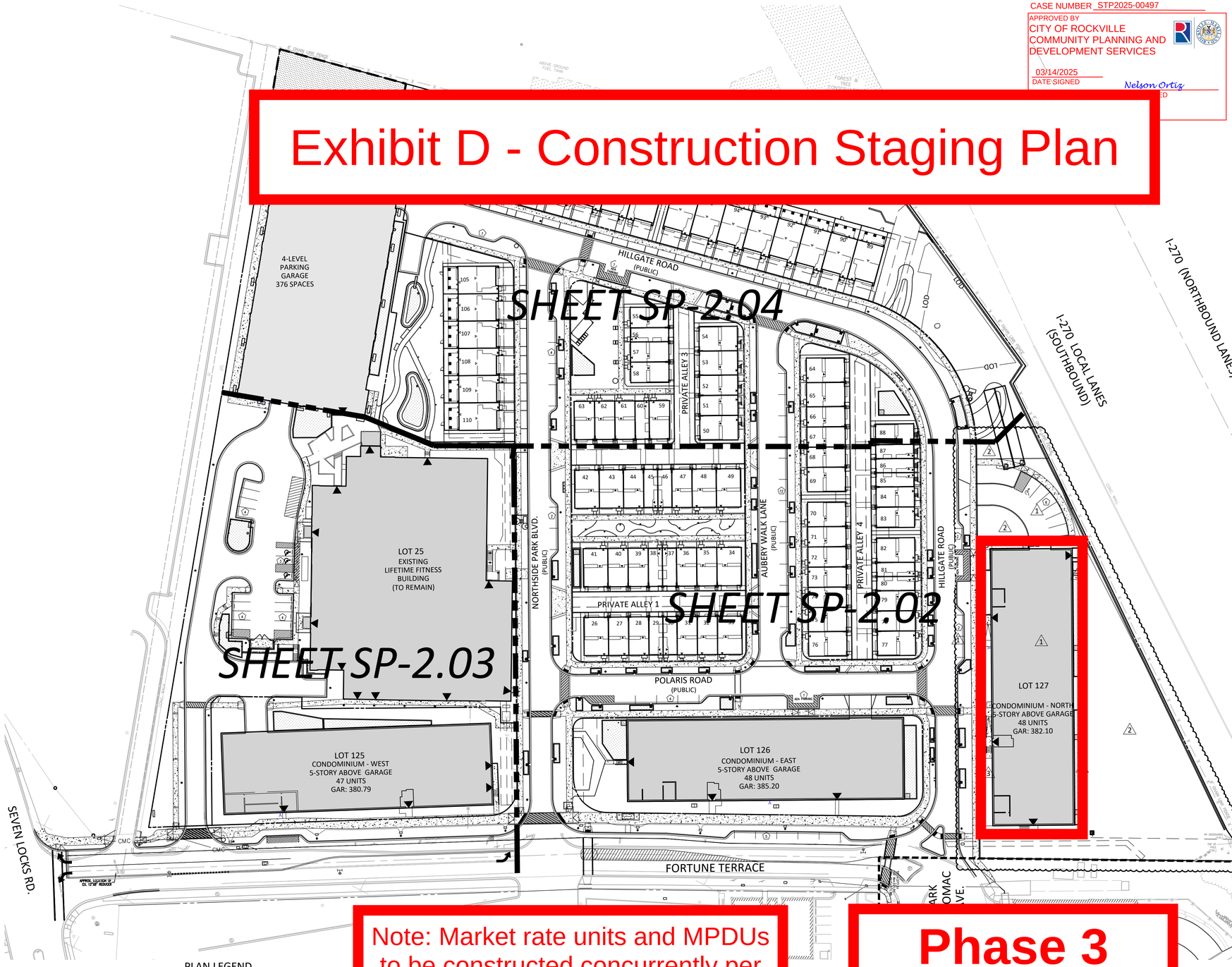
Exhibit D - Construction Staging Plan

CASE NUMBER STP2025-00497

APPROVED BY
CITY OF ROCKVILLE
COMMUNITY PLANNING AND
DEVELOPMENT SERVICES

03/14/2025
DATE SIGNED

Nelson Ortiz



Note: Market rate units and MPDUs to be constructed concurrently per standard condominium building construction practice.

Phase 3

PLAN LEGEND

PROPERTY LINE
EXISTING CABLE
EXISTING ELECT
EXISTING EDGE
EXISTING FENCE
EXISTING NATU
EXISTING OVERH
EXISTING TELEP
EXISTING PUBLIC UTILITIES EASEMENTS
EXISTING SANITARY SEWER CONDUIT
EXISTING STORM DRAIN CONDUIT
EXISTING WATER CONDUIT
EXISTING ZONE LIMITS
520 PROPOSED 10' CONTOUR
524 PROPOSED 2' CONTOUR

EXISTING SANITARY CLEANOUT
EXISTING STORM DRAIN MANHOLE
EXISTING ELECTRICAL JUNCTION BOX
EXISTING ELECTRICAL MANHOLE
EXISTING FIRE DEPARTMENT CONNECTION
EXISTING FIRE HYDRANT
EXISTING GAS MANHOLE
EXISTING TRAFFIC SIGNAL POLE
EXISTING TREE
EXISTING CABLE TELEVISION PEDESTAL
EXISTING UNKNOWN UTILITY MANHOLE
EXISTING WATER METER
EXISTING WATER MANHOLE
EXISTING WATER VALVE

EXISTING SIGN POST
EXISTING WOOD POST
EXISTING INLETS
EXISTING CURB INLET
EXISTING CONCRETE CURB AND GUTTER
EXISTING BUILDING
EXISTING STORY
EXISTING ELECTRICAL TRANSFORMER
EXISTING ASPHALT
EXISTING EASEMENT
EXISTING REINFORCED CONCRETE PIPE
EXISTING CORRUGATED METAL PIPE
EXISTING BUILDING RESTRICTION LINE
EXISTING RIGHT-OF-WAY

PROPOSED DEPRESSED CURB
PROPOSED PARKING
PROPOSED CONCRETE SIDEWALK
PROPOSED FIRE HYDRANT
ENTRY LOCATION
PROPOSED SWM FACILITY
PROPOSED UNDERGROUND SWM FACILITY
PROPOSED IMPERVIOUS PAVING
PROPOSED TOWNHOUSE DECK
PROPOSED DRY WELL
PROPOSED NOISE ATTENUATION WALL

Community Planning & Development Services
Received
February 27, 2025

Parcel Information		
Exsting Lot Area	588795 sf	13.52 ac
Zoning	MXCD	
Lot Reference	Wheel of Fortune, Parcel 23, Block A	

Proposed Development	
Site Area	13.5 ac.
Residential Use	
Townhouse Units	85
Condominium Units	143
Total Residential units	**228** (1)
No. of MPDU units included in above total	
Townhouses @ 15%	13
Apartments/Condominiums @ 15%	22 (1)
Non-Residential Use	
Existing Life Time	70,000 sf

***Per MPDU Ordinance, Sect. 13-5-5(f)(3)©*

Building Height Sec. 25.13.05	*Maximum Allowed*	*Proposed*
Townhouse Units	na	50'
Condominiums and Parking Garage	75'	75'

Setbacks Sec. 25.13.05		
Abutting public right-or-way	None	0'
Side-abutting residential land	25' or ht. of bldg	n/a
Side abutting non-residential land	0' or 10' if provided	0'
Rear-abutting residential land	25' or ht. of bldg	n/a
Rear abutting non-residential land	0' or 10' if provided	0'

Parking Sec. 25.16.03	*Rate*	*Metric*	*Count*	*Total Required*	*Total Provided*	
Townhouse Units	2	units	85	170	214	[1]
1 BR Condominium Units	1	units	23	23	23	[2]
2 BR Condominium Units	1.5	units	120	180	180	[2]
Visitor Parking - Condominium West Garage					1	(1)
Visitor Parking - Condominium North Garage					2	
Visitor Parking - Off-street					6	
Total Condominium:				203	212	
Life Time	1 per 200	sq. ft.	70,000	350	391	[3]
On Street Parking:						
On Site					29	(1)
Fortune Terrace					5	
Total				723	851	

[1] Includes 170 garage parking spaces plus 44 driveway parking spaces. The 44 driveway spaces plus the 29 on street spaces provide 73 townhouse visitor parking spaces or a ratio of ±0.86 spaces per townhouse.
[2] All required residential parking is provided within the building garages.
[3] Includes 376 spaces in parking garage and 15 surface parking spaces

Bicycle Parking Sec. 25.16.03	*Minimum Required*	*Provided*	
Townhouse Units	0	0	
Condominium Units			
Short term @ 1/50 du	3	3	(1)
Long Term @1/3 du	48	48	

ADA Parking (ADA spaces included in above totals)	*Total Parking Provided*	*Minimum Required [2]*	*Provided*	
Townhouse Units	214	0	3	(1)
Condominium Units	212	0	3	(1)
Life Time	391	8	8	

[1] On-street parking
[2] Required per Sec. 208 ADA Standards (2010)

Open Area Sec.25.13.05	LIFE TIME PARCEL		TOWNHOUSE/CONDO PARCEL	
Parcel Area	139,981 sf		448,814 sf	
	Required [2]	*Proposed*	*Required*	*Proposed*
Open Area(% of Parcel area)	15.0%	56.2%	15.0%	42.4%
Open Area (sf)	20,997	38,173	67,322	190,188
Public Use Space (% of project area)	0.0%	0.0%	10.0%	10.2%
Public Use Space (sf)	-	-	44,881	45,700

(2)

SITE PLAN AMENDMENT LIST OF CHANGES:

1. REPLACE SENIOR LIVING BUILDING ON LOT 127 WITH A 48-UNIT CONDOMINIUM BUILDING SIMILAR TO THE CONDOMINIUM BUILDING LOCATED ON LOT 126; MODIFY PARKING SPACES PROVIDED.
2. ADD OPEN AND PUBLIC USE SPACE AREAS. MODIFY LANDSCAPE PLANTING SPECIES, LOCATIONS AND QUANTITIES.
3. REDESIGN OF UTILITIES AND STORMWATER MANAGEMENT LAYOUT.

GRAPHIC SCALE
50' 0 25' 50' 100' 200'
(IN FEET)
1 inch = 50' ft.

VIKA
ENGINEERS PLANNERS
LANDSCAPE ARCHITECTS SURVEYORS
VIKA MARYLAND, LLC
20251 CENTURY BOULEVARD SUITE #400
GERMANTOWN, MARYLAND 20874
PHONE: (301) 916-4100
FAX: (301) 916-2262
GERMANTOWN, MD. MCLEAN, VA.

APPLICANT:
EYA HOMES LLC
4800 HAMPDEN LANE
SUITE 300
BETHESDA, MD 20814
301.634.8600
GENEVIEVE JORDAN

DEVELOPERS
EYA HOMES LLC
4800 HAMPDEN LANE SUITE 300
BETHESDA, MD 20814
301.634.8600
GENEVIEVE JORDAN

PLANNER & CIVIL ENGINEER
VIKA MARYLAND, LLC
20251 CENTURY BOULEVARD
SUITE 400
GERMANTOWN MD, 20874
301.916.4100
JEFF AMATEAU, PE

LANDSCAPE ARCHITECT
LAND DESIGN, INC
200 S. PEYTON STREET
ALEXANDRIA, VA 22314
703.549.7784
NURAIN RAFEE

ATTORNEY
MILES & STOCKBRIDGE
11 N. WASHINGTON STREET
SUITE 700
ROCKVILLE, MD 20850
301.762.1600
SCOTT WALLACE

REVISIONS	DATE
STP2023-00459	02/13/24
STP2024-00462	03/21/24
STP2024-00494	08/29/24
STP2024-00497	02/21/25

PROFESSIONAL SEAL

STATE OF MARYLAND · JEFFREY BRUCE AMATEAU · No. 20510 · PROFESSIONAL ENGINEER

I HEREBY CERTIFY THAT THESE DOCUMENTS WERE PREPARED OR APPROVED BY ME, AND THAT I AM A DULY LICENSED, PROFESSIONAL ENGINEER UNDER THE LAWS OF THE STATE OF MARYLAND.
NAME: JEFFREY AMATEAU
LICENSE No.: 20510
EXPIRATION DATE: JULY 14, 2026

POTOMAC WOODS

4TH ELECTION DISTRICT
MONTGOMERY COUNTY,
MARYLAND
WSSC GRID: 216NW08
TAX MAP: GQ23
LOT 23, BLOCK A

MINOR AMENDMENT TO STP2020-00399

SITE PLAN-COMPOSITE
STP2025-00497

DRAWN BY:	RS/JB
DESIGNED BY:	JB/JA
DATE ISSUED:	2/21/2025
VIKA PROJECT	VM6601BP
DRAWING NO.	SP-2.01
SHEET NO.	

Tax Identification Numbers: TBD

Office of the Rockville City Attorney
111 Maryland Avenue, 3rd Floor
Rockville, Maryland 20850
Attn: Cynthia Walters, Acting City Attorney

(For Recorder's Use)

DEED OF DECLARATION OF RESTRICTIVE COVENANTS AND CONDITIONS For The Mayor and Council of Rockville's Moderately Priced Dwelling Unit (MPDU) Homeownership Program

THIS DEED OF DECLARATION OF RESTRICTIVE COVENANTS AND CONDITIONS FOR THE MAYOR AND COUNCIL OF ROCKVILLE'S MODERATELY PRICED DWELLING UNIT (MPDU) HOMEOWNERSHIP PROGRAM (this "**Declaration**") is made this ___ day of _____ 2026 (the "**Effective Date**"), by **PULTE HOME COMPANY, LLC**, a Michigan limited liability company, qualified to do business in the State of Maryland, having a principal address at 4000 Legato Road, Suite 900, Fairfax, VA 22033 (the "**Declarant**"), in order to comply with Chapter 13.5 of the Rockville City Code (the "**MPDU Ordinance**") and the associated City of Rockville, Maryland Moderately Priced Housing Regulations (the "**MPDU Regulations**").

R E C I T A L S

WHEREAS, the Declarant is the fee owner of that certain parcel(s) of land located in the City of Rockville, Maryland, as more particularly described in **Exhibit A** (the "**Phase III Northside Condominium Real Property**"), which is part of a residential community located in the City of Rockville, Maryland consisting of, among other things, fifty-two (252) lots on which residential townhouse dwelling units with front or rear-loaded garages will be constructed and thre (3) lots on which three (3) buildings and one-hundred forty-three (143) residential dwelling condominium units will be constructed, with permanent open spaces and other common facilities (the "**Northside Residential Development**"); and

WHEREAS, the Declarant was formed and organized as a Michigan limited liability company for the purpose of, among other things, developing, financing, constructing, owning and selling forty-eight (48) residential condominium units within the Northside Residential Development, including the seven (7) Phase III MPDU Condominium Units; and;

WHEREAS, on August 11, 2021, the Planning Commission for the City of Rockville approved Level 2 Site Plan Application #2020-00399 ("**STP #2020-00399**"), permitting, subject to certain conditions of approval, the development of the Northside Residential Development; and

WHEREAS, in accordance with the MPDU Ordinance and STP #2020-00399, a minimum of seven (7) residential dwelling condominium units developed and constructed on the Phase III Northside Condominium Real Property are required to be designated as Moderately Priced Dwelling Units ("**MPDUs**") that must be reserved for sale to and occupancy by Eligible Households; and

WHEREAS, in order to comply with the MPDU Ordinance and STP #2020-00399, the Declarant has agreed to designate, construct, administer, and offer for sale seven (7) Flats at Northside Condominium Units to be constructed on the Phase III Northside Condominium Real Property in the Northside Residential Development as Moderately Priced Dwelling Units, listed in Section 1 below (the "**Phase III MPDU Condominium Units**"). The Phase III MPDU Condominium Units will be reserved and designated for purchase and occupancy by Eligible Households pursuant to the terms and conditions of this Declaration, and Article II of that certain Moderately Priced Dwelling Units Homeownership Program Agreement, by and between the Declarant and The Mayor and Council of Rockville, a body corporate and politic and municipal corporation of the State of Maryland (the "**Mayor and Council**"), dated _____, 2026 (the "**MPDU Program Agreement**"); and

WHEREAS, the Declarant shall by this Declaration impose upon each Phase III MPDU Condominium Unit certain restrictive covenants, conditions and requirements for the benefit of the Mayor and Council and Eligible Households who desire to reside in the City of Rockville, Maryland and purchase available Phase III MPDU Condominium Units in the Northside Residential Development; and

WHEREAS, the Declarant is required to record this Declaration among the land records of Montgomery County, Maryland in order to provide notice that the Phase III Northside Condominium Real Property and the Phase III MPDU Condominium Units constructed thereon are subject to the restrictive covenants, conditions and requirements set forth below to maintain the long-term affordability of the Phase III MPDU Condominium Units for the duration of the Phase III MPDU Condominium Unit Compliance Control Period; and

WHEREAS the Declarant has agreed to execute all necessary documents in order to evidence compliance with the MPDU Ordinance, which this Declaration is intended to evidence, as more particularly set forth below; and

WHEREAS, all capitalized terms used but not defined herein shall have the meaning ascribed to such terms in the MPDU Program Agreement.

NOW, THEREFORE, the Declarant hereby declares that the Phase III Northside Condominium Real Property and the Phase III MPDU Condominium Units constructed thereon shall be held, transferred, conveyed, and sold subject to the following restrictive covenants, conditions and requirements which are for the purpose of offering for sale moderately priced dwelling units to Eligible Households for the duration of the Phase III MPDU Condominium Unit Compliance Control Period, as further described herein, and such restrictive covenants, conditions and requirements shall run with the Phase III Northside Condominium Real Property submitted to

this Declaration and each Phase III MPDU Condominium Unit constructed thereon and shall be binding on all parties having any right, title, or interest in the Phase III Northside Condominium Real Property and each Phase III MPDU Condominium Unit constructed thereon, their respective heirs, successors, successors-in-title and assigns.

D E C L A R A T I O N S

1. **Designation of Moderately Priced Dwelling Units**. In compliance with the MPDU Ordinance, the Declarant covenants, declares, and agrees to designate the following Phase III MPDU Condominium Units to be constructed on the Phase III Northside Condominium Real Property as Moderately Priced Dwelling Units, solely for sale to and occupancy by Eligible Households during the Phase III MPDU Condominium Unit Compliance Control Period, in accordance with the terms of this Declaration and Article II of the MPDU Program Agreement:

Address	Unit Number	Tax Identification Number	Initial Maximum Sale Price
1. 1101 Fortune Terrace	106	TBD	$251,000
2. 1101 Fortune Terrace	107	TBD	$162,500
3. 1101 Fortune Terrace	206	TBD	$272,500
4. 1101 Fortune Terrace	207	TBD	$162,500
5. 1101 Fortune Terrace	306	TBD	$272,500
6. 1101 Fortune Terrace	307	TBD	$195,000
7. 1101 Fortune Terrace	407	TBD	$212,000

2. **Initial MPDU Maximum Sale Price Restrictions; Limit on HOA and Condominium Fees.**

(a) In accordance with the MPDU Ordinance, the Declarant covenants, declares, and agrees that the initial sale price for each Phase III MPDU Condominium Unit shall not exceed the initial maximum sale price established by the Mayor and Council, as listed in Section 1 above. The initial maximum sale prices shall include closing costs and brokerage fees (if any).

(b) The Declarant covenants and agrees that the owners of the Phase III MPDU Condominium Units shall have full access to all amenities provided to owners of the market-rate Flats at Northside Condominium Units, if any, subject to the rules, regulations and conditions governing the use of these facilities for all owners as reasonably established by the Owner, its agent, or a home owners association created for the Northside Residential Development ("**HOA**"). For the duration of the Phase III MPDU Condominium Unit Compliance Control Period, the owners of the Phase III MPDU Condominium Units shall pay no more than fifty percent (50%) of the monthly HOA assessment fees and the condominium fees charged to owners of the market-rate Flats at Northside Condominium Units. The fifty percent (50%) cap on regular monthly HOA assessments for each owner of a Phase III

MPDU Condominium Unit will not apply to special HOA assessments charged to such owner.

3. Initial Sale of MPDUs.

(a) Offering to the General Public. The Declarant covenants, declares, and agrees to offer each of the Phase III MPDU Condominium Units for sale to an Eligible Household purchaser pursuant to the MPDU Ordinance and the terms of the MPDU Program Agreement.

(b) Notice must be included in any agreement of sale which fully and completely discloses the resale price restrictions and controls established in this Declaration. A copy of the agreement signed by all parties shall be delivered to the DHCD Director no later than thirty (30) days prior to settlement.

(c) The deed from Declarant to the initial purchaser of each Phase III MPDU Condominium Unit shall contain the following language setting forth that the condominium unit is subject, for the duration of the Phase III MPDU Condominium Unit Compliance Control Period, to this Declaration, and that all future deeds transferring the Phase III MPDU Condominium Unit shall be subject to this Declaration.

> *THIS CONDOMINIUM UNIT IS SUBJECT TO THAT CERTAIN DEED OF DECLARATION OF RESTRICTIVE COVENANTS AND CONDITIONS FOR THE MAYOR AND COUNCIL OF ROCKVILLE'S MODERATELY PRICED DWELLING UNIT (MPDU) HOMEOWNERSHIP PROGRAM, RECORDED IN DEED BOOK _____, PAGE _____ AMONG THE MONTGOMERY COUNTY LAND RECORDS. This provision shall run with the property and bind upon the property and shall bind Grantee(s) and each Grantee's, heirs, personal representatives, successors and assigns. All future deeds for this property shall contain this provision.*

(d) Notwithstanding anything herein to the contrary, failure to comply with the terms of this Section 3 shall not in any way diminish or invalidate this Declaration as to any MPDU Condominium Unit.

4. Subsequent MPDU Sale Price Restrictions. In accordance with the MPDU Ordinance, during the Phase III MPDU Condominium Unit Compliance Control Period, and subject to the foreclosure regulations set forth in Section 13.5-9(e) of the MPDU Ordinance, Phase III MPDU Condominium Units shall not be resold or refinanced by either the initial purchasers of Phase III MPDU Condominium Units or any subsequent purchasers (each referred to herein as an "**Owner**") for a price greater than the original selling price for the applicable MPDU Condominium Unit, plus: **(a)** a percentage of the applicable MPDU Condominium Unit's original selling price equal to the increase in the cost of living, as determined by the consumer price index, **(b)** an allowance for improvements made to the

applicable Phase III MPDU Condominium Unit by the selling Owner, not to exceed ten percent (10%) of the selling price calculated in accordance with subsection (a) of this Section 4, **(c)** an allowance for closing costs which were not paid by the Declarant, but which was paid by the initial buyer of the applicable MPDU Condominium Unit, for the benefit of the subsequent buyer of the applicable MPDU Condominium Unit, and **(d)** a reasonable sales commission if the applicable Phase III MPDU Condominium Unit is not sold within sixty (60) days to an Eligible Households from the Eligibility List (the "**MPDU Resale Price**").

5. Subsequent Sale of MPDUs – During the Phase III MPDU Condominium Unit Compliance Control Period.

(a) Notification Requirements. An Owner shall immediately notify the DHCD Director in the event such Owner wants to offer his or her Phase III MPDU Condominium Unit for resale during the Phase III MPDU Condominium Unit Compliance Control Period.

(b) Offering. Each Phase III MPDU Condominium Unit that is offered for resale during the Phase III MPDU Condominium Unit Compliance Control Period must be offered as follows:

i. *Housing Agency*. The Phase III MPDU Condominium Unit shall first be exclusively offered for resale to the Housing Agency. The DHCD Director shall notify the Housing Agency of any Phase III MPDU Condominium Unit that will be offered for resale. Upon receipt of such notice, the Housing Agency will have twenty-one (21) days to indicate to the selling Owner of its interest in acquiring the MPDU Condominium Unit.

ii. *Eligible Households on the Eligibility List*. If the Housing Agency does not exercise its right to purchase the Phase III MPDU Condominium Unit being offered for resale within the timeframes set forth in the MPDU Ordinance, the Phase III MPDU Condominium Unit shall next be exclusively offered for resale to Eligible Households who are on the Eligibility List for forty-five (45) days.

iii. *General Public*. If an Eligible Household from the Eligibility List does not exercise its right to purchase the Phase III MPDU Condominium Unit being offered for resale within the forty-five (45) day period, the selling Owner may then offer the Phase III MPDU Condominium Unit to Eligible Households from the general public. No later than thirty (30) days prior to settlement of any resale to an Eligible Household from the general public, the selling Owner shall deliver to the DHCD Director written proof of buyer's eligibility, which shall be satisfactory to the DHCD Director.

iv. *Market Rate Sale*. If the Phase III MPDU Condominium Unit remains unsold 180 days after the unit is offered for resale to the general public, then the City Manager may permit the selling Owner to sell the Phase III MPDU Condominium Unit at a price in excess of the MPDU Resale Price (the "**Market Rate Price**"). If the Phase III MPDU Condominium Unit is sold at the Market Rate Price, the selling Owner must pay to the Mayor and Council all sales proceeds in excess of the MPDU Resale Price. Once the sales proceeds are paid to the Mayor and Council for deposit into its Moderately Priced Housing Fund, the Mayor and Council will release this Declaration from the applicable MPDU Condominium Unit.

(c) Notice must be included in any agreement of sale for a Phase III MPDU Condominium Unit which fully and completely discloses the resale price restrictions and controls established in this Declaration. A copy of the agreement of sale signed by all parties shall be delivered to the DHCD Director no later than thirty (30) days prior to settlement.

(d) Intentionally Omitted.

(e) No transfer or conveyance of any Phase III MPDU Condominium Unit shall occur without the written consent of the City Manager, or his authorized designee, as evidenced by the City Manager's or authorized designee's signature on the deed. Additionally, the deed from an Owner to a subsequent purchaser of each Phase III MPDU Condominium Unit shall contain the following language setting forth that the condominium unit is subject, for the remaining duration of the Phase III MPDU Condominium Unit Compliance Control Period, to this Declaration, and that all future deeds transferring the Phase III MPDU Condominium Unit shall be subject to this Declaration.

> *THIS CONDOMINIUM UNIT IS SUBJECT TO THAT CERTAIN DEED OF DECLARATION OF RESTRICTIVE COVENANTS AND CONDITIONS FOR THE MAYOR AND COUNCIL OF ROCKVILLE'S MODERATELY PRICED DWELLING UNIT (MPDU) HOMEOWNERSHIP PROGRAM, RECORDED IN DEED BOOK _____, PAGE _____ AMONG THE MONTGOMERY COUNTY LAND RECORDS. This provision shall run with the property and bind upon the property and shall bind Grantee(s) and each Grantee's, heirs, personal representatives, successors and assigns. All future deeds for this property shall contain this provision.*

(f) Failure to comply with the terms of this Section 5 shall not in any way diminish or invalidate this Declaration as to any MPDU Condominium Unit.

6. Subsequent Sale of MPDUs – Post Phase III MPDU Condominium Unit Compliance Control Period.

(a) If a Phase III MPDU Condominium Unit is sold or resold following the expiration of the Phase III MPDU Condominium Unit Compliance Control Period, the price and resale restrictions set forth in Section 5 above shall not apply. However, for the first sale of each Phase III MPDU Condominium Unit following the expiration of the Phase III MPDU Condominium Unit Compliance Control Period, the selling Owner shall pay to the Mayor and Council, for deposit into its Moderately Priced Housing Fund, one-half (1/2) of the excess of the total resale price over the sum of the following: (i) the original selling price, (ii) a percentage of the MPDU Condominium Unit's original selling price equal to the increase in the cost of living as determined by the consumer price index, (iii) an allowance for improvements made to the Phase III MPDU Condominium Unit not to exceed ten percent (10%) of the selling price calculated in accordance with subsection (a)(ii) of this Section 6, and (iv) a reasonable sales commission. The City Manager shall adjust the amount paid into the Moderately Priced Housing Fund so that the selling Owner retains at least $10,000 of the excess of the resale price over the sum of the items in (i) through (iv).

(b) When the City Manager determines that the price and terms of the sale or resale of the Phase III MPDU Condominium Unit covered by Section 6(a) have been met, and the Mayor and Council receives the amount due, the Mayor and Council will release this Declaration from the applicable MPDU Condominium Unit.

7. <u>Principal Residence Requirement</u>.

(a) Subject to Section 13.5-8(a)(6) of the MPDU Ordinance, Owners of Phase III MPDU Condominium Units (i) shall occupy the Phase III MPDU Condominium Unit subject to this Declaration as his/her principal residence, and (ii) shall not lease, sublease, rent or otherwise accept compensation for use of the Phase III MPDU Condominium Unit premises or any portion thereof. In the event of any violation of this provision, Owner shall be liable to the Mayor and Council for 150% of the compensation collected by such Owner for the period the lessee (or sublessee) is in violation, in addition to any other remedies to which the Mayor and Council is entitled in law or equity.

(b) Owner further agrees to submit to the DHCD Director annually a notarized affidavit executed by Owner on the anniversary date of initial settlement certifying Owner's continuing occupancy of the Phase III MPDU Condominium Unit as the purchaser's primary residence.

8. <u>Obligation to Maintain</u>. Declarant and each successor Owner of each Phase III MPDU Condominium Unit is obligated during its ownership of the Phase III MPDU Condominium Unit to keep and maintain the Phase III MPDU Condominium Unit in good order, repair, and condition.

9. **Financing.** This Declaration shall be superior to all instruments securing financing with respect to each MPDU Condominium Unit, and this Declaration shall be binding upon all assignees, mortgagees, purchasers and other successors in interest, except that, subject to Section 13.5-9(e) of the MPDU Ordinance, this Declaration may be released in the event of foreclosure by lending institution holding a first priority purchase money deed of trust on the MPDU Condominium Unit.

10. **Non-Discrimination**.

(a) The Declarant shall not, in the offering for sale of Phase III MPDU Condominium Units, discriminate against any person on the grounds of Race, National Origin, Color, Marital Status, Sex, Religion, Age/Elderliness, Disability (physical or mental), Sexual Orientation, or Familial Status (being pregnant or having children under age 18), or discriminate in violation of any applicable law or regulation. The Declarant shall comply with all requirements imposed by Title VIII of the Civil Rights Act of 1968, and any related rules and regulations.

(b) The Declarant agrees not to discriminate against prospective Owners on the basis that they receive or are eligible to receive housing assistance under any Federal, State, or local housing assistance program.

11. **Administration of Declaration.**

(a) Declarant, for itself and its heirs, assigns and successors, hereby irrevocably assigns, transfers, and conveys unto the Mayor and Council and its designees all of its rights, title, interest or obligation to enforce and maintain in full force and effect the terms and conditions, and requirements of this Declaration.

(b) The Mayor and Council and its designee shall monitor and evaluate and the Owners' efforts in performing the Owners' obligations under this Declaration, and each Owner agrees to cooperate fully with the Mayor and Council's monitoring and administration efforts. Each Owner shall submit to the Mayor and Council or its designee any documents or information that may be reasonably required by the Mayor and Council from time to time.

12. **Default; Enforcement**. In the event that the Declarant defaults in the performance of any of the covenants or its obligations under this Declaration, the Mayor and Council may, after providing notice of such default to the Declarant and a reasonable period within which Declarant may cure such default, at its option, pursue any one or more of the remedies provided by the MPDU Program Agreement, law or in equity, including but not limited to the right to apply to any court of competent jurisdiction within the State of Maryland to enforce specific performance by the Declarant of its obligations hereunder or to obtain an injunction against any violations hereof, or to obtain any other such relief as may be appropriate.

13. **Waiver; Forbearance**. The Mayor and Council shall have the right to waive at its option any of the rights granted to it hereunder to enforce the terms hereof, provided that the Mayor and Council's election not to pursue any particular remedy in the event of a default hereunder shall not be construed to preclude or be a waiver of the Mayor and Council's right to pursue any of the other remedies with respect to the violation for which such remedy was pursued or with respect to any other violation prior or subsequent thereto. In addition, any forbearance by the Mayor and Council in exercising any of its rights hereunder shall not constitute a waiver or preclude the exercise of such rights.

14. **Estoppels**. From time to time upon the written request of the Declarant, the City Manager shall provide to any purchasers of a Phase III MPDU Condominium Unit or any lender making a loan secured by the Phase III MPDU Condominium Unit an estoppel certificate confirming the provisions of the Declaration; certifying, to the best of the City Manager's knowledge, that the Declarant remains in full force and effect; and specifying whether any default(s) exist under any of the provisions of the Declaration.

15. **Amendment**. This Declaration may be amended only by written agreement by and between the Declarant and the Mayor and Council.

16. **Governing Law**. This Declaration shall be governed by the laws of the State of Maryland.

17. **Severability.** The invalidity of any clause, part, or provision of this Declaration shall not affect the validity of the remaining portions hereof.

18. **Covenants Run with the Land.** The covenants set forth herein shall be deemed covenants running with the land and shall be an encumbrance on each of the Phase III MPDU Condominium Units for the duration of the Phase III MPDU Condominium Unit Compliance Control Period. Such covenants shall be binding upon the Declarant and its successors and assigns, including any successors in title to each of the Phase III MPDU Condominium Units.

DRAFT

IN WITNESS WHEREOF, the Declarant has caused this Declaration to be executed as of the date first above written.

DECLARANT

Pulte Home Company, LLC, a Michigan limited liability company

By: _____
Christopher Spahr, Division Vice President of Land Planning and Development

ACKNOWLEDGMENT

STATE OF MARYLAND
COUNTY OF MONTGOMERY

On this the ___ day of _____, 2026, before me, personally appeared Christopher Spahr, who acknowledged himself to be the Division Vice President of Land Planning and Development of Pulte Home Company, LLC, a Michigan limited liability company and named as Owner in the above instrument, and that he, as Division Vice President of Land Planning and Development, being authorized so to do, executed the foregoing instrument for the purposes therein contained, by signing the name of Pulte Home Company, LLC, a Michigan limited liability company by him as the Division Vice President of Land Planning and Development of said Pulte Home Company, LLC.

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

_____
NOTARY PUBLIC
My Commission Expires: _____

DRAFT

ACKNOWLEDGED AND AGREED TO:

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

By: _____
Jeff Mihelich, City Manager

Approved as to form:

By: _____
Cynthia Walters, Acting City Attorney

DRAFT

Exhibit A

Legal Description

ALL THAT CERTAIN lot or parcel of land, together with all rights, privileges and appurtenances thereunto belonging or in anywise appertaining, lying and being situate in Montgomery County, Maryland, and more particularly described as follows:

Unit 106, as shown on 'Phase III, Condominium Plat, The Flats at Northside Condominium', recorded in Plats Nos. _____.

Unit 107, as shown on 'Phase III, Condominium Plat, The Flats at Northside Condominium', recorded in Plats Nos. _____.

Unit 206, as shown on 'Phase III, Condominium Plat, The Flats at Northside Condominium', recorded in Plats Nos. _____.

Unit 207, as shown on 'Phase III, Condominium Plat, The Flats at Northside Condominium', recorded in Plats Nos. _____.

Unit 306, as shown on 'Phase III, Condominium Plat, The Flats at Northside Condominium', recorded in Plats Nos. _____.

Unit 307, as shown on 'Phase III, Condominium Plat, The Flats at Northside Condominium', recorded in Plats Nos. _____.

Unit 407, as shown on 'Phase III, Condominium Plat, The Flats at Northside Condominium', recorded in Plats Nos. _____.

NOTE FOR INFORMATIONAL PURPOSES ONLY:

Address	Unit	Lot #	Block	Tax ID Number
1101 Fortune Terrace	106	127	A	
1101 Fortune Terrace	107	127	A	
1101 Fortune Terrace	206	127	A	
1101 Fortune Terrace	207	127	A	
1101 Fortune Terrace	306	127	A	
1101 Fortune Terrace	307	127	A	
1101 Fortune Terrace	407	127	A	

(End of Exhibit "A")

MAYOR AND COUNCIL Meeting Date: June 29, 2026
Agenda Item Type: CONSENT
Department: PW - ENVIRONMENTAL MANAGEMENT
Responsible Staff: DENZEL JOHN

Subject

Authorization for the City Manager to Execute a Right-of-Way Agreement with Montgomery County, Maryland for the Construction of Public Electric Vehicle Charging Stations on City-Owned Property and Public Rights-of-Way

Department

PW - Environmental Management

Recommendation

Staff recommends that the Mayor and Council authorize the City Manager to execute a Right-of-Way Agreement (Attachment 1) between the Mayor and Council of Rockville, and Montgomery County, Maryland for the construction of approximately twenty-eight (28) publicly accessible Level 2 electric vehicle (EV) charging ports across City-Owned Property and Public Rights-of-Way (ROW).

Discussion

Authorization of the agreement enables Rockville to partner with Montgomery County and leverage outside funding to expand public electric vehicle (EV) charging on city-owned property and public ROW. City staff coordinated with Montgomery County Department of Environmental Protection (MCDEP) on EV charging station site evaluation, surveying, and preliminary design for seven (7) locations within Rockville city limits. This partnership is anticipated to result in the installation of up to 28 publicly available Level 2 charging ports distributed across the following sites:

SITE NAME	ADDRESS
Rockville Senior Center	1150 Carnation Dr
Rockville Civic Center Park	603 Edmonston Dr
Elmwood Smith Community Center	601 Harrington Rd
Charles Street ROW	301 Charles St/McArthur
Congressional Lane ROW	451 Congressional Ln
Yale Place ROW	1700 Yale Pl
David Scull Park First St ROW	1133 First St

Background

The Bipartisan Infrastructure Law (BIL), enacted on November 15, 2021, as the Infrastructure Investment and Jobs Act (IIJA), established the Carbon Reduction Program (CRP) to fund projects aimed at reducing transportation-related greenhouse gas emissions, specifically carbon dioxide (CO2) emissions from on-road sources. The Federal Highway Administration (FHWA) administers CRP funding, which is apportioned to states based on a federally defined formula. In 2022, the city launched a community engagement process to develop Rockville's first Electric Vehicle (EV) Readiness Plan with a goal to make charging available, accessible, equitable, affordable, safe and convenient for all who live in, work in, and visit the city. The EV Readiness Plan was adopted in March of 2025 and includes actions to expand public charging:

- Action 2.1.3: Coordinate with Montgomery County to expand public charging; and
- Action 2.1.5: Identify City-owned properties and rights-of-way in gap areas and leverage outside funding and partnerships to expand public charging infrastructure.

On July 17, 2024, the Maryland Transportation Planning Board (TPB) adopted Resolution R2-2024 approving projects for inclusion in the FY 2023–2026 Transportation Improvement Program utilizing CRP funds. Subsequently, on September 10, 2024, the Maryland State Highway Administration (SHA) awarded funding to Montgomery County and the City of Rockville to support the design and construction of a regional EV charging network. A supplemental agreement between SHA and Montgomery County was executed on April 18, 2025, encompassing both County and City of Rockville project sites.

Montgomery County intends to issue a Request for Proposals (RFP) for the design, construction, and operation of EV charging stations across approximately 30 sites throughout the county, including the seven locations charted above within Rockville. The RFP includes sites in Montgomery County parking garages, libraries, and community centers and local partner sites within the City of Rockville, the City of Takoma Park and Montgomery County Public Schools. Issuance of the RFP is contingent upon execution of a Construction Right-of-Way Agreement between the City and Montgomery County. Authorization by the Mayor and Council is therefore required to enable the City Manager to execute this agreement.

Montgomery County will then issue the RFP and the review committee will select one or more contractors to design, construct, operate, and maintain the public electric vehicle (EV) charging stations in accordance with Federal Highway Administration (FHWA) programs.

This project also advances Rockville's greenhouse gas reduction goals and supports the expansion of publicly accessible EV charging infrastructure, as outlined in the City's Climate Action Plan adopted on January 10, 2022.

Mayor and Council History

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

Fiscal Impact

Execution of the Right-of-Way Agreement will enable deployment of EV charging infrastructure at no direct capital cost to the City. Staff coordination efforts will be minimal and accommodated within existing operating budgets across the Department of Public Works,

Recreation and Parks, and other supporting departments as needed. Electric vehicle operators will pay for electricity use directly through the charging station software.

Next Steps

If approved by the Mayor and Council, the City Manager will execute the Right-of-Way Agreement with Montgomery County. Following vendor selection through Montgomery County's RFP process, staff anticipates bringing a separate agreement to the Mayor and Council for authorization. Similar to an EV license agreement, this agreement would govern the ongoing operation and maintenance of charging stations installed on City-owned property and within the public right-of-way.

Attachments

Attachment_1

Right-of-Way Agreement for Electric Vehicle Charging

This Right-of-Way Agreement ("Agreement") is made and entered into as of the ____day of _____, 2026, (the "Effective Date") by and between The Mayor and Council of Rockville, a Maryland municipal corporation with its principal address at 111 Maryland Avenue, Rockville, MD 20850, hereinafter referred to as the "Licensor," and Montgomery County, Maryland, a body corporate and politic with its principal address at 101 Monroe Street, Rockville, Maryland 20850, hereinafter referred to as the "Licensee." The Licensor and the Licensee are hereinafter referred to collectively as the "Parties."

1. Purpose

The purpose of this Agreement is to grant the Licensee and its contractors the right to enter in upon the portion(s) of land shown in the attached Exhibit and to proceed with the construction, landscaping, and improvements related to the construction of electric vehicle charging equipment (the "Project"), subject to the terms and conditions of this Agreement.

IT IS HEREBY UNDERSTOOD AND AGREED:

1.1. The Project shall be done at no cost to the Licensor.

1.3. Prior to the commencement of any construction activities on the Project, the parties shall enter into a future agreement governing the operation of the electric vehicle charging equipment, the maintenance of related improvements, and any cost-sharing that will occur.

1.4. That this Right-of-Way Agreement shall be in force only during the period of construction of the Project and that at the termination of said construction, all rights hereby granted to the Licensee shall then terminate and revert to the Licensor.

1.5. In accordance with the Uniform Real Property Acquisition Policies Act of 1970 (Uniform Act), as amended, a Licensor must be informed of its right to receive just compensation for the acquisition of property or any necessary easement(s). The fair market value of any property rights would be determined by valuation in compliance with the Uniform Act of the Licensor's property.

1.6. In signing this agreement, the Licensor understands that it is waving compensation and appraisal to expedite the construction of this project. The fair market value of the property rights being waived is estimated to be $85,068.65.

2. Locations

EV charging stations will be installed at the following locations owned or controlled by the Licensor, listed below and depicted in greater detail in Exhibit A, attached to this Agreement and incorporated herein (the "Charger Locations"). Each Charger Location as depicted in Exhibit A includes the installation location as well as the parking area serving each EV Charging station.

NAME	ADDRESS
Rockville Senior Center	1150 Carnation Dr
Rockville Civic Center Park	603 Edmonston Dr
Elmwood Smith Community Center	601 Harrington Rd
Charles Street ROW	301 Charles St/McArthur
Congressional Lane ROW	451 Congressional Ln
Yale Place ROW	1700 Yale Pl
David Scull Park First St ROW	1133 First St

3. Term

The term of this Agreement shall begin on the Effective Date and run for a period of three (3) years, unless terminated earlier in accordance with the provisions of this Agreement. The Agreement may be renewed for additional one (1) year terms upon mutual written consent of both parties.

4. Licensee Responsibilities

Licensee shall:

- Identify in writing to Licensor any contractors or other agents of Licensee authorized to install or perform work on the Project at least 14 days before the installation or work occurs.
- Provide Licensor with 14 days advance written notice of the installation of any part of the Project.
- Secure all necessary City permits prior to commencement of construction of the Project.

- Require its contractor(s) to install the Project in a professional and workmanlike manner.
- Require that its contractor(s) maintain access for purposes of ingress and egress to the Licensor's property at all times during construction of the Project.
- Require its contractor(s) to take all reasonable measures and exercise reasonable effort to prevent damage to Licensor's property. In the event Licensee's contractor damages Licensor's property, Licensee will instruct its contractor to restore said property to the same or as similar a condition as possible and reasonable. Licensee requires that its contractor(s) carry and maintain liability coverage for damage to Licensor's property, if any, due to or as a consequence of the contractor's work pursuant to the contract.

5. Compliance

The Licensee shall comply with all applicable federal, state, and local laws, regulations, and policies in the installation and operation of the electric vehicle charging stations.

6. Liability

6.1 Insurance

The Licensee shall maintain comprehensive general liability insurance with coverage limits of not less than $400,000 per occurrence and $800,000 in aggregate. The Licensee shall have the right to self-insure and is a member of the Montgomery County Self-Insurance Program.

The Licensee will require its contractors, who conduct any operations or perform any work permitted by this agreement, or any activity connected therewith, to maintain insurance coverage with limits at least equal to those listed below:

<u>Commercial General Liability</u>

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 coverages:

Bodily Injury

Property Damage

Contractual Liability

Premises and Operations

Independent Contractors

Products and Completed Operations

Personal Injury

Workers' Compensation/Employer's 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

Automobile Liability

A minimum limit of liability of one million dollars ($1,000,000), combined single limit, for bodily injury and property damage coverage (each accident) including the following coverages:

All Owned Autos

Hired Autos

Non-Owned Autos

Excess/Umbrella Liability

A minimum limit of liability of one million dollars ($1,000,000) per Occurrence/Aggregate

Professional Liability (if applicable)

A minimum limit of liability of one million dollars ($1,000,000) per Occurrence/Aggregate

Licensee shall cause its contractor to add Licensor as an additional insured on the Contractor's Commercial and Excess/Umbrella Insurance for liability arising out of contractor's products, goods, and services. Additionally, Licensor must be named as an additional insured on the Contractor's Automobile and General Liability Policies. Licensee shall provide a copy of the contractor's current certificate of insurance to Licensor prior to commencement of construction activities.

6.2 Indemnification

The Licensee agrees to indemnify and hold harmless the Licensor, its officers, agents, and employees from and against any and all claims, liabilities, damages, losses, and expenses arising out of or in connection with the Licensee's negligence during installation, operation, or maintenance of the charging stations. The indemnification provided by the Licensee under this paragraph is subject to the liability and damages caps stated in the Local Government Tort Claims Act, Md. Code Ann., Cts. & Jud. Proc. § 5-301 et seq. and Md. Code Ann., Cts. & Jud. Proc. § 5-5A-02 (collectively the "County Indemnification Statutes"), all as amended from time to time. Any indemnification given by the Licensee in this Agreement is not intended to create any rights or causes of action in any third parties or to increase the Licensee's liability over and above the caps provided in the County Indemnification Statutes, as applicable. Further, the Parties acknowledge that, to the extent required by law, any financial obligations of the Licensee under this Agreement are subject to the appropriation of funds by the Montgomery County Council.

7. Termination

This Agreement may be terminated by either party upon 30 days' written notice to the other party in the event of a material breach of any term or condition of this Agreement, provided that the breaching party fails to cure such breach within 30 days after receipt of such notice.

8. Miscellaneous

8.1 Dispute Resolution

Any disputes arising under this Agreement that cannot be resolved through other means shall be adjudicated in a court of competent jurisdiction in Montgomery County, Maryland.

8.2 Waiver

A waiver of default of any term of this Agreement must not be construed as a waiver of any succeeding default or as a waiver of the provision itself. A party's performance after the other party's default must not be construed as a waiver of that default.

8.3 Amendments

This Agreement may be amended only by a written document signed by both parties.

8.4 Mailing Notices

All notices required or desired to be given hereunder by either party to the other shall be given by certified or registered mail, or by email with confirmation of receipt, and shall be

deemed to be effective when received or refused by the addressee. Notices to the respective parties shall be addressed as follows:

Licensor:

Denzel John
6 Taft Ct, Suite 227
Rockville, MD 20850

With copies to:

City Manager
Rockville City Hall
111 Maryland Avenue
Rockville, MD 20850

City Attorney
Rockville City Hall
111 Maryland Avenue
Rockville, MD 20850

Licensee:

Montgomery County, Maryland
Brian Booher
Email: brian.booher@montgomerycountymd.gov
Department of Environmental Protection
2425 Reedie Drive, 4th Floor
Wheaton, MD 20902

8.5 Governing Law

This Agreement shall be governed by and construed in accordance with the laws of the State of Maryland and Montgomery County, Maryland.

8.6 Entire Agreement

This Agreement contains the entire agreement between the Parties, supersedes any previous understandings, proposals, commitments, or agreements, whether oral or written, and may be modified or amended only as herein provided.

8.7 Severability

If any part, term, or provision of this Agreement is held void, illegal, unenforceable, or in conflict with any law of a federal, state, or local government having jurisdiction over this Agreement, the validity of the remaining portions of provisions must not be affected thereby; provided that the material economic terms of this Agreement remain substantially the same as contemplated by the entire Agreement.

[Signatures on next page.]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

The Mayor and Council of Rockville
By: _____
Name: Jeff Mihelich
Title: City Manager
Date: _____

Approved for legal sufficiency:

By:_____

Nicholas D. Dumais

Senior Assistant City Attorney

Montgomery County, Maryland
By: _____
Name: Ken Hartman
Title: Assistant Chief Administrative Officer
Date: _____

MAYOR AND COUNCIL Meeting Date: June 29, 2026
Agenda Item Type: CONSENT
Department: HOUSING AND COMMUNITY DEVELOPMENT
Responsible Staff: SARAH MAIZEL

Subject

Approval of Year 51, FY26 Community Development Block Grant (CDBG) Sub-grantee Contract Agreements and Authorization for City Manager to Sign Agreements

Department

Housing and Community Development

Recommendation

Staff recommends that the Mayor and Council approve and authorize the City Manager to sign the attached Community Development Block Grant (CDBG) sub-grantee contract agreements for program Year 51/FY 2026.

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 expended 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 (DHCD) 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 the list of awardees and the award amounts.

Applicant	**Allocation**
Community Reach of Montgomery County, Inc.	$8,546
Habitat for Humanity	$60,000
Rockville Housing Enterprises (RHE)	$94,454
City of Rockville Single Family Rehab Program	$100,000
TOTAL	**$263,000**

Mayor and Council History

On December 9, 2024 the Mayor and Council approved the Year 51/FY 2026 funding allocations and authorized the City Manager to transmit the grant application and enter into an agreement with Montgomery County for Program Year 51/FY 2026 of the CDBG program, in a form approved by the City Attorney.

Next Steps

Upon the Mayor and Council authorization, staff will coordinate with the three (3) subgrantee organizations to duly execute each contract, effectuating the issuance of purchase orders and notice to proceed.

Attachments

Community Reach CDBG_YR51wCOR, Habitat for Humanity_CDBG_YR51wCOR, RHE_CDBG_YR51wCOR

CITY OF ROCKVILLE ADMINISTERED CDBG FUNDED SUB-GRANTEE AGREEMENT

THIS **CITY OF ROCKVILLE ADMINISTERED CDBG FUNDED SUB-GRANTEE AGREEMENT** (this "**Contract**") is entered into as of the **9th** day of **June**, 2026, by and between THE MAYOR AND COUNCIL OF ROCKVILLE, a body corporate and municipal corporation of the State of Maryland (hereinafter referred to as "City"), with offices at City Hall, 111 Maryland Avenue, Rockville, Maryland 20850 and **Community Reach of Montgomery County Inc** (hereinafter referred to as "GRANTEE) with offices at **9420 Key West Ave, Suite 400, Rockville, MD 20850**.

RECITALS

WHEREAS, the City has received Community Development Block Grant ("CDBG") funds from Montgomery County, Maryland pursuant to the terms of Contract Number **1184965** the terms of which are incorporated into this Contract and which is further identified as "EXHIBIT A;" and

WHEREAS, the Grantee has requested **Eight Thousand, Five Hundred-Forty-Six Dollars** ($**8,546.00**) of CDBG funds to **Community Reach of Montgomery County Inc** in accordance with the provisions and deliverables of EXHIBIT A, **Attachment I-B_;** and

WHEREAS, the City has requested that such funds be included in its Year **51** CDBG allocations; and

WHEREAS, the City's request for funds was approved by the Montgomery County Government and is identified in Exhibit A as **Attachment I-B_;** and

NOW THEREFORE in consideration of the mutual promises and covenants herein contained, and the recitals which are incorporated in and made parts of this Contract, the parties do agree as follows:

1. Grantee covenants and agrees to provide necessary personnel, facilities, supplies, material, and/or services to undertake the scope of services, budget, timeline and results as contained in **Attachment I- B .** In providing such personnel, facilities, supplies, materials and/or services, Grantee shall comply with all applicable terms and requirements set forth in Exhibit A and all laws, regulations, and/or policies imposed from time to time by the U. S. Department of Housing and Urban Development, Montgomery County, Maryland, and/or the City of Rockville.

2. Grantee covenants and agrees that grant funds are to be used only for activities described in the **Attachment I- B .** Any changes or modifications to the described activities must receive prior written approval from the City of Rockville Department of Housing and Community Development.

3. Grantee covenants and agrees to submit quarterly project progress reports and project benefit reports as indicated in Exhibit A as well as such reports as may be required from time to time by the U.S. Department of Housing and Urban Development ("HUD"), Montgomery County, Maryland and/or the City of Rockville.

4. Grantee covenants and agrees that project activities shall benefit 100% low-moderate income residents of the City of Rockville. Grantee will document income according to the requirements of Exhibit A and **Attachment I- B** . To the extent possible, said documentation shall include names and addresses of persons assisted. Grantee further agrees to maintain adequate eligibility records required by **Attachment I- B .** Grantee further agrees that rehabilitated units will be occupied by low-moderate income households no less than five years following closeout of the CDBG Yr 51 (FY26) grant.

5. Grantee shall submit supporting documentation for CDBG eligible activities necessary to accomplish the activities described in **Attachment I-B_.**

6. Reimbursement for project costs will be made only upon submission of documented requisitions. Submitted documentation shall include, but not be limited to, copies of payroll and personnel expense checks, and personnel time sheets, copies of paid invoices, checks.

7. **Contract Term**

Grantee shall commence the work described herein on or **about June 9th, 2026** and shall complete the work by **June 9th , 2027, within 12 months of this Contract's execution**. Any extensions beyond the term specified herein shall be at the sole discretion of the City and shall require the concurrence of Montgomery County.

8. **Audit and Inspection**

Grantee agrees that the City or its designee shall, until the expiration of three (3) years after final payment under this Contract, have access to and the right to examine any books, documents, and records of Grantee pertaining to expenditure of funds described in this Contract. Grantee shall retain records pertaining to this Contract for at least five (5) years or such longer time as may be required by the

City and shall contact the City before disposing of the records.

9. **Termination**

A. For Convenience of the City

This Contract may be terminated, in whole or in part, whenever the City Manager shall determine that termination of this Contract is in the best interest of the City. In such event, the City shall be liable only for payment in accordance with the provision of this Contract for work or services performed or furnished in accordance with this Contract, prior to the effective date of termination. Termination hereunder shall be effective by a written notice of termination delivered in person or by mail to Grantee at the aforementioned address.

B. For Default of Contract

This Contract may be terminated by the City, in whole or in part, whenever, in the opinion of the City Manager, Grantee has defaulted in the timely performance of this Contract, failed to make satisfactory progress in the prosecution of the work hereunder, or endangered such performance, and has failed to cure such default within ten (l0) days after receipt of written notification from the City specifying the default. The findings of fact and decisions made regarding termination for default by the City Manager shall be final and conclusive.

10. **Assignment and Subcontracting**

Grantee shall not assign or transfer neither this Contract nor any right in or claim thereunder except as expressly authorized in writing by the City Manager.

11. **Disputes**

Except as otherwise provided in this Contract, any dispute concerning a question of fact arising under this Contract, which is not disposed of by agreement, shall be decided by the City Manager, who shall notify Grantee in writing of his or her determination. Grantee shall be afforded an opportunity to be heard and offer evidence in support of its claim. Pending final decision of the dispute hereunder, Grantee shall proceed diligently with performance or this Contract. The decision of the City Manager shall be final and conclusive.

12. **Governing Law**

This Contract shall be governed by the laws of the State of Maryland, and nothing hereunder shall be interpreted to preclude the parties from seeking, after the completion or termination of this Contract, any and all remedies provided by law.

13. **Non-Discrimination in Employment**

Grantee will not discriminate against any employee or applicant for employment because of race, color, creed, religion, sex, national origin, marital status, sexual preference, age, or handicap. Grantee will take affirmative action toward the employment of minority applicants and shall treat employees without regard to their race, color, creed, religion, sex, sexual preference, national origin, marital status, age, or handicap. Such action shall include, but not be limited to the following: employment, upgrading, demolition, or transfer; recruitment or recruitment advertising; layoff or termination; rates or pay or other forms of compensation; and selection for training, including apprenticeship. Grantee agrees to post in conspicuous places, available to employees and applicants for employment, notices setting forth the provisions of this Equal Opportunity clause.

Grantee will, in all solicitations or advertisements for employees placed by or on behalf of Grantee, state that all qualified applicants will receive consideration for employment without regard to race, color, creed, religion, sex, sexual preference, national origin, marital status, age, or handicap.

In the event of Grantee's failure to employ with the Equal Opportunity clause of this contact or with any of the said rules, regulations, or orders, this Contract may be canceled, terminated, or suspended, in whole or in part.

14. **Independent Contractor**

Grantee shall perform this Contract as an independent contractor and shall not be considered an agent of the City, nor shall any of the employees or agents of grantee be considered sub-agents of the City.

15. **Licenses and Responsibilities**

Grantee shall, at Grantee's expense, be responsible for obtaining all necessary licenses and for complying with any applicable federal, state, and municipal laws, codes, and regulations in connection with the performance of services specified herein.

16. **Indemnification and Hold Harmless**

It is agreed that Grantee shall indemnify and hold harmless the City, its officers, agents and employees from any and all suits, actions, claims, damages, and costs of every nature and description to which the City may be subjected by reason of injury to person or property resulting from Grantee's conduct, negligence or that of its agents, employees or subcontractors in the performance of its duties under this Contract. Grantee shall be responsible for all damage to persons or property, which occurs or is a result of its conduct and shall take proper safety and health precautions to protect all employees and members of the general public. Grantee shall be responsible for claims of liability, loss or damage which may be attributable in whole or in part to its' negligence or misconduct, excepting however such claims or damages as may be attributable to the direct or willful negligence of the City, its officers, agents or employees.

17. **Entire Agreement**

This Contract contains the entire agreement between the parties hereto, and they shall not be bound by any terms, conditions, statements, warranties, or representations, oral or written, not herein contained.

18. **Conflicts**

If any conflicts exist between this Contract and Exhibit A, this Contract shall prevail**.** If any conflicts exist among the documents included in Exhibit A, the order of priority is: the terms contained in the letter dated May 19, 2026, General conditions of Contract between County and Contractor (Attachment III), the Scope of Services (Attachment I-_), Mandatory Insurance Requirements (Attachment VI), CDBG Special Conditions (Attachment VII), this Contract, the Requirements for Services Contract Addendum to the General Conditions of Contract Between County and Contractor (Attachment IV), the CDBG Eligibility Documentation (Attachment V), the Federal Labor Standards Provisions (Attachment VIII), and the Environmental Review Record (Attachment IX).

19. **References to Contractors in Exhibit A**

Any references to contractor in Exhibit A shall apply to Grantee.

20. **Insurance**

Prior to the execution of this Contract by the City, the Grantee must obtain at their own cost and expense and keep in full force and effect during the term of the Contract including all extensions, the following lines of insurance with an insurance company licensed to do business in the State of Maryland evidenced by a certificate of insurance and/or copies of the insurance policies. The Grantee's insurance shall be primary.

The Grantee must submit to the City a certificate of insurance and all requested Insurance Endorsements prior to the award of any Grant Funds. The Grantee will be required to maintain for the life of the Contract, including extensions, and to furnish the City evidence of insurance as follows:

MANDATORY REQUIREMENTS FOR INSURANCE

The Grantee's insurance coverage shall be primary insurance as respects the City, its elected and appointed officials, officers, consultants, agents and employees and any insurance or self-insurance maintained by the City, shall be excess of the Grantee's insurance and shall not be called upon to contribute with it. The Grantee shall waive any rights of recovery against the City and shall be responsible for maintaining proper insurance compliance amongst any and all of its servants, agents, employees or beneficiaries with the explicit understanding that no relationship and no authority exists between the City and those entities.

CERTIFICATE REQUIREMENTS WITH FORMS

Type of Insurance	Amounts of Insurance	Endorsements and Provisions
Commercial General Liability a. Bodily Injury b. Property Damage c. Contractual Liability d. Premise/Operations e. Independent Contractors f. Products/Completed Operations g. Personal Injury	$1,000,000 each occurrence and $1,000,000 in the aggregate	City to be listed as additional insured and provided 30-day notice of cancellation or material change in coverage. ISO Form CG 20 10 07 04 Form required. Montgomery County, Maryland to be listed as additional insured.
Business Automobile Liability (Applicable for following Sub-grantee) a. I-A BG8068/26 b. I-B BG8106/26 c. I-D BG8108/26 Owned automobiles Hired automobiles Non-owned automobiles Loading and unloading	$1,000,000 combined single limit for bodily injury and property damage coverage per occurrence	Montgomery County, Maryland to be listed as additional insured
Workers Compensation		

Employers' Liability	Bodily Injury by Accident: $100,000 each accident Bodily Injury by Disease: $500,000 policy limits Bodily Injury by Disease: $100,000 each employee	Waiver of Subrogation: ISO Form WC 00 03 13 Waiver of Our Rights to Recover From Others Endorsement – signed and dated.
Professional Liability	$1,000,000 for each claim	Coverage must remain in effect for a minimum of three (3) years after completion of the Contract
Cyber Liability	$1,000,000 for each claim	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 (Applicable for the following Sub-Grantees) a. I-A BG8068/26 b. I-B BG8106/26 c. I-D BG8108/26	$1,000,000 for each occurrence	
Crime Insurance (Employee Dishonesty / Theft of Funds)	Minimum required limits by project: • I-A BG8068/26 – $100,000 per occurrence • I-B BG8106/26 – $8,546 per occurrence • I-C BG8107/26 – $60,000	Montgomery County, Maryland to be listed as loss payee.

	per occurrence • I-D BG8108/26 – $94,454 per occurrence	

The Description area of the Certificate of Insurance shall read as follows:

The Mayor and Council, City of Rockville
City Hall
CDBG Grant YR. 51
111 Maryland Avenue
Rockville, MD 20850

For items requiring additional insured, the Description area of the Certificate of Insurance shall include as follows:

Montgomery County, Maryland
Department of Housing and Community Affairs / Katherine Canales
1401 Rockville Pike, 4th Floor
Rockville, MD 2085

Policy Cancellation
No change, cancellation or non-renewed shall be made in any insurance coverage without a thirty (30) day written notice to the City's Safety & Risk Management Division. Grantee shall furnish a new certificate prior to any change or cancellation date. The failure of the Grantee to deliver a new and valid certificate will result in suspension of all payments and cessation of on-site work activities until a new certificate is furnished.

Additional Insured
The Mayor and Council of Rockville, which includes its elected and appointed officials, officers, consultants, agents and employees must be named as an additional insured on the Grantee's Commercial General Liability and Excess/Umbrella Insurance for liability arising out of Grantee's products, goods, and services provided under this Contract. Endorsements reflecting the Mayor and Council of Rockville as an additional insured are required to be submitted with the insurance certificate.

(Signatures of Following Page)

IN WITNESS WHEREOF, the parties have executed this Contract by causing the same to be signed as of the day and year first above written.

ATTEST:

COMMUNITY REACH OF MONTGOMERY COUNTY, as Grantee

_____

_____
By: **Sarah Basehart**
Its: **Executive Director**

ATTEST:

THE MAYOR AND COUNCIL OF ROCKVILLE

_____
Sara Taylor-Ferrell, City Clerk/
Dir of Council Operations

_____
Jeff Mhelich, City Manager

Approved as to legal sufficiency:

_____
Cynthia Walters, Acting City Attorney

Docusign Envelope ID: 3758FA05-61A0-8D96-830C-8FE84B937C90

DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

Marc Elrich
County Executive

Scott Bruton
Director

May 19, 2026

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

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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

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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

Pofen Salem, Chief
Division of Finance and Administration

Docusign Envelope ID: 3758FA05-61A0-8D96-830C-8FE84B937C90

MAYOR AND COUNCIL OF ROCKVILLE

Jeff Mihelich

Jeff Mihelich, City Manager

Date: 5/19/2026

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

Reviewed for Legal Sufficiency by
The Office of the City Attorney

Cynthia B. Walters

Cynthia Walters, Acting City Attorney

MONTGOMERY COUNTY, MARYLAND

for,

Avinash G. Shetty, Director
Office of Procurement

Date: 6/9/2026

Recommended by:

Scott Bruton

Scott Bruton, Director
Department of Housing and Community Affairs

Date: 5/20/26

Approved as to Form

Jerrilyn E. Brooks

Assistant County Attorney

Date: 5/20/2026

Docusign Envelope ID: 3758FA05-61A0-8D96-830C-8FE84B937C90

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:

Docusign Envelope ID: 3758FA05-61A0-8D96-830C-8FE84B937C90

- 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

Docusign Envelope ID: 3758FA05-61A0-8D96-830C-8FE84B937C90

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

Docusign Envelope ID: 3758FA05-61A0-8D96-830C-8FE84B937C90

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

Docusign Envelope ID: 3758FA05-61A0-8D96-830C-8FE84B937C90

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

Docusign Envelope ID: 3758FA05-61A0-8D96-830C-8FE84B937C90

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):

Docusign Envelope ID: 3758FA05-61A0-8D96-830C-8FE84B937C90

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

Docusign Envelope ID: 3758FA05-61A0-8D96-830C-8FE84B937C90

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.

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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				

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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
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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.

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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.

Docusign Envelope ID: 3758FA05-61A0-8D96-830C-8FE84B937C90

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.

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(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.

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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),

Docusign Envelope ID: 3758FA05-61A0-8D96-830C-8FE84B937C90

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)**

Docusign Envelope ID: 3758FA05-61A0-8D96-830C-8FE84B937C90

☐ 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	Jeff Mihelich	Title of Authorized Person	City Manager
Typed or Printed Name	Jeff Mihelich	Date	5/19/2026

Docusign Envelope ID: 3758FA05-61A0-8D96-830C-8FE84B937C90

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".

Docusign Envelope ID: 3758FA05-61A0-8D96-830C-8FE84B937C90

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,

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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.

Docusign Envelope ID: 3758FA05-61A0-8D96-830C-8FE84B937C90

(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:

Docusign Envelope ID: 3758FA05-61A0-8D96-830C-8FE84B937C90

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.

Docusign Envelope ID: 3758FA05-61A0-8D96-830C-8FE84B937C90

☐ 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

Docusign Envelope ID: 3758FA05-61A0-8D96-830C-8FE84B937C90

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*

Docusign Envelope ID: 3758FA05-61A0-8D96-830C-8FE84B937C90

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.

Docusign Envelope ID: 3758FA05-61A0-8D96-830C-8FE84B937C90

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

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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

Docusign Envelope ID: 3758FA05-61A0-8D96-830C-8FE84B937C90

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

Docusign Envelope ID: 3758FA05-61A0-8D96-830C-8FE84B937C90

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.

Docusign Envelope ID: 3758FA05-61A0-8D96-830C-8FE84B937C90

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.

Docusign Envelope ID: 3758FA05-61A0-8D96-830C-8FE84B937C90

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

Docusign Envelope ID: 3758FA05-61A0-8D96-830C-8FE84B937C90

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

Docusign Envelope ID: 3758FA05-61A0-8D96-830C-8FE84B937C90

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

Docusign Envelope ID: 3758FA05-61A0-8D96-830C-8FE84B937C90

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

Docusign Envelope ID: 3758FA05-61A0-8D96-830C-8FE84B937C90

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.

Docusign Envelope ID: 3758FA05-61A0-8D96-830C-8FE84B937C90

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.

Docusign Envelope ID: 3758FA05-61A0-8D96-830C-8FE84B937C90

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

Docusign Envelope ID: 3758FA05-61A0-8D96-830C-8FE84B937C90

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

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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 _____

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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	

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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	

Docusign Envelope ID: 3758FA05-61A0-8D96-830C-8FE84B937C90

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

Docusign Envelope ID: 3758FA05-61A0-8D96-830C-8FE84B937C90

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

Docusign Envelope ID: 3758FA05-61A0-8D96-830C-8FE84B937C90

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

Docusign Envelope ID: 3758FA05-61A0-8D96-830C-8FE84B937C90

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;

Docusign Envelope ID: 3758FA05-61A0-8D96-830C-8FE84B937C90

- 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

Docusign Envelope ID: 3758FA05-61A0-8D96-830C-8FE84B937C90

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.

Docusign Envelope ID: 3758FA05-61A0-8D96-830C-8FE84B937C90

§ 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

Docusign Envelope ID: 3758FA05-61A0-8D96-830C-8FE84B937C90

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

Docusign Envelope ID: 3758FA05-61A0-8D96-830C-8FE84B937C90

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.

Docusign Envelope ID: 3758FA05-61A0-8D96-830C-8FE84B937C90

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

Docusign Envelope ID: 3758FA05-61A0-8D96-830C-8FE84B937C90

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

Docusign Envelope ID: 3758FA05-61A0-8D96-830C-8FE84B937C90

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

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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.

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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

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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,

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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.

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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.

Docusign Envelope ID: 3758FA05-61A0-8D96-830C-8FE84B937C90

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

Docusign Envelope ID: 3758FA05-61A0-8D96-830C-8FE84B937C90

(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

Docusign Envelope ID: 3758FA05-61A0-8D96-830C-8FE84B937C90

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	
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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)

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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.		FB NAME / FB TYPE / PLAN NO.		FB NAME / FB TYPE / PLAN NO.		FB NAME / FB TYPE / PLAN NO.		FB NAME / FB TYPE / PLAN NO.		FB NAME / FB TYPE / PLAN NO.		TOTAL HOURLY CREDIT
	☐ Funded	☐ Unfunded	☐ Funded	☐ Unfunded	☐ Funded	☐ Unfunded	☐ Funded	☐ Unfunded	☐ Funded	☐ Unfunded	☐ Funded	☐ Unfunded	
	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

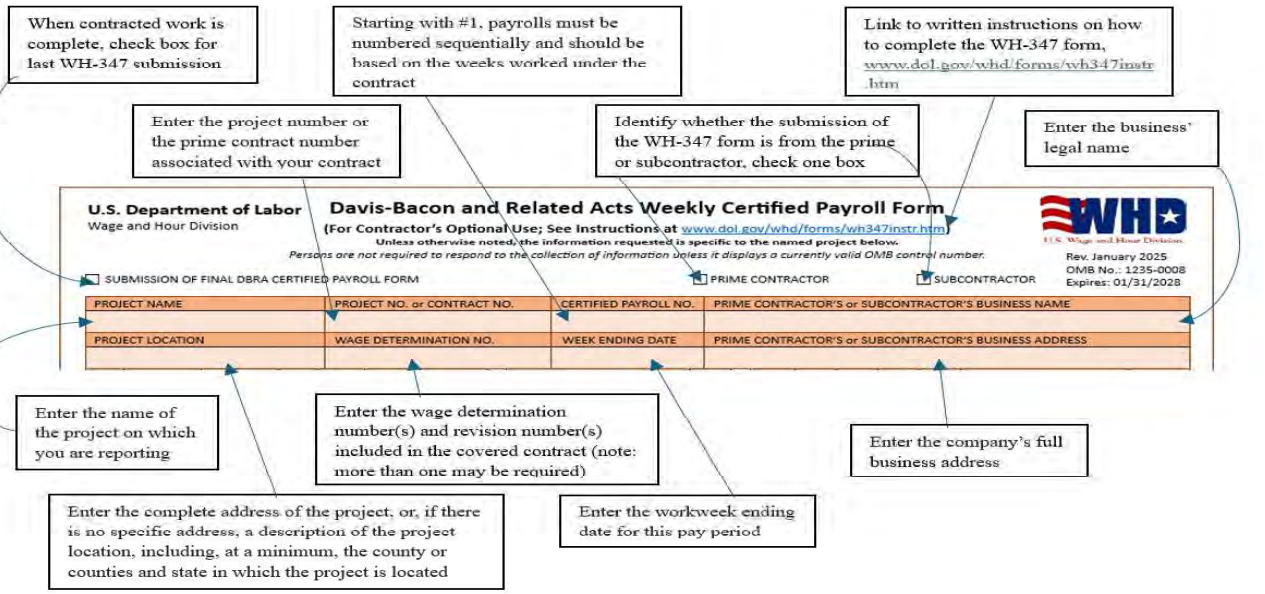
SIGNATURE OF CERTIFYING OFFICIAL	DATE	TELEPHONE NUMBER	EMAIL ADDRESS
		(___) ___-____	

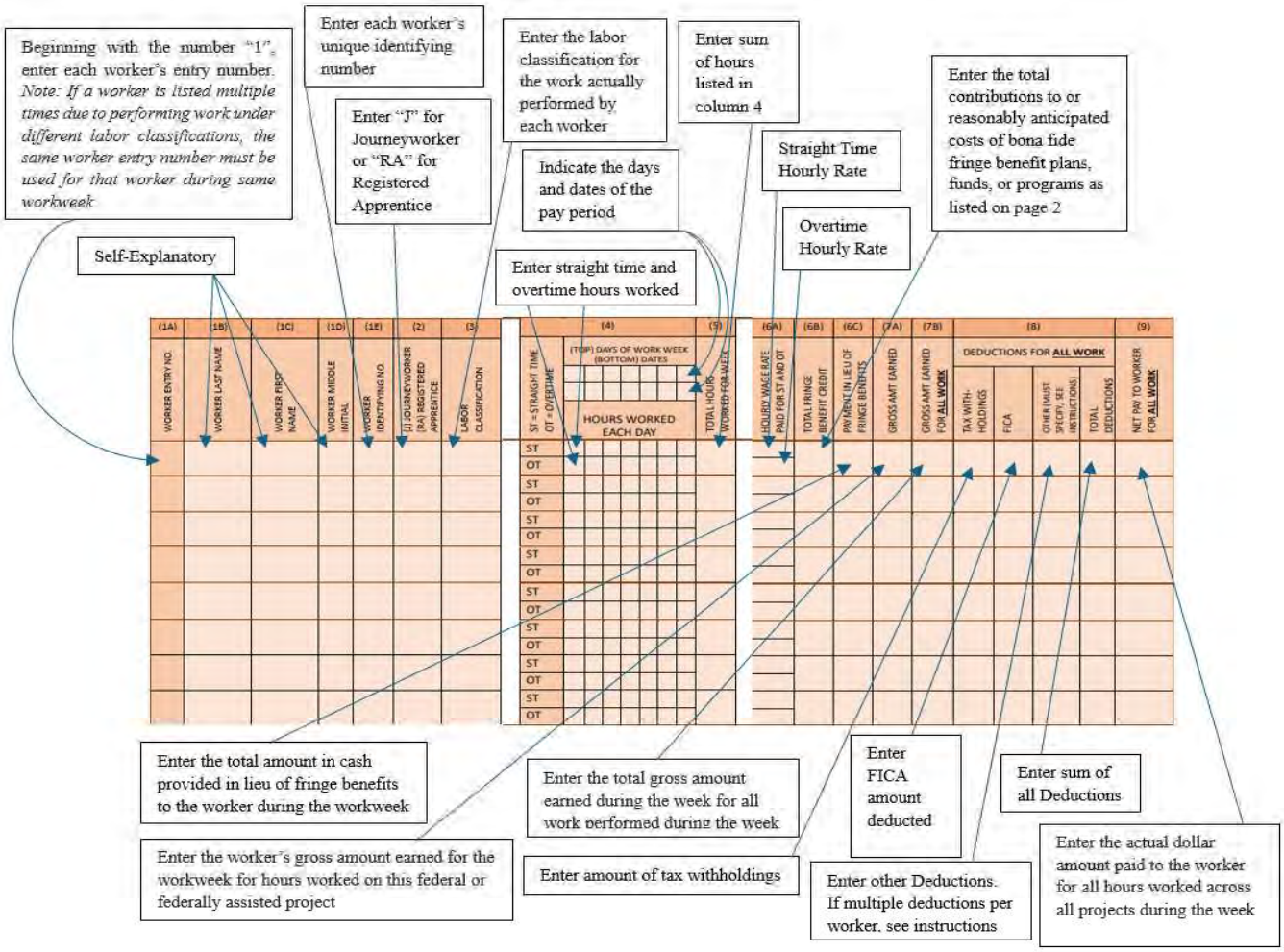
THE WILLFUL FALSIFICATION OF ANY OF THE ABOVE STATEMENTS MAY SUBJECT THE CONTRACTOR OR SUBCONTRACTOR TO CIVIL OR CRIMINAL PROSECUTION (SEE SECTION 1001 OF TITLE 18 AND SECTION 3729 OF TITLE 31 OF THE UNITED STATES CODE), AS WELL AS DEBARMENT FROM FUTURE FEDERAL AND FEDERALLY-ASSISTED CONTRACTS. INFORMATION REPORTED IN CERTIFIED PAYROLLS MAY BE SUBJECT TO DISCLOSURE IN RESPONSE TO A FREEDOM OF INFORMATION ACT REQUEST.

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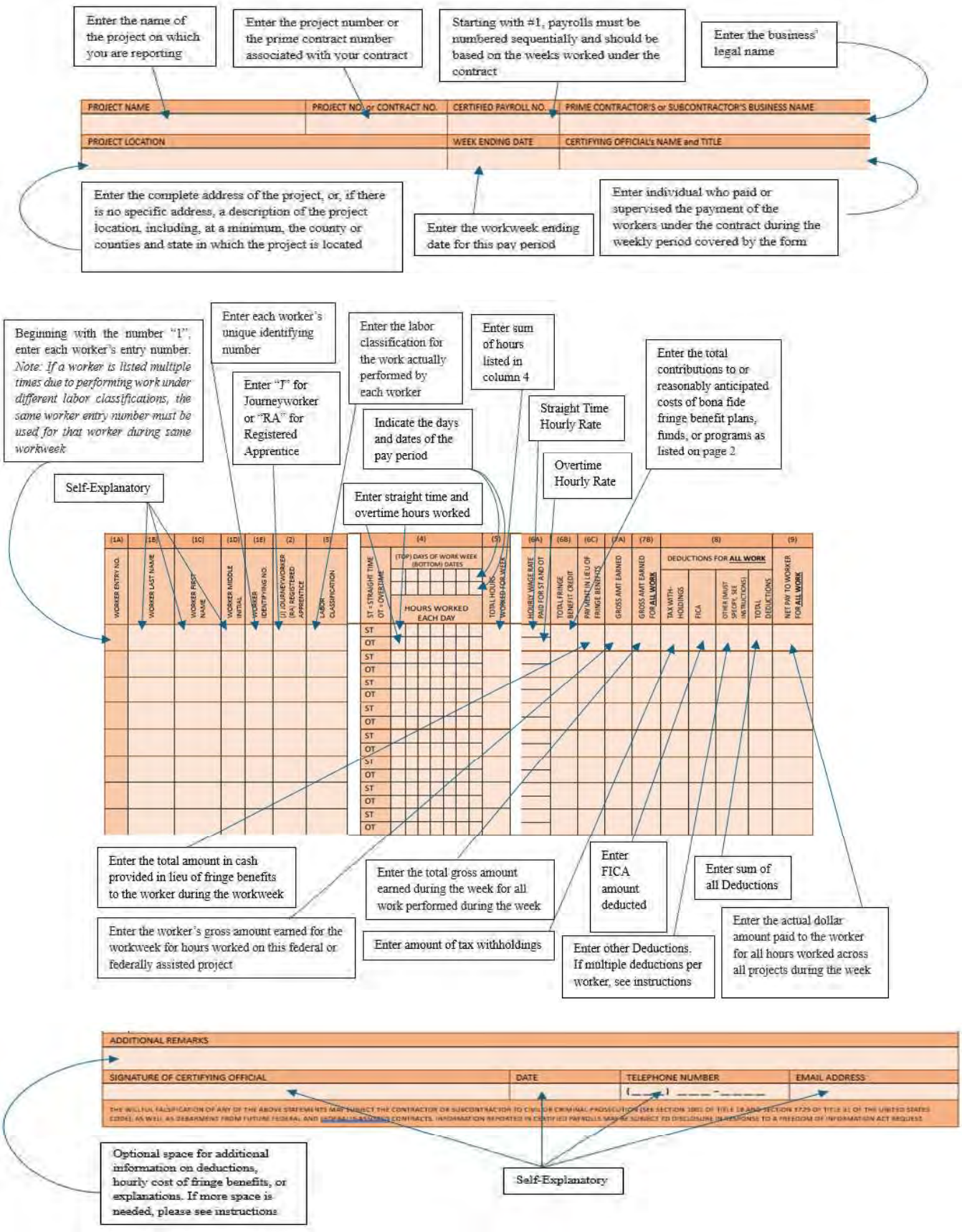
How to correctly fill out the Davis-Bacon and Related Acts Weekly Certified Payroll WH-347 Form

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.





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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.

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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.

Docusign Envelope ID: 3758FA05-61A0-8D96-830C-8FE84B937C90

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.

Docusign Envelope ID: 3758FA05-61A0-8D96-830C-8FE84B937C90

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: _____

Docusign Envelope ID: 3758FA05-61A0-8D96-830C-8FE84B937C90

Semi-Annual Labor Standards Enforcement Report - Local Contracting Agencies (HUD Programs) Instructions	U.S. Department of Housing and Urban Development Office of Davis-Bacon and Labor Standards	HUD FORM 4710i OMB Approval Number 2501-0019 (Exp. 12-31-2027)

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

Docusign Envelope ID: 3758FA05-61A0-8D96-830C-8FE84B937C90

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.

Docusign Envelope ID: 3758FA05-61A0-8D96-830C-8FE84B937C90

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.

Docusign Envelope ID: 3758FA05-61A0-8D96-830C-8FE84B937C90

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

Docusign Envelope ID: 3758FA05-61A0-8D96-830C-8FE84B937C90

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.

Docusign Envelope ID: 3758FA05-61A0-8D96-830C-8FE84B937C90

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)

Docusign Envelope ID: 3758FA05-61A0-8D96-830C-8FE84B937C90

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

Docusign Envelope ID: 3758FA05-61A0-8D96-830C-8FE84B937C90

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

Docusign Envelope ID: 3758FA05-61A0-8D96-830C-8FE84B937C90

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.

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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.

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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 Reference Only - Not for submission

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(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_____

FY26-31 PUBLIC SERVICES PROGRAM: FISCAL PLAN	Montgomery Housing Initiative							
FISCAL PROJECTIONS	FY25 APPROVED	FY25 ESTIMATE	FY26 RECOMMENDED	FY27 PROJECTION	FY28 PROJECTION	FY29 PROJECTION	FY30 PROJECTION	FY31 PROJECTION
ASSUMPTIONS								
Indirect Cost Rate	19.96%	19.96%	19.98%	19.98%	19.98%	19.98%	19.98%	19.98%
CPI (Fiscal Year)	2.2%	2.8%	2.5%	2.4%	2.3%	2.3%	2.3%	2.3%
Investment Income Yield	4.3%	4.8%	4.0%	3.8%	3.3%	3.0%	3.0%	3.0%
BEGINNING FUND BALANCE	5,146,068	16,885,434	8,497,054	1,098,700	453,700	307,000	155,800	0
REVENUES								
Taxes	22,986,826	23,057,932	25,407,109	27,711,024	29,026,217	30,280,944	31,393,785	32,081,470
Charges For Services	4,853,742	3,538,950	4,696,758	4,698,459	4,700,163	4,701,892	4,703,645	4,705,422
Miscellaneous	9,588,586	10,784,826	10,104,080	9,626,510	9,101,850	8,839,530	8,839,530	8,839,530
Subtotal Revenues	37,429,154	37,381,708	40,207,947	42,035,993	42,828,230	43,822,366	44,936,960	45,626,422
INTERFUND TRANSFERS (Net Non-CIP)	14,705,832	17,155,832	12,779,847	6,317,238	5,249,337	3,585,637	2,385,337	2,978,737
Transfers To Debt Service Fund	(18,294,520)	(15,844,520)	(24,337,790)	(30,800,400)	(31,868,300)	(33,532,000)	(34,732,300)	(34,138,900)
MHI HOC Housing Production Fund			(7,072,100)	(7,070,300)	(7,068,800)	(7,072,900)	(7,072,300)	(7,068,900)
MHI Property Acquisition	(5,119,500)	(3,769,500)	(14,865,690)	(17,530,100)	(18,599,500)	(20,259,100)	(21,460,000)	(20,870,000)
MHI Property Acquisition - New FY26 Debt for CIP Project 760100	0	0	(2,400,000)	(6,200,000)	(6,200,000)	(6,200,000)	(6,200,000)	(6,200,000)
Transfers To The General Fund	(674,116)	(674,116)	(806,644)	(806,644)	(806,644)	(806,644)	(806,644)	(806,644)
Indirect Costs	(674,116)	(674,116)	(806,644)	(806,644)	(806,644)	(806,644)	(806,644)	(806,644)
Transfers From The General Fund	33,674,468	33,674,468	37,924,281	37,924,281	37,924,281	37,924,281	37,924,281	37,924,281
General Fund	33,674,468	33,674,468	37,924,281	37,924,281	37,924,281	37,924,281	37,924,281	37,924,281
TOTAL RESOURCES	57,281,054	71,422,974	61,484,848	49,451,930	48,531,267	47,715,003	47,478,097	48,605,159
PSP OPER. BUDGET APPROP/ EXP'S.								
Operating Budget	(56,196,099)	(62,925,920)	(4,500,326)	(4,500,326)	(4,500,326)	(4,500,326)	(4,500,326)	(4,500,326)
CPI-Fiscal Year for OE (= OE w/o FC x CPI)			0	(10,970)	(21,970)	(33,130)	(44,440)	(55,910)
Compensation Adjustment			0	(176,428)	(358,459)	(547,475)	(743,701)	(947,370)
Rental Assistance Program (RAP)			(25,397,109)	(27,701,024)	(29,016,217)	(30,270,944)	(31,383,785)	(32,071,470)
Affordable Housing Loans			(12,400,707)	914,804	3,196,992	5,316,958	6,718,442	6,494,203
HHS Housing Programs			(9,706,200)	(9,706,200)	(9,706,200)	(9,706,200)	(9,706,200)	(9,706,200)
Neighborhoods to Call Home			(1,990,713)	(1,990,713)	(1,990,713)	(1,990,713)	(1,990,713)	(1,990,713)
HARP (Design for Life)			(318,373)	(318,373)	(318,373)	(318,373)	(318,373)	(318,373)
Homeownership Assistance Program			(5,509,000)	(5,509,000)	(5,509,000)	(5,509,000)	(5,509,000)	(5,509,000)
Subtotal PSP Oper Budget Approp / Exp's	(56,196,099)	(62,925,920)	(59,822,428)	(48,998,230)	(48,224,266)	(47,559,203)	(47,478,096)	(48,605,159)
TOTAL USE OF RESOURCES	(56,196,099)	(62,925,920)	(60,386,148)	(48,998,230)	(48,224,266)	(47,559,203)	(47,478,096)	(48,605,159)
YEAR END FUND BALANCE	1,084,955	8,497,054	1,098,700	453,700	307,000	155,800	0	(0)
END-OF-YEAR RESERVES AS A PERCENT OF RESOURCES	1.9%	11.9%	1.8%	0.9%	0.6%	0.3%	0.0%	0.0%

Assumptions:

1. Approximately $61.5 million, including $59.8 million in new funding, will be allocated in this fund to support the acquisition and preservation of affordable housing units, renovation of distressed housing, creation of housing units for special needs residents and mixed-income housing, first-time homeowner downpayment assistance, rental assistance, and a variety of services for permanent supportive housing and community development.
2. A total of $108.9 million will be funded through the FY26 CIP Budget in support of affordable housing, including $102 million for the Affordable Housing Acquisition and Preservation CIP Project# 760100, $5 million for the Affordable Housing Opportunity Fund CIP Project# 762101, and $1.85 million to continue funding the Revitalization of Troubled and Distressed Common Ownership Communities CIP Project# 762504.
3. Montgomery County Council Resolution #15-110 provides for an allocation from the General Fund to the Montgomery Housing Initiative fund (MHI) equivalent to 2.5% of actual General Fund property taxes from two years prior to the upcoming fiscal year to maintain and expand the supply of affordable housing. However, the actual transfer from the General Fund will be determined each year based on the availability of resources.

Notes:

1. These projections are based on the County Executive's Recommended budget and include the revenue and resource assumptions of that budget. The projected future expenditures, revenues, and fund balances may vary based on changes not assumed here to fee or tax rates, usage, inflation, future labor agreements, and other factors not assumed here.
2. The operating budget includes personnel costs, contracts for homeownership education, consultants' miscellaneous expenses, relevant technology upgrades, and loan asset monitoring.

AFFORDABLE HOUSING SUPPORT SUMMARY							
Funding Sources	**FY23 Approved Budget**	**Total County Resources (FY08 - FY23)**	**Avg Resources FY08-FY23**	**FY24 Approved Budget**	**FY25 Recommended Budget**	**FY26 Recommended Budget**	**Notes**
Operating Budget Expenditures							
DHCA - MHI Operating Budget	49,090,423	490,734,501	29,442,939	49,681,692	56,196,099	59,822,428	
DHCA - MHI Debt Service (interest only)	4,787,383	45,954,897	2,744,501	7,225,931	5,771,000	4,412,480	**MHI Debt Service Interest in FY25 includes Taxable Housing Certificates issued for HOC Production Fund**
HHS - General Fund - Housing Programs	30,962,294	184,818,260	10,257,064	46,931,755	30,587,717	41,614,681	**7,344 Clients Served**
HOC - Non-Departmental Account	7,633,168	101,652,350	6,267,945	7,972,501	8,295,315	9,054,132	
Total Operating Budget	**92,473,268**	**823,160,008**	**48,712,449**	**111,811,879**	**100,850,131**	**114,903,721**	
Affordable Housing Acquisition and Preservation Project (CIP)		-					
Current Revenue		4,775,000	397,917		65,000,000	-	
HIF Revolving Loan Program	14,896,000	198,430,000	12,235,600	19,277,000	17,355,000	91,311,000	
Loan Repayment Proceeds (actual)	21,854,000	98,800,507	5,129,767	2,723,000	4,645,000	5,669,000	
G.O. Bonds		-	-				
Recordation Tax Premium	-	4,544,540	504,949	10,000,000	10,000,000	5,000,000	
DHCA - Affordable Housing Acquisition and Preservation Project (CIP) - Total	**36,750,000**	**306,550,047**	**18,268,233**	**32,000,000**	**97,000,000**	**102,000,000**	
Nonprofit Preservation Fund					**50,000,000**	-	
Affordable Housing Opportunity Fund (CIP)	**6,000,000**	**20,000,000**	20,000,000	-	-	**5,000,000**	
Preservation of Naturally Occurring Affordable Housing (NOAH) Fund	**40,000,000**	**40,000,000**	-	-	-	-	
DHCA - Payment in Lieu of Taxes (Non-HOC PILOTs)	20,624,755	**212,105,511**	12,765,384	20,624,755	24,037,676	TBD	**Pending results of analysis of regulation change**
DHCA - Payment in Lieu of Taxes (HOC PILOTs)	10,593,592	**146,024,396**	9,028,720	11,123,275	10,829,436	TBD	**Pending results of analysis of regulation change**
DGS - Discounted Land Value	1,500,000	**57,790,913**	8,041,559	-			
Total Affordable Housing Support	206,441,615	1,605,630,876	116,816,345	175,559,909	282,717,243	221,903,721	

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CITY OF ROCKVILLE ADMINISTERED CDBG FUNDED SUB-GRANTEE AGREEMENT

THIS **CITY OF ROCKVILLE ADMINISTERED CDBG FUNDED SUB-GRANTEE AGREEMENT** (this "**Contract**") is entered into as of the **9th** day of **June**, 2026, by and between THE MAYOR AND COUNCIL OF ROCKVILLE, a body corporate and municipal corporation of the State of Maryland (hereinafter referred to as "City"), with offices at City Hall, 111 Maryland Avenue, Rockville, Maryland 20850 and **Habitat for Humanity Metro Maryland, Inc.** (hereinafter referred to as "GRANTEE) with offices at **8380 Colesville Road, Suite 600, Silver Spring, MD 20910**.

RECITALS

WHEREAS, the City has received Community Development Block Grant ("CDBG") funds from Montgomery County, Maryland pursuant to the terms of Contract Number **1184965** the terms of which are incorporated into this Contract and which is further identified as "EXHIBIT A;" and

WHEREAS, the Grantee has requested **Sixty Thousand Dollars** ($**60,000.00**) of CDBG funds to **Habitat for Humanity Metro Maryland, Inc** in accordance with the provisions and deliverables of EXHIBIT A, **Attachment I-C_;** and

WHEREAS, the City has requested that such funds be included in its Year **51** CDBG allocations; and

WHEREAS, the City's request for funds was approved by the Montgomery County Government and is identified in Exhibit A as **Attachment I-C_;** and

NOW THEREFORE in consideration of the mutual promises and covenants herein contained, and the recitals which are incorporated in and made parts of this Contract, the parties do agree as follows:

1. Grantee covenants and agrees to provide necessary personnel, facilities, supplies, material, and/or services to undertake the scope of services, budget, timeline and results as contained in **Attachment I- C .** In providing such personnel, facilities, supplies, materials and/or services, Grantee shall comply with all applicable terms and requirements set forth in Exhibit A and all laws, regulations, and/or policies imposed from time to time by the U. S. Department of Housing and Urban Development, Montgomery County, Maryland, and/or the City of Rockville.

2. Grantee covenants and agrees that grant funds are to be used only for activities described in the **Attachment I- C.** Any changes or modifications to the described activities must receive prior written approval from the City of Rockville Department of Housing and Community Development.

3. Grantee covenants and agrees to submit quarterly project progress reports and project benefit reports as indicated in Exhibit A as well as such reports as may be required from time to time by the U.S. Department of Housing and Urban Development ("HUD"), Montgomery County, Maryland and/or the City of Rockville.

4. Grantee covenants and agrees that project activities shall benefit 100% low-moderate income residents of the City of Rockville. Grantee will document income according to the requirements of Exhibit A and **Attachment I- C.** To the extent possible, said documentation shall include names and addresses of persons assisted. Grantee further agrees to maintain adequate eligibility records required by **Attachment I-C_.** Grantee further agrees that rehabilitated units will be occupied by low-moderate income households no less than five years following closeout of the CDBG Yr 51 (FY26) grant.

5. Grantee shall submit supporting documentation for CDBG eligible activities necessary to accomplish the activities described in **Attachment I-C.**

6. Reimbursement for project costs will be made only upon submission of documented requisitions. Submitted documentation shall include, but not be limited to, copies of payroll and personnel expense checks, and personnel time sheets, copies of paid invoices, checks.

7. **Contract Term**

Grantee shall commence the work described herein on or **about June 9th, 2026** and shall complete the work by **June 9th , 2027, within 12 months of this Contract's execution**. Any extensions beyond the term specified herein shall be at the sole discretion of the City and shall require the concurrence of Montgomery County.

8. **Audit and Inspection**

Grantee agrees that the City or its designee shall, until the expiration of three (3) years after final payment under this Contract, have access to and the right to examine any books, documents, and records of Grantee pertaining to expenditure of funds described in this Contract. Grantee shall retain records pertaining to this Contract for at least five (5) years or such longer time as may be required by the City and shall contact the City before disposing of the records.

9. **Termination**

A. For Convenience of the City

This Contract may be terminated, in whole or in part, whenever the City Manager shall determine that termination of this Contract is in the best interest of the City. In such event, the City shall be liable only for payment in accordance with the provision of this Contract for work or services performed or furnished in accordance with this Contract, prior to the effective date of termination. Termination hereunder shall be effective by a written notice of termination delivered in person or by mail to Grantee at the aforementioned address.

B. For Default of Contract

This Contract may be terminated by the City, in whole or in part, whenever, in the opinion of the City Manager, Grantee has defaulted in the timely performance of this Contract, failed to make satisfactory progress in the prosecution of the work hereunder, or endangered such performance, and has failed to cure such default within ten (l0) days after receipt of written notification from the City specifying the default. The findings of fact and decisions made regarding termination for default by the City Manager shall be final and conclusive.

10. **Assignment and Subcontracting**

Grantee shall not assign or transfer neither this Contract nor any right in or claim thereunder except as expressly authorized in writing by the City Manager.

11. **Disputes**

Except as otherwise provided in this Contract, any dispute concerning a question of fact arising under this Contract, which is not disposed of by agreement, shall be decided by the City Manager, who shall notify Grantee in writing of his or her determination. Grantee shall be afforded an opportunity to be heard and offer evidence in support of its claim. Pending final decision of the dispute hereunder, Grantee shall proceed diligently with performance or this Contract. The decision of the City Manager shall be final and conclusive.

12. **Governing Law**

This Contract shall be governed by the laws of the State of Maryland, and nothing

hereunder shall be interpreted to preclude the parties from seeking, after the completion or termination of this Contract, any and all remedies provided by law.

13. **Non-Discrimination in Employment**

Grantee will not discriminate against any employee or applicant for employment because of race, color, creed, religion, sex, national origin, marital status, sexual preference, age, or handicap. Grantee will take affirmative action toward the employment of minority applicants and shall treat employees without regard to their race, color, creed, religion, sex, sexual preference, national origin, marital status, age, or handicap. Such action shall include, but not be limited to the following: employment, upgrading, demolition, or transfer; recruitment or recruitment advertising; layoff or termination; rates or pay or other forms of compensation; and selection for training, including apprenticeship. Grantee agrees to post in conspicuous places, available to employees and applicants for employment, notices setting forth the provisions of this Equal Opportunity clause.

Grantee will, in all solicitations or advertisements for employees placed by or on behalf of Grantee, state that all qualified applicants will receive consideration for employment without regard to race, color, creed, religion, sex, sexual preference, national origin, marital status, age, or handicap.

In the event of Grantee's failure to employ with the Equal Opportunity clause of this contact or with any of the said rules, regulations, or orders, this Contract may be canceled, terminated, or suspended, in whole or in part.

14. **Independent Contractor**

Grantee shall perform this Contract as an independent contractor and shall not be considered an agent of the City, nor shall any of the employees or agents of grantee be considered sub-agents of the City.

15. **Licenses and Responsibilities**

Grantee shall, at Grantee's expense, be responsible for obtaining all necessary licenses and for complying with any applicable federal, state, and municipal laws, codes, and regulations in connection with the performance of services specified herein.

16. **Indemnification and Hold Harmless**

It is agreed that Grantee shall indemnify and hold harmless the City, its officers,

agents and employees from any and all suits, actions, claims, damages, and costs of every nature and description to which the City may be subjected by reason of injury to person or property resulting from Grantee's conduct, negligence or that of its agents, employees or subcontractors in the performance of its duties under this Contract. Grantee shall be responsible for all damage to persons or property, which occurs or is a result of its conduct and shall take proper safety and health precautions to protect all employees and members of the general public. Grantee shall be responsible for claims of liability, loss or damage which may be attributable in whole or in part to its' negligence or misconduct, excepting however such claims or damages as may be attributable to the direct or willful negligence of the City, its officers, agents or employees.

17. **Entire Agreement**

This Contract contains the entire agreement between the parties hereto, and they shall not be bound by any terms, conditions, statements, warranties, or representations, oral or written, not herein contained.

18. **Conflicts**

If any conflicts exist between this Contract and Exhibit A, this Contract shall prevail**.** If any conflicts exist among the documents included in Exhibit A, the order of priority is: the terms contained in the letter dated May 19, 2026, General conditions of Contract between County and Contractor (Attachment III), the Scope of Services (Attachment I-_), Mandatory Insurance Requirements (Attachment VI), CDBG Special Conditions (Attachment VII), this Contract, the Requirements for Services Contract Addendum to the General Conditions of Contract Between County and Contractor (Attachment IV), the CDBG Eligibility Documentation (Attachment V), the Federal Labor Standards Provisions (Attachment VIII), and the Environmental Review Record (Attachment IX).

19. **References to Contractors in Exhibit A**

Any references to contractor in Exhibit A shall apply to Grantee.

20. **Insurance**

Prior to the execution of this Contract by the City, the Grantee must obtain at their own cost and expense and keep in full force and effect during the term of the Contract including all extensions, the following lines of insurance with an insurance company licensed to do business in the State of Maryland evidenced by a certificate of insurance and/or copies of the insurance policies. The Grantee's insurance shall be primary.

The Grantee must submit to the City a certificate of insurance and all requested Insurance Endorsements prior to the award of any Grant Funds. The Grantee will be required to maintain for the life of the Contract, including extensions, and to furnish the City evidence of insurance as follows:

MANDATORY REQUIREMENTS FOR INSURANCE

The Grantee's insurance coverage shall be primary insurance as respects the City, its elected and appointed officials, officers, consultants, agents and employees and any insurance or self-insurance maintained by the City, shall be excess of the Grantee's insurance and shall not be called upon to contribute with it. The Grantee shall waive any rights of recovery against the City and shall be responsible for maintaining proper insurance compliance amongst any and all of its servants, agents, employees or beneficiaries with the explicit understanding that no relationship and no authority exists between the City and those entities.

CERTIFICATE REQUIREMENTS WITH FORMS

Type of Insurance	Amounts of Insurance	Endorsements and Provisions
Commercial General Liability a. Bodily Injury b. Property Damage c. Contractual Liability d. Premise/Operations e. Independent Contractors f. Products/Completed Operations g. Personal Injury	$1,000,000 each occurrence and $1,000,000 in the aggregate	City to be listed as additional insured and provided 30-day notice of cancellation or material change in coverage. ISO Form CG 20 10 07 04 Form required. Montgomery County, Maryland to be listed as additional insured.
Business Automobile Liability (Applicable for following Sub-grantee) a. I-A BG8068/26 b. I-B BG8106/26 c. I-D BG8108/26 Owned automobiles Hired automobiles Non-owned automobiles Loading and unloading	$1,000,000 combined single limit for bodily injury and property damage coverage per occurrence	Montgomery County, Maryland to be listed as additional insured
Workers Compensation Employers' Liability		Waiver of Subrogation: ISO Form WC 00 03 13 Waiver of Our

	Bodily Injury by Accident: $100,000 each accident Bodily Injury by Disease: $500,000 policy limits Bodily Injury by Disease: $100,000 each employee	Rights to Recover From Others Endorsement – signed and dated.
Professional Liability	$1,000,000 for each claim	Coverage must remain in effect for a minimum of three (3) years after completion of the Contract
Cyber Liability	$1,000,000 for each claim	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 (Applicable for the following Sub-Grantees) a. I-A BG8068/26 b. I-B BG8106/26 c. I-D BG8108/26	$1,000,000 for each occurrence	
Crime Insurance (Employee Dishonesty / Theft of Funds)	Minimum required limits by project: • I-A BG8068/26 – $100,000 per occurrence • I-B BG8106/26 – $8,546 per occurrence • I-C BG8107/26 – $60,000	Montgomery County, Maryland to be listed as loss payee.

	per occurrence • I-D BG8108/26 – $94,454 per occurrence	

The Description area of the Certificate of Insurance shall read as follows:

The Mayor and Council, City of Rockville
City Hall
CDBG Grant YR. 51
111 Maryland Avenue
Rockville, MD 20850

For items requiring additional insured, the Description area of the Certificate of Insurance shall include as follows:

Montgomery County, Maryland
Department of Housing and Community Affairs / Katherine Canales
1401 Rockville Pike, 4th Floor
Rockville, MD 2085

Policy Cancellation
No change, cancellation or non-renewed shall be made in any insurance coverage without a thirty (30) day written notice to the City's Safety & Risk Management Division. Grantee shall furnish a new certificate prior to any change or cancellation date. The failure of the Grantee to deliver a new and valid certificate will result in suspension of all payments and cessation of on-site work activities until a new certificate is furnished.

Additional Insured
The Mayor and Council of Rockville, which includes its elected and appointed officials, officers, consultants, agents and employees must be named as an additional insured on the Grantee's Commercial General Liability and Excess/Umbrella Insurance for liability arising out of Grantee's products, goods, and services provided under this Contract. Endorsements reflecting the Mayor and Council of Rockville as an additional insured are required to be submitted with the insurance certificate.

(Signatures of Following Page)

IN WITNESS WHEREOF, the parties have executed this Contract by causing the same to be signed as of the day and year first above written.

ATTEST:

HABITAT FOR HUMANITY, METRO MARYLAND, INC, as Grantee

_____

_____
By: Jeffrey R. Dee
Its: Chief Executive Officer

ATTEST:

THE MAYOR AND COUNCIL OF ROCKVILLE

_____
Sara Taylor-Ferrell, City Clerk/
Dir of Council Operations

_____
Jeff Mhelich, City Manager

Approved as to legal sufficiency:

_____
Cynthia Walters, Acting City Attorney

Docusign Envelope ID: 3758FA05-61A0-8D96-830C-8FE84B937C90

DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

Marc Elrich
County Executive

Scott Bruton
Director

May 19, 2026

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

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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

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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

Pofen Salem, Chief
Division of Finance and Administration

Docusign Envelope ID: 3758FA05-61A0-8D96-830C-8FE84B937C90

MAYOR AND COUNCIL OF ROCKVILLE

Jeff Mihelich

Jeff Mihelich, City Manager

Date: 5/19/2026

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

Reviewed for Legal Sufficiency by
The Office of the City Attorney

Cynthia B. Walters

Cynthia Walters, Acting City Attorney

MONTGOMERY COUNTY, MARYLAND

for,

Avinash G. Shetty, Director
Office of Procurement

Date: 6/9/2026

Recommended by:

Scott Bruton

Scott Bruton, Director
Department of Housing and Community Affairs

Date: 5/20/26

Approved as to Form

Jerrilyn E. Brooks

Assistant County Attorney

Date: 5/20/2026

Docusign Envelope ID: 3758FA05-61A0-8D96-830C-8FE84B937C90

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;

Docusign Envelope ID: 3758FA05-61A0-8D96-830C-8FE84B937C90

- 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.

Docusign Envelope ID: 3758FA05-61A0-8D96-830C-8FE84B937C90

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

Docusign Envelope ID: 3758FA05-61A0-8D96-830C-8FE84B937C90

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

Docusign Envelope ID: 3758FA05-61A0-8D96-830C-8FE84B937C90

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):

Docusign Envelope ID: 3758FA05-61A0-8D96-830C-8FE84B937C90

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

Docusign Envelope ID: 3758FA05-61A0-8D96-830C-8FE84B937C90

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;

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(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.

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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				

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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

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Docusign Envelope ID: 3758FA05-61A0-8D96-830C-8FE84B937C90

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.

Docusign Envelope ID: 3758FA05-61A0-8D96-830C-8FE84B937C90

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.

Docusign Envelope ID: 3758FA05-61A0-8D96-830C-8FE84B937C90

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.

Docusign Envelope ID: 3758FA05-61A0-8D96-830C-8FE84B937C90

(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.

Docusign Envelope ID: 3758FA05-61A0-8D96-830C-8FE84B937C90

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),

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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)**

Docusign Envelope ID: 3758FA05-61A0-8D96-830C-8FE84B937C90

☐ 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	Jeff Mihelich	Title of Authorized Person	City Manager
Typed or Printed Name	Jeff Mihelich	Date	5/19/2026

Docusign Envelope ID: 3758FA05-61A0-8D96-830C-8FE84B937C90

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".

Docusign Envelope ID: 3758FA05-61A0-8D96-830C-8FE84B937C90

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,

Docusign Envelope ID: 3758FA05-61A0-8D96-830C-8FE84B937C90

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.

Docusign Envelope ID: 3758FA05-61A0-8D96-830C-8FE84B937C90

(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:

Docusign Envelope ID: 3758FA05-61A0-8D96-830C-8FE84B937C90

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.

Docusign Envelope ID: 3758FA05-61A0-8D96-830C-8FE84B937C90

☐ 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

Docusign Envelope ID: 3758FA05-61A0-8D96-830C-8FE84B937C90

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*

Docusign Envelope ID: 3758FA05-61A0-8D96-830C-8FE84B937C90

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.

Docusign Envelope ID: 3758FA05-61A0-8D96-830C-8FE84B937C90

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

Docusign Envelope ID: 3758FA05-61A0-8D96-830C-8FE84B937C90

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

Docusign Envelope ID: 3758FA05-61A0-8D96-830C-8FE84B937C90

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

Docusign Envelope ID: 3758FA05-61A0-8D96-830C-8FE84B937C90

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.

Docusign Envelope ID: 3758FA05-61A0-8D96-830C-8FE84B937C90

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.

Docusign Envelope ID: 3758FA05-61A0-8D96-830C-8FE84B937C90

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

Docusign Envelope ID: 3758FA05-61A0-8D96-830C-8FE84B937C90

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

Docusign Envelope ID: 3758FA05-61A0-8D96-830C-8FE84B937C90

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

Docusign Envelope ID: 3758FA05-61A0-8D96-830C-8FE84B937C90

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

Docusign Envelope ID: 3758FA05-61A0-8D96-830C-8FE84B937C90

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.

Docusign Envelope ID: 3758FA05-61A0-8D96-830C-8FE84B937C90

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.

Docusign Envelope ID: 3758FA05-61A0-8D96-830C-8FE84B937C90

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

Docusign Envelope ID: 3758FA05-61A0-8D96-830C-8FE84B937C90

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

Docusign Envelope ID: 3758FA05-61A0-8D96-830C-8FE84B937C90

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 _____

Docusign Envelope ID: 3758FA05-61A0-8D96-830C-8FE84B937C90

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	

Docusign Envelope ID: 3758FA05-61A0-8D96-830C-8FE84B937C90

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	

Docusign Envelope ID: 3758FA05-61A0-8D96-830C-8FE84B937C90

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

Docusign Envelope ID: 3758FA05-61A0-8D96-830C-8FE84B937C90

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

Docusign Envelope ID: 3758FA05-61A0-8D96-830C-8FE84B937C90

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

Docusign Envelope ID: 3758FA05-61A0-8D96-830C-8FE84B937C90

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;

Docusign Envelope ID: 3758FA05-61A0-8D96-830C-8FE84B937C90

- 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

Docusign Envelope ID: 3758FA05-61A0-8D96-830C-8FE84B937C90

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.

Docusign Envelope ID: 3758FA05-61A0-8D96-830C-8FE84B937C90

§ 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

Docusign Envelope ID: 3758FA05-61A0-8D96-830C-8FE84B937C90

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

Docusign Envelope ID: 3758FA05-61A0-8D96-830C-8FE84B937C90

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.

Docusign Envelope ID: 3758FA05-61A0-8D96-830C-8FE84B937C90

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

Docusign Envelope ID: 3758FA05-61A0-8D96-830C-8FE84B937C90

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

Docusign Envelope ID: 3758FA05-61A0-8D96-830C-8FE84B937C90

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

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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.

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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

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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,

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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.

Docusign Envelope ID: 3758FA05-61A0-8D96-830C-8FE84B937C90

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.

Docusign Envelope ID: 3758FA05-61A0-8D96-830C-8FE84B937C90

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

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(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

Docusign Envelope ID: 3758FA05-61A0-8D96-830C-8FE84B937C90

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	
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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)

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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

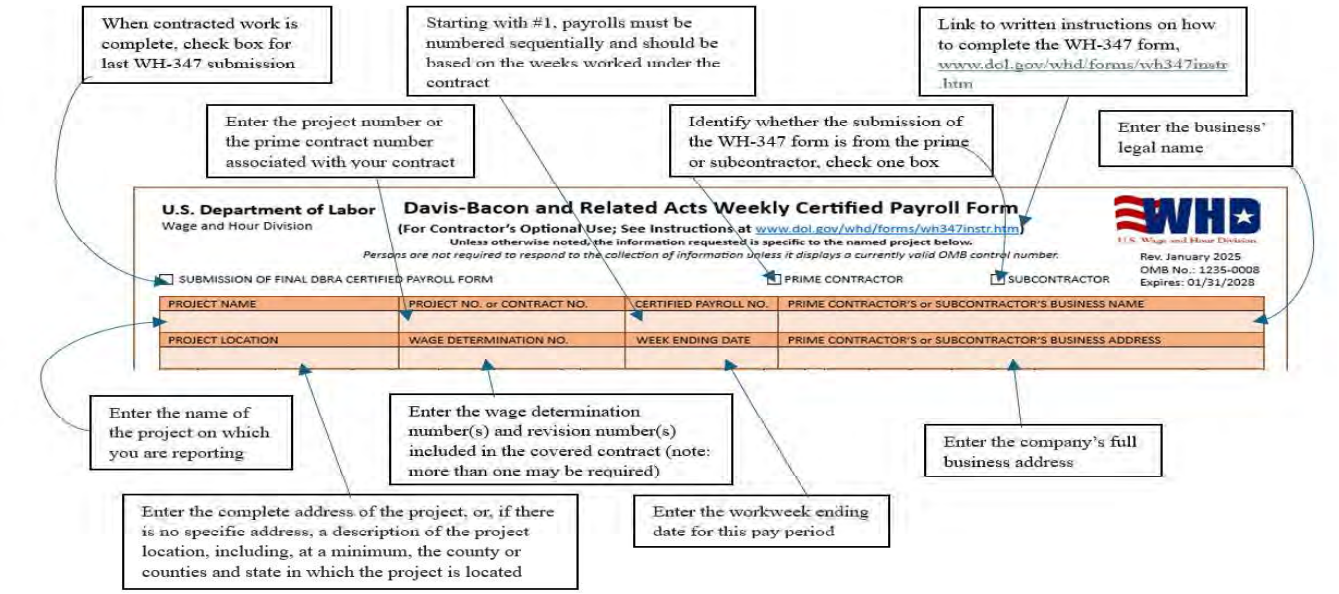
SIGNATURE OF CERTIFYING OFFICIAL	DATE	TELEPHONE NUMBER	EMAIL ADDRESS
		(___) ___-____	

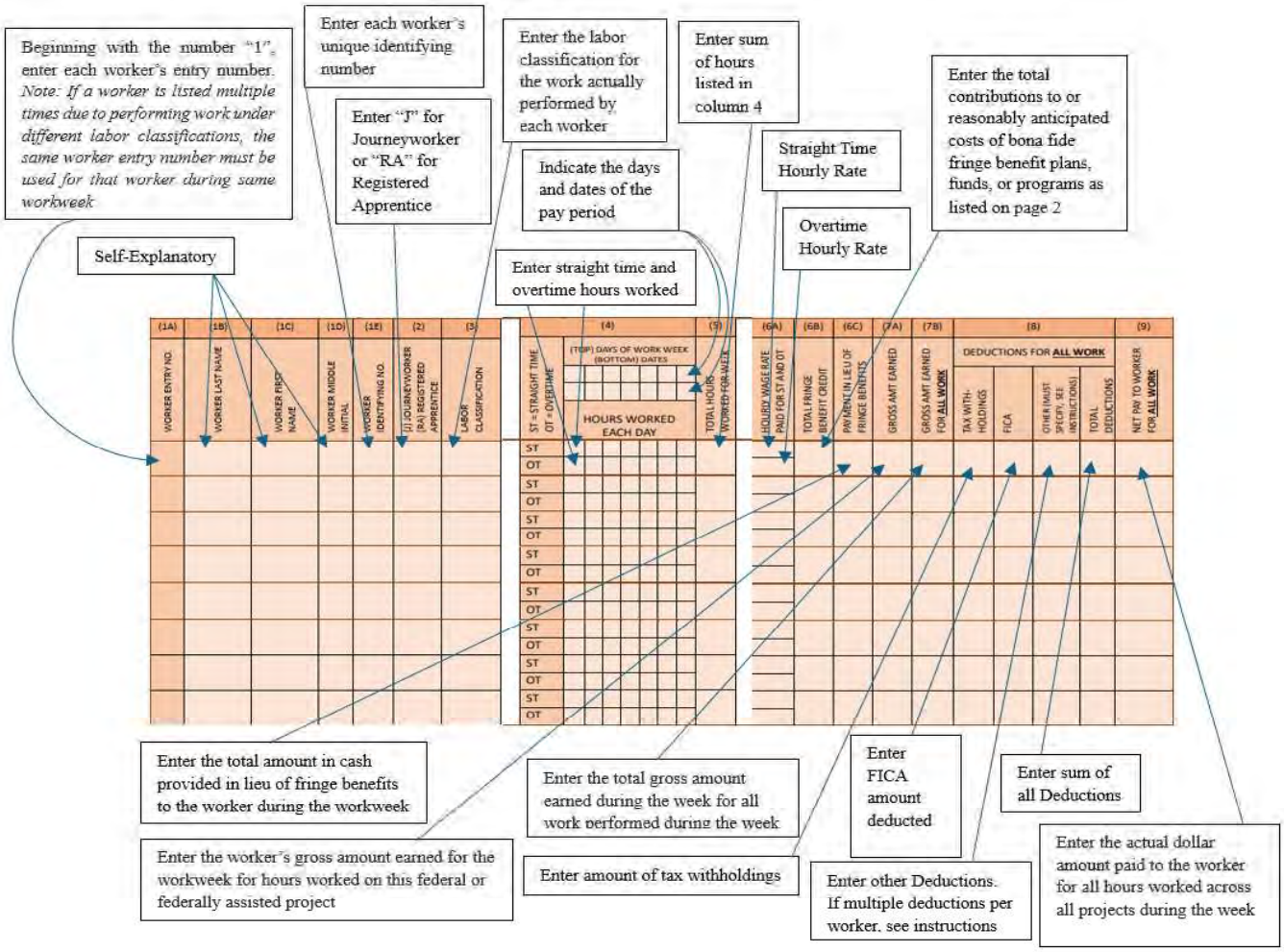
THE WILLFUL FALSIFICATION OF ANY OF THE ABOVE STATEMENTS MAY SUBJECT THE CONTRACTOR OR SUBCONTRACTOR TO CIVIL OR CRIMINAL PROSECUTION (SEE SECTION 1001 OF TITLE 18 AND SECTION 3729 OF TITLE 31 OF THE UNITED STATES CODE), AS WELL AS DEBARMENT FROM FUTURE FEDERAL AND FEDERALLY-ASSISTED CONTRACTS. INFORMATION REPORTED IN CERTIFIED PAYROLLS MAY BE SUBJECT TO DISCLOSURE IN RESPONSE TO A FREEDOM OF INFORMATION ACT REQUEST.

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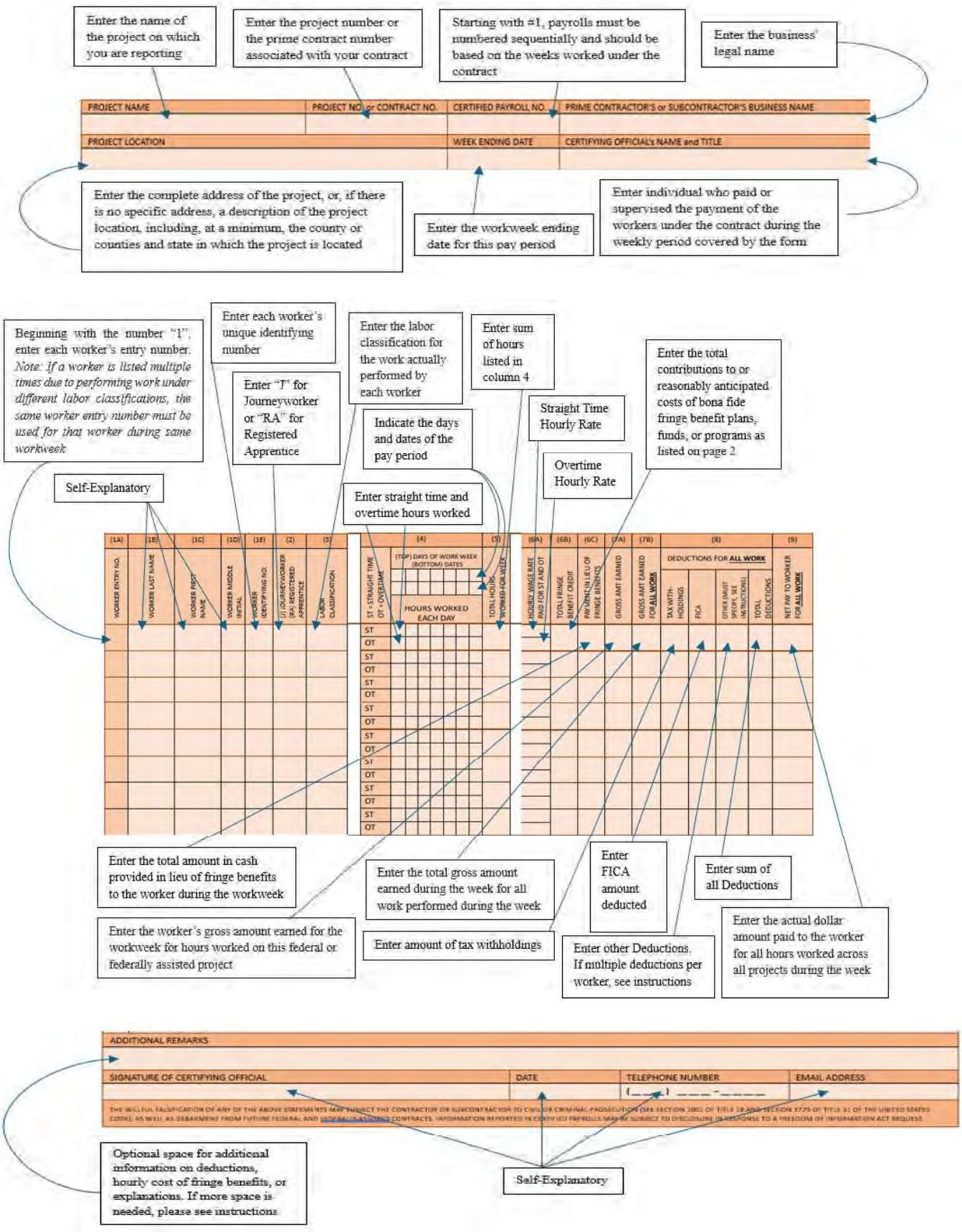
How to correctly fill out the Davis-Bacon and Related Acts Weekly Certified Payroll WH-347 Form

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.





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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.

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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.

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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.

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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: _____

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Semi-Annual Labor Standards Enforcement Report - Local Contracting Agencies (HUD Programs) Instructions	U.S. Department of Housing and Urban Development Office of Davis-Bacon and Labor Standards	HUD FORM 4710i OMB Approval Number 2501-0019 (Exp. 12-31-2027)

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

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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.

Docusign Envelope ID: 3758FA05-61A0-8D96-830C-8FE84B937C90

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.

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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

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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.

Docusign Envelope ID: 3758FA05-61A0-8D96-830C-8FE84B937C90

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)

Docusign Envelope ID: 3758FA05-61A0-8D96-830C-8FE84B937C90

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

Docusign Envelope ID: 3758FA05-61A0-8D96-830C-8FE84B937C90

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

Docusign Envelope ID: 3758FA05-61A0-8D96-830C-8FE84B937C90

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.

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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.

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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 Reference Only - Not for submission

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(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_____

FY26-31 PUBLIC SERVICES PROGRAM: FISCAL PLAN	Montgomery Housing Initiative							
FISCAL PROJECTIONS	FY25 APPROVED	FY25 ESTIMATE	FY26 RECOMMENDED	FY27 PROJECTION	FY28 PROJECTION	FY29 PROJECTION	FY30 PROJECTION	FY31 PROJECTION
ASSUMPTIONS								
Indirect Cost Rate	19.96%	19.96%	19.98%	19.98%	19.98%	19.98%	19.98%	19.98%
CPI (Fiscal Year)	2.2%	2.8%	2.5%	2.4%	2.3%	2.3%	2.3%	2.3%
Investment Income Yield	4.3%	4.8%	4.0%	3.8%	3.3%	3.0%	3.0%	3.0%
BEGINNING FUND BALANCE	5,146,068	16,885,434	8,497,054	1,098,700	453,700	307,000	155,800	0
REVENUES								
Taxes	22,986,826	23,057,932	25,407,109	27,711,024	29,026,217	30,280,944	31,393,785	32,081,470
Charges For Services	4,853,742	3,538,950	4,696,758	4,698,459	4,700,163	4,701,892	4,703,645	4,705,422
Miscellaneous	9,588,586	10,784,826	10,104,080	9,626,510	9,101,850	8,839,530	8,839,530	8,839,530
Subtotal Revenues	37,429,154	37,381,708	40,207,947	42,035,993	42,828,230	43,822,366	44,936,960	45,626,422
INTERFUND TRANSFERS (Net Non-CIP)	14,705,832	17,155,832	12,779,847	6,317,238	5,249,337	3,585,637	2,385,337	2,978,737
Transfers To Debt Service Fund	(18,294,520)	(15,844,520)	(24,337,790)	(30,800,400)	(31,868,300)	(33,532,000)	(34,732,300)	(34,138,900)
MHI HOC Housing Production Fund			(7,072,100)	(7,070,300)	(7,068,800)	(7,072,900)	(7,072,300)	(7,068,900)
MHI Property Acquisition	(5,119,500)	(3,769,500)	(14,865,690)	(17,530,100)	(18,599,500)	(20,259,100)	(21,460,000)	(20,870,000)
MHI Property Acquisition - New FY26 Debt for CIP Project 760100	0	0	(2,400,000)	(6,200,000)	(6,200,000)	(6,200,000)	(6,200,000)	(6,200,000)
Transfers To The General Fund	(674,116)	(674,116)	(806,644)	(806,644)	(806,644)	(806,644)	(806,644)	(806,644)
Indirect Costs	(674,116)	(674,116)	(806,644)	(806,644)	(806,644)	(806,644)	(806,644)	(806,644)
Transfers From The General Fund	33,674,468	33,674,468	37,924,281	37,924,281	37,924,281	37,924,281	37,924,281	37,924,281
General Fund	33,674,468	33,674,468	37,924,281	37,924,281	37,924,281	37,924,281	37,924,281	37,924,281
TOTAL RESOURCES	57,281,054	71,422,974	61,484,848	49,451,930	48,531,267	47,715,003	47,478,097	48,605,159
PSP OPER. BUDGET APPROP/ EXP'S.								
Operating Budget	(56,196,099)	(62,925,920)	(4,500,326)	(4,500,326)	(4,500,326)	(4,500,326)	(4,500,326)	(4,500,326)
CPI-Fiscal Year for OE (= OE w/o FC x CPI)			0	(10,970)	(21,970)	(33,130)	(44,440)	(55,910)
Compensation Adjustment			0	(176,428)	(358,459)	(547,475)	(743,701)	(947,370)
Rental Assistance Program (RAP)			(25,397,109)	(27,701,024)	(29,016,217)	(30,270,944)	(31,383,785)	(32,071,470)
Affordable Housing Loans			(12,400,707)	914,804	3,196,992	5,316,958	6,718,442	6,494,203
HHS Housing Programs			(9,706,200)	(9,706,200)	(9,706,200)	(9,706,200)	(9,706,200)	(9,706,200)
Neighborhoods to Call Home			(1,990,713)	(1,990,713)	(1,990,713)	(1,990,713)	(1,990,713)	(1,990,713)
HARP (Design for Life)			(318,373)	(318,373)	(318,373)	(318,373)	(318,373)	(318,373)
Homeownership Assistance Program			(5,509,000)	(5,509,000)	(5,509,000)	(5,509,000)	(5,509,000)	(5,509,000)
Subtotal PSP Oper Budget Approp / Exp's	(56,196,099)	(62,925,920)	(59,822,428)	(48,998,230)	(48,224,266)	(47,559,203)	(47,478,096)	(48,605,159)
TOTAL USE OF RESOURCES	(56,196,099)	(62,925,920)	(60,386,148)	(48,998,230)	(48,224,266)	(47,559,203)	(47,478,096)	(48,605,159)
YEAR END FUND BALANCE	1,084,955	8,497,054	1,098,700	453,700	307,000	155,800	0	(0)
END-OF-YEAR RESERVES AS A PERCENT OF RESOURCES	1.9%	11.9%	1.8%	0.9%	0.6%	0.3%	0.0%	0.0%

Assumptions:

1. Approximately $61.5 million, including $59.8 million in new funding, will be allocated in this fund to support the acquisition and preservation of affordable housing units, renovation of distressed housing, creation of housing units for special needs residents and mixed-income housing, first-time homeowner downpayment assistance, rental assistance, and a variety of services for permanent supportive housing and community development.
2. A total of $108.9 million will be funded through the FY26 CIP Budget in support of affordable housing, including $102 million for the Affordable Housing Acquisition and Preservation CIP Project# 760100, $5 million for the Affordable Housing Opportunity Fund CIP Project# 762101, and $1.85 million to continue funding the Revitalization of Troubled and Distressed Common Ownership Communities CIP Project# 762504.
3. Montgomery County Council Resolution #15-110 provides for an allocation from the General Fund to the Montgomery Housing Initiative fund (MHI) equivalent to 2.5% of actual General Fund property taxes from two years prior to the upcoming fiscal year to maintain and expand the supply of affordable housing. However, the actual transfer from the General Fund will be determined each year based on the availability of resources.

Notes:

1. These projections are based on the County Executive's Recommended budget and include the revenue and resource assumptions of that budget. The projected future expenditures, revenues, and fund balances may vary based on changes not assumed here to fee or tax rates, usage, inflation, future labor agreements, and other factors not assumed here.
2. The operating budget includes personnel costs, contracts for homeownership education, consultants' miscellaneous expenses, relevant technology upgrades, and loan asset monitoring.

AFFORDABLE HOUSING SUPPORT SUMMARY							
Funding Sources	**FY23 Approved Budget**	**Total County Resources (FY08 - FY23)**	**Avg Resources FY08-FY23**	**FY24 Approved Budget**	**FY25 Recommended Budget**	**FY26 Recommended Budget**	**Notes**
Operating Budget Expenditures							
DHCA - MHI Operating Budget	49,090,423	490,734,501	29,442,939	49,681,692	56,196,099	59,822,428	
DHCA - MHI Debt Service (interest only)	4,787,383	45,954,897	2,744,501	7,225,931	5,771,000	4,412,480	**MHI Debt Service Interest in FY25 includes Taxable Housing Certificates issued for HOC Production Fund**
HHS - General Fund - Housing Programs	30,962,294	184,818,260	10,257,064	46,931,755	30,587,717	41,614,681	**7,344 Clients Served**
HOC - Non-Departmental Account	7,633,168	101,652,350	6,267,945	7,972,501	8,295,315	9,054,132	
Total Operating Budget	**92,473,268**	**823,160,008**	**48,712,449**	**111,811,879**	**100,850,131**	**114,903,721**	
Affordable Housing Acquisition and Preservation Project (CIP)		-					
Current Revenue		4,775,000	397,917		65,000,000	-	
HIF Revolving Loan Program	14,896,000	198,430,000	12,235,600	19,277,000	17,355,000	91,311,000	
Loan Repayment Proceeds (actual)	21,854,000	98,800,507	5,129,767	2,723,000	4,645,000	5,669,000	
G.O. Bonds		-	-				
Recordation Tax Premium	-	4,544,540	504,949	10,000,000	10,000,000	5,000,000	
DHCA - Affordable Housing Acquisition and Preservation Project (CIP) - Total	**36,750,000**	**306,550,047**	**18,268,233**	**32,000,000**	**97,000,000**	**102,000,000**	
Nonprofit Preservation Fund					**50,000,000**	-	
Affordable Housing Opportunity Fund (CIP)	**6,000,000**	**20,000,000**	20,000,000	-	-	**5,000,000**	
Preservation of Naturally Occurring Affordable Housing (NOAH) Fund	**40,000,000**	**40,000,000**	-	-	-	-	
DHCA - Payment in Lieu of Taxes (Non-HOC PILOTs)	20,624,755	**212,105,511**	12,765,384	20,624,755	24,037,676	TBD	**Pending results of analysis of regulation change**
DHCA - Payment in Lieu of Taxes (HOC PILOTs)	10,593,592	**146,024,396**	9,028,720	11,123,275	10,829,436	TBD	**Pending results of analysis of regulation change**
DGS - Discounted Land Value	1,500,000	**57,790,913**	8,041,559	-			
Total Affordable Housing Support	206,441,615	1,605,630,876	116,816,345	175,559,909	282,717,243	221,903,721	

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CITY OF ROCKVILLE ADMINISTERED CDBG FUNDED SUB-GRANTEE AGREEMENT

THIS **CITY OF ROCKVILLE ADMINISTERED CDBG FUNDED SUB-GRANTEE AGREEMENT** (this "**Contract**") is entered into as of the **9th** day of **June**, 2026, by and between THE MAYOR AND COUNCIL OF ROCKVILLE, a body corporate and municipal corporation of the State of Maryland (hereinafter referred to as "City"), with offices at City Hall, 111 Maryland Avenue, Rockville, Maryland 20850 and **Rockville Housing Enterprises** (hereinafter referred to as "GRANTEE) with offices at **1300 Picard Drive Suite 203, Rockville, MD 20850**.

RECITALS

WHEREAS, the City has received Community Development Block Grant ("CDBG") funds from Montgomery County, Maryland pursuant to the terms of Contract Number **1184965** the terms of which are incorporated into this Contract and which is further identified as "EXHIBIT A;" and

WHEREAS, the Grantee has requested **Ninety-Four Thousand, Four Hundred, Fifty-Four Dollars** (**$94,454.00**) of CDBG funds to **Rockville Housing Enterprises** in accordance with the provisions and deliverables of EXHIBIT A, **Attachment I-D_;** and

WHEREAS, the City has requested that such funds be included in its Year **51** CDBG allocations; and

WHEREAS, the City's request for funds was approved by the Montgomery County Government and is identified in Exhibit A as **Attachment I-D_;** and

NOW THEREFORE in consideration of the mutual promises and covenants herein contained, and the recitals which are incorporated in and made parts of this Contract, the parties do agree as follows:

1. Grantee covenants and agrees to provide necessary personnel, facilities, supplies, material, and/or services to undertake the scope of services, budget, timeline and results as contained in **Attachment I-D.** In providing such personnel, facilities, supplies, materials and/or services, Grantee shall comply with all applicable terms and requirements set forth in Exhibit A and all laws, regulations, and/or policies imposed from time to time by the U. S. Department of Housing and Urban Development, Montgomery County, Maryland, and/or the City of Rockville.

2. Grantee covenants and agrees that grant funds are to be used only for activities

described in the **Attachment I- D .** Any changes or modifications to the described activities must receive prior written approval from the City of Rockville Department of Housing and Community Development.

3. Grantee covenants and agrees to submit quarterly project progress reports and project benefit reports as indicated in Exhibit A as well as such reports as may be required from time to time by the U.S. Department of Housing and Urban Development ("HUD"), Montgomery County, Maryland and/or the City of Rockville.

4. Grantee covenants and agrees that project activities shall benefit 100% low-moderate income residents of the City of Rockville. Grantee will document income according to the requirements of Exhibit A and **Attachment I- D** . To the extent possible, said documentation shall include names and addresses of persons assisted. Grantee further agrees to maintain adequate eligibility records required by **Attachment I- D .** Grantee further agrees that rehabilitated units will be occupied by low-moderate income households no less than five years following closeout of the CDBG Yr 51 (FY26) grant.

5. Grantee shall submit supporting documentation for CDBG eligible activities necessary to accomplish the activities described in **Attachment I-D_.**

6. Reimbursement for project costs will be made only upon submission of documented requisitions. Submitted documentation shall include, but not be limited to, copies of payroll and personnel expense checks, and personnel time sheets, copies of paid invoices, checks.

7. **Contract Term**

Grantee shall commence the work described herein on or **about June 9th, 2026** and shall complete the work by **June 9th , 2027, within 12 months of this Contract's execution**. Any extensions beyond the term specified herein shall be at the sole discretion of the City and shall require the concurrence of Montgomery County.

8. **Audit and Inspection**

Grantee agrees that the City or its designee shall, until the expiration of three (3) years after final payment under this Contract, have access to and the right to examine any books, documents, and records of Grantee pertaining to expenditure of funds described in this Contract. Grantee shall retain records pertaining to this Contract for at least five (5) years or such longer time as may be required by the City and shall contact the City before disposing of the records.

9. **Termination**

A. For Convenience of the City

This Contract may be terminated, in whole or in part, whenever the City Manager shall determine that termination of this Contract is in the best interest of the City. In such event, the City shall be liable only for payment in accordance with the provision of this Contract for work or services performed or furnished in accordance with this Contract, prior to the effective date of termination. Termination hereunder shall be effective by a written notice of termination delivered in person or by mail to Grantee at the aforementioned address.

B. For Default of Contract

This Contract may be terminated by the City, in whole or in part, whenever, in the opinion of the City Manager, Grantee has defaulted in the timely performance of this Contract, failed to make satisfactory progress in the prosecution of the work hereunder, or endangered such performance, and has failed to cure such default within ten (l0) days after receipt of written notification from the City specifying the default. The findings of fact and decisions made regarding termination for default by the City Manager shall be final and conclusive.

10. **Assignment and Subcontracting**

Grantee shall not assign or transfer neither this Contract nor any right in or claim thereunder except as expressly authorized in writing by the City Manager.

11. **Disputes**

Except as otherwise provided in this Contract, any dispute concerning a question of fact arising under this Contract, which is not disposed of by agreement, shall be decided by the City Manager, who shall notify Grantee in writing of his or her determination. Grantee shall be afforded an opportunity to be heard and offer evidence in support of its claim. Pending final decision of the dispute hereunder, Grantee shall proceed diligently with performance or this Contract. The decision of the City Manager shall be final and conclusive.

12. **Governing Law**

This Contract shall be governed by the laws of the State of Maryland, and nothing hereunder shall be interpreted to preclude the parties from seeking, after the

completion or termination of this Contract, any and all remedies provided by law.

13. **Non-Discrimination in Employment**

Grantee will not discriminate against any employee or applicant for employment because of race, color, creed, religion, sex, national origin, marital status, sexual preference, age, or handicap. Grantee will take affirmative action toward the employment of minority applicants and shall treat employees without regard to their race, color, creed, religion, sex, sexual preference, national origin, marital status, age, or handicap. Such action shall include, but not be limited to the following: employment, upgrading, demolition, or transfer; recruitment or recruitment advertising; layoff or termination; rates or pay or other forms of compensation; and selection for training, including apprenticeship. Grantee agrees to post in conspicuous places, available to employees and applicants for employment, notices setting forth the provisions of this Equal Opportunity clause.

Grantee will, in all solicitations or advertisements for employees placed by or on behalf of Grantee, state that all qualified applicants will receive consideration for employment without regard to race, color, creed, religion, sex, sexual preference, national origin, marital status, age, or handicap.

In the event of Grantee's failure to employ with the Equal Opportunity clause of this contact or with any of the said rules, regulations, or orders, this Contract may be canceled, terminated, or suspended, in whole or in part.

14. **Independent Contractor**

Grantee shall perform this Contract as an independent contractor and shall not be considered an agent of the City, nor shall any of the employees or agents of grantee be considered sub-agents of the City.

15. **Licenses and Responsibilities**

Grantee shall, at Grantee's expense, be responsible for obtaining all necessary licenses and for complying with any applicable federal, state, and municipal laws, codes, and regulations in connection with the performance of services specified herein.

16. **Indemnification and Hold Harmless**

It is agreed that Grantee shall indemnify and hold harmless the City, its officers, agents and employees from any and all suits, actions, claims, damages, and costs

of every nature and description to which the City may be subjected by reason of injury to person or property resulting from Grantee's conduct, negligence or that of its agents, employees or subcontractors in the performance of its duties under this Contract. Grantee shall be responsible for all damage to persons or property, which occurs or is a result of its conduct and shall take proper safety and health precautions to protect all employees and members of the general public. Grantee shall be responsible for claims of liability, loss or damage which may be attributable in whole or in part to its' negligence or misconduct, excepting however such claims or damages as may be attributable to the direct or willful negligence of the City, its officers, agents or employees.

17. **Entire Agreement**

This Contract contains the entire agreement between the parties hereto, and they shall not be bound by any terms, conditions, statements, warranties, or representations, oral or written, not herein contained.

18. **Conflicts**

If any conflicts exist between this Contract and Exhibit A, this Contract shall prevail**.** If any conflicts exist among the documents included in Exhibit A, the order of priority is: the terms contained in the letter dated May 19, 2026, General conditions of Contract between County and Contractor (Attachment III), the Scope of Services (Attachment I-_), Mandatory Insurance Requirements (Attachment VI), CDBG Special Conditions (Attachment VII), this Contract, the Requirements for Services Contract Addendum to the General Conditions of Contract Between County and Contractor (Attachment IV), the CDBG Eligibility Documentation (Attachment V), the Federal Labor Standards Provisions (Attachment VIII), and the Environmental Review Record (Attachment IX).

19. **References to Contractors in Exhibit A**

Any references to contractor in Exhibit A shall apply to Grantee.

20. **Insurance**

Prior to the execution of this Contract by the City, the Grantee must obtain at their own cost and expense and keep in full force and effect during the term of the Contract including all extensions, the following lines of insurance with an insurance company licensed to do business in the State of Maryland evidenced by a certificate of insurance and/or copies of the insurance policies. The Grantee's insurance shall be primary.

The Grantee must submit to the City a certificate of insurance and all requested Insurance Endorsements prior to the award of any Grant Funds. The Grantee will be required to maintain for the life of the Contract, including extensions, and to furnish the City evidence of insurance as follows:

MANDATORY REQUIREMENTS FOR INSURANCE

The Grantee's insurance coverage shall be primary insurance as respects the City, its elected and appointed officials, officers, consultants, agents and employees and any insurance or self-insurance maintained by the City, shall be excess of the Grantee's insurance and shall not be called upon to contribute with it. The Grantee shall waive any rights of recovery against the City and shall be responsible for maintaining proper insurance compliance amongst any and all of its servants, agents, employees or beneficiaries with the explicit understanding that no relationship and no authority exists between the City and those entities.

CERTIFICATE REQUIREMENTS WITH FORMS

Type of Insurance	Amounts of Insurance	Endorsements and Provisions
Commercial General Liability a. Bodily Injury b. Property Damage c. Contractual Liability d. Premise/Operations e. Independent Contractors f. Products/Completed Operations g. Personal Injury	$1,000,000 each occurrence and $1,000,000 in the aggregate	City to be listed as additional insured and provided 30-day notice of cancellation or material change in coverage. ISO Form CG 20 10 07 04 Form required. Montgomery County, Maryland to be listed as additional insured.
Business Automobile Liability (Applicable for following Sub-grantee) a. I-A BG8068/26 b. I-B BG8106/26 c. I-D BG8108/26 Owned automobiles Hired automobiles Non-owned automobiles Loading and unloading	$1,000,000 combined single limit for bodily injury and property damage coverage per occurrence	Montgomery County, Maryland to be listed as additional insured
Workers Compensation Employers' Liability		Waiver of Subrogation: ISO Form WC 00 03 13 Waiver of Our

	Bodily Injury by Accident: $100,000 each accident Bodily Injury by Disease: $500,000 policy limits Bodily Injury by Disease: $100,000 each employee	Rights to Recover From Others Endorsement – signed and dated.
Professional Liability	$1,000,000 for each claim	Coverage must remain in effect for a minimum of three (3) years after completion of the Contract
Cyber Liability	$1,000,000 for each claim	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 (Applicable for the following Sub-Grantees) a. I-A BG8068/26 b. I-B BG8106/26 c. I-D BG8108/26	$1,000,000 for each occurrence	
Crime Insurance (Employee Dishonesty / Theft of Funds)	Minimum required limits by project: • I-A BG8068/26 – $100,000 per occurrence • I-B BG8106/26 – $8,546 per occurrence • I-C BG8107/26 – $60,000	Montgomery County, Maryland to be listed as loss payee.

	per occurrence • I-D BG8108/26 – $94,454 per occurrence	

The Description area of the Certificate of Insurance shall read as follows:

The Mayor and Council, City of Rockville
City Hall
CDBG Grant YR. 51
111 Maryland Avenue
Rockville, MD 20850

For items requiring additional insured, the Description area of the Certificate of Insurance shall include as follows:

Montgomery County, Maryland
Department of Housing and Community Affairs / Katherine Canales
1401 Rockville Pike, 4th Floor
Rockville, MD 2085

Policy Cancellation
No change, cancellation or non-renewed shall be made in any insurance coverage without a thirty (30) day written notice to the City's Safety & Risk Management Division. Grantee shall furnish a new certificate prior to any change or cancellation date. The failure of the Grantee to deliver a new and valid certificate will result in suspension of all payments and cessation of on-site work activities until a new certificate is furnished.

Additional Insured
The Mayor and Council of Rockville, which includes its elected and appointed officials, officers, consultants, agents and employees must be named as an additional insured on the Grantee's Commercial General Liability and Excess/Umbrella Insurance for liability arising out of Grantee's products, goods, and services provided under this Contract. Endorsements reflecting the Mayor and Council of Rockville as an additional insured are required to be submitted with the insurance certificate.

(Signatures of Following Page)

IN WITNESS WHEREOF, the parties have executed this Contract by causing the same to be signed as of the day and year first above written.

ATTEST:

ROCKVILLE HOUSING ENTERPRISES, as Grantee

_____

_____
By: **James Hedrick**
Its: **Executive Director**

ATTEST:

THE MAYOR AND COUNCIL OF ROCKVILLE

_____
Sara Taylor-Ferrell, City Clerk/
Dir of Council Operations

_____
Jeff Mhelich, City Manager

Approved as to legal sufficiency:

_____
Cynthia Walters, Acting City Attorney

Docusign Envelope ID: 3758FA05-61A0-8D96-830C-8FE84B937C90

DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

Marc Elrich
County Executive

Scott Bruton
Director

May 19, 2026

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

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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

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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

Pofen Salem, Chief
Division of Finance and Administration

Docusign Envelope ID: 3758FA05-61A0-8D96-830C-8FE84B937C90

MAYOR AND COUNCIL OF ROCKVILLE

Jeff Mihelich

Jeff Mihelich, City Manager

Date: 5/19/2026

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

Reviewed for Legal Sufficiency by
The Office of the City Attorney

Cynthia B. Walters

Cynthia Walters, Acting City Attorney

MONTGOMERY COUNTY, MARYLAND

for,

Avinash G. Shetty, Director
Office of Procurement

Date: 6/9/2026

Recommended by:

Scott Bruton

Scott Bruton, Director
Department of Housing and Community Affairs

Date: 5/20/26

Approved as to Form

Jerrilyn E. Brooks

Assistant County Attorney

Date: 5/20/2026

Docusign Envelope ID: 3758FA05-61A0-8D96-830C-8FE84B937C90

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;

Docusign Envelope ID: 3758FA05-61A0-8D96-830C-8FE84B937C90

- 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

Docusign Envelope ID: 3758FA05-61A0-8D96-830C-8FE84B937C90

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

Docusign Envelope ID: 3758FA05-61A0-8D96-830C-8FE84B937C90

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

Docusign Envelope ID: 3758FA05-61A0-8D96-830C-8FE84B937C90

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):

Docusign Envelope ID: 3758FA05-61A0-8D96-830C-8FE84B937C90

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

Docusign Envelope ID: 3758FA05-61A0-8D96-830C-8FE84B937C90

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;

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(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.

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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				

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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
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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.

Docusign Envelope ID: 3758FA05-61A0-8D96-830C-8FE84B937C90

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.

Docusign Envelope ID: 3758FA05-61A0-8D96-830C-8FE84B937C90

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.

Docusign Envelope ID: 3758FA05-61A0-8D96-830C-8FE84B937C90

(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.

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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),

Docusign Envelope ID: 3758FA05-61A0-8D96-830C-8FE84B937C90

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)**

Docusign Envelope ID: 3758FA05-61A0-8D96-830C-8FE84B937C90

☐ 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	Jeff Mihelich	Title of Authorized Person	City Manager
Typed or Printed Name	Jeff Mihelich	Date	5/19/2026

Docusign Envelope ID: 3758FA05-61A0-8D96-830C-8FE84B937C90

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".

Docusign Envelope ID: 3758FA05-61A0-8D96-830C-8FE84B937C90

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,

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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.

Docusign Envelope ID: 3758FA05-61A0-8D96-830C-8FE84B937C90

(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:

Docusign Envelope ID: 3758FA05-61A0-8D96-830C-8FE84B937C90

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.

Docusign Envelope ID: 3758FA05-61A0-8D96-830C-8FE84B937C90

☐ 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

Docusign Envelope ID: 3758FA05-61A0-8D96-830C-8FE84B937C90

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*

Docusign Envelope ID: 3758FA05-61A0-8D96-830C-8FE84B937C90

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.

Docusign Envelope ID: 3758FA05-61A0-8D96-830C-8FE84B937C90

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

Docusign Envelope ID: 3758FA05-61A0-8D96-830C-8FE84B937C90

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

Docusign Envelope ID: 3758FA05-61A0-8D96-830C-8FE84B937C90

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

Docusign Envelope ID: 3758FA05-61A0-8D96-830C-8FE84B937C90

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.

Docusign Envelope ID: 3758FA05-61A0-8D96-830C-8FE84B937C90

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.

Docusign Envelope ID: 3758FA05-61A0-8D96-830C-8FE84B937C90

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

Docusign Envelope ID: 3758FA05-61A0-8D96-830C-8FE84B937C90

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

Docusign Envelope ID: 3758FA05-61A0-8D96-830C-8FE84B937C90

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

Docusign Envelope ID: 3758FA05-61A0-8D96-830C-8FE84B937C90

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

Docusign Envelope ID: 3758FA05-61A0-8D96-830C-8FE84B937C90

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.

Docusign Envelope ID: 3758FA05-61A0-8D96-830C-8FE84B937C90

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.

Docusign Envelope ID: 3758FA05-61A0-8D96-830C-8FE84B937C90

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

Docusign Envelope ID: 3758FA05-61A0-8D96-830C-8FE84B937C90

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

Docusign Envelope ID: 3758FA05-61A0-8D96-830C-8FE84B937C90

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 _____

Docusign Envelope ID: 3758FA05-61A0-8D96-830C-8FE84B937C90

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	

Docusign Envelope ID: 3758FA05-61A0-8D96-830C-8FE84B937C90

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	

Docusign Envelope ID: 3758FA05-61A0-8D96-830C-8FE84B937C90

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

Docusign Envelope ID: 3758FA05-61A0-8D96-830C-8FE84B937C90

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

Docusign Envelope ID: 3758FA05-61A0-8D96-830C-8FE84B937C90

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

Docusign Envelope ID: 3758FA05-61A0-8D96-830C-8FE84B937C90

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;

Docusign Envelope ID: 3758FA05-61A0-8D96-830C-8FE84B937C90

- 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

Docusign Envelope ID: 3758FA05-61A0-8D96-830C-8FE84B937C90

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.

Docusign Envelope ID: 3758FA05-61A0-8D96-830C-8FE84B937C90

§ 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

Docusign Envelope ID: 3758FA05-61A0-8D96-830C-8FE84B937C90

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

Docusign Envelope ID: 3758FA05-61A0-8D96-830C-8FE84B937C90

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.

Docusign Envelope ID: 3758FA05-61A0-8D96-830C-8FE84B937C90

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

Docusign Envelope ID: 3758FA05-61A0-8D96-830C-8FE84B937C90

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

Docusign Envelope ID: 3758FA05-61A0-8D96-830C-8FE84B937C90

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

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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.

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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

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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,

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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.

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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.

Docusign Envelope ID: 3758FA05-61A0-8D96-830C-8FE84B937C90

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

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(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

Docusign Envelope ID: 3758FA05-61A0-8D96-830C-8FE84B937C90

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	
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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)

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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.		FB NAME / FB TYPE / PLAN NO.		FB NAME / FB TYPE / PLAN NO.		FB NAME / FB TYPE / PLAN NO.		FB NAME / FB TYPE / PLAN NO.		FB NAME / FB TYPE / PLAN NO.		TOTAL HOURLY CREDIT
	☐ Funded	☐ Unfunded	☐ Funded	☐ Unfunded	☐ Funded	☐ Unfunded	☐ Funded	☐ Unfunded	☐ Funded	☐ Unfunded	☐ Funded	☐ Unfunded	
	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

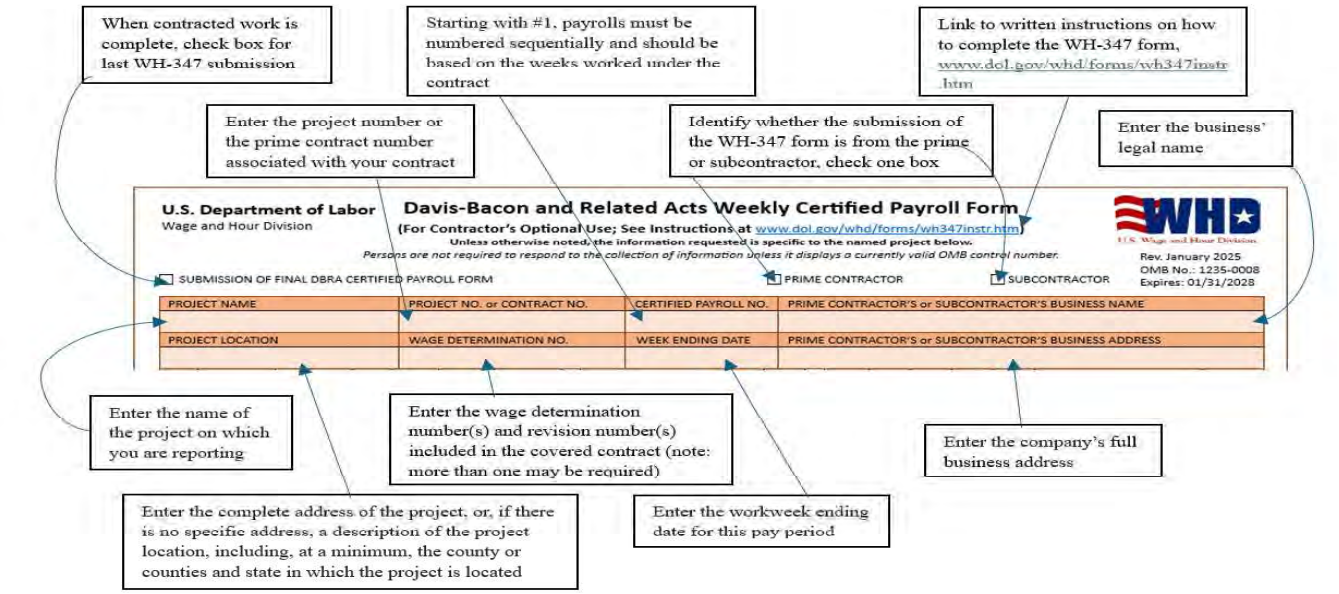
SIGNATURE OF CERTIFYING OFFICIAL	DATE	TELEPHONE NUMBER	EMAIL ADDRESS
		(___) ___-____	

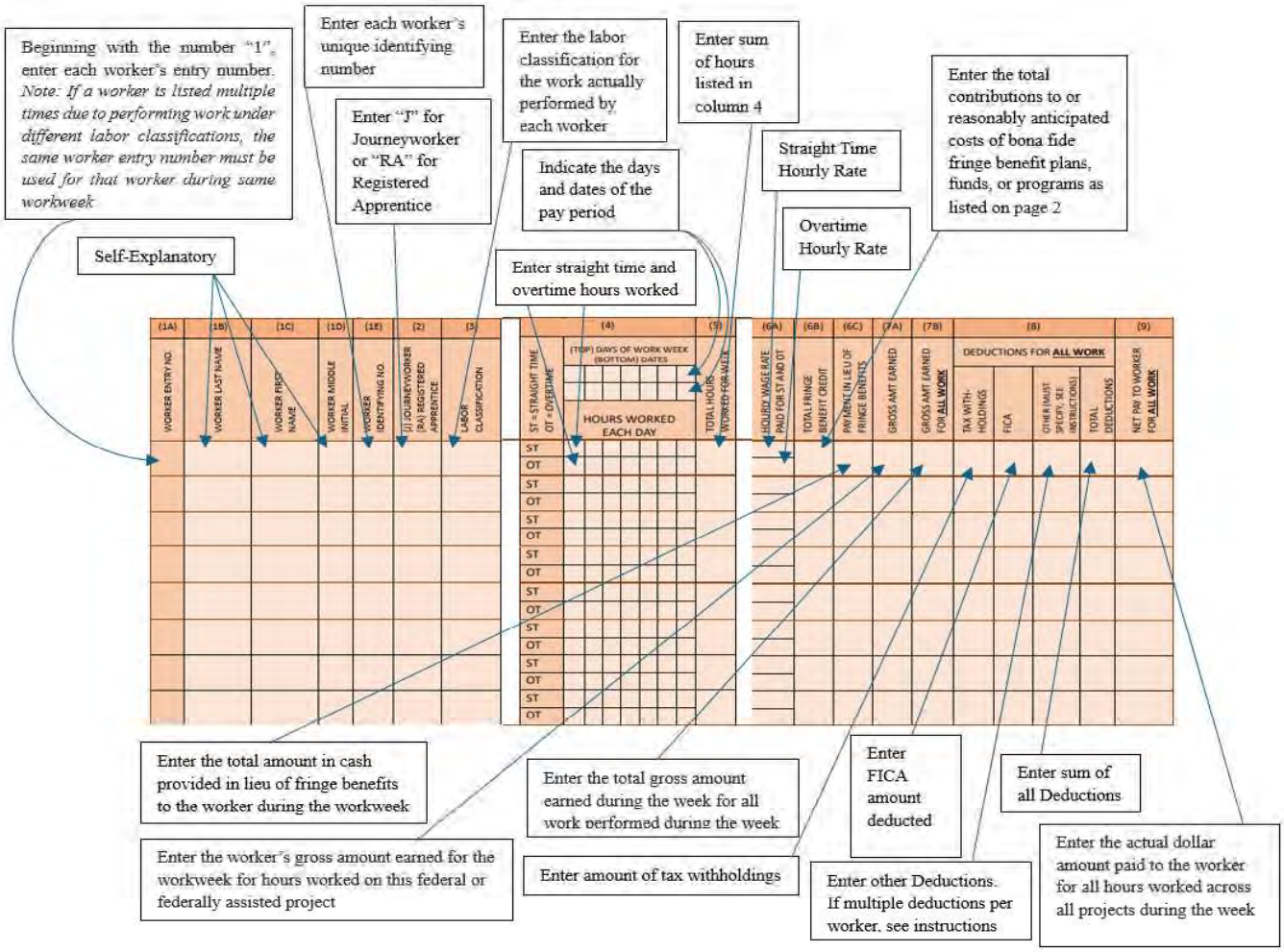
THE WILLFUL FALSIFICATION OF ANY OF THE ABOVE STATEMENTS MAY SUBJECT THE CONTRACTOR OR SUBCONTRACTOR TO CIVIL OR CRIMINAL PROSECUTION (SEE SECTION 1001 OF TITLE 18 AND SECTION 3729 OF TITLE 31 OF THE UNITED STATES CODE), AS WELL AS DEBARMENT FROM FUTURE FEDERAL AND FEDERALLY-ASSISTED CONTRACTS. INFORMATION REPORTED IN CERTIFIED PAYROLLS MAY BE SUBJECT TO DISCLOSURE IN RESPONSE TO A FREEDOM OF INFORMATION ACT REQUEST.

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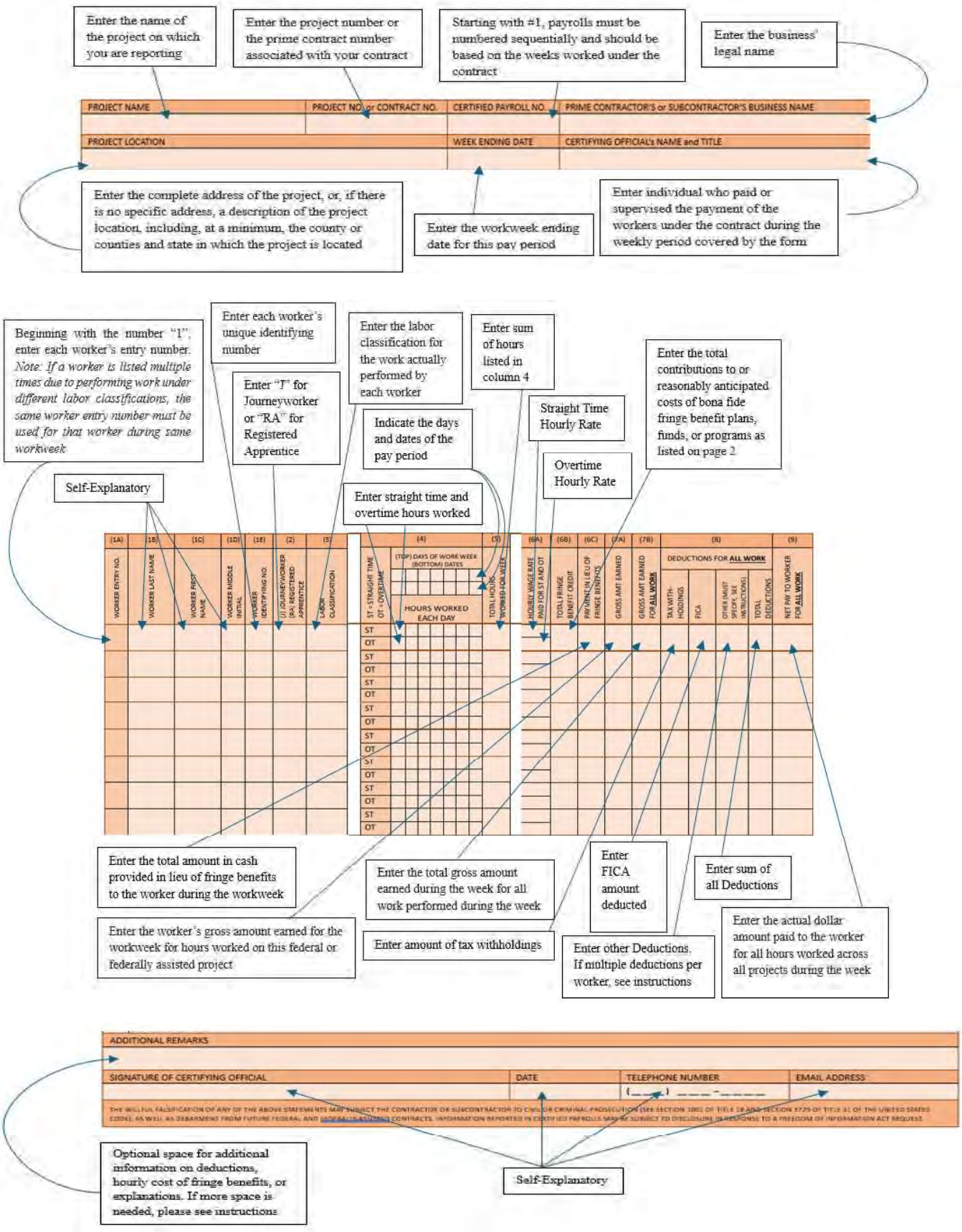
How to correctly fill out the Davis-Bacon and Related Acts Weekly Certified Payroll WH-347 Form

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.





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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.

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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.

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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.

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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: _____

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Semi-Annual Labor Standards Enforcement Report - Local Contracting Agencies (HUD Programs) Instructions	U.S. Department of Housing and Urban Development Office of Davis-Bacon and Labor Standards	HUD FORM 4710i OMB Approval Number 2501-0019 (Exp. 12-31-2027)

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

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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.

Docusign Envelope ID: 3758FA05-61A0-8D96-830C-8FE84B937C90

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.

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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

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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.

Docusign Envelope ID: 3758FA05-61A0-8D96-830C-8FE84B937C90

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)

Docusign Envelope ID: 3758FA05-61A0-8D96-830C-8FE84B937C90

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

Docusign Envelope ID: 3758FA05-61A0-8D96-830C-8FE84B937C90

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

Docusign Envelope ID: 3758FA05-61A0-8D96-830C-8FE84B937C90

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.

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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.

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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 Reference Only - Not for submission

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(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_____

FY26-31 PUBLIC SERVICES PROGRAM: FISCAL PLAN	Montgomery Housing Initiative							
FISCAL PROJECTIONS	FY25 APPROVED	FY25 ESTIMATE	FY26 RECOMMENDED	FY27 PROJECTION	FY28 PROJECTION	FY29 PROJECTION	FY30 PROJECTION	FY31 PROJECTION
ASSUMPTIONS								
Indirect Cost Rate	19.96%	19.96%	19.98%	19.98%	19.98%	19.98%	19.98%	19.98%
CPI (Fiscal Year)	2.2%	2.8%	2.5%	2.4%	2.3%	2.3%	2.3%	2.3%
Investment Income Yield	4.3%	4.8%	4.0%	3.8%	3.3%	3.0%	3.0%	3.0%
BEGINNING FUND BALANCE	5,146,068	16,885,434	8,497,054	1,098,700	453,700	307,000	155,800	0
REVENUES								
Taxes	22,986,826	23,057,932	25,407,109	27,711,024	29,026,217	30,280,944	31,393,785	32,081,470
Charges For Services	4,853,742	3,538,950	4,696,758	4,698,459	4,700,163	4,701,892	4,703,645	4,705,422
Miscellaneous	9,588,586	10,784,826	10,104,080	9,626,510	9,101,850	8,839,530	8,839,530	8,839,530
Subtotal Revenues	37,429,154	37,381,708	40,207,947	42,035,993	42,828,230	43,822,366	44,936,960	45,626,422
INTERFUND TRANSFERS (Net Non-CIP)	14,705,832	17,155,832	12,779,847	6,317,238	5,249,337	3,585,637	2,385,337	2,978,737
Transfers To Debt Service Fund	(18,294,520)	(15,844,520)	(24,337,790)	(30,800,400)	(31,868,300)	(33,532,000)	(34,732,300)	(34,138,900)
MHI HOC Housing Production Fund			(7,072,100)	(7,070,300)	(7,068,800)	(7,072,900)	(7,072,300)	(7,068,900)
MHI Property Acquisition	(5,119,500)	(3,769,500)	(14,865,690)	(17,530,100)	(18,599,500)	(20,259,100)	(21,460,000)	(20,870,000)
MHI Property Acquisition - New FY26 Debt for CIP Project 760100	0	0	(2,400,000)	(6,200,000)	(6,200,000)	(6,200,000)	(6,200,000)	(6,200,000)
Transfers To The General Fund	(674,116)	(674,116)	(806,644)	(806,644)	(806,644)	(806,644)	(806,644)	(806,644)
Indirect Costs	(674,116)	(674,116)	(806,644)	(806,644)	(806,644)	(806,644)	(806,644)	(806,644)
Transfers From The General Fund	33,674,468	33,674,468	37,924,281	37,924,281	37,924,281	37,924,281	37,924,281	37,924,281
General Fund	33,674,468	33,674,468	37,924,281	37,924,281	37,924,281	37,924,281	37,924,281	37,924,281
TOTAL RESOURCES	57,281,054	71,422,974	61,484,848	49,451,930	48,531,267	47,715,003	47,478,097	48,605,159
PSP OPER. BUDGET APPROP/ EXP'S.								
Operating Budget	(56,196,099)	(62,925,920)	(4,500,326)	(4,500,326)	(4,500,326)	(4,500,326)	(4,500,326)	(4,500,326)
CPI-Fiscal Year for OE (= OE w/o FC x CPI)			0	(10,970)	(21,970)	(33,130)	(44,440)	(55,910)
Compensation Adjustment			0	(176,428)	(358,459)	(547,475)	(743,701)	(947,370)
Rental Assistance Program (RAP)			(25,397,109)	(27,701,024)	(29,016,217)	(30,270,944)	(31,383,785)	(32,071,470)
Affordable Housing Loans			(12,400,707)	914,804	3,196,992	5,316,958	6,718,442	6,494,203
HHS Housing Programs			(9,706,200)	(9,706,200)	(9,706,200)	(9,706,200)	(9,706,200)	(9,706,200)
Neighborhoods to Call Home			(1,990,713)	(1,990,713)	(1,990,713)	(1,990,713)	(1,990,713)	(1,990,713)
HARP (Design for Life)			(318,373)	(318,373)	(318,373)	(318,373)	(318,373)	(318,373)
Homeownership Assistance Program			(5,509,000)	(5,509,000)	(5,509,000)	(5,509,000)	(5,509,000)	(5,509,000)
Subtotal PSP Oper Budget Approp / Exp's	(56,196,099)	(62,925,920)	(59,822,428)	(48,998,230)	(48,224,266)	(47,559,203)	(47,478,096)	(48,605,159)
TOTAL USE OF RESOURCES	(56,196,099)	(62,925,920)	(60,386,148)	(48,998,230)	(48,224,266)	(47,559,203)	(47,478,096)	(48,605,159)
YEAR END FUND BALANCE	1,084,955	8,497,054	1,098,700	453,700	307,000	155,800	0	(0)
END-OF-YEAR RESERVES AS A PERCENT OF RESOURCES	1.9%	11.9%	1.8%	0.9%	0.6%	0.3%	0.0%	0.0%

Assumptions:

1. Approximately $61.5 million, including $59.8 million in new funding, will be allocated in this fund to support the acquisition and preservation of affordable housing units, renovation of distressed housing, creation of housing units for special needs residents and mixed-income housing, first-time homeowner downpayment assistance, rental assistance, and a variety of services for permanent supportive housing and community development.
2. A total of $108.9 million will be funded through the FY26 CIP Budget in support of affordable housing, including $102 million for the Affordable Housing Acquisition and Preservation CIP Project# 760100, $5 million for the Affordable Housing Opportunity Fund CIP Project# 762101, and $1.85 million to continue funding the Revitalization of Troubled and Distressed Common Ownership Communities CIP Project# 762504.
3. Montgomery County Council Resolution #15-110 provides for an allocation from the General Fund to the Montgomery Housing Initiative fund (MHI) equivalent to 2.5% of actual General Fund property taxes from two years prior to the upcoming fiscal year to maintain and expand the supply of affordable housing. However, the actual transfer from the General Fund will be determined each year based on the availability of resources.

Notes:

1. These projections are based on the County Executive's Recommended budget and include the revenue and resource assumptions of that budget. The projected future expenditures, revenues, and fund balances may vary based on changes not assumed here to fee or tax rates, usage, inflation, future labor agreements, and other factors not assumed here.
2. The operating budget includes personnel costs, contracts for homeownership education, consultants' miscellaneous expenses, relevant technology upgrades, and loan asset monitoring.

AFFORDABLE HOUSING SUPPORT SUMMARY							
Funding Sources	**FY23 Approved Budget**	**Total County Resources (FY08 - FY23)**	**Avg Resources FY08-FY23**	**FY24 Approved Budget**	**FY25 Recommended Budget**	**FY26 Recommended Budget**	**Notes**
Operating Budget Expenditures							
DHCA - MHI Operating Budget	49,090,423	490,734,501	29,442,939	49,681,692	56,196,099	59,822,428	
DHCA - MHI Debt Service (interest only)	4,787,383	45,954,897	2,744,501	7,225,931	5,771,000	4,412,480	**MHI Debt Service Interest in FY25 includes Taxable Housing Certificates issued for HOC Production Fund**
HHS - General Fund - Housing Programs	30,962,294	184,818,260	10,257,064	46,931,755	30,587,717	41,614,681	**7,344 Clients Served**
HOC - Non-Departmental Account	7,633,168	101,652,350	6,267,945	7,972,501	8,295,315	9,054,132	
Total Operating Budget	**92,473,268**	**823,160,008**	**48,712,449**	**111,811,879**	**100,850,131**	**114,903,721**	
Affordable Housing Acquisition and Preservation Project (CIP)		-					
Current Revenue		4,775,000	397,917		65,000,000	-	
HIF Revolving Loan Program	14,896,000	198,430,000	12,235,600	19,277,000	17,355,000	91,311,000	
Loan Repayment Proceeds (actual)	21,854,000	98,800,507	5,129,767	2,723,000	4,645,000	5,669,000	
G.O. Bonds		-	-				
Recordation Tax Premium	-	4,544,540	504,949	10,000,000	10,000,000	5,000,000	
DHCA - Affordable Housing Acquisition and Preservation Project (CIP) - Total	**36,750,000**	**306,550,047**	**18,268,233**	**32,000,000**	**97,000,000**	**102,000,000**	
Nonprofit Preservation Fund					**50,000,000**	-	
Affordable Housing Opportunity Fund (CIP)	**6,000,000**	**20,000,000**	20,000,000	-	-	**5,000,000**	
Preservation of Naturally Occurring Affordable Housing (NOAH) Fund	**40,000,000**	**40,000,000**	-	-	-	-	
DHCA - Payment in Lieu of Taxes (Non-HOC PILOTs)	20,624,755	**212,105,511**	12,765,384	20,624,755	24,037,676	TBD	**Pending results of analysis of regulation change**
DHCA - Payment in Lieu of Taxes (HOC PILOTs)	10,593,592	**146,024,396**	9,028,720	11,123,275	10,829,436	TBD	**Pending results of analysis of regulation change**
DGS - Discounted Land Value	1,500,000	**57,790,913**	8,041,559	-			
Total Affordable Housing Support	206,441,615	1,605,630,876	116,816,345	175,559,909	282,717,243	221,903,721	

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MAYOR AND COUNCIL Meeting Date: September 9, 9999
Agenda Item Type: CONSENT
Department: CITY MANAGER'S OFFICE (CMO)
Responsible Staff: BARACK MATITE

Subject

Approval and Authorization of the City Manager to execute the Second Amendment to the REDI Funding Agreement for Fiscal Years 2025-2027.

Department

City Manager's Office (CMO)

Recommendation

Staff recommends that the Mayor and Council approve the Second Amendment[1] to the REDI Funding Agreement for Fiscal Years 2025-2027 (Attachment 1) and authorize the City Manager to execute the Agreement on behalf of the Mayor and Council, subject to approval as to legal form by the City Attorney.

Discussion

On May 4, 2026, the Mayor and Council approved the FY27 Operating Budget and Capital Improvements Program. The approved budget included a budgeted allocation of $1,567,680 for REDI to fund and implement REDI's economic development programs and activities and administrative operating expenses pursuant to a funding agreement. The FY27 REDI budget consists of the following:

Budget Item	Amount
Operating Expenses	$957,695
Economic Development Program and Activities	$609,985
Total	**$1,567,680**

Mayor and Council History

[1] The Second Amendment Agreement includes the additional $40,000 one-time funding for a business survey the Mayor and Council approved on March 9, 2026, as part of FY26 operating and capital improvements program budget amendment.

On June 6, 1997, the Mayor and Council established REDI's predecessor, Greater Rockville Partnership, Inc. (GRPI), and approved its Articles of Incorporation, which organized GRPI as a nonstock charitable "supporting organization" to be operated for the following purposes:

- To support and assist the Mayor and Council by conducting and performing the functions previously conducted by the Economic Development Division of the Department of Community Development;
- To establish the City of Rockville as a leading center for economic development while sustaining an equitable balance between the commercial and residential segments of the City of Rockville;
- To promote the retention and expansion of resident businesses in the City of Rockville;
- To encourage the formation of new business enterprises in the City of Rockville and to attract new businesses to the City of Rockville;
- To create, retain, and attract jobs within the City;
- To foster education and communication between the City of Rockville's business community and the general public;
- To assemble, maintain, and disseminate information on the City's business community, workforce, and economic climate; and
- To promote workforce development and a positive business climate within the City of Rockville.

On November 19, 2003, GRPI, with the consent and authorization of the Mayor and Council amended its Articles of Incorporation and changed its name to "Rockville Economic Development, Inc."
On January 1, 2021, the Mayor and Council and REDI entered into a funding agreement from FY21-FY24 in an amount totaling $5,622,900. That Agreement expired on June 30, 2024.
On July 1, 2024, the Mayor and Council and REDI entered into the REDI Funding Agreement – FY 2025 -2027. The governing body allocated $1,418,960 for Fiscal Year 2025.
On July 1, 2025, the Mayor and Council and REDI entered into the First Amendment to the REDI Funding Agreement – FY2025- 2027. The governing body allocated $1,472,880 at the beginning of FY2026. On March 9, through a budget amendment, the governing body provided an additional $40,000 making an overall FY2026 allocation of $1,512,880.

Fiscal Impact

Funding in the approved amount of $1,567,680 will be available at the start of FY27 (July 1, 2026) in the REDI cost center in the City Manager's Office operating budget.

Next Steps

Upon approval of the Agreement, the City Manager will coordinate with REDI as needed and execute the Second Amendment to the REDI Funding Agreement – Fiscal Years 2025 - 2027.

Attachments

2nd Amendment to the REDI Funding Agreement - FY 2025-2027(Final)6-25-26

MAYOR AND COUNCIL OF ROCKVILLE

SECOND ~~FIRST~~ AMENDMENT
REDI Funding Agreement – Fiscal Years 2025 - 2027

This **SECOND ~~FIRST~~ AMENDMENT TO THE REDI FUNDING AGREEMENT – FISCAL YEARS 2025-2027** (this "**Second Amendment**"), effective July 1, 2026 (the "**Effective Date**"), is entered by and between **THE MAYOR AND COUNCIL OF ROCKVILLE**, a body corporate and municipal corporation of the State of Maryland (the "**Mayor and Council**"), acting through its City Manager (the "**City Manager**"), and **ROCKVILLE ECONOMIC DEVELOPMENT, INC.**, a Maryland nonstock corporation ("**REDI**"). Individually, the Mayor and Council and REDI may each be referred to hereinafter as the "**Party**," or collectively as the "**Parties**."

RECITALS

A. **WHEREAS,** effective July 1, 2024, the Mayor and Council and REDI entered into that certain REDI Funding Agreement – Fiscal Years 2025-2027 (the "**REDI Funding Agreement**"), pursuant to which the Mayor and Council agreed to provide REDI with $1,418,960 in local taxpayer funds for Fiscal Year 2025 (the "**FY 2025 City Funds**"), and REDI agreed to utilize those funds for the sole purpose of (i) funding and implementing REDI's "Economic Development Programs and Activities" set forth in Exhibit A of the REDI Funding Agreement, and (ii) funding REDI's "Administrative Operating Expenses" set forth in Exhibit B of the REDI Funding Agreement; and

B. **WHEREAS,** on May 5, 2025, the Mayor and Council approved its Fiscal Year 2026 City of Rockville Operating Budget and Capital Improvements Program and, among other things, included a budgeted allocation to REDI of up to One Million Four Hundred Seventy-Two Thousand Eight Hundred Eighty and 00/100 Dollars (**$1,472,880.00**) in local taxpayer funds for Fiscal Year 2026 (the "**FY 2026 City Funds**"); and

C. **WHEREAS,** on May 4, 2026 the Mayor and Council approved its Fiscal Year 2027 City of Rockville Operating Budget and Capital Improvements Program and, among other things, included a budgeted allocation to REDI of up to One Million Five Hundred Sixty-Seven Thousand Six Hundred Eighty and 00/100 Dollars **($1,567,680.00)** in local taxpayer funds for Fiscal Year 2027 (the "**FY 2027 City Funds**"); and

D. **WHEREAS,** the Parties have agreed to amend the REDI Funding Agreement, which this ~~First~~ Second Amendment is intended to hereby amend, in order to, among other things, disburse and account for the FY ~~2026~~2027 City Funds, and to provide full transparency regarding the expenditure by REDI of the FY 2027 City Funds, FY 2026 City Funds and the FY 2025 City Funds, and any other funds that may be made available under the REDI Funding Agreement.

NOW, THEREFORE, IN CONSIDERATION of the foregoing and the covenants 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:

1. Recitals. Recitals D, E, and F of the REDI Funding Agreement are hereby amended and shall hereinafter be and read as follows:

D. WHEREAS, **(i) on May 4, 2026 the Mayor and Council approved its Fiscal Year 2027 City of Rockville Operating Budget and Capital Improvements Program, and among other things included a budgeted allocation to REDI of up to One Million Five Hundred Sixty-Seven Thousand Six Hundred and Eighty and 00/100 Dollars ($1,567,680) in local tax payer funds for Fiscal Year 2027 (the "FY 2027 City Funds"), and (ii) On March 9, 2026, the Mayor and Council approved an amendment to the Fiscal Year 2026 Operating Budget and Capital Improvements Program a one-time funding allocation to REDI of Forty Thousand and 00/100 Dollars ($40,000) for immediate disbursement to conduct a survey of local businesses, and** ~~(i)~~ **(iii)** on May 5, 2025, the Mayor and Council approved its Fiscal Year 2026 City of Rockville Operating Budget and Capital Improvements Program, and among other things, included a budgeted allocation to REDI of up to One Million Four Hundred Seventy-Two Thousand Eight Hundred Eighty and 00/100 Dollars (**$1,472,880.00**) in local taxpayer funds for Fiscal Year 2026 (the "FY 2026 City Funds"), and ~~(ii)~~ **(iv)** on May 6, 2024, the Mayor and Council approved its Fiscal Year 2025 City of Rockville Operating Budget and Capital Improvements Program and, among other things, included a budgeted allocation to REDI of up to One Million Four Hundred Eighteen Thousand Nine Hundred Sixty and 00/100 Dollars (**$1,418,960.00**) in local taxpayer funds for Fiscal Year 2025 (the "**FY 2025 City Funds**," ~~**and**~~ **together with the FY 2026 City Funds, and the FY 2027 City Funds, the "City of Rockville Taxpayer Funds")**; and

E. WHEREAS, REDI shall utilize the City of Rockville Taxpayer Funds for the sole purpose of (i) funding and implementing REDI's "**Economic Development Programs and Activities**" set forth in **Exhibit A**, and (ii) funding REDI's "**Administrative Operating Expenses**" set forth in **Exhibit B**; and

F. WHEREAS, the Parties have entered into this Agreement in order to ensure accountability and to provide full transparency regarding

the expenditure by REDI of the City of Rockville Taxpayer Funds, and any other funds made available under this Agreement.

2. **Section 3**. Section 3 of the REDI Funding Agreement is hereby amended and shall hereafter be and read as follows:

> **3. City of Rockville Taxpayer Funds.** In consideration of the various obligations and covenants to be undertaken by REDI pursuant to this Agreement, the Mayor and Council agrees to provide REDI with the **FY 2027 City Funds**, FY 2026 City Funds and the FY 2025 City Funds, to be used for the sole purpose of (i) funding and implementing REDI's Economic Development Programs and Activities set forth in **Exhibit A**, and (ii) funding REDI's Administrative Operating Expenses set forth in **Exhibit B**, subject to the terms of this Agreement.

3. **Section 4**. Section 4 of the REDI Funding Agreement is hereby amended and shall hereafter be and read as follows:

> **4. Disbursement of FY 2027 ~~2026~~ City Funds.** The City Manager or the City Manager's designee will disburse **FY 2027** **~~FY 2026~~** City Funds to REDI pursuant to the terms of this Agreement.
>
> a. On or about **July 1, 2026, ~~2025~~**, the City Manager shall direct the Department of Finance to disburse to REDI up to **$1,088,832** ***~~$943,940~~*** of the ~~FY 2026~~ **FY 2027** City Funds for utilization by REDI solely to fund the following:

REDI's Administrative Operating Expenses	~~$456,447.50~~ **$478,847.50**
REDI's Economic Development Programs and Activities	
Small Business Impact Fund Grant Program	$150,000.00
Incentive Grant Program	$175,000.00
Life Sciences Branding Program	$ ~~50,000.00~~ **100,000.00**
Rockville Rewards Program:	$ ~~12,500.00~~ **25,000.00**
Economic Development Activities	$ ~~23,250.00~~ **46,500.00**
Marketing Activities:	$ ~~36,742.50~~ **73,485.00**
Maryland Women's Business Center	$ 40,000.00
Sub-Total:	~~$487,492.50~~ **$609,985**
Total **Initial Disbursement**:	~~$943,940~~ **$1,088,832.50**

> b. On or about **January 11, 2027** ~~12, 2026~~, REDI shall submit a request to the City Manager for the disbursement of the remaining ***$478,847.50*** ***~~$528,940~~*** of the ~~FY 2026~~ **FY 2027** City Funds. Upon review of REDI request by the City Manager, and subject to REDI's compliance with the terms of this Agreement, the City Manager will direct the Department of Finance to disburse up to the remaining

~~*$478,847.50* **$528,940**~~ of the ~~FY 2026~~ **FY 2027** City Funds for utilization by REDI solely to fund the following:

REDI's Administrative Operating Expenses	~~$456,447.50~~ **$478,847.50**
~~*REDI's Economic Development Programs and Activities*~~	
~~Small Business Impact Fund Grant Program~~	~~$~~
~~Incentive Grant Program~~	~~$~~
~~Life Sciences Branding Program~~	~~$~~
~~Rockville Rewards Program:~~	~~$ 12,500.00~~
~~Economic Development Activities~~	~~$ 23,250.00~~
~~Marketing Activities:~~	~~$ 36,742.50~~
~~**Maryland Women's Business Center**~~	~~**$**~~
~~**Sub-Total:**~~	~~**$ 72,492.50**~~
Total Final Disbursement:	~~$528,940~~ **$478,847.50**

c. REDI hereby acknowledges and expressly agrees that all disbursements of ~~FY 2026~~ **FY 2027** City Funds to REDI under this Agreement shall be:

i. subject to the availability of sufficient funds in the City of Rockville ~~FY 2026~~ **FY 2027** City Budget, and

ii. subject to REDI's compliance with all terms and conditions of this Agreement, including the reporting requirements and the monitoring and audit requirements set forth in this Agreement.

d. Upon a finding by the City Manager that REDI has made an unauthorized or undocumented use of any City of Rockville Taxpayer Funds, and upon a demand for repayment issued by the City Manager and supported by the reason for the finding, REDI shall promptly repay such amounts to the Mayor and Council.

e. The City Manager will monitor REDI's actual operating fund reserve balance and when the actual operating fund reserve balance exceeds the target operating fund reserve balance, then the City Manager may decrease future REDI operating fund requests in the City Manager's proposed budget by the amount over the target reserve as reasonably determined by REDI's Board of Directors.

f. REDI shall not expend City of Rockville Taxpayer Funds in violation of federal, state, or local laws existing during the Term of this Agreement. In the event any such unlawful expenditures of City of Rockville Taxpayer Funds are made, REDI shall refund to the Mayor and Council the City of Rockville Taxpayer Funds that were expended in violation of law.

4. **Section 6**. Section 6 of the REDI Funding Agreement is hereby amended and shall hereafter be and read as follows:

> **6. Insurance.** Prior to the execution of this Agreement, REDI shall obtain, at its own costs and expense, the policies set forth in **Exhibit C** entitled "Insurance Requirements," which is attached hereto and incorporated herein, and maintain and keep in full force and effect those policies for the Term of this Agreement. All policies, endorsements, certificates and/or binders shall be subject to approval by the City of Rockville's Safety and Risk Manager (the "**Risk Manager**") as to form and content. These requirements are subject to amendment or waiver if approved in writing by the Risk Manager. REDI shall provide the Risk Manager with a copy of said policies, certificates and/or endorsements demonstrating that the required insurance policies were in effect as of July 1, ~~2025~~ **2026**, and will remain in effect for the duration of this Agreement.

5. **Section 8**. The first paragraph of Section 8 and Section 8.c. of the REDI Funding Agreement is hereby amended and shall hereafter be and read as follows:

> **8. Monitoring Use of the City of Rockville Taxpayer Funds.** As a way of ensuring that the City of Rockville Taxpayer Funds will be used in compliance with the terms of this Agreement, the City Manager or the City Manager's designee shall monitor the City of Rockville Taxpayer Funds as follows:
>
> c. Audited Financial Records. On or before September 30th during the term of this Agreement, REDI shall submit to the Mayor and Council and the City Manager its audited financial statements for the previous fiscal year, in a form approved by the City of Rockville Department of Finance, prepared in accordance with Generally Accepted Accounting Principles established by the Financial Accounting Standards Board or the American Institute of Certified Public Accountants, and certified by an independent firm of certified public accountants (the "**REDI Audited Financial Statements**"). The REDI Audited Financial Statements must include a schedule which details REDI's expenditure of the City of Rockville Taxpayer Funds. If REDI is unable to submit its audited financial statements by September 30th, then REDI shall provide City of Rockville Department of Finance with preliminary financial statements or other financial information requested for the City to prepare its Annual Financial Statements and then REDI shall submit the REDI Audited Financial Statements on or before October 31st.

6. **Section 12**. Section 12.b. of the REDI Funding Agreement is hereby amended and shall hereafter be and read as follows:

b. REDI shall utilize the **FY 2027 City Funds**, FY 2026 City Funds and the FY 2025 City Funds respectively for the sole purpose of:

i. Funding and implementing REDI's Economic Development Programs and Activities set forth in **Exhibit A**; and

ii. Funding REDI's Administrative Operating Expenses set forth in **Exhibit B**; and

7. **Section 13**. Section 13.a., c. and d. of the REDI Funding Agreement is hereby amended and shall hereafter be and read as follows:

a. The following shall constitute a default of REDI under this Agreement:

i. Breach of any of REDI's covenants, agreements, or certifications in this Agreement, including the expenditure of City of Rockville Taxpayer Funds for any use other than for the purposes set forth in this Agreement or in an unauthorized manner; or

ii. REDI's failure to comply with federal, state, or local laws, regulations, or rules related to the expenditure of City of Rockville Taxpayer Funds.

c. To the extent that any such default is curable, REDI shall have ten (10) business days from the date the Mayor and Council's notice of default is postmarked or sent via electronic mail (whichever is sooner) to cure the default; provided, however, if the default is of a nature that cannot be cured within ten (10) business days, an event of default shall not arise hereunder if REDI commences to cure the default within ten (10) business days and thereafter prosecutes the curing of such default with due diligence and in good faith to completion and in no event later than thirty (30) calendar days after receipt of the notice of default. After the conclusion of the cure period, if REDI has not cured the default to the satisfaction of the Mayor and Council, the Mayor and Council may, at its option:

i. Direct the City Manager to assist REDI in curing the default;

ii. Suspend its disbursement of City of Rockville Taxpayer Funds to REDI until such time as the default has been cured by REDI; or

iii. Immediately terminate this Agreement for cause.

d. In the event the Mayor and Council terminates this Agreement for cause:

i. REDI's authority to request disbursements shall cease and REDI shall have no right, title, or interest in or to any of the City of Rockville Taxpayer Funds not already disbursed or appropriately encumbered;

ii. The Mayor and Council may demand repayment from REDI of any amounts the City Manager determines were not expended in accordance with this Agreement;

iii. The Mayor and Council, at its sole discretion, may demand repayment of all City of Rockville Taxpayer Funds disbursed to REDI; provided that REDI shall not be required to repay those City of Rockville Taxpayer Funds that have either been appropriately (A) disbursed by REDI pursuant to the terms of this Agreement, or (B) encumbered by REDI for payment to a third party pursuant to the terms of this Agreement, prior to the Mayor and Council's notice of termination; and

iv. The Mayor and Council, at its sole discretion, may bar REDI from receiving additional funds from the Mayor and Council.

8. **Section 14**. Section 14.a. and e. of the REDI Funding Agreement is hereby amended and shall hereafter be and read as follows:

a. Notices, Demands, and Communications Between the Partiers. Formal notices, demands, and communications between REDI and the 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 The Mayor and Council: City of Rockville
111 Maryland Avenue
Rockville, Maryland 20850
Attn: Sara Taylor-Ferrell, City Clerk / Director of Council Operations
Email: cityclerk@rockvillemd.gov

With a Copies to:	Jeff Mihelich, City Manager Email: jmihelich@rockvillemd.gov ~~Robert E. Dawson, City Attorney~~ **Cynthia Walters, Acting City Attorney** Email: cityattorney@rockvillemd.gov
To REDI:	Rockville Economic Development, Inc. 51 Monroe Street, PE-20 Rockville, Maryland 20850 Attn: Chief Executive Officer Email: Admin@rockvilleredi.org

Notices personally delivered or delivered by document delivery service or United States mail shall be deemed effective upon receipt. 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.

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 City of Rockville Taxpayer 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. A Party's failure to act with respect to a breach by the other Party does not waive its right to act with respect to subsequent or similar breaches. The failure of either Party to exercise or enforce any right or provision shall not constitute a waiver of such right or provision.

9. **Exhibit A**. Exhibit A to the REDI Funding Agreement is hereby amended and restated in its entirety to read as set forth in Exhibit A hereto.

10. **Exhibit B**. Exhibit B to the REDI Funding Agreement is hereby amended and restated in its entirety to read as set forth in Exhibit B hereto.

11. Except as provided in this ~~First~~ **Second** Amendment, all terms used in this ~~First~~ **Second** Amendment that are not otherwise defined shall have the respective meanings ascribed to such terms in the REDI Funding Agreement.

12. This ~~First~~ **Second** Amendment embodies the entire agreement between the Mayor and Council and REDI with respect to the amendment of the REDI Funding Agreement. In the

event of any conflict or inconsistency between the provisions of the REDI Funding Agreement and this ~~First~~ **Second** Amendment, the provisions of this ~~First~~ **Second** Amendment shall control and govern.

13. Except as specifically modified and amended herein, all of the terms, provisions, requirements and specifications contained in the REDI Funding Agreement remain in full force and effect. Except as otherwise expressly provided herein, the Parties do not intend to, and the execution of this ~~First~~ **Second** Amendment shall not, in any manner impair the REDI Funding Agreement, the purpose of this ~~First~~ **Second** Amendment being simply to amend and ratify the REDI Funding Agreement, as hereby amended and ratified, and to confirm and carry forward the REDI Funding Agreement, as hereby amended, in full force and effect.

14. THIS ~~FIRST~~ **SECOND** AMENDMENT SHALL BE CONSTRUED AND GOVERNED BY THE LAWS OF THE STATE OF MARYLAND.

[Signatures and acknowledgements appear on the following page]

IN WITNESS WHEREOF, the Parties have each executed, or caused to be duly executed, this First Amendment 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

_____

~~Robert E. Dawson~~
Cynthia Walters, Acting City Attorney

By: _____

Jeff Mihelich, City Manager

Attest

_____

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

REDI

ROCKVILLE ECONOMIC DEVELOPMENT, INC., a Maryland nonstock corporation

By: _____
Cynthia Rivarde, Chief Executive Officer

ACKNOWLEDGMENT

STATE OF MARYLAND
COUNTY OF MONTGOMERY

On this the ___ day of June, 2026, before me, personally appeared Cynthia Rivarde, known to me (or satisfactorily proven) to be the person whose name and title is subscribed to within the instrument, who acknowledged herself to be the Chief Executive Officer of Rockville Economic Development, Inc. in the above instrument, and that she, as Chief Executive Officer, being authorized so to do, executed the foregoing instrument for the purposes therein contained, by signing the name of Rockville Economic Development, Inc., by herself as Chief Executive Officer of Rockville Economic Development, Inc.

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

_____
Notary Public
My Commission Expires: _____

EXHIBIT A
REDI ECONOMIC DEVELOPMENT PROGRAMS AND ACTIVITIES

Fiscal Years 2025, ~~and~~ 2026, and 2027

Amount of Funding Allocated by Mayor and Council for Each REDI Program and Activity

	FY 2025	FY 2026	FY 2027
REDI Programs			
MOVE Incentive Grant Program	$175,000	$175,000	$175,000
Small Business Impact Fund Grant Program	$150,000	$150,000	$150,000
Life Sciences Branding Program	$ 50,000	$50,000	$100,000
Rockville Rewards & Global Bites Program	$ 25,000	$25,000	$25,000
Special Projects: one-time survey of businesses Mid-Year		$40,000	
REDI Activities			
Economic Development	$ 81,500[1]	$ 46,500	$46,500
Marketing	$ 73,485	$ 73,485	$73,485
Maryland Women's Business Center	$ 0	$ 40,000	$40,000
TOTAL:	**$554,985**	**~~$559,985~~ $599,985**	**$609,985**

[1] In fiscal year 2025, the $81,500 allocated by the Mayor and Council to REDI for Economic Development activities included $46,500 for business development and $35,000 for the Maryland Women's Business Center.

Brief Description and Expected Goals and Accomplishments for each REDI Program and Activity Funded by Mayor and Council

1. MOVE Incentive Grant Program

Brief Description of Program

The MOVE program attracts businesses to Rockville from outside the city limits or allows a business to move into its first space in the city. Eligible businesses may receive up to $4 per square foot of space. The Expansion program retains businesses that are growing in the city limits by providing up to $4 per square foot of new space for at least 1,000 square feet for office/industrial/flex or 500 square feet of retail. The maximum award for both is $40,000 and the commitment for the space must be for at least three years.

Mayor and Council's Expected Goal(s)and Accomplishment(s)

REDI will advertise and implement the grant program with a goal to assist eligible businesses with the provided funds. They will do so utilizing a committee in accordance with written and published procedures, currently the Incentive Review Process, as adopted by the REDI board of directors on February 22, 2024. They will report on awards make using their website and in other reports. They should ensure the funds for this grant program are not comingled with operating funds or with other grant programs.

2. Small Business Impact Fund Grant Program

Brief Description of Program

The SBIF program aims to foster economic vitality by providing financial assistance through grants to existing, qualified businesses in the City of Rockville looking to scale their businesses through the use of specific improvements to their operations such as marketing, tenant improvements, signage & facade implementation upgrades, and equipment purchases or upgrades. The business must also identify how it contributes to the public.

Mayor and Council's Expected Goal(s)and Accomplishment(s)

REDI will advertise and implement the grant program with a goal to assist eligible businesses with the provided funds. They will do so utilizing a committee in accordance with written and published procedures, currently the Incentive Review Process, as adopted by the REDI board of directors on February 22, 2024. They will report on awards made using their website and in other reports. They should ensure the funds for this grant program are not comingled with operating funds or with other grant programs.

3. Life Sciences Branding Program

Brief Description of Program

REDI developed and launched a Biotech Corridor brand for the life/bio science cluster of which Rockville is part. REDI launched the mark with a Rockville identifier in the Spring of 2025, and plans to continue to place ads, sponsorships, and other materials and collateral into use to raise awareness of Rockville's strong bio/life science cluster, and to encourage others to adopt

use of the brand through licensing agreements.

Mayor and Council's Expected Goal(s)and Accomplishment(s)

The FY 26 goal is to grow the brand through name recognition and adoption. This effort is anticipated to continue to grow as an asset for placemaking, attraction, retention, and identity. The funding for this program will be used to execute on the brand implementation plan. The brand was developed with input from Montgomery County, Montgomery County Economic Development Corporation, the City of Gaithersburg, the Maryland Tech Council, and the Universities of Shady Grove, which would be target organizations for licensing use

4. Rockville Rewards and Global Bites Program

Brief Description of Program

The program has been transformed to allow for an electronic card that can be used in the "wallet" app. REDI staff work with businesses to develop the "deals" they are offering to rewards holders and working to keep the deals fresh. In addition, REDI is using the Rockville Rewards program to promote restaurants during Global Bites. Global Bites is a campaign that highlights the diverse international dining scene that is part of Rockville's identity, and which also attracts visitors. This should be part of the regular Marketing budget line but is separated to show that this was not an addition to the budget, but rather a transfer from the Chamber to REDI.

Mayor and Council's Expected Goal(s)and Accomplishment(s)

REDI will execute the Rockville Rewards and Global Bites program by selling rewards cards for use through the wallet apps on mobile devices, and boost donations to nonprofits through the promotion of restaurant week that encourages customers to explore local restaurants and learn more about the Rockville Rewards program. The sale of rewards cards continues to provide donations to certain nonprofit organizations in Rockville.

5. Economic Development Activities

Brief Description of Activities

The annual funding for Economic Development supports attraction, retention and expansion support for businesses looking at Rockville or operating in Rockville. This includes location support through Co-Star subscriptions, prospecting programs and demographic information needed by businesses to make their location decisions, some of which data is purchased. In addition, economic development activities include partnership building and prospecting, which include attending trade shows and conferences for staff. The main conference that REDI attends is the International Bio Conference.

Mayor and Council's Expected Goal(s)and Accomplishment(s)

REDI will continue to pay the Co-Star subscriptions, fund other data needs, attend trade shows and conferences, partnership building and prospecting.

6. Marketing Activities

Brief Description of Activities

Marketing funds support Economic Development, tourism, and small business support. This includes websites, social media platforms, constant contact, etc. Funds are used for creation of collateral and branded items for promotion. $20,000 per year is set aside for the MOU with Visit Montgomery, which built and maintains the Explore Rockville website content. This allows REDI to leverage the VM SEO for greater reach in our messaging.

Mayor and Council's Expected Goal(s)and Accomplishment(s)

REDI will use the marketing funds to promote Rockville as a city of choice for residents, visitors, workers, and businesses. REDI will determine the right mix of resource information for general use, as well as targeted pieces for specific industry areas or prospects. They will also create collateral (digital and hardcopy), advertising, public relations, social media, and support for strategic events and trade shows.

7. Maryland Women's Business Center

Brief Description

REDI operates the Maryland Women's Business Center (MWBC), a program that provides technical assistance to anyone who would like information and support to start or grow a business. This includes free one-on-one business counseling, workshops and training, and networking opportunities. MWBC also operates a retail incubator program, with a store location in Rockville Town Center. MWBC serves clients beyond Rockville but services outside of the city are funded by other sources.

Mayor and Council's Expected Goal(s)and Accomplishment(s)

REDI will use the funds designated for MWBC to operate the Rockville Shop Local location and to provide technical assistance to businesses located in or moving to Rockville.

(End of Exhibit "A")

EXHIBIT B
REDI ADMINISTRATIVE OPERATING EXPENSES
FUNDED BY THE MAYOR AND COUNCIL

Fiscal Years 2025, ~~and~~ 2026, and 2027

	Allocated **FY 2025**	Allocated **FY 2026**	Allocated **FY 2027**
Employee Salaries	$454,837	$478,870	$507,850
Professional Services	$149,500	$153,985	$158,605
Employee Benefits / Payroll Taxes	$ 90,142	$106,390	$113,640
Office Rent	$102,600	$105,200	$107,830
Office Expenses	$42,746	$ 44,050	$45,370
Travel / Parking	$9,900	$9,900	$9,900
Employee Professional Development	$8,250	$8,500	$8,500
Insurance	$6,000	$6,000	$6,000
TOTAL:	**$863,975.00**	**$912,895.00**	**$957,695.00**

9

MAYOR AND COUNCIL Meeting Date: June 29, 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 recommend the Mayor and Council approve the following minutes:

June 1, 2026 (Regular- Meeting No. 15-26)
June 8, 2026 (Regular- Meeting No. 16-26)

Attachments

MAYOR AND COUNCIL Meeting Date: June 29, 2026
Agenda Item Type: ACTION ITEM
Department: CPDS - ZONING REVIEW & OTHER
Responsible Staff: HOLLY SIMMONS/JIM WASILAK

Subject

Adoption of Ordinance to Approve Zoning Text Amendment Application TXT2026-00271, for the Zoning Ordinance Rewrite; Mayor and Council of Rockville, Applicants

Department

CPDS - Zoning Review & Other

Recommendation

Staff recommends that the Mayor and Council adopt the draft ordinance to approve Zoning Text Amendment Application No. TXT2025-00271, that will repeal the current Chapter 25 of the City Code, with the draft included as Attachment 2 – Chapter 25: Zoning Ordinance.

To adopt the ordinance, the Mayor and Council must first introduce it, and if a motion to waive the layover period is approved by a supermajority of the Mayor and Council, the body may then proceed to a motion to adopt.

Change in Law or Policy

Upon adoption, the draft Zoning Ordinance and Zoning Map will significantly modify the laws that govern land use in the city, in fulfillment of the Rockville 2040 Comprehensive Plan's zoning text and rezoning recommendations.

Discussion

Background

In 2023, the city began a comprehensive rewrite of the city's Zoning Ordinance. This project, known as the Zoning Ordinance Rewrite (ZOR), began after the adoption of the Rockville 2040 Comprehensive Plan. The ZOR 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 a Comprehensive Map Amendment (CMA) to the city's official zoning map.

The project has the following objectives:

- Implement many of the recommended land use actions identified in the Rockville 2040 Comprehensive Plan, including implementing the Plan's zoning recommendations.

- Accomplish goals from the city's ongoing FAST Initiative, making the development review and permitting process Faster, Accountable, Smarter and Transparent.
- Incorporate planning and zoning best practices that have become common in the field of urban planning and in other similarly situated communities.
- Incorporate the city's commitment to equity, resilience, and sustainability.
- Ensure compliance with current federal and state regulations.
- Create a modern ordinance that can accommodate the changing living, working, and lifestyles of the 21st century.
- Create a user-friendly, accessible, and well-organized document.

The ZOR and CMA are undertaken concurrently but are adopted as two separate actions. The new Zoning Ordinance will be adopted as a Zoning Text Amendment (ZTA), while the new zoning map will be adopted through a separate Map Amendment ordinance to approve that application.

Adoption

The adoption process began with the Planning Commission review and recommendation in January and February 2026. Following the Planning Commission's recommendation, the Mayor and Council conducted four work sessions and three public hearings for the Zoning Text Amendment between April and June of 2026. A Final Staff Draft of the Zoning Ordinance and associated materials were published to Engage Rockville on June 15, 2026. The Final Staff Drafts reflect all direction received from the Mayor and Council during the adoption process, along with various technical corrections and minor policy changes.

Changes in the Final Staff Draft Zoning Ordinance

Attachment 1 – Changes in the Final Staff Draft Zoning Ordinance reflect changes to the document following publication of the Revised Staff Draft. It catalogues substantive corrections, policy direction provided by Mayor and Council, and minor policy changes that either respond to public comment or were identified by staff. It also summarizes the guidance and direction provided by the Mayor and Council during work sessions beginning in January 2025.

Two changes that are reflected in this document but which are also worth highlighting in this staff report are as follows:

- Increase the maximum allowable base height in the RMD-15 zone to 55 feet for any property abutting I-270 that was undeveloped on the effective date of the ordinance.
- Increase the maximum allowable base height in the MXCD zone to 125 feet, thereby increasing the maximum height along large sections of the Rockville Pike corridor outside of Metro station areas.

Additional materials

Written public comments received through June 9 are linked here: ZOR Public Comment Digest, June 9, 2026.

The following materials can be accessed via the project webpage, engagerockville.com/zoningrewrite:

- Original Staff Drafts, Authorized for Filing on December 1, 2025
  - *Highlights: Staff Draft Zoning Ordinance*
  - Staff Draft Zoning Ordinance Table of Contents
  - Staff Draft Zoning Ordinance (full text)
  - Staff Draft Zoning Map
- Revised Staff Draft published to Engage Rockville on April 20, 2026
  - *Changes in the Revised Staff Draft Zoning Ordinance*
  - Revised Staff Draft Zoning Ordinance Table of Contents
  - Revised Staff Draft Zoning Ordinance ("Clean" Version)
  - Revised Staff Draft Zoning Ordinance ("Redline" Version)
  - Revised Staff Draft zoning map
- Final Staff Draft published to Engage Rockville on June 15, 2026
  - *Changes in the Final Staff Draft Zoning Ordinance*
  - Final Staff Draft Zoning Ordinance Table of Contents
  - Final Staff Draft Zoning Ordinance ("Clean" Version)
  - Final Staff Draft Zoning Ordinance ("Redline" Version)
  - Final Staff Draft zoning map

Adoption of the ordinance will repeal the existing Zoning Ordinance and replace it with the attached draft. The effective date of the new ordinance is proposed to be August 1, 2026.

Impact Statements

Equity

The new Zoning Ordinances will advance equity through modernized development regulations and processes. Key equity-related elements include:

- Supporting a broader range of housing types, including middle housing, which is anticipated to expand housing opportunities for individuals of different ages, incomes, household sizes, and abilities;
- Establishing more predictable, transparent, and streamlined development processes, benefiting residents and property owners;
- Increasing the clarity and objectivity of development standards, thereby reducing subjectivity and discretion in decision-making;
- Eliminating standards and language that may have historically resulted in exclusive practices;
- Reducing regulations impacting small and local businesses; and
- Enhancing the ordinance's accessibility and user-friendliness by restructuring the ordinance and introducing high-quality graphics.

The updated zoning map will expand opportunities for additional housing, employment, and community-serving uses in targeted areas of the city, potentially improving access to amenities and transit for current and future residents.

Together, these changes and others help advance to foster inclusive growth, improve access to opportunity, and ensure that the benefits of future development are more broadly shared across the community.

Environment

The new Zoning Ordinance incentivizes transit-oriented development through modernized standards, particularly those related to height and parking. The updated zoning map upzones areas near transit opportunities, directing future growth toward the City's densest, transit-oriented areas. Updated standards also support walkability and bicycle access, which support the City's Vision Zero goals and may lead to more residents walking and biking. These items can help reduce dependence on automobile travel, lower vehicle miles traveled, and contribute to reductions in greenhouse gas emissions.

Economy

The new Zoning Ordinance will help to strengthen the City's economy by creating a more predictable, transparent, and user-friendly regulatory framework for investment and development. Clear and objective zoning standards reduce uncertainty for property owners, businesses, and developers while supporting the community's goals. Development processes with increased predictability can enhance the City's competitiveness in attracting private development, supporting business expansion, and encouraging redevelopment and infill development where desired.

The new Zoning Ordinance and updated zoning map will also help to foster a resilient local economy by allowing for a greater diversity of housing, commercial, employment, and mixed-use opportunities. By supporting transit and activity centers, neighborhood-serving businesses, and a broader range of housing types, the ordinances can contribute to job creation, business attraction and retention, and an expanded tax base. While adoption of these ordinances will not directly result in private investment, it is anticipated that the regulatory framework established by the ordinances will position the City to accommodate future growth while maintaining and enhancing the high quality of life that attracts residents, employers, and visitors to Rockville.

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 on the following dates: January 27, April 24, May 5, August 4, and October 6, 2025.

The Mayor and Council authorized the filing of the ZTA and CMA applications on December 1, 2025. This action formally began the project's adoption process. During the adoption process, the Mayor and Council held four work sessions (on April 13, May 4, May 11, and June 1, 2026) and six public hearings (on April 13, May 4, and May 11).

Public Notification and Engagement

Engagement for the ZOR and CMA has been ongoing since Fall 2024. During the adoption process (beginning December 1, 2025), staff have conducted notification and engagement actions, as follows:

- Rockville Reports, the Development Watch Newsletter, 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
    - Markwood residents, May 8, 2026
- 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.

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 were 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

Following adoption, the proposed ordinance will become effective on August 1. Staff will notify the community of the ordinance's adoption through various means such as Engage Rockville, Rockville Reports, and the Development Watch Newsletter.

Attachments

Attachment 1 - Draft ZOR Ordinance, Attachment 2 - Chapter 25: Zoning Ordinance

ORDINANCE NO._____

ORDINANCE: To grant Zoning Text Amendment TXT2026-00271, to repeal and replace City Code Chapter 25, titled "Zoning Ordinance"

BE IT ORDAINED BY THE MAYOR AND COUNCIL OF ROCKVILLE, MARYLAND that Chapter 25 of the Rockville City Code entitled "Zoning Ordinance" be repealed and replaced as follows:

1. Text Amendment Application No. TXT2025-00271 is hereby granted, as amended, and Chapter 25 of the Rockville City Code is hereby repealed and replaced with a new Chapter 25, entitled "Zoning Ordinance," in the form set forth in the attached document titled "Zoning Ordinance of the City of Rockville adopted June 29, 2026 by Ordinance No. __-26"; and
2. The effective date of this ordinance is August 1, 2026.

* * * * * * * * * *

I hereby certify that the foregoing is a true and correct copy of an ordinance adopted by the Mayor and Council at its meeting of June 29, 2026.

_____

Sara Taylor-Ferrell
City Clerk/Director of Council Operations

Chapter 25

Zoning Ordinance

June 29, 2026

Article 1. General Provisions

Division 1.1. General Information

Sec. 25.1.1.1. Title and effective date.

(a) *Title.* This Chapter is known as the "Zoning Ordinance" of the Rockville City Code. Within this Chapter, the Zoning Ordinance may also be referred to as the "Chapter."

(b) *Effective date.* The effective date of this Chapter is [effective date of this Chapter].

Sec. 25.1.1.2. Purpose.

(a) This Chapter implements the objectives of the Comprehensive Plan and:

(1) Provides for appropriately scaled, designed, and sited buildings and other structures that are compatible with the natural and built environment;

(2) Promotes environmentally sustainable developments and otherwise provides for the conservation of natural resources and the environment;

(3) Promotes the City as an inclusive community by facilitating diversity in housing, building design, and land use;

(4) Promotes all modes of transportation by providing convenient, safe, and connected accessibility to public transportation, pedestrian and bicycle facilities, inviting streetscapes, and a mixture of uses;

(5) Promotes development that is consistent with the vision of the City as identified in the Comprehensive Plan;

(6) Ensures the availability of adequate infrastructure capacity and other public facilities;

(7) Ensures the appropriate use of land throughout the City;

(8) Protects and enhances the visual character of the City and its residential neighborhoods;

(9) Preserves sites, structures, and districts of historical or architectural significance, and their appurtenances and environmental settings;

(10) Secures the public safety;

(11) Provides adequate light and air;

(12) Fosters innovative, creative, sustainable, and flexible building and site design;

(13) Provides attractive development and design that enhances the community's quality of life; and

(14) Protects and promotes the health, safety, comfort, convenience, and welfare of the Rockville community through the comprehensive regulation of the use and development of land and structures.

Sec. 25.1.1.3. Authority.

(a) This Chapter is adopted in accordance with the City Charter and the Land Use.

Sec. 25.1.1.4. Applicability.

(a) This Chapter applies to all land, structures, and land uses within the corporate boundaries of the City, except as otherwise provided by this Chapter or other applicable law.

Sec. 25.1.1.5. Compliance.

(a) A person must comply with this Chapter when using, developing, or altering land or structures within the City.

Sec. 25.1.1.6. Interpretation.

(a) *Minimum requirements*. The requirements of this Chapter are the minimum requirements necessary for the protection of the public health, safety, or welfare.

(b) *Conflict of provisions.* This Chapter does not invalidate or otherwise affect any ordinance, rule, regulation or permit, or any easement, covenant, or other agreement between parties, except that this Chapter governs where this Chapter imposes a greater restriction on the use or development of a building or site.

(c) *References to law*. Any reference to law in this Chapter includes any amendments to that law.

Sec. 25.1.1.7. Severability.

(a) All provisions of this Chapter are severable.

(b) 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.

Division 1.2. Transitional Provisions

Sec. 25.1.2.1. Transitional provision; application in progress on [effective date of this Chapter].

(a) *Project Plan and Site Plan review under previous Zoning Ordinance.* At the option of the applicant, an application for a Project Plan or Site Plan may be reviewed under the Zoning Ordinance in effect on [date one day before effective date of this Chapter] if:

(1) The Chief of Zoning determines that a complete application was submitted between [date eighteen months before effective date of this Chapter] and [date one day before effective date of this Chapter]; and

(2) The application has not been deemed withdrawn under Sec. 25.3.2.4.

(b) *Submittal deadline.* To request review of an application under the Zoning Ordinance in effect on [date one day before effective date of this Chapter], the applicant must submit a

written request to the Chief of Zoning by [date two months after effective date of this Chapter].

(c) *Review and final decision.* An application reviewed under the Zoning Ordinance in effect on [date one day before effective date of this Chapter] in accordance with this Section:

(1) Must be reviewed solely under the Zoning Ordinance in effect on [date one day before effective date of this Chapter]; and

(2) Must be approved or denied by the applicable Approving Authority by [date two years after effective date of this Chapter]. If final action on the application is not taken by that date, the application is deemed withdrawn.

Sec. 25.1.2.2. Previously approved Project Plans.

(a) *Previously approved Project Plans.* A person with a valid Project Plan approved before [effective date of this Chapter] that has not received a Site Plan approval by [effective date of this Chapter] must apply for a Level 1 Site Plan in accordance with Sec. 25.4.1.6 to implement the Project Plan. Notwithstanding Sec. 25.4.1.6(d)(1), the Site Plan must deviate from the Project Plan to the extent necessary to comply with the current requirements of this Chapter.

Sec. 25.1.2.3. Previously approved Site Plans.

(a) *Previously approved Site Plans.* A person with a valid Level 1 or Level 2 Site Plan approved before [effective date of this Chapter] may develop pursuant to that Site Plan if a building permit is issued for the development within the approved validity period of the Site Plan.

Sec. 25.1.2.4. Previously approved Special Exceptions.

(a) A person with a valid Special Exception approved before [effective date of this Chapter] for a use that is permitted or conditional under this Chapter that satisfies the requirements of the current zone may continue as a permitted or conditional use and the Special Exception approval becomes void.

(b) A person with a valid Special Exception approved before [effective date of this Chapter] for a use that is permitted or conditional under this Chapter that does not satisfy the requirements of the current zone may continue as a valid Special Exception subject to all terms and conditions of the Special Exception approval.

Division 1.3. Annexation Process

Sec. 25.1.3.1. Annexation process.

(a) *Initiation.* When an annexation has been initiated in accordance with State law, either by petition or by the Mayor and Council, the Mayor and Council must introduce an annexation resolution in accordance with Sec. 4-405 of the Local Government Article. Following its introduction, the City Clerk must send a copy of the resolution to the Chief of Zoning.

(b) *Chief of Zoning Review.* The Chief of Zoning must review the proposed annexation for conformance with the municipal growth element and land use policies of the Plan. The Chief of Zoning must then send a recommendation to the Planning Commission.

(c) *Preliminary annexation plan.*

(1) The Planning Commission must study the area proposed to be annexed and prepare a preliminary annexation plan, consistent with the Plan, with recommended zoning for the area proposed to be annexed.

(2) The Planning Commission must send a copy of the preliminary annexation plan to the Mayor and Council within 60 days of receiving the Chief of Zoning's recommendation.

(d) *Final annexation plan.* After reviewing the preliminary annexation plan recommended by the Planning Commission, the Mayor and Council must adopt a final annexation plan.

(e) *Mayor and Council public hearing and notice.*

(1) After adopting the annexation plan, the Mayor and Council must hold a public hearing on the annexation plan at the same time as its hearing on the proposed annexation resolution, in accordance with Subtitle 4, Title 4, Division II of the Local Government Article.

(2) At least 30 days before the public hearing, the City Clerk must provide a copy of the adopted annexation plan to:

A. The Montgomery County Council;

B. The Montgomery County Executive;

C. The Montgomery County Planning Department; and

D. The Maryland Department of Planning.

(3) The City Clerk must provide notice of the proposed annexation and the public hearing in accordance with Sec. 4-406 of the Local Government Article.

(f) *Adoption of resolution.* After the public hearing, the Mayor and Council may adopt the annexation resolution. If adopted, the annexation resolution must not take effect until at least 45 days after adoption. The City Clerk must send copies of the adopted annexation resolution as required by Sec. 4-414 of the Local Government Article.

(g) *Amendment of zoning map.* After adoption of an annexation resolution, the Mayor and Council must adopt an ordinance amending the zoning map to include the annexed property and its zoning classification. Such ordinance is effective when the annexation becomes effective.

Division 1.4. Zoning Text Amendments

Sec. 25.1.4.1. Scope.

(a) This Chapter may only be amended in compliance with this Division or other applicable law.

(b) The procedures in this Division do not apply to amendments to the following provisions of this Chapter, which instead must be made by ordinance adopted in accordance with the procedures for amending other Chapters of the City Code:

(1) Article 3, Division 3.1, pertaining to Approving Authorities;

(2) Sec. 25.1.4.2 and Sec. 25.5.3.1, pertaining to procedures for zoning text amendments and zoning map amendments;

(3) Article 13, pertaining to enforcement of this Chapter.

Sec. 25.1.4.2. Applications.

(a) *Authority to file*. The Mayor and Council may make an application for an amendment to the text of this Chapter.

(b) *Submission.*

(1) The City Manager must submit an application for an amendment to the text of this Chapter to the City Clerk on forms approved by the Chief of Zoning. All information specified on such forms must be supplied.

(2) The time limits specified in this Chapter will start when the Chief of Zoning determines that all submission requirements are met.

(c) *Public notification of pending application.* The City Clerk must publish notice of the text amendment in a newspaper of general circulation in accordance with State law before any hearing on a zoning text amendment application.

(d) *Referring application to the Planning Commission.*

(1) *City Clerk responsibility.* Within five days of accepting a text amendment application, the Clerk must send a copy of the application to the Planning Commission. The Planning Commission may submit a written recommendation to the Mayor and Council, which the City Clerk must place in the application file and include in the record on the application.

(2) *Hearing before Planning Commission required for Article 12 amendment*. Before submitting its recommendation of any proposed amendment to Article 12, the Planning Commission must hold a public hearing on the application in accordance with State law.

(e) *Hearing on application*. The Mayor and Council must hold a public hearing before approving an application and provide notice in accordance with Sec. 4-203 of the Land Use Article.

(f) *Action on application*.

(1) The Mayor and Council may grant a text amendment application by ordinance or deny, dismiss, or withdraw an application by resolution.

(2) The Mayor and Council may dismiss a text amendment application if it finds that the application does not comply with the procedural requirements of this Chapter or other applicable law.

(g) *Effective date*. An ordinance granting a text amendment application does not become effective until 10 days after the public hearing held under Sec. 25.1.4.2(e), unless the ordinance specifies a later effective date.

Article 2. Definitions, Interpretations, and Measurements

Division 2.1. Interpretation

Sec. 25.2.1.1. General rules of interpretation.

(a) The following rules of construction apply to the text of this Chapter:

(1) The particular controls the general.

(2) In case of any difference of meaning or implication between the text of this Chapter and any caption, illustration, summary table, or illustrative table, the text controls.

(3) The words "shall," "may not," "will," and "must" are always mandatory and not discretionary. The words "should" and "may" are permissive.

(4) Words used in the present tense also include the future.

(5) Words used in the singular number also include the plural; and plural the singular, unless the context clearly indicates the contrary.

(6) The phrase "used for" includes "arranged for," "designed for," "intended for," "maintained for," or "occupied for."

(7) Words or terms not otherwise included are defined by their common dictionary meaning.

(8) Unless the context clearly indicates the contrary, where a regulation involves two or more items, conditions, provisions, or events connected by "and," "or," “and…or,” or "either…or," the conjunction will be interpreted as follows:

A. When used to connect a list of requirements or required conditions, "and" indicates that all the connected items apply.

B. When used to connect a list of permitted items or events, "and" indicates that the items or events are permitted singly or in any combination.

C. "Or" indicates that the connected items, conditions, provisions, or events may apply singly or in any combination.

D. "And…or" indicates that the connected items, conditions, provisions, or events will apply singly or in combination.

E. "Either…or" indicates that the connected items, conditions, provisions, or events will apply singly but not in combination.

(9) The words "includes" or “including” do not limit a term to the specified examples but are intended to extend their meaning to all other instances or circumstances of like kind or character and have the same meaning as "includes but is not limited to" or “including but not limited to.”

Division 2.2. Terms Defined

Sec. 25.2.2.1. "A" terms.

(a) Abutting.

(1) Having a common point or border.

(b) Accessory use.

(1) See "Use, Accessory."

(c) Adjacent.

(1) Near or close to but not necessarily touching.

(d) Adjoining.

(1) See "Abutting."

(e) Administrative adjustment.

(1) A modification of certain regulations by the Chief of Zoning in accordance with Sec. 25.4.5.3.

(f) Adult Day Care.

(1) See Sec. 25.6.5.1.

(g) Adult-Oriented Establishment.

(1) See Sec. 25.6.4.1.

(h) Alcoholic Beverage Production.

(1) See Sec. 25.6.6.1.

(i) Alcoholic Beverage Production, Limited.

(1) See Sec. Sec. 25.6.4.2.

(j) Alcoholic Beverage Retail Establishment.

(1) See Sec. 25.6.4.3.

(k) Alley.

(1) A right-of-way that provides secondary access for vehicles to the side or rear of abutting properties.

(l) Ambulance Service.

(1) See Sec. 25.6.4.4.

(m) Animal Boarding Establishment.

(1) See Sec. 25.6.4.5.

(n) Animal Grooming Establishment.

(1) See Sec. 25.6.4.6.

(o) Antenna.

(1) Any structure or device used to collect, receive, transmit, or radiate electromagnetic waves, including both directional antennae (such as panels, microwave dishes, satellite earth station antennae over two meters in diameter) and omni-directional antennae (such as whips). Antennae two meters or less in diameter, and antennae regulated by 47 C.F.R. Section 1.4000, are excluded.

(p) Antenna support structure.

(1) A structure designed for the primary purpose of supporting one or more antennae (including telescoping mast, tower, monopole, tethered blimp, or other support structure). The term includes structures located on buildings or other structures, ground-mounted, or tethered.

(q) Apartment.

(1) See Sec. 25.6.3.2.

(r) Applicant.

(1) The person who is authorized by the owner to file an application for any type of development application regulated under this Chapter.

(s) Approving Authority.

(1) The elected or appointed body or other City representative authorized by this Chapter to make a final decision on specific application requests administered under this Chapter.

(t) Article.

(1) An Article in Chapter 25.

(u) Artisanal Craft Production.

(1) See Sec. 25.6.6.2.

(v) Auctioneer or Commercial Gallery.

(1) See Sec. 25.6.4.7.

(w) Automobile Rental Establishment.

(1) See Sec. 25.6.7.1.

(x) Automobile and Recreational Vehicle Sales Establishment.

(1) See Sec. 25.6.7.2.

(y) Automobile Repair Establishment.

(1) See Sec. 25.6.7.3.

(z) Automobile Service Establishment.

(1) See Sec. 25.6.7.4.

(aa) Automobile Towing Establishment.

(1) See Sec. 25.6.7.5.

Sec. 25.2.2.2. "B" terms.

(a) Backyard Chicken Coop.

(1) See Sec. 25.6.8.1.

(b) Bank or Financial Institution.

(1) See Sec. 25.6.4.8.

(c) Banner sign.

(1) See "Sign, banner."

(d) Basement.

(1) The portion of a building below the first floor joists, at least half of whose clear ceiling height is above the level of the adjacent finished grade.

(e) Bed and Breakfast.

(1) See Sec. 25.6.4.9.

(f) Bicycle parking.

(1) A stationary rack, locker, or similar structure that support a bicycle in a stable position and to which the user can lock a bicycle with a cable or chain and lock.

(g) Blade sign.

(1) See "Sign, blade."

(h) Board, the.

(1) The Board of Appeals of the City, unless otherwise specified.

(i) Breezeway.

(1) An enclosed or unenclosed, covered passageway providing connection from the principal structure to an accessory building.

(j) Build-to line.

(1) See Sec. 25.2.3.4(c).

(k) Building.

(1) A structure having one or more stories and a roof, designed primarily for the shelter, support, or enclosure of persons, animals, or property of any kind.

(l) Building line.

(1) A line tracing the perimeter of the foundation wall or any enclosed porch, vestibule, or other enclosed portion of a building.

(m) Building, main.

(1) A building in which the principal use is conducted. In residential zones, any dwelling except a detached accessory dwelling unit is a main building.

(n) Building or structure, accessory.

(1) A building or structure which is customarily associated with and clearly incidental and subordinate to a legally established principal structure that is located on the same lot, unless otherwise provided in this Chapter, and which is not attached by any part of a common wall or common roof to the principal structure.

(o) Building permit.

(1) An official City document or certification authorizing the construction, alteration, enlargement, conversion, reconstruction, remodeling, rehabilitation, erection, moving, or repair of a building or structure.

(p) Building sign.

(1) See Sec. 25.10.3.2(a).

(q) Building-mounted banner sign.

(1) See Sec. 25.10.3.3(a).

Sec. 25.2.2.3. "C" terms.

(a) Capital Improvements Program (CIP).

(1) A schedule of future public improvements adopted annually by the Mayor and Council to provide a means of estimating construction schedules, costs, and means of financing projects such as streets, sewer and water systems, and parks, or improvements to the same.

(b) Cannabis Dispensary.

(1) See Sec. 25.6.4.10.

(c) Car Wash.

(1) See Sec. 25.6.7.6.

(d) Centerline, street.

(1) A line:

A. Established as the official centerline of a street by the State, County, or City and shown as such on an officially adopted or legally recorded map; or

B. If there is no official centerline of a street, the centerline is a line lying midway between the right-of-way lines of the street. When the street lines are indeterminate, and pavement or a well-defined traveled way exists, the centerline is a line midway between the edges of such pavement or traveled way.

(e) Certificate of Approval.

(1) An official City document issued by the Historic District Commission authorizing the construction, alteration, enlargement, conversion, reconstruction, remodeling, rehabilitation, erection, demolition, moving, or repair of the exterior of a building or structure or the alteration of the environmental setting of a site within the Historic District Overlay zone.

(f) Champion Project.

(1) A development project that is located within the South Pike as described in the 2016 Rockville Pike Neighborhood Plan and meets the following standards:

A. Contains at least five acres of private property that is contiguous or separated only by a Business District Class I or Class II street; and

B. Significantly advances one or more of the following goals:

1. Increases multifamily housing that provides more than the minimum requirement of moderately priced dwelling units near the Twinbrook Metro Station;

2. Provides more than the required amenity space;

3. Provides more than the required vehicular, bicycle or pedestrian safety measures or provides pedestrian and bicycle access over or under the CSX/Metro tracks; or

4. Provides a significant increase in the amount of employment.

(g) Chapter.

(1) A Chapter in the Code.

(h) Charitable or Philanthropic Institution.

(1) See Sec. 25.6.5.2.

(i) Chief Of Inspection Services.

(1) The individual holding the position of Chief of Inspection Services within the City's Department of Community Planning and Development Services or such individual's designee.

(j) Chief Of Zoning.

(1) The individual holding the position of Chief of Zoning within the City's Department of Community Planning and Development Services or such individual's designee.

(k) Child Care Center.

(1) See Sec. 25.6.5.3.

(l) Child Care Home.

(1) See Sec. 25.6.3.3.

(m) City.

(1) The Mayor and Council of Rockville, a body politic and municipal corporation of the State of Maryland, also known as the City of Rockville, Maryland.

(n) City Manager.

(1) The individual appointed by the Mayor and Council of Rockville to serve as the City Manager under Article VI of the City Charter, or that individual's designee.

(o) Code.

(1) The compilation of the laws of the City of Rockville, otherwise known as the Rockville City Code.

(p) Collocation.

(1) In relation to a wireless telecommunications facility, the use of a wireless telecommunication facility by more than one wireless service provider.

(q) Commission, the.

(1) The Planning Commission of the City, unless otherwise specified.

(r) Comprehensive Map Amendment.

(1) A map amendment affecting the entire City. A comprehensive map amendment may rezone some or all areas of the City and reconfirm the zoning in other areas of the City.

(s) Conditional use.

(1) See Sec. 25.6.2.1(a)(2).

(t) Confronting.

(1) Properties directly opposite each other and separated only by public right-of-way other than MD-355 and I-270.

(u) Contiguous.

(1) Sharing a common edge or boundary and not separated by other property or a public street or alley.

(v) Copy.

(1) For purposes of signs, the content of a sign.

(w) Cottage court.

(1) See Sec. 25.6.3.4.

(x) County.

(1) Montgomery County, Maryland.

(y) Coverage, lot.

(1) See Sec. 25.2.3.5(a).

(z) Crematorium.

(1) See Sec. 25.6.5.4.

(aa) Crosswalk.

(1) That part of a street at an intersection included within the connections of the lateral lines of the sidewalks on opposite sides of the highway measured from the curbs or in the absence of curbs, from the edges of the traversable street, and in the absence of a sidewalk on one side of the street, the part of a street included within the extension of the lateral lines of the sidewalk at right angles to the centerline.

(2) Any portion of a street at an intersection or elsewhere distinctly indicated as a pedestrian crossing by pavement marking lines on the surface, which might be supplemented by contrasting pavement texture, style, or color.

(bb) Cul-de-sac.

(1) A secondary street with only one outlet and having an appropriate terminal for the convenient reversal of traffic movement.

(cc) Cultural Institution.

(1) See Sec. 25.6.5.5.

Sec. 25.2.2.4. "D" terms.

(a) Data Center or Data/Cryptocurrency Mining.

(1) See Sec. 25.6.6.3.

(b) Decision.

(1) The final determination of an Approving Authority.

(c) Deck.

(1) An uncovered accessory structure attached to a dwelling and providing a level outdoor recreation space elevated at least six inches from the ground level.

(d) Deer mesh.

(1) A fence that is up to 8 feet high and constructed of an open mesh ranging in size from 1.5 x 1.5 inches to 2 x 2.75 inches made of heavy weight, plastic or similar material that

allows a clear view through the fence and may be constructed with wood, metal, or fiberglass posts.

(e) Demolition.

(1) The complete razing or removal of more than 50 percent of the floor area of a building or structure, or substantial reconstruction as defined in Chapter 5.

(f) Demolition by neglect.

(1) Failure to maintain property, or any component of property, located within the Historic District Overlay zone so as to jeopardize the historic integrity of the property.

(g) Density.

(1) See Sec. 25.2.3.2.

(h) Development.

(1) The subdivision of a property or any change to the existing condition or use of any land or structure that requires a permit or approval from any agency of the City, including the establishment of a use; the change of a use; the improvement of property through construction, alteration, or relocation of a structure; the provision of stormwater management or streets; grading; and clearing.

(i) Development standards nonconformity.

(1) A building, structure, or site improvement that was lawful when established but which no longer conforms to applicable development standards because of the adoption or amendment of this Chapter or the zoning map.

(j) Directional sign.

(1) See “Sign, directional.”

(k) Director.

(1) The individual holding the position of Director within the City's Department of Community Planning and Development Services or such individual's designee.

(l) Drive aisle.

(1) A paved area in a parking facility that provides vehicular access to driveways and parking and loading spaces.

(m) Drive-Through Window.

(1) See Sec. 25.6.7.7.

(n) Driveway.

(1) A private paved area that provides direct vehicular access from a street to a property, building, or off-street parking facility.

(o) Duplex.

(1) A two-unit Multiplex.

(p) Dwelling, Single-Unit Detached.

(1) See Sec. 25.6.3.5.

(q) Dwelling unit.

(1) A building or portion of a building providing complete, independent living facilities for one or more persons, including facilities for cooking, sanitation, and sleeping.

(r) Dwelling Unit, Accessory.

(1) See Sec. 25.6.3.6, which includes attached Accessory Dwelling Unit and detached Accessory Dwelling Unit.

(s) Dwelling unit, principal.

(1) The larger of the dwelling units on a lot that contains an Accessory Dwelling Unit.

Sec. 25.2.2.5. "E" terms.

(a) Easement.

(1) A grant or reservation by the owner of land for the use of all or a portion of such property to the public or others, for a specific purpose.

(b) Eating and Drinking Establishment.

(1) See Sec. 25.6.4.11.

(c) Educational Institution, Private.

(1) See Sec. 25.6.5.6.

(d) Effective date.

(1) The effective date of a decision of an Approving Authority is the date of the resolution, ordinance, or other written notice of the decision.

(e) Electric vehicle (EV).

(1) A vehicle that uses electricity for propulsion.

(f) Electric Vehicle Charging.

(1) See Sec. 25.6.7.8.

(g) Electric vehicle charging station.

(1) Any structure housing one or more electric vehicle ports which provide power to one or more electric vehicles.

(h) Electric vehicle parking space.

(1) A parking space used, intended, or marked for the exclusive parking of electric vehicles and equipped with electric vehicle supply equipment or other infrastructure necessary to support electric vehicle charging.

(i) Electric vehicle supply equipment (EVSE).

(1) The conductors, including the ungrounded, grounded, and equipment grounding conductors and the electric vehicle connectors, attachment plugs, and all other fittings, devices, power outlets, or apparatus installed specifically for the purpose of transferring energy between the premises wiring and the electric vehicle.

(j) Electronic message center.

(1) Any sign that uses changing lights to form a sign message or messages where the sequence of messages and the rate of change is electronically programmed and can be modified by electronic processes. This definition does not include:

A. Electronic menu boards associated with eating and drinking establishment drive-throughs;

B. Electronic displays associated with pharmacy and bank drive-throughs;

C. Electronic displays indicating parking garage capacity; or

D. Signs displaying gasoline prices or electric vehicle charging prices.

(k) Environmental setting.

(1) The area associated with a site within the Historic District Overlay zone, including buildings and grounds.

(l) Equipment enclosure.

(1) For purposes of a wireless communication facility, a freestanding or mounted structure, shelter, cabinet, or vault used to house and to protect the electronic equipment and associated equipment necessary for processing wireless communication signals. Associated equipment may include air conditioners, back-up power supplies, and emergency generators.

(m) Event Space, Club, or Lodge.

(1) See Sec. 25.6.4.12.

Sec. 25.2.2.6. "F" terms.

(a) Facade.

(1) The exterior walls of a building or structure exposed to public view or that wall viewed by a person not within the building.

(b) Fence.

(1) A vertical structure used to delineate a boundary or act as a barrier or means of protection, confinement, or screening. This term includes walls used for the purpose of a lot boundary demarcation.

(c) Feather flag.

(1) A vertical sign resembling a bird's feather made of flexible materials attached or fastened on one side to a curved pole.

(d) Firearm.

(1) A rifle, shotgun, revolver, pistol, air gun, air rifle, and any similar mechanism, by whatever name known, which is designed to expel a projectile through a gun barrel by the action of any explosive, gas, compressed air, spring, or elastic and including any such mechanism that is loaded with blank or live cartridges or projectiles of any kind.

(e) Floodplain.

(1) This term has the same meaning as in Chapter 10.

(f) Food Preparation Establishment.

(1) See Sec. 25.6.4.13.

(g) Footprint.

(1) With regard to a building, the area encompassed by a building's outer wall at ground level.

(h) Fourplex.

(1) A four-unit Multiplex.

(i) Freestanding banner sign.

(1) See "Sign, freestanding banner."

(j) Freestanding sign.

(1) See Sec. 25.10.3.4(a).

(k) Front yard.

(1) See Sec. 25.2.3.3(d)(2).

(l) Frontage.

(1) See Sec. 25.2.3.3(c)(1)A.

(m) Funeral Home.

(1) See Sec. 25.6.4.14.

Sec. 25.2.2.7. "G" terms.

(a) Gas Station.

(1) See Sec. 25.6.7.9.

(b) General Warehousing.

(1) See Sec. 25.6.6.4.

(c) Glare.

(1) A harsh brilliance from a direct or reflected light source that causes the observer to squint, shield, or avert the eyes.

(d) Gross floor area (GFA).

(1) The total square footage of a building's floor area as measured between the exterior faces of walls or the centerline of party walls or walls abutting a building, foundation, pier, or other means of support. Gross floor areas includes the area of basements and attics designed and available for tenant use or occupancy, but excludes uncovered steps, uncovered porches, atriums, rooftop mechanical equipment enclosures, and off-street parking.

(e) Group Home, Large.

(1) See Sec. 25.6.3.7.

(f) Group Home, Small.

(1) See Sec. 25.6.3.8.

Sec. 25.2.2.8. "H" terms.

(a) Hazardous material.

(1) Any material that, because of its quantity, concentration, or physical or chemical characteristics, poses a significant present or potential hazard to human health and safety or to the environment if released into the home, workplace, or the environment.

(b) Health and Fitness Establishment.

(1) See Sec. 25.6.4.15.

(c) Health professional.

(1) A person licensed or certified by a board administered by the State Department of Health.

(d) Height.

(1) See Sec. 25.2.3.6(a).

(e) Historic designation.

(1) The placement of a historic site or the site of a historic structure in the Historic District Overlay zone.

(f) Home Maintenance Service.

(1) See Sec. 25.6.4.16.

(g) Home-Based Business.

(1) See Sec. 25.6.8.2.

(h) Hospital.

(1) See Sec. 25.6.4.17.

(i) Hotel.

(1) See Sec. 25.6.4.18.

(j) Housing for Senior Adults and Persons with Disabilities.

(1) See Sec. 25.6.3.9.

Sec. 25.2.2.9. "I" terms.

(a) Improvement.

(1) Any building, structure, road, parking facility, pedestrian or bicycle facility, landscaping or screening, fencing, recreational facility, or any other addition or alteration to a lot, parcel, or site.

(b) Industrial activity.

(1) Activity which involves any of the following: production, manufacturing, distilling, or synthesis of raw materials or chemicals; or assembly, fabrication, or processing of products.

(c) Industrial, Heavy.

(1) See Sec. 25.6.6.5.

(d) Industrial, Light.

(1) See Sec. 25.6.6.6.

(e) Instructional Facility.

(1) See Sec. 25.6.4.19.

Sec. 25.2.2.10. "J" terms.

(a) Reserved.

Sec. 25.2.2.11. "K" terms.

(a) Reserved.

Sec. 25.2.2.12. "L" terms.

(a) Laboratory, Medical or Dental.

(1) See Sec. 25.6.4.20.

(b) Landscaping.

(1) Grass, trees, hedges, shrubs, vines, ground covers, or flowers planted and maintained to enhance the appearance of a development. Landscaping may include non-botanical hardscaping and features such as walks, fountains, reflecting pools, art works, rain gardens, stormwater management features, screens, walls, fences, and benches.

(c) Land Use Article

(1) The Land Use Article of the Maryland Annotated Code.

(d) Law.

(1) Any law, ordinance, resolution, or regulation having the effect of law, whether adopted by the Federal, State, County, City, or other unit or agency of government.

(e) Legal description.

(1) For the land included in a plat, the lot, block, subdivision name, plat number along with the notation that it is recorded among the land records of Montgomery County, Maryland.

(f) Life Care Facility.

(1) See Sec. 25.6.3.10.

(g) Life science.

(1) A land use within the scope of "Research and Development." Research, laboratory testing, development, and manufacturing activities in one or more of the following scientific fields: biology, biophysics, biochemistry, bioelectronics, biotechnology, biomedical engineering, bioinformatics, medicine, immunology, embryology, clinical engineering, diagnostics, therapeutics, nutraceuticals, pharmacogenomics, drug production, genetic testing, gene therapy activities, cell therapy, or biomanufacturing. For a business, institution, or government agency conducting such activities, this also includes related activities and supporting services, such as administrative offices, educational facilities, libraries, data services, nanotechnology, information technology, and robotics.

(h) Live/Work Unit.

(1) See Sec. 25.6.3.11.

(i) Loading space.

(1) An off-street space used only for the parking of a vehicle while loading or unloading goods or materials.

(j) Local Government Article.

(1) The Local Government Article of the Maryland Annotated Code.

(k) Local Map Amendment.

(1) A map amendment affecting a single, contiguous site that is typically sought by the owner or other person having a proprietary interest in the site. A local map amendment may include multiple lots or parcels.

(l) Lot.

(1) A parcel of land identified as a lot on a record plat or described by recorded deed or other instrument.

(2) For descriptions of corner lots, interior lots, through lots, and pipe stem lots, see Sec. 25.2.3.3(a).

(m) Lot, corner.

(1) See Sec. 25.2.3.3(a)(3).

(n) Lot, interior.

(1) See Sec. 25.2.3.3(a)(1).

(o) Lot, ownership.

(1) A parcel of land designated on an ownership plat for purposes of ownership identification. Any land so designated does not constitute a record lot.

(p) Lot, part.

(1) A portion of a record lot.

(q) Lot, pipe stem.

(1) See Sec. 25.2.3.3(a)(2).

(r) Lot, qualifying undersized.

(1) Any lot meeting the standards of Sec. 25.7.1.2.

(s) Lot, record.

(1) A lot shown on a record plat, not including land identified on any such plat as an outlot or an ownership lot shown on an ownership plat. A record lot which has been reduced in size due to dedication of right-of-way remains a record lot.

(t) Lot, through.

(1) See Sec. 25.2.3.3(a)(4).

(u) Lot, unbuildable.

(1) Any record lot for a single-unit detached dwelling which does not meet either:

A. The minimum lot area and lot frontage requirements of the current zone; or

B. The minimum standards of Sec. 25.7.1.2.

(v) Lot coverage.

(1) See Sec. 25.2.3.5(a).

(w) Lot line.

(1) See Sec. 25.2.3.3(b)(1).

Sec. 25.2.2.13. "M" terms.

(a) Main entrance.

(1) The primary point of pedestrian access to a building or property, typically designed for public or occupant use.

(b) Manufactured home.

(1) A land use within the scope of "Dwelling, Single-unit Detached." A transportable structure that is more than 320 feet, designed to be used as a dwelling, and includes the plumbing, heating, air-conditioning, and electrical system. Any manufactured home that has a HUD certification number and complies with federal safety standards meets the criteria.

(c) Manufacturing.

(1) The mechanical or chemical transformation of materials or substances into new products, including the assembling of component parts, the creation of products, and the blending of materials, such as lubricating oils, plastics, resins, or liquors.

(d) Map amendment.

(1) A change in the zoning designation of a property or area as depicted on the zoning map for the City. A map amendment may be a local map amendment, a sectional map amendment, or a comprehensive map amendment.

(e) Medical office.

(1) See "Office, medical."

(f) Metes and bounds.

(1) A system of describing and identifying land by measurement (metes) and compass direction (bounds) from an identifiable point of reference such as a monument, marker, point of intersection, stone, or other permanent feature.

(g) Mobile Use.

(1) See Sec. 25.6.4.21.

(h) Modular dwelling.

(1) A land use within the scope of "Dwelling, Single-unit Detached." A building assembly or system of building subassemblies designed for habitation as a dwelling for one or more individuals that:

A. Includes the necessary electrical, plumbing, heating, ventilating, and other service systems;

B. Is made or assembled by a manufacturer on or off the building site for installation, or assembly and installation, on the building site; and

C. Is installed and set up according to the manufacturer's instructions on a foundation and support system that meets local building codes.

(i) Multiplex.

(1) See Sec. 25.6.3.12.

Sec. 25.2.2.14. "N" terms.

(a) Nonconforming use.

(1) See "Use, Nonconforming."

(b) Nonconformity, development standards.

(1) See "Development standards nonconformity."

(c) Nursing home.

(1) A land use within the scope of "Life Care Facility." A facility licensed, funded, or registered by the State of Maryland or the County devoted primarily to the maintenance and operation of resources for the treatment and care of persons suffering from illness, disease, aging, or injury and not requiring acute care that is normally provided in a hospital, but who require care in excess of room and board and who need the availability of on-site medical, nursing, convalescent, or chronic care.

Sec. 25.2.2.15. "O" terms.

(a) Office.

(1) See Sec. 25.6.4.22.

(b) Office, medical.

(1) A land use within the scope of "Office." A room, set of rooms, or a building occupied by medical practitioners and related services to provide healthcare on an outpatient basis. Medical offices include the practice of conventional, traditional, alternative, integrative, and complementary medicine.

(c) Off-premises sign.

(1) See "Sign, off-premises."

(d) Outdoor Sales and Storage.

(1) See Sec. 25.6.4.23.

(e) Outlot.

(1) An unbuildable lot, whether due to insufficient size or frontage, poor topography, lack of accessibility, or other reasons, identified as an outlot on a record plat.

(f) Overlay zone.

(1) See “Zone, overlay.”

(g) Owner.

(1) The owner of property as shown on the assessment records of the State Department of Assessments and Taxation.

(h) Ownership lot.

(1) See "Lot, ownership."

(i) Ownership plat.

(1) See "Plat, ownership."

Sec. 25.2.2.16. “P” terms.

(a) Parcel.

(1) A quantity of land described with such definiteness that its location and boundaries may be established.

(b) Park.

(1) See Sec. 25.6.5.7.

(c) Parking facility.

(1) A parking lot or structure or portion of a parking lot or structure used for the storage or parking of automobiles, incidental to an office, commercial, institutional, recreational, industrial use, or residential use other than for a single-unit detached, townhouse, or multiplex dwelling.

(d) Parking lot.

(1) See “Parking facility.”

(e) Parking Structure, Commercial.

(1) See Sec. 25.6.7.10.

(f) Party of record.

(1) Any person who registers an appearance at a public hearing or proceeding, either through direct testimony or written submission, or who provides written notice of intent to participate in a public hearing or proceeding.

(g) Party wall.

(1) A wall common to but dividing contiguous buildings or dwelling units, extending from the basement floor to the highest point of the roof with no openings.

(h) Patio.

(1) An uncovered level outdoor recreation space, normally masonry that is less than 12 inches above grade.

(i) Pawnbroker.

(1) See Sec. 25.6.4.24.

(j) Period of significance.

(1) The length of time when a property was associated with important events, activities, or persons, or attained the characteristics which qualify it as a significant example of a type, period, or method of construction. Period of significance usually begins and ends with the dates when significant activities or events occurred, giving the property its historic significance; for a significant example of a type, period, or method of construction this is often a date of construction.

(k) Permanent sign.

(1) See "Sign, permanent."

(l) Permitted use.

(1) See Sec. 25.6.2.1(a)(1).

(m) Person.

(1) An individual, association, firm, partnership, corporation, or government agency, not including the City.

(n) Person with a disability.

(1) A person who has a physical or mental impairment that substantially limits one or more major life activities, a person who has a history or record of such an impairment, or a person who is perceived by others as having such an impairment.

(o) Personal Care Facility.

(1) See Sec. 25.6.4.25.

(p) Personal Living Quarters.

(1) See Sec. 25.6.3.13.

(q) Petitioner.

(1) See "Applicant."

(r) Pick-Up Drop-Off (PUDO) space.

(1) A parking space used, intended, and marked exclusively for the short-term (no longer than 15-minute) stopping of vehicles to load or unload passengers or goods by ride-hailing services, taxis, delivery vehicles, private cars, and the like.

(s) Pharmacy.

(1) A land use within the scope of "Retail Establishment." An establishment primarily engaged in the retail sale of prescription drugs, nonprescription medicines, and related supplies.

(t) Plan.

(1) The Comprehensive Plan of the City of Rockville, including all amendments, approved and adopted in accordance with Title 3, Division I of the Land Use Article.

(u) Place of Worship or Religious Assembly.

(1) See Sec. 25.6.5.8.

(v) Planned development governing documents.

(1) The collection of documents that establish the density, use, development standards, and special provisions that guide the build-out of a planned development located in any of the Planned Development zones contained in Article 14 of this Chapter. Those documents include one or more of the following:

A. Any resolution of approval by the Mayor and Council and any subsequent amendment, including any attachments;

B. Any preliminary development plan approval by the Planning Commission and any subsequent amendment, including any attachments;

C. Any annexation agreement or other development agreement;

D. The provisions of this Chapter applicable to the particular planned development prior to March 16, 2009, and not inconsistent with the resolution of approval or the approved preliminary development plan, or the annexation agreement or other development agreement.

(w) Plat.

(1) A map of a subdivision showing the boundaries and locations of the lots or parcels recorded thereon.

(x) Plat, ownership.

(1) A map, in the form of a plat, designating land as separate lots for purposes of ownership identification only.

(y) Plat, record.

(1) A plat that has been recorded among the land records of Montgomery County, Maryland.

(z) Porch.

(1) A roofed, open area attached to or part of a building, and with direct access to and from the building.

(aa) Portable sign.

(1) See "Sign, portable."

(bb) Premises.

(1) A lot, together with all buildings and structures thereon.

(cc) Prohibited use.

(1) See "Use, Prohibited."

(dd) Project Plan.

(1) A conceptual development plan for a major project proposal under Sec. 25.4.1.4, and which may include a phasing plan for completion of the development over time.

(ee) Public Utility Structure.

(1) See Sec. 25.6.5.9.

(ff) Publicly-Owned or -Operated Facility.

(1) See Sec. 25.6.5.10.

Sec. 25.2.2.17. "Q" terms.

(a) Qualifying undersized lot.

(1) See "Lot, qualifying undersized."

Sec. 25.2.2.18. "R" terms.

(a) Rear yard.

(1) See Sec. 25.2.3.3(d)(3).

(b) Record lot.

(1) See "Lot, record."

(c) Recreational Facility; Indoor, Commercial.

(1) See Sec. 25.6.4.26.

(d) Recreational Facility; Outdoor, Commercial.

(1) See Sec. 25.6.4.27.

(e) Redevelopment.

(1) The process of replacing, repurposing, or substantially altering existing buildings, infrastructure, or land to accommodate new site improvements or uses.

(f) Renewable Energy System.

(1) See Sec. 25.6.8.3.

(g) Renewable energy generation equipment.

(1) Any equipment necessary for the on-site generation and use of energy from renewable energy sources including solar, wind, and geothermal.

(h) Research and Development.

(1) See Sec. 25.6.6.7.

(i) Restaurant.

(1) An establishment that merchandises or dispenses food and drink and provides patron seating or drive-through facilities.

(j) Retail.

(1) The sale of commodities or goods to an end consumer.

(k) Retail Establishment.

(1) See Sec. 25.6.4.28.

(l) Right-of-way.

(1) An area within which the public, vehicles, or utilities have a right to pass or travel and was accepted on behalf of the public by plat, easement, eminent domain, purchase, fee simple title, or prescriptive use.

Sec. 25.2.2.19. "S" terms.

(a) Sectional Map Amendment.

(1) A map amendment affecting a section of the City. A sectional map amendment is a type of comprehensive amendment as defined by Maryland case law.

(b) Self-Storage Facility.

(1) See Sec. 25.6.6.8.

(c) Senior adult.

(1) A person who is 62 years of age or older.

(d) Setback.

(1) See Sec. 25.2.3.4(a)(1).

(e) Sexually-oriented material.

(1) Any material, display, or performance whether written, oral or visual, whose predominant character and theme is the depiction or description of sexually oriented activities or specified anatomical areas, as well as any instrument, device, or paraphernalia, which is designed for use in connection with sexually oriented activities.

(f) Shooting Range, Indoor.

(1) See Sec. 25.6.4.29.

(g) Shopping Center.

(1) A group of commercial establishments located on a single record lot, which are planned, developed, and managed as a unified entity.

(h) Side yard.

(1) See Sec. 25.2.3.3(d)(4).

(i) Sight distance triangle.

(1) A triangular area at an intersection of streets, alleys, or driveways that must remain clear of obstructions to ensure drivers have an unobstructed view of other vehicles, pedestrians and cyclists to allow drivers to safely stop, enter, or cross an intersection.

(j) Sign.

(1) Any fixture or visual display that is readable from a public right-of-way and designed to identify, announce, direct, or inform.

(k) Sign, A-frame.

(1) See Sec. 25.10.3.1(a).

(l) Sign, banner.

(1) A type of temporary sign made of fabric, cloth, flexible plastic, or other durable flexible material, which is mounted with no enclosing framework. This does not include any sign better classified as a flag.

(m) Sign, blade.

(1) A sign attached to and projecting from the façade of a building or a support column, generally at a right angle to the building wall or support column.

(n) Sign, building.

(1) See Sec. 25.10.3.2(a).

(o) Sign, building-mounted banner (temporary).

(1) See Sec. 25.10.3.3(a).

(p) Sign, directional.

(1) A sign reasonably necessary for the safe and efficient circulation of pedestrian or vehicular traffic on a site. Directional signs may be freestanding signs or building signs.

(q) Sign, freestanding.

(1) See Sec. 25.10.3.4(a).

(r) Sign, freestanding (temporary).

(1) See Sec. 25.10.3.5(a).

(s) Sign, freestanding banner.

(1) A banner sign that is attached to a structure like a pole, column, frame, or brace as its sole means of support in which the support structure is not an integral part of the sign.

(t) Sign, off-premises.

(1) A sign advertising a business, person, activity, good, product, or service not located on the site where the sign is installed, or that directs a person to any location not on the site.

(u) Sign, permanent.

(1) A sign that is constructed in a manner and of materials that will withstand long-term display and is intended to be displayed for an indefinite period of time.

(v) Sign, portable.

(1) A sign that is intended, by design and construction, to rest on the ground for support and that may be easily moved or relocated.

(w) Sign, temporary.

(1) A sign intended to be displayed for a limited period of time.

(x) Sign, window.

(1) See Sec. 25.10.3.6(a), which also includes permanent Window Sign and temporary Window Sign.

(y) Sign face.

(1) The entire surface area of a sign on, against, or through which copy is placed, and does not include a sign's supporting elements or structure.

(z) Site.

(1) Land proposed for or included in a single development application.

(aa) Site Plan.

(1) A development plan for a project proposal under Sec. 25.4.1.5 or Sec. 25.4.1.6.

(bb) Special Exception.

(1) A grant of a specific use that would not be appropriate generally or without restriction and must be based on a finding that certain conditions governing Special Exceptions as detailed in this Chapter exist, that the use conforms to the Plan, and that the use is compatible with the existing neighborhood.

(cc) Stacked townhouse.

(1) See “Townhouse, stacked.”

(dd) State.

(1) The State of Maryland.

(ee) Street.

(1) A right-of-way which affords the principal means of vehicular access to abutting property, including street, avenue, place, drive, boulevard, highway, road, pike, cul-de-sac, court, and any other vehicular right-of-way except an alley.

(ff) Structure.

(1) A combination or assembly of materials designed for permanent location on the ground and intended for occupancy or use, but not including attached appurtenances. Structures include items such as buildings, arenas, tents intended for public assembly, solar canopies, electric power transmission towers, freestanding antennae for telecommunications, bridges, water tanks, fences, freestanding signs, and utility poles.

(gg) Structure, accessory.

(1) See “Building or structure, accessory.”

(hh) Studio.

(1) See Sec. 25.6.4.30.

(ii) Subdivision.

(1) The division or consolidation of land into one or more lots, outlots, or parcels. The creation of ownership lots is not a subdivision. "Subdivision" may also refer to a site that has been subdivided.

(jj) Swimming Pool.

(1) See Sec. 25.6.4.31.

Sec. 25.2.2.20. “T” terms.

(a) Temporary sign.

(1) See "Sign, temporary."

(b) Temporary Uses.

(1) See Sec. 25.6.8.4.

(c) Theater.

(1) See Sec. 25.6.4.32.

(d) Tobacco and Vape Shop.

(1) See Sec. 25.6.4.33.

(e) Tobacco product.

(1) Any product made or derived from tobacco, or containing nicotine from any source, that is intended for human consumption, including any component, part, or accessory of a tobacco product (except for raw materials other than tobacco used in

manufacturing a component, part, or accessory of a tobacco product). The term "tobacco product" includes cigarettes, cigars, cigarillos, smokeless tobacco, bidis, dissolvable tobacco, kreteks, and loose tobacco intended for use in a pipe, hookah, or other smoking device.

(f) Toll.

(1) To suspend or stop temporarily.

(g) Townhouse.

(1) See Sec. 25.6.3.14.

(h) Townhouse, stacked.

(1) A building containing two dwelling units that are arranged vertically and separated from one another. Attached stacked townhouses are separated by a vertical party wall. Stacked townhouses may also be referred to as “two-over-twos.” Stacked townhouses are Multiplexes when arranged in groups of four units or fewer, and Apartments when arranged in groups of five units or more.

(i) Trailer.

(1) An unpowered wheeled vehicle designed to be towed by a motor vehicle.

(j) Triplex.

(1) A three-unit Multiplex.

Sec. 25.2.2.21. “U” terms.

(a) Use.

(1) The purpose for which a lot, building, or structure, or portion thereof, is or may be designed, arranged, intended, occupied, or maintained.

(b) Use, accessory.

(1) A use which is customarily associated with and clearly incidental and subordinate to a legally established principal use that is:

A. Located and operated on the same lot as the principal use, unless otherwise provided in this Chapter; and

B. Operated or maintained under or on behalf of the same ownership as the principal use, except when it is associated with a Publicly-Owned or -Operated Facility.

(c) Use, conditional.

(1) See Sec. 25.6.2.1(a)(2).

(d) Use, nonconforming.

(1) A use that was lawful when established but no longer conforms to the requirements of the zone in which it is located because of the adoption or amendment of this Chapter or zoning map.

(e) Use, permitted.

(1) See Sec. 25.6.2.1(a)(1).

(f) Use, principal.

(1) The primary or predominant use of any lot, building, or structure.

(g) Use, prohibited.

(1) A use not permitted in a zone.

(h) Use, Special Exception.

(1) See Sec. 25.6.2.1(a)(3).

Sec. 25.2.2.22. "V" terms.

(a) Variance.

(1) A modification only of density, bulk, or area requirements in the zoning ordinance where such modification will not be contrary to the public interest and where owing to conditions peculiar to the property, and not the result of any action taken by the applicant, a literal enforcement of this Chapter would result in practical difficulty.

(b) Veterinary Services.

(1) See Sec. 25.6.4.34.

Sec. 25.2.2.23. "W" terms.

(a) Wearing apparel services.

(1) A land use within the scope of "Personal Care Facility." Establishments that maintain and repair clothing, such as tailor or dressmaker, dry cleaner, cobbler, and laundromat.

(b) Wholesale Establishment.

(1) See Sec. 25.6.4.35.

(c) Window sign.

(1) See Sec. 25.10.3.6(a), which also includes permanent Window Sign and temporary Window Sign.

(d) Wireless Communication Facility.

(1) See Sec. 25.6.5.11.

(e) Wireless communication service.

(1) Those services defined in the same manner as in Title 47, U.S. Code, Section 332(c)(7)(c) and such other services that consist of the transmission or reception of

information by electromagnetic wave, digital signals, broadcast television signals, analog signals, radio frequencies, or other communication signals.

Sec. 25.2.2.24. "X" terms.

(a) Reserved.

Sec. 25.2.2.25. "Y" terms.

(a) Yard.

(1) See Sec. 25.2.3.3(d)(1).

Sec. 25.2.2.26. "Z" terms.

(a) Zone.

(1) A specifically delineated area, district, or section of the City within which uniform development standards govern the use, placement, spacing, and size of land and buildings.

(b) Zone, overlay.

(1) A specifically delineated area, district, or section of the City within which standards that modify the requirements of the zone are superimposed.

(c) Zoning map.

(1) The zoning map of the City of Rockville, Maryland, officially adopted by the Mayor and Council.

Division 2.3. Measurements and Exceptions

The rules of this Division apply to all zones unless stated otherwise.

Sec. 25.2.3.1. General rules of measurement and calculation.

(a) All measured distances are to be measured to the nearest integral foot.

(b) Measurements and calculations up to 0.49 feet are rounded down; measurements and calculations of 0.5 feet or more are rounded up.

(c) *Computation of time.* In computing the time limits specified in this Chapter:

(1) The day of the act, event, or default after which the designated period of time begins to run is not included.

(2) Unless business days are specified, days are counted as follows.

(3) If the period of time allowed is more than seven days, all calendar days are counted.

(4) If the period of time allowed is equal to or less than seven days, intermediate Saturdays, Sundays, and holidays are not counted.

(5) The final day is counted unless it is a Saturday, Sunday, holiday, or other day on which City Hall is not open for regular business; in which case, the next day on which City Hall is open for regular business will count as the last day.

Sec. 25.2.3.2. Density.

(1) *Definition.*

A. The density of development is calculated by deducting from the gross area of the site the following:

1. All land indicated in the Plan for highways with a designated right-of-way width of 100 feet or greater; and

2. All 100-year floodplains.

Sec. 25.2.3.3. Lot measurement and configuration.

(a) *Lot configurations.*

(1) *Interior lot.*

A. *Definition*. Any lot other than a corner lot or a through lot.

(2) *Pipe stem lot.*

A. *Definition*. A type of interior lot configured with a narrow panhandle or pipe stem, which panhandle or pipe stem provides vehicular and pedestrian access to a street, with the bulk of the property lying to the rear of one or more lots.

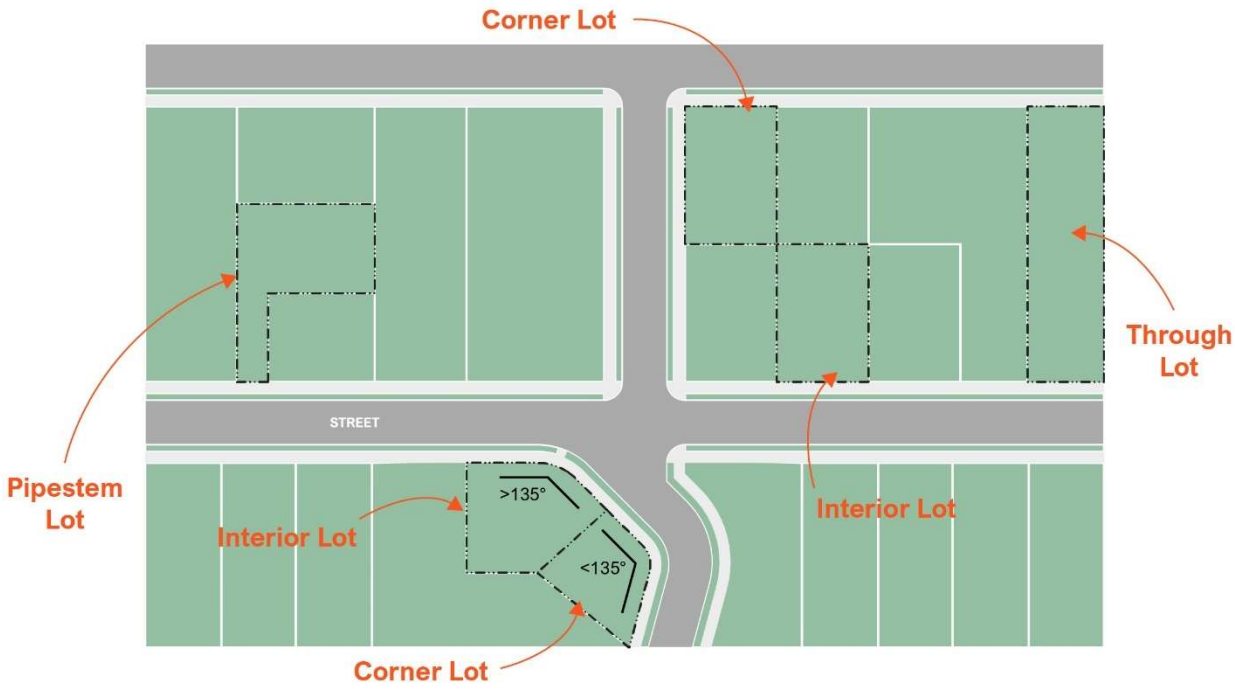
(3) *Corner lot.*

A. *Definition*. A lot abutting the intersection of two or more streets where the interior angle of the intersection does not exceed 135 degrees.

(4) *Through lot.*

A. *Definition*. An interior lot fronting on two or more streets that do not intersect adjacent to the lot. A through lot has two front yards and no rear yard.

Figure 2.3.3-1: Lot Configurations



(b) *Lot lines.*

(1) *Lot line*.

A. *Definition*. The property lines bounding a lot.

(2) *Lot line, front*.

A. *Definition*. The front lot line is the lot line running along the front of the lot and separating it from the street, or where permitted, common open space.

1. In a through lot and a corner lot, both lines abutting the street are front lot lines.

(3) *Lot line, rear*.

A. *Definition.* The rear lot line is the lot line generally opposite or parallel to the front lot line, except in a through lot.

1. If the rear lot line is less than 10 feet long or the lot comes to a point at the rear, the rear lot line is a line not less than 10 feet long, lying wholly within the lot, parallel to the front lot line, or in the case of a curved front lot line, parallel to the chord of the arc of the front lot line.

2. Corner lots in the shape of a triangle have no rear lot line.

(4) *Lot line, side*.

A. Definition.

1. The side lot line is a lot line connecting the front lot line to the rear lot line; or
2. On a through lot, the side lot lines are the lot lines connecting the two front lot lines; or
3. On a corner lot in the shape of a triangle, the side lot line is the lot line connecting the two front lot lines.

(c) *Lot dimensions.*

(1) *Frontage.*

A. *Definition.* The length of the front property line of the lot or parcel.

B. The lot frontage is measured between the side lot lines, at the front lot line, along a straight line; however, if the front lot line is curved, frontage is measured along the chord of the front lot line.

(2) Lot width at the front setback line.

A. The lot width at the front setback line is measured between the side lot lines, at the front setback line, along a straight line.

(3) *Lot area.*

A. *Definition*. Lot area is the horizontal area included within the bounds of the lot lines or proposed street lines of the lot.

(d) *Yards.*

(1) *Yard.*

A. *Definition*. The undeveloped space on a lot lying between the lot lines and the principal building or structure.

(2) *Front yard.*

A. The front yard is an area extending across the full width of the lot, the depth of which is the distance between the front lot line and the principal structure façade.

B. On a corner lot or through lot, the yards lying between the principal building and the street are front yards.

(3) *Rear yard.*

A. The rear yard is an area extending across the full width of the lot, the depth of which is the distance between the rear lot line and the principal structure façade.

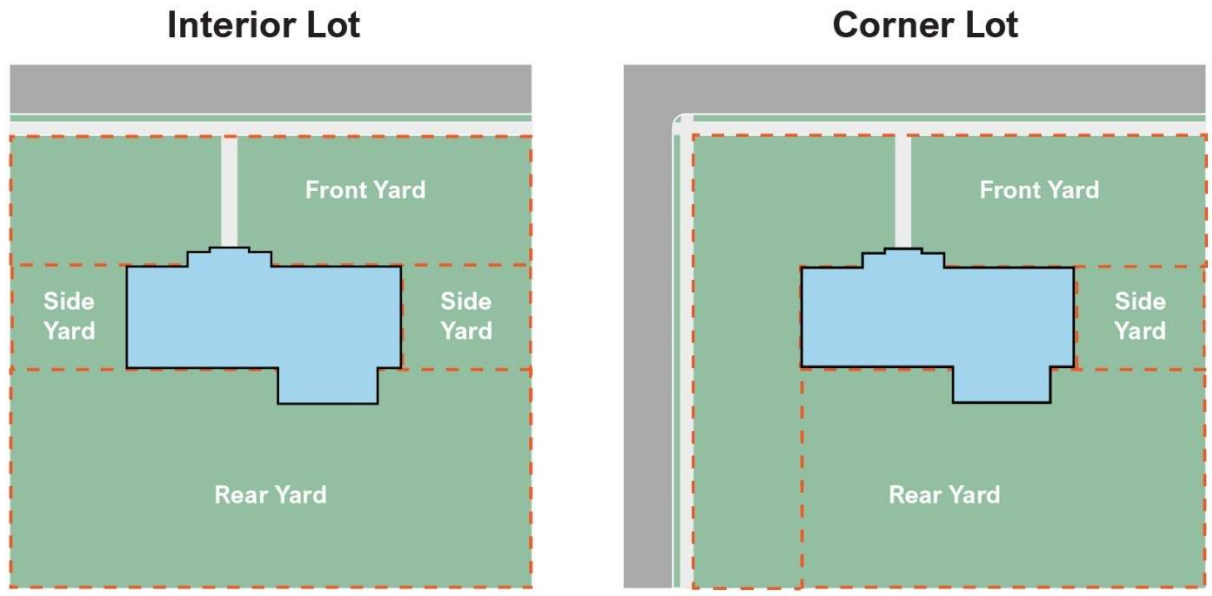
B. On a corner lot, the rear yard is the yard that meets the rear yard setback.

C. A through lot has no rear yard.

(4) *Side yard.*

A. The side yard is all the area between the side lot line and the building façade which does not qualify as front yard or rear yard.

Figure 2.3.3-2: Yards



Sec. 25.2.3.4. Structure placement and encroachments.

(a) *Setback*.

(1) *Definition*. A setback is the minimum perpendicular distance required between a lot line and any building or structure on the lot.

A. *Setback from unimproved rights-of-way*. If an unimproved right-of-way has remained unimproved for at least 20 years following the date of plat or deed recordation and is not programmed for improvement in the current City Capital Improvements Program, the following regulations apply:

1. If the unimproved right-of-way abuts the side yard, side yard setbacks apply.

2. If the unimproved right-of-way abuts the front or rear yard, rear yard setbacks apply.

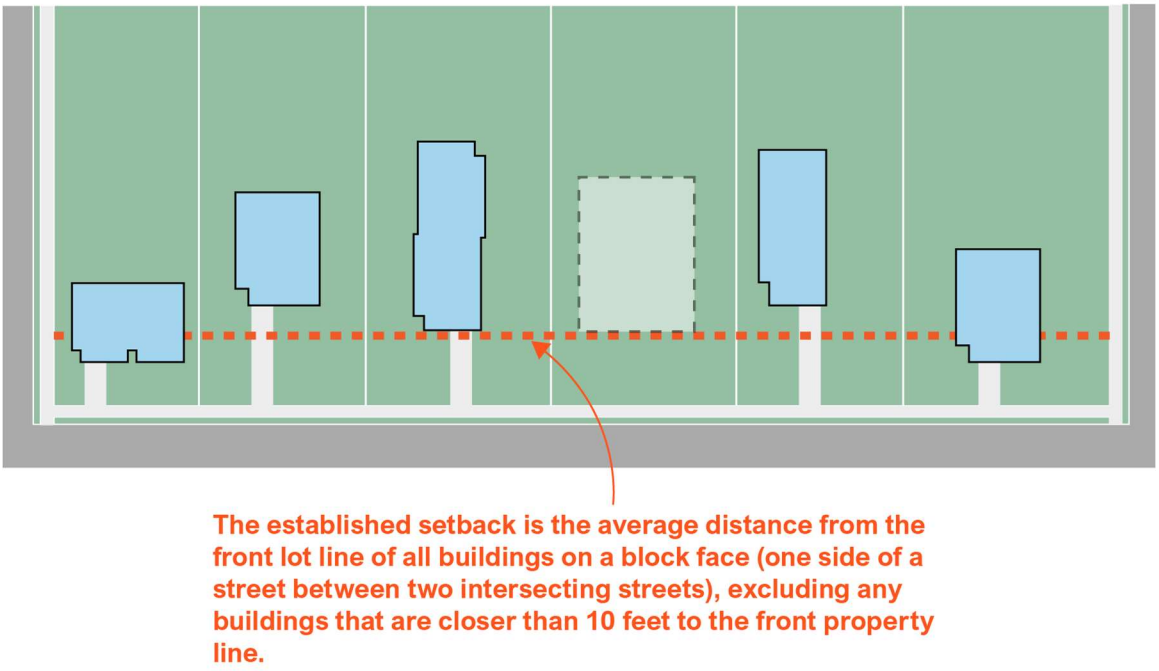
(2) *Pipestem lots.* The front setback on a pipe stem lot is measured from the point where the lot and pipe stem join.

(b) *Reductions of the minimum front setback to the established setback*.

(1) *Definition*. The established setback is the average distance from the front lot line of all buildings on a block face (one side of a street between two intersecting streets), excluding any buildings that are closer than 10 feet to the front property line.

A. If a residential lot's established setback is less than the front setback under Article 7, Division 7.1, the minimum front setback is reduced to the established setback.

Figure 2.3.4-1: Established Setback



(c) *Build-to line*.

(1) *Definition*. A build-to line is the maximum setback line established by the applicable master plan that sets the location of building construction on the lot. A build-to line typically runs parallel to the front property line and creates an even building facade line along a street.

(d) *Setback and build-to line encroachments*.

(1) Buildings and structures must be located at or behind the required setback line, except that the following structures and features are permitted to project into the required setbacks as listed in Table 2.3.4-1.

Table 2.3.4-1: Setback Encroachments

Structure of Feature	Permitted Encroachment
Air conditioners and heat pumps	In the R-400, R-200, R-150, R-90, R-75, R-60, R-40, and RMD-Infill zones, air conditioners and heat pumps may project no more than five feet into the side and rear yard setback, except that: • Existing nonconforming air conditioners and heat pumps may be replaced in the same location.

Structure of Feature	Permitted Encroachment
Americans with Disabilities Act (ADA) improvements	Structures and structural features to assist persons with disabilities required to meet the provisions of the Americans with Disabilities Act (ADA) or the Maryland Accessibility Code may project into the required yard setbacks for each structure or feature. This encroachment is permitted only so long as it is needed to accommodate a person with disabilities. The right to such encroachment does not run with the land.
Architectural elements	Cornices, eaves, and gutters may project no more than: • Three feet into front and side yard setback; and • Five feet into rear yard setback.
	Bay windows, vestibules, or balconies that are less than 10 feet wide may project no more than three feet into the front and rear yard setbacks.
	Belt courses, sills, and lintels may project no more than six inches into front, rear, and side yard setback.
Canopies (other than solar canopies)	In the RMD-10, RMD-15, RMD-25, RHD, I-L, I-H, and all MXTD zones, as well as the MXCD, MXCT, MXNC, MXT, MXC, MXE, and MXB zones, canopies may encroach into applicable setbacks as follows: • Non-permanent canopies up to 10 feet wide may encroach up to the front lot line. • Permanent canopies up to 40 feet wide on lots with front setbacks of 50 feet or greater may encroach up to 40 feet into the front setback. • Permanent canopies up to 40 feet wide on lots with front setbacks of less than 50 feet may encroach up to 10 feet from any front lot line.
Chimneys less than six feet wide	Chimneys less than six feet wide may project no more than 18 inches into a front, side, or rear setback.
Emergency generators	In the R-400, R-200, R-150, R-90, R-75, R-60, R-40, and RMD-Infill zones, emergency generators may project no more than: • Five feet into a rear yard setback; and • Five feet into a front yard setback on a corner lot.

Structure of Feature	Permitted Encroachment
Unenclosed steps, stoops, decks, and porches	In the R-400, R-200, R-150, R-90, R-75, R-60, R-40, and RMD-Infill zones, unenclosed steps, stoops, decks, and porches may encroach no more than: • 12 feet into the front yard setback; • Nine feet into the rear yard setback; and • Four feet into the side yard setback, so long as the steps, stoop, porch, or deck are no greater than eight feet wide. Such structures may be covered or uncovered.

Sec. 25.2.3.5. Lot coverage.

(a) *Definition*. The percentage of lot area covered by buildings, including covered porches and accessory buildings, excluding any areas covered by historic accessory buildings in the Historic District Overlay zone or accessory dwelling units in any zone.

Sec. 25.2.3.6. Height.

(a) Definition.

(1) The height of a building is measured from the level of the approved street grade opposite the middle of the front of the building, except that:

A. If a building is set back 35 feet or more from the street line, the building height is measured from the average elevation of the finished grade along the front of the building.

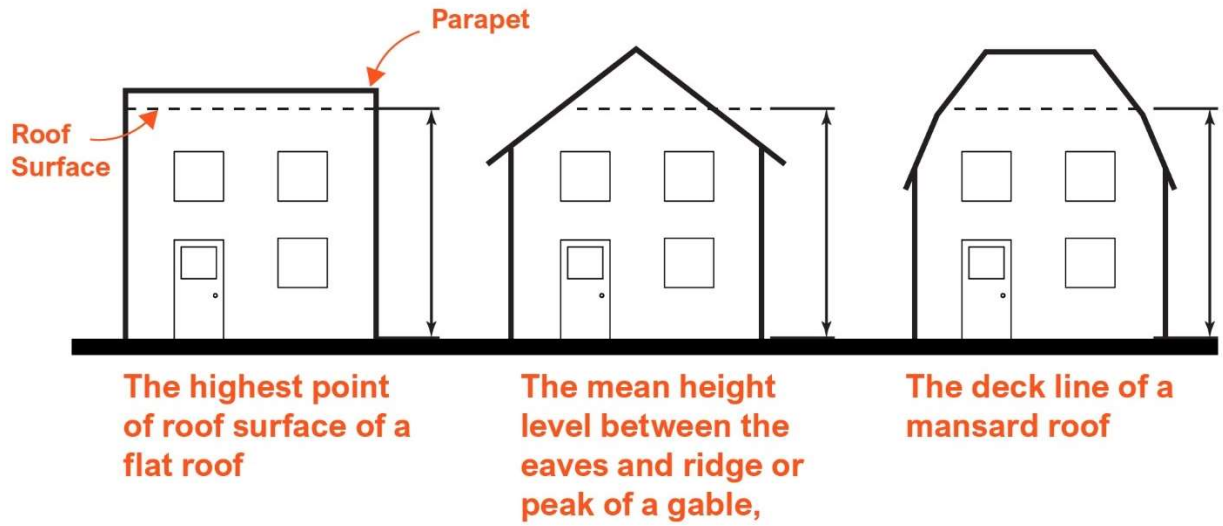
(2) The height is measured to:

A. The highest point of roof surface of a flat roof;

B. The deck line of a mansard roof; or

C. The mean height level between the eaves and ridge or peak of a gable, hip, or gambrel roof.

Figure 2.3.6-1: Building height



(3) *Terraces above street grade.* If the building is located on a pre-existing terrace above the street grade, the height is measured from the top of the terrace.

(4) *Corner lots exceeding 20,000 square feet.* On a corner lot exceeding 20,000 square feet of area, the height of a building may be measured from either adjoining street grade.

(5) *Through lots.* For a through lot, the height may be measured from either street grade, provided that the maximum height permitted on the higher street extends to a point 150 feet from the lower street line, at which point the maximum height must be measured from the lower street.

(b) *Exceptions.*

(1) *Accessory buildings*. The height of an accessory building or structure is measured from the lowest point of the finished grade at the front of the building to the highest point of the roof.

(2) *Lincoln Park Neighborhood Conservation District Overlay zone.* The height of a principal structure in the Lincoln Park Neighborhood Conservation District Overlay zone is measured from existing grade to the peak of the roof.

(3) *Height encroachments*.

A. The following non-habitable elements of a structure may exceed the height limitations of the zone in which the structure is located:

1. Architectural elements including parapet walls, belfries, chimneys, flagpoles, flues, monuments, and spires;

2. Rooftop mechanical equipment including elevator equipment and heating, ventilation, and air conditioning units (HVAC);

3. Water towers and tanks;

4. Solar panels, solar collectors, or other renewable energy generation equipment; and

5. Radio and television towers or antennae or aerials (subject to the wireless provisions of Sec. 25.6.5.11).

(c) *Restrictions*. The height exemptions provided in Sec. 25.2.3.6(b) are subject to the following restrictions:

(1) Architectural elements must meet the following standards:

A. Must have a total area less than 25 percent of the roof area;

B. Must only be used for a use incidental to the main use of the building;

C. Must be less than 19 feet in height as measured from the finished roof elevation; and

D. Must be setback from the edge of the roof by a minimum of a 1:1 setback to height ratio.

E. Parapet walls must not exceed six feet in height as measured from the finished roof elevation.

(2) Rooftop mechanical equipment and water towers and tanks must meet the following standards:

A. Must be screened from view by an enclosure no taller than 19 feet in height as measured from the finished roof elevation;

B. Must be set back from the edge of the roof by a minimum of a 1:1 setback to height ratio; and

C. Enclosures must be designed to be compatible, using, as closely as possible, the materials, color and style of the building, and must also be set back from the edge of the roof by a minimum of a 1:1 setback to height ratio.

(d) *Waiver.*

(1) The Approving Authority may permit a waiver from any of the restrictions in Sec. 25.2.3.6(c) if it finds that the size, scale, and dimensions of any non-habitable elements listed above are:

A. Architecturally compatible with both the building on which it is to be erected and the adjacent buildings; and

B. Not contrary to the intent and purpose of the Plan or this Chapter.

(2) In granting a waiver, the Approving Authority may impose conditions to ensure that the non-habitable architectural structures are consistent with the Plan, including the screening of rooftop structures.

Article 3. Administration

Division 3.1. Approving Authorities

Sec. 25.3.1.1. Mayor and Council.

(a) *Powers and duties.* The Mayor and Council has all powers and duties conferred and imposed on it by the City Charter, State law, and this Chapter.

Sec. 25.3.1.2. Planning Commission.

(a) *Established.* There is established a Planning Commission for the City of Rockville.

(b) *Powers and duties.*

(1) *Generally.* The Planning Commission has all powers and duties conferred and imposed upon it by State law and this Chapter, including:

A. Providing analysis and recommendations to the Mayor and Council on matters related to the Plan;

B. Providing analysis and recommendations to the Mayor and Council on matters related to amendments to this Chapter and the zoning map;

C. Reviewing and acting on Site Plan and Project Plan applications under Article 4;

D. Administering the subdivision process under Article 12;

E. Reviewing and acting on appeals of decisions of the Chief of Zoning in accordance with Sec. 25.3.4.1(b); and

F. Reviewing and acting on proposed public projects in accordance with the Land Use Article.

(2) *Responsibility where approval is required.* Where Planning Commission approval is required under this Chapter or other applicable law, the Planning Commission must:

A. Consider and act on any request for approval;

B. Consider matters and facts applicable to the request; and

C. Make its decision in accordance with the requirements, purpose, and intent of this Chapter and the Plan.

(c) *Membership.*

(1) *Number.* The Planning Commission consists of seven members who are appointed by the Mayor and confirmed by the Council.

(2) *Term.*

A. *Length of term*. The term of each member is five years, or until a successor takes office. Appointment to fill an unexpired term is for the remaining length of the initial term.

B. *Staggered terms*. The terms of the seven members must be staggered.

(3) *Chairperson.*

A. *Appointment.* The Planning Commission must elect a Chair from its members.

B. *Term.* The Chair serves a term of one year and is eligible for reelection.

(4) *Qualification.* Each member of the Planning Commission must be a resident of the City.

(5) *Training.* Each member of the Planning Commission must complete an education course as required by Sec. 1-206 of the Land Use Article.

(6) *Clerk of Commission*. The Chief of Zoning serves as the Clerk of the Commission and must:

A. Attend all meetings of the Planning Commission;

B. Keep a full and accurate account of the proceedings of the Planning Commission, including the official record of all matters filed with the Planning Commission;

C. Accept and send all relevant applications to the Planning Commission; and

D. Keep other records and perform other duties as may be required by this Chapter or by the Planning Commission.

(d) *Rules of procedure.* The Planning Commission must adopt reasonable rules for the conduct of its business.

(e) *Meetings and hearings.*

(1) The Planning Commission must meet when necessary to conduct business or at intervals as may be mandated by State law, this Chapter, or the rules of procedure adopted by the Planning Commission.

(2) The Planning Commission must hold public hearings when required by State law or this Chapter.

Sec. 25.3.1.3. Board of Appeals.

(a) *Established.* There is established a Board of Appeals for the City of Rockville.

(b) *Powers and duties.*

(1) *Generally.* The Board has all those powers and duties conferred and imposed upon it by State law and this Chapter, including:

A. Reviewing and acting on applications for Special Exceptions and variances; and

B. Reviewing and acting on appeals of administrative decisions in accordance with Sec. 25.3.4.1.

(2) *Responsibility where approval is required.* Where Board of Appeals approval is required under this Chapter or other applicable law, the Board must:

A. Consider and act on any request for approval;

B. Consider matters and facts applicable to the request; and

C. Make its decision in accordance with the requirements, purpose, and intent of this Chapter.

(c) *Membership.*

(1) *Number.* The Board of Appeals consists of three regular members and one alternate member who are appointed by the Mayor and confirmed by the Council.

(2) *Term.*

A. *Length of term*. The term of each member is three years, or until a successor takes office. Appointment to fill an unexpired term is for the remaining length of the initial term.

B. *Staggered terms*. The terms of the three regular members and one alternate member must be staggered.

(3) *Chairperson.*

A. *Appointment.* The Board of Appeals must elect a Chair from its regular members.

B. *Term.* The Chair serves a term of one year and is eligible for reelection.

C. *Qualification.* Each member of the Board of Appeals must be a resident of the City.

(4) *Training.* Each member of the Board of Appeals must complete an education course as required by Sec. 1-206 of the Land Use Article.

(5) *Clerk of the Board.* The Chief of Zoning serves as the Clerk of the Board and must:

A. Attend all meetings of the Board of Appeals;

B. Keep a full and accurate account of the proceedings of the Board, including the official record of all matters filed with the Board of Appeals;

C. Accept and send all relevant applications to the Board of Appeals; and

D. Keep other records and perform other duties as may be required by this Chapter or by the Board of Appeals.

E. *Rules of procedure*. The Board of Appeals must adopt reasonable rules for the conduct of its business.

(d) *Meetings and hearings.*

(1) The Board of Appeals must meet when necessary to conduct business or at intervals as may be mandated by State law, this Chapter, or the rules of procedure adopted by the Board of Appeals.

(2) The Board of Appeals must hold public hearings when required by State law or this Chapter.

(3) The alternate member of the Board of Appeals may only sit on the Board of Appeals when a regular member is recused or absent.

Sec. 25.3.1.4. Historic District Commission.

(a) *Established.* There is established a Historic District Commission for the City of Rockville.

(b) *Powers and duties.*

(1) *Generally.* The Historic District Commission has all those powers and duties conferred and imposed upon it by State law and this Chapter, including:

A. Identifying and recommending to the Mayor and Council properties and areas eligible for historic designation due to their historic, archaeological, or architectural significance;

B. Reviewing and acting on applications for certificates of approval for sites, buildings, or structures within the Historic District Overlay zone;

C. Evaluating eligibility for historic designation of sites, buildings, or structures located outside the Historic District Overlay zone that are proposed for demolition;

D. Providing courtesy review of development within or adjacent to historic resources as requested by the Planning Commission or Mayor and Council.

(2) *Responsibility where approval is required.* Where Historic District Commission approval is required under this Chapter or other applicable law, the Historic District Commission must:

A. Consider and act on any request for approval;

B. Consider matters and facts pertinent and applicable to the request; and

C. Make its decision in accordance with the requirements, purpose, and intent of this Chapter.

(c) *Membership.*

(1) *Number.* The Historic District Commission consists of five regular members and one alternate member who are appointed by the Mayor and confirmed by the Council.

(2) *Term.*

A. *Length of term.* The term of each member and alternate member is three years, or until a successor takes office. Appointment to fill an unexpired term is for the remaining length of the initial term.

B. *Staggered terms.* The terms of the five regular members must be staggered.

(3) *Chairperson.*

A. *Appointment.* The Historic District Commission must elect a Chair from its regular members.

B. *Term.* The Chair serves a term of one year and is eligible for reelection.

(4) *Qualification.*

A. Each regular member and alternate member must be a resident of the City; and

B. Each regular member and alternate member must possess a demonstrated special interest, specific knowledge or professional or academic training in such fields as history, architecture, architectural history, planning, archaeology, anthropology, curation, conservation, landscape architecture, historic preservation, urban design, or a building trade or profession with a specialty in structural restoration.

1. The requirement for a demonstrated special interest may be satisfied through either formal training in one or more of the above-listed fields or two or more years of active membership in a preservation-related organization as cited in a letter of recommendation from that organization.

2. The requirement for specific knowledge may be satisfied through formal post-secondary education, employment, or practical experience in one or more of the above-listed fields.

3. The requirement for professional or academic training may be satisfied through at least two years of experience working as a professional in one of the above-listed fields or a Baccalaureate degree or higher in one of the above-listed fields.

C. At least two regular members of the Historic District Commission must have professional or academic training in history, architectural history, architecture, historic architecture, or archeology in accordance with the Secretary of the Interior's Professional Qualification Standards, if such professionals are available.

(5) *Clerk of the Historic District Commission.* The Director of the Department of Community Planning and Development Services must appoint an employee of the Department to serve as the Clerk of the Historic District Commission. The Clerk must:

A. Attend all meetings of the Historic District Commission;

B. Keep a full and accurate account of the proceedings of the Historic District Commission, including the official record of all matters filed with the Historic District Commission;

C. Accept and send all relevant applications to the Historic District Commission; and

D. Keep such other records and perform such other duties as may be required by this Chapter or by the Historic District Commission.

(d) *Rules of procedure.* The Historic District Commission must adopt reasonable rules for the conduct of its business.

(e) *Meetings and hearings.*

(1) Meetings must be held when necessary to conduct business or at intervals as may be mandated by State law, this Chapter, or the rules of procedure adopted by the Historic District Commission.

(2) The Historic District Commission must hold public hearings when required by State law or other provision of this Chapter.

(3) The alternate member of the Historic District Commission may only sit on the Historic District Commission when a regular member is recused or absent.

Sec. 25.3.1.5. Chief of Zoning.

(a) *Powers and duties.*

(1) *Generally*. The Chief of Zoning has all those powers and duties conferred and imposed on the Chief of Zoning by this Chapter, including:

A. Acting as the Clerk of the Planning Commission and the Board of Appeals;

B. Determining the appropriate use classification for a use not listed in the land use tables, in accordance with the intent of this Chapter;

C. Issuing administrative interpretations in accordance with Sec. 25.3.1.5;

D. Reviewing and acting on administrative adjustments in accordance with Sec. 25.4.5.3;

E. Reviewing and acting on sign permits in accordance with Sec. 25.4.4.4;

F. Reviewing and acting on Site Plan applications in accordance with Article 4;

G. Reviewing and acting on minor subdivisions in accordance with Article 12, Division 12.2;

H. Approving extensions to development approvals in accordance with Sec. 25.3.2.5;

I. Interpreting the final decisions of the other Approving Authorities; and

J. Publishing and amending the Development Review Manual, subject to approval by the City Manager.

(b) *Responsibility where approval is required.* Where Chief of Zoning approval is required under this Chapter, the Chief of Zoning must:

(1) Consider and act on any request for approval;

(2) Consider matters and facts applicable to the request; and

(3) Make a decision in accordance with the requirements, purpose, and intent of this Chapter.

(c) *Administrative interpretations.*

(1) The Chief of Zoning may issue administrative interpretations on any provision of this Chapter.

(2) The Chief of Zoning must issue administrative interpretations in writing and must maintain such interpretations on file for public viewing.

Sec. 25.3.1.6. Chief of Inspection Services.

(a) *Powers and duties.* The Chief of Inspection Services has all those powers and duties conferred and imposed upon it by this Chapter, including:

(1) Reviewing and acting on temporary use permit applications in accordance with Sec. 25.4.4.1.

Division 3.2. General Application Provisions

Sec. 25.3.2.1. Applicability.

(a) This Division applies to applications for all procedures, approvals, and permits in this Chapter, except to the following:

(1) The annexation process under Sec. 25.1.3.1;

(2) Zoning text amendments and zoning map amendments under Sec. 25.1.4 and Sec. 25.5.3.1;

(3) Applications for historic designation under Sec. 25.11.1.2; and

(4) Sign permits under Sec. 25.4.4.4.

Sec. 25.3.2.2. Filing application.

(a) *Authority to file.* The following persons may file an application:

(1) The owner of record of the subject property;

(2) An agent of the owner with written authorization to act on the owner's behalf; and

(3) A person who has a financial or fiduciary interest in the subject property or a contract purchaser with written authorization by the owner to act on the owner's behalf.

(b) *Applications.*

(1) *Forms.* Applications must be submitted to the Chief of Zoning, unless otherwise provided, on forms provided by the City, and must contain the information required by this Chapter and any applicable regulations or guidelines in the Development Review Manual or adopted by the Mayor and Council.

(2) *Completeness of submission.* If the application is incomplete, the Chief of Zoning or Chief of Inspection Services, as applicable, must advise the applicant in writing of the information needed to complete the application. In such case, the application may be returned to the applicant or the application may be retained and a date set by which the applicant must provide the missing information.

(3) *Acceptance.* Once all submission requirements are met, an application must be accepted. Acceptance of an application is not an indication of approval.

(4) *Fees*. Each application may be subject to a fee established by resolution of the Mayor and Council.

Sec. 25.3.2.3. Modifying a pending application.

(a) Pending applications may be modified in consultation with the Chief of Zoning and in accordance with other requirements of this Chapter. The Chief of Zoning will determine whether the magnitude of a proposed modification warrants a change in scheduling, notification, data submission, or if a new application is required.

(b) If an application requires action by the Mayor and Council, Planning Commission, Board of Appeals, or Historic District Commission, the applicant may not request a modification to the application after the staff report has been issued or later than seven days prior to the meeting at which the application will be considered by the Approving Authority.

Sec. 25.3.2.4. Withdrawal of application.

(a) Once an application is filed, an applicant must submit revised plans or otherwise respond to any comments resulting from City staff review within six months of the date City staff sends comments to the applicant, request an extension, or request that the review process proceed. If the applicant does not respond, or the extension request is not granted by the Chief of Zoning, the application is deemed withdrawn.

Sec. 25.3.2.5. Extension of expiration date.

(a) The Chief of Zoning may extend the expiration date of any development approval subject to this Division by up to two years upon finding that the applicant has demonstrated good cause for the extension. The Chief of Zoning may approve a maximum of two such extensions. An applicant seeking to extend the expiration date of development approval subject to this Division by more than four years beyond the original expiration date must apply for an amendment to the development approval in accordance with Article 4.

(b) *Exceptions.* The provisions of this Section do not apply to Certificates of Approval under Sec. 25.11.2.1.

Sec. 25.3.2.6. Tolling of validity period.

(a) The validity period, including all extensions, of any development approval or related permit approval must be tolled during the pendency of any administrative appeals of the development approval or related permit approvals filed during the validity period. The tolling period starts on the day a timely administrative appeal is filed. The tolling period ends on the day of the final action of the appellate body with ultimate jurisdiction.

(b) For all approvals automatically tolled under Sec. 25.3.2.6(a), the remaining validity period and any extensions granted in accordance with this Division or otherwise provided by this Chapter must resume running after the end of the tolling period. The development approval must remain in full force and effect throughout the validity period, inclusive of all extensions and the tolling period. During the tolling period, the applicant may implement the development approval, and the City must continue to process all other applications

necessary to implement the development approval, unless otherwise directed by court order. Upon request, the Chief of Zoning must issue a confirmation letter to an applicant of any tolling of the validity period under this Section.

Sec. 25.3.2.7. Abandonment of development approval.

(a) The owner of property subject to a valid and approved Project Plan, Site Plan, or Special Exception may seek to abandon the approval by filing a letter of abandonment with the Chief of Zoning. A letter of abandonment must be signed by all owners of property subject to the approval. An approval may only be abandoned if the approval has not been implemented, either through actual start of construction or issuance of an occupancy permit. Upon receipt of a letter of abandonment of an eligible approval, the Chief of Zoning must confirm the abandonment in writing.

Division 3.3. Notice Requirements

Sec. 25.3.3.1. Applicability.

(a) The provisions of this Division apply to applications for all procedures, approvals, and permits provided for in this Chapter, except the following:

(1) The annexation process under Sec. 25.1.3.1;

(2) Zoning text amendments and zoning map amendments under Sec. 25.1.4.1 and Sec. 25.5.3.1;

(3) Applications for historic designation under Sec. 25.11.1.2;

(4) Changes of use where no amendment is required under Sec. 25.4.2.5.

(5) Temporary use permits under Sec. 25.4.4.1;

(6) Fence permits under Sec. 25.4.4.2;

(7) Small shed permits under Sec. 25.4.4.3; and

(8) Sign permits under Sec. 25.4.4.4.

Sec. 25.3.3.2. General notice requirements.

(a) All notices required under this Chapter must comply with the provisions of this Chapter and any greater notice requirements imposed by State law, if applicable.

(b) Unless otherwise specified in this Chapter, all notices must:

(1) Include the name of the applicant and the application number;

(2) Identify the date, time, and place of any scheduled area meeting and public hearing or meeting of an Approving Authority;

(3) If applicable, describe the property involved in the application by street and street number or, if no street name or number is available, by another general location description;

(4) Indicate the nature, scope, and purpose of the application;

(5) Indicate how interested parties may be heard or otherwise submit their comments on the application; and

(6) Indicate where additional information on the matter may be obtained.

Sec. 25.3.3.3. Written notice.

(a) *Applicability and timing.* Written notice of an application subject to this Section must be provided as follows:

(1) At least two weeks before any meeting of the Development Review Committee;

(2) At least two weeks before any area meetings required under the provisions of Article 4;

(3) At least two weeks before a public hearing held by the Planning Commission on a Project Plan application;

(4) At least two weeks before any public hearings held by an Approving Authority; and

(5) For any other matter as may be required by this Chapter or State law.

(b) *Exceptions.* Written notice is not required for minor amendments to Project Plans or Site Plans.

(c) *Recipients.* Written notice must be delivered, by hand delivery or first class mail, to the following parties:

(1) Each owner at the mailing address on the current tax assessment list;

(2) The resident at the property location address, if addresses are different on the tax roll; and

(3) Civic and homeowners' associations.

(d) *Notice radius.* Written notice must be mailed to all recipients under Section 25.3.3.3(c) within the following distances of the property subject to the pending application:

(1) For a Project Plan application, 1,500 feet;

(2) For a Level 2 Site Plan application, 1,250 feet;

(3) For a Level 1 Site Plan application, 750 feet;

(4) For a minor or major subdivision application, 750 feet;

(5) For a Special Exception application, the area of notice is based on Section 25.4.1.3, Table 4.1.3-1, as follows:

A. For applications with zero to six points, 750 feet;

B. For applications with seven to 15 points, 1,250 feet; and

C. For applications with 16 or more points, 1,500 feet;

(6) For a nonconforming use expansion, 500 feet;

(7) For administrative adjustments, adjoining and confronting property owners only; and

(8) For all other applications subject to this Division, 500 feet.

(e) *Electronic notice.* In addition to the mailed notice required by this Section, at least two weeks before a meeting of the Development Review Committee, an applicant must send electronic notice of a Level 2 Site Plan and Project Plan to all homeowners' associations and civic associations within the City, the Planning Commission, and the Mayor and Council.

(f) *Affidavit required.* Excluding applications under Article 11, at least one week before any meeting for which the applicant is required to provide written notice, the applicant must file an affidavit stating that notice has been mailed or delivered in accordance with this Section and must provide the Chief of Zoning with the mailing or delivery list.

Sec. 25.3.3.4. Application signs.

(a) Application signs must be posted in accordance with the following provisions.

(1) *Application signs to be provided by the City*. All required application signs will be prepared and provided to the applicant by the Chief of Zoning within five business days of acceptance by the City of the complete application, unless otherwise specified in this Chapter.

(2) *Posting.* Within three days after receiving the sign from the City, the applicant must erect and maintain the application sign on the property that is the subject of the application. Any application sign erected under this Section must be maintained and its content updated, at all times, by the applicant until final action by the Approving Authority on the application. The applicant must remove the sign within seven days of the final action.

(3) *Location of application sign*. Application signs required by this Section must be erected by the applicant as follows:

A. Within 10 feet of each boundary line that abuts a public or private street. If the property boundary line is more than 250 feet long, one sign is required every 500 feet.

B. If no public or private street abuts the site, the application sign must be placed facing in such manner as may be most readily seen by the public.

C. For any property that abuts I-270, the application sign must be placed at the principal entrance to the property.

D. Unlawful to remove or tamper with application sign. It is unlawful for any person to remove or tamper with any application sign erected under this Section during the period it is required to be maintained. Early removal or tampering is subject to the penalties established in Article 13.

(b) *Inspections.*

(1) An applicant must inspect a property at least once a week through the date of the final hearing to ensure that all application signs remain in place as required by this Section.

(2) If during an inspection the applicant finds any application sign to be damaged, destroyed, or removed, the applicant must repair or replace the sign within five days of the inspection.

(c) *Affidavit required*.

(1) On the day of the final public hearing on any application, the applicant must file an affidavit with the Approving Authority stating that all application signs were posted and maintained as required by this Section.

Sec. 25.3.3.5. Notice of decision.

(a) Within 10 days after a final decision is made under this Chapter, the Chief of Zoning must provide written notice, including a copy of the decision, to the following parties:

(1) The applicant or petitioner; and

(2) Any party of record.

(b) The notice must be sent by first class mail unless the receiving party requests an email notification instead.

(c) A copy of the notification must be made part of the official record.

Sec. 25.3.3.6. Defects not jurisdictional.

(a) Failure to comply with any of the requirements of this Division, except for those requirements imposed by State law, is not a jurisdictional defect.

Division 3.4. Appeals

Sec. 25.3.4.1. Appeals.

(a) *Appeals from decisions of administrative bodies.* Any person aggrieved by a final decision of the Mayor and Council, Planning Commission, Board of Appeals, or Historic District Commission, including adjudication of an appeal of a decision of the Chief of Zoning, may appeal the same by filing a petition for judicial review in the Circuit Court for Montgomery County, Maryland, in accordance with Title 7, Chapter 200 of the Maryland Rules.

(b) *Appeals from decisions of the Chief of Zoning or Chief of Inspection Services.*

(1) *Decisions and administrative interpretations.* Any person aggrieved by a final decision of the Chief of Zoning or Chief of Inspection Services may appeal the decision to the Board of Appeals, except as follows:

A. *Project Plan*. Any person aggrieved by a final decision of the Chief of Zoning on a minor amendment to a Project Plan may appeal the decision to the Mayor and Council.

B. *Site Plan.* Any person aggrieved by a final decision of the Chief of Zoning on a Level 1 Site Plan or a minor amendment to a Site Plan may appeal the decision to the Planning Commission.

C. *Minor subdivision.* Any person aggrieved by a final decision of the Chief of Zoning on a minor subdivision may appeal the decision to the Planning Commission.

D. *Administrative interpretations of development approvals.* Any person aggrieved by an administrative interpretation issued by the Chief of Zoning regarding an approval issued by another Approving Authority may appeal the administrative interpretation to the Approving Authority that issued the approval.

(2) *Procedure.*

A. *Timing*. An appeal of a final decision of the Chief of Zoning or Chief of Inspection Services must be filed in writing with the Chief of Zoning within 30 days of the date on the official letter of notification of the decision or the date of the administrative interpretation, as applicable.

B. *Public hearing*. Upon receipt of the written notice of appeal, the Chief of Zoning must schedule a public hearing on the appeal as soon as practicable with the appropriate Approving Authority.

C. *Effect of appeal*. An appeal of a final decision of the Chief of Zoning or Chief of Inspection Services filed under this Section invalidates the decision, and the Approving Authority must consider the matter de novo, in accordance with the standards and requirements of this Chapter and applicable law.

Article 4. Development Applications, Permits, & Procedures

Division 4.1. Project Plans and Site Plans

Sec. 25.4.1.1. Newspaper notice.

(a) Where required by law, the City must cause notice to be published in a newspaper of general circulation in accordance with this Chapter or State law, as applicable.

Sec. 25.4.1.2. Applicability.

(a) This Division applies to all development, except:

(1) A major or minor amendment under Article 4, Division 4.2 or 4.3;

(2) Construction, alteration, or relocation of no more than one single unit detached dwelling or one duplex or triplex building and related accessory uses;

(3) A change of use requiring a temporary use permit issued by the Chief of Inspection Services;

(4) Construction of a shed, fence, or sign;

(5) The following activities when they are not associated with any other development activities:

A. Grading;

B. Clearing;

C. Work within the public right-of-way;

D. Underground utility work;

E. Regular building or property maintenance that does not require a building permit; and

F. Work requiring a building permit that does not involve exterior changes to a building or the site.

Sec. 25.4.1.3. Approval required.

(a) *Types of approvals.* A development subject to this Division requires approval of a Level 1 Site Plan, a Level 2 Site Plan, or both a Project Plan and a Level 1 Site Plan, based on the intensity of the development and the requirements of this Division.

(b) *Application review table.*

(1) Except as otherwise provided in this Division, a development is evaluated on the acreage of the subject site and the projected number of dwelling units, non-residential square footage, residential impact area, and traffic impact. Each of these items is allocated points, which are added together to determine the total points of a proposed development. The total points determine which approvals are necessary, as follows:

A. 0 to 6 points: Level 1 Site Plan only.

B. 7 to 15 points: Level 2 Site Plan only.

C. 16 or more points: Project Plan followed by Level 1 Site Plan. Where a proposed amendment to an existing development requires a new application under Sec. 25.4.2.1(a)(1), the point total is calculated only on the net new dwelling units and gross floor area.

Table 4.1.3-1: Application Review Table

Elements	Points				
	0	1	2	3	4
Site size in acres	N/A	1 or less	Greater than 1 and less than or equal to 2.5	Greater than 2.5 and less than or equal to 5	5 or greater

Elements	Points				
	0	1	2	3	4
Net new dwelling units	0	1 to 19	20 to 50	51 to 150	151 or more
Net new square footage of nonresidential space	0	5,000 sq. ft. or less	Greater than 5,000 sq. ft. and less or equal to 25,000 sq. ft.	Greater than 25,000 sq. ft. and less than or equal to 100,000 sq. ft.	Greater than 100,000 sq. ft.
Proximity to land that is in a residential zone under Sec. 25.5.1.1, Table 5.1.1-1, except the RMD-25 and RHD, and developed with single-unit detached, townhouse, or multiplex dwellings	No residential within 500 ft.	Residential within 500 ft.	Residential within 100 ft.	Confronting residential	Adjacent to residential
Net new peak hour trips	0 or negative	1 to 29 trips	30 to 74 trips	75 to 149 trips	150 trips or greater

Sec. 25.4.1.4. Project Plan.

(a) *Application required.* The following developments must receive Project Plan approval:

(1) An application generating 16 or more total points under Sec. 25.4.1.3, Table 4.1.3-1;

(2) An application for a Champion Project; and

(3) An application including property subject to a pending annexation petition.

(b) *Approving Authority.* The Mayor and Council is the Approving Authority for Project Plans.

(c) *Level 1 Site Plan required.* All development subject to Project Plan approval must receive Level 1 Site Plan approval after Project Plan approval and before issuance of any building permits. An application for a Level 1 Site Plan may be submitted concurrently with a Project Plan application.

(d) *Application process.*

(1) *Application*. The applicant must file the application in accordance with Sec. 25.3.2.2 and must include a date for an area meeting.

(2) *Notice*. The applicant must provide notice in accordance with Article 3, Division 3.3.

(3) *Area meeting*. After submitting the application, the applicant must hold a public area meeting to outline the scope of the project and receive public comments.

(4) *Development Review Committee meeting.* After the area meeting, the applicant must hold a meeting with the Development Review Committee.

(5) *Planning Commission meeting.* After the Development Review Committee meeting, the Planning Commission must hold a public hearing on the application and prepare and send any comments or recommendations on the application to the Mayor and Council.

(e) *Public hearing*. After the Planning Commission hearing, the Mayor and Council must hold a public hearing on a Project Plan application before acting on the application.

(f) *Findings.* The Mayor and Council may only approve a Project Plan application if it finds that the application:

(1) Is consistent with the Plan;

(2) Is supported by adequate existing and programmed public facilities in accordance with Article 8, Division 8.11 and the adopted Adequate Public Facilities Standards; and

(3) Conforms to the requirements of this Chapter and other applicable law governing health, safety, natural resources, and the environment of the City.

(g) *Decision*. After the public hearing, the Mayor and Council must approve or deny a Project Plan application by resolution. Approval may be subject to any conditions the Mayor and Council determines necessary to make the findings in Sec. 25.4.1.4(f).

(h) *Preliminary plan of subdivision.* Approval of a Project Plan application also serves as approval of a preliminary plan of subdivision.

(i) *Expiration.* A Project Plan approval expires if a building permit is not issued for all phases of the approved Project Plan within five years of Project Plan approval or by an alternative expiration date approved by the Mayor and Council. The approval does not expire with respect to those phases of the Project Plan for which a building permit is issued. If the Mayor and Council approves a Project Plan expiration date that is different than that described in this Section, the resolution of approval may include a schedule by which building permits for all phases of the Project Plan must be issued.

Sec. 25.4.1.5. Level 2 Site Plan.

(a) *Application required*. A development generating seven to 15 total points under Sec. 25.4.1.3, Table 4.1.3-1 must receive approval of a Level 2 Site Plan, unless approval of a Project Plan is otherwise required, before issuance of any building permits.

(b) *Exceptions*. Notwithstanding Sec. 25.4.1.5(a), the following developments generating seven to 15 total points under Sec. 25.4.1.3, Table 4.1.3-1 are not subject to Level 2 Site Plan approval:

(1) A development subject to Project Plan approval under Sec. 25.4.1.4(a)(2) or (3); and

(2) A development subject to Level 1 Site Plan approval under Sec. 25.4.1.6(a)(2).

(c) *Approving Authority.* The Planning Commission is the Approving Authority for Level 2 Site Plans.

(d) *Application process.*

(1) *Application*. The applicant must file the application in accordance with Sec. 25.3.2.2 and must include a date for an area meeting.

(2) *Notice*. The applicant must provide notice in accordance with Article 3, Division 3.3.

(3) *Area meeting.* After submitting the application, the applicant must hold a public area meeting to outline the scope of the project and receive public comments.

(4) *Development Review Committee meeting.* After the area meeting, the applicant must hold a meeting with the Development Review Committee.

(e) *Public hearing.* After the Development Review Committee meeting, the Planning Commission must hold a public hearing on a Level 2 Site Plan application before acting on the application.

(f) *Findings.* The Planning Commission may only approve a Level 2 Site Plan application if it finds that the application:

(1) Is consistent with the Plan;

(2) Is supported by adequate existing and programmed public facilities in accordance with Article 8, Division 8.11 and the adopted Adequate Public Facilities Standards; and

(3) Conforms to the requirements of this Chapter and other applicable law governing health, safety, natural resources, and the environment of the City.

(g) *Decision.* After the public hearing, the Planning Commission must approve or deny a Level 2 Site Plan application by resolution. Approval may be subject to any conditions the Planning Commission determines necessary to make the findings in Sec. 25.4.1.5(f).

(h) *Preliminary plan of subdivision.* Approval of a Level 2 Site Plan application also serves as approval of a preliminary plan of subdivision.

(i) *Expiration.* A Level 2 Site Plan expires if a building permit has not been issued within five years of Level 2 Site Plan approval or by an alternative expiration date approved by the Planning Commission.

Sec. 25.4.1.6. Level 1 Site Plan.

(a) *Application required.* The following developments must receive Level 1 Site Plan approval:

(1) A development generating zero to six total points under Sec. 25.4.1.3, Table 4.1.3-1; and

(2) The following developments generating seven to 15 total points under Sec. 25.4.1.3, Table 4.1.3-1:

A. Research and development uses in the MXE zone;

B. The conversion of nonresidential uses to residential use where recommended by the Plan;

C. Residential developments proposing 20 percent or greater Moderately Priced Dwelling Units;

D. Housing for senior adults and persons with disabilities;

E. Residential developments with 19 or fewer dwelling units; and

F. Development in the MXTD, MXCD, MXCT, MXE, or MXB zones when the limits of disturbance of the development are at least 300 feet from any lot improved with single-unit detached, townhouse, or multiplex uses, as measured from the nearest property line, or are separated from such uses by one of the following transportation rights-of-way: I-270, Shady Grove Road, Twinbrook Parkway, MD-355, MD- 586, or the Metro/CSX rail.

(b) *Approving Authority.* The Chief of Zoning is the Approving Authority for Level 1 Site Plans.

(c) *Application process.*

(1) *Application*. The applicant must file the application in accordance with Sec. 25.3.2.2 and must include a date for an area meeting.

(2) *Notice*. The applicant must provide notice in accordance with Article 3, Division 3.3.

(3) *Area meeting*. After submitting the application, the applicant must hold a public area meeting to outline the scope of the project and receive public comments, except as provided in Sec. 25.4.1.6(c)(5).

(4) *Development Review Committee meeting*. After the area meeting, the applicant must hold a meeting with the Development Review Committee, except as provided in Sec. 25.4.1.6(c)(5).

(5) *Level 1 Site Plan implementing previously approved plan*. An applicant for a Level 1 Site Plan implementing an approved Project Plan, Planned Development, or Special Exception is not required to meet with the Development Review Committee or hold an area meeting.

(d) *Findings.* The Chief of Zoning may only approve a Level 1 Site Plan application upon finding that the application:

(1) Is consistent with any applicable Project Plan, Planned Development, or Special Exception;

(2) Is consistent with the Plan;

(3) Is supported by adequate existing and programmed public facilities in accordance with Article 8, Division 8.11 and the adopted Adequate Public Facilities Standards; and

(4) Conforms to the requirements of this Chapter and other applicable law governing health, safety, natural resources, and the environment of the City.

(e) *Decision.* The Chief of Zoning must approve or deny a Level 1 Site Plan by dated letter. Approval may be subject to any conditions the Chief of Zoning determines necessary to make the findings in Sec. 25.4.1.6(d). The Chief of Zoning must send a copy of the letter to the Planning Commission and all parties entitled to notification of the decision under Sec. 25.3.3.5.

(f) *Aggrieved parties.* The Chief of Zoning's decision letter must state that any aggrieved party may appeal the decision in accordance with Section 25.3.4.1(b).

(g) *Preliminary plan of subdivision.* Approval of a Level 1 Site Plan application not implementing a previously approved Project Plan or Planned Development also serves as approval of a preliminary plan of subdivision.

(h) *Expiration.* A Level 1 Site Plan expires if a building permit has not been issued within five years of Level 1 Site Plan approval.

Division 4.2. Amendments to Project Plans, Site Plans, and Planned Developments

Sec. 25.4.2.1. Application and review.

(a) *In general.* An application to amend any previously approved Project Plan, Planned Development, Level 2 Site Plan, Level 1 Site Plan, or equivalent approval must be filed with the Chief of Zoning in accordance with this Division.

(1) *New application required.* An application that disturbs more than 50 percent of the total site area of a property subject to an approved Project Plan, Level 2 Site Plan, Level 1 Site Plan, or equivalent approval may not be submitted as an amendment to the original approval, but requires the filing of a new Project Plan, Level 2 Site Plan, or Level 1 Site Plan, as applicable.

(2) If a new application is required under this Section, the entire site, including all existing buildings, structures, and facilities, must be brought into compliance with the current development standards of this Chapter.

(b) *Scope of review.* The scope of an Approving Authority's review for an amendment submitted under this Division is limited to those aspects of an existing development that are directly related to or affected by the proposed amendment.

Sec. 25.4.2.2. Minor amendment.

(a) *Minor amendment required; Level 1 Site Plan.* A minor amendment is required for any amendment to a Level 1 Site Plan.

(b) *Minor amendment required; Project Plan and Level 2 Site Plan.* A minor amendment is required to amend a Project Plan, Level 2 Site Plan, or equivalent development when:

(1) The application reduces the size or scale of the approved development or does not deviate substantially from the terms, conditions, or intent of the original approval, including minor adjustments to site engineering, parking (including the addition of electric vehicle charging stations or solar canopies over existing parking), loading areas, landscaping, sidewalks, recreational areas, and amenity space; or

(2) The application meets the following criteria:

A. The application does not result in a substantial change to more than 20 percent of the total site area of the original approval;

B. The application does not generate more than 29 new peak hour trips;

C. The application does not expand any existing nonconformity;

D. The application does not result in an increase of more than 5,000 square feet or 20 percent of floor area, whichever is greater;

E. The limits of disturbance of the proposed development are at least 300 feet from any lot improved with single-unit detached, townhouse, or duplex uses, as measured from the nearest property line, or are separated from such uses by one of the following transportation rights-of-way: Interstate 270, MD 355, MD 586, or the Metro/CSX rail; and

F. The subject site is not in the Historic District Overlay zone.

(c) *Minor amendment not required*. A minor amendment is not required for interior construction, routine landscaping, building maintenance, or the addition or relocation of minor appurtenances including bicycle racks, benches, pergolas, emergency generators, transformers, refrigeration equipment, trash enclosures, sidewalks and small storage sheds, as long as such addition or relocation does not alter the basic elements of the original approval or cause a safety hazard.

(d) *Approving authority*. The Chief of Zoning is the Approving Authority for minor amendments.

(e) *Application process.*

(1) *Application.* The applicant must file an application for a minor amendment in accordance with Sec. 25.3.2.2.

(2) *Notice*. The applicant must provide notice in accordance with Article 3, Division 3.3.

(f) *Findings.* The Chief of Zoning may only approve a minor amendment upon finding that the application:

(1) Is consistent with the criteria in Sec. 25.4.2.2(b);

(2) Conforms to the requirements of this Chapter and other applicable law governing health, safety, natural resources, and the environment of the City.

(g) *Decision.* The Chief of Zoning must approve or deny a minor amendment by dated letter. Approval may be subject to any conditions the Chief of Zoning determines necessary to make the findings in Sec. 25.4.2.2(f). The Chief of Zoning must send a copy of the letter to the Approving Authority of the approval subject to the amendment and all parties entitled to notification of the decision under Sec. 25.3.3.5.

(h) *Aggrieved parties.* The Chief of Zoning's decision letter must state that any aggrieved party may appeal the decision in accordance with Section 25.3.4.1(b).

(i) *Expiration.* A minor amendment expires if a building permit has not been issued within five years of minor amendment approval.

Sec. 25.4.2.3. Major amendment.

(a) *Major amendment required.* A major amendment is required to amend a Project Plan, Level 2 Site Plan, or equivalent approval when the Chief of Zoning determines that the application is not eligible for a minor amendment under Sec. 25.4.2.2.

(b) *Application process and findings; Project Plan.* A major amendment to a Project Plan is subject to the procedures, requirements, and findings in Sec. 25.4.1.4. A major amendment to a Project Plan must receive Level 1 Site Plan approval after approval of the major amendment and before issuance of any building permits. An application for a Level 1 Site Plan may be submitted concurrently with the major amendment application.

(c) *Application process and findings; Level 2 Site Plan.* A major amendment to a Level 2 Site Plan or equivalent approval is subject to the procedures, requirements, and findings in Sec. 25.4.1.5.

Sec. 25.4.2.4. Planned Development amendment.

(a) *Planned Development amendment required.* The following changes to a Planned Development require Mayor and Council approval of an amendment to the Planned Development governing documents:

(1) Any increase in the maximum number of dwelling units or maximum gross square footage of nonresidential development beyond what is authorized in the Planned Development governing documents or the Planned Development's equivalent zone;

(2) Any increase in maximum building heights beyond what is authorized in the Planned Development governing documents or the Planned Development's equivalent zone;

(3) The addition of new uses not approved in the Planned Development governing documents or permitted in the Planned Development's equivalent zone;

(4) Relocation of public or private streets; and

(5) A material reduction in the cumulative amount of public or private open space.

(b) *Amendment not required.* Any development within a Planned Development zone that does not meet the criteria for an amendment under Sec. 25.4.2.4(a) may proceed without a Planned Development amendment, subject to approval of all other plans and permits required by this Chapter and the City Code.

(c) *Application process and findings.* A Planned Development amendment is subject to the procedures, requirements, and findings in Sec. 25.4.1.4. A Planned Development amendment must receive Level 1 Site Plan approval after approval of the amendment and before issuance of any building permits. An application for a Level 1 Site Plan may be submitted at the same time as the Planned Development amendment application.

(d) *Expiration.* A Planned Development amendment expires if a building permit has not been issued within five years of approval of the amendment.

Sec. 25.4.2.5. Change of use; amendment not required.

(a) *Amendment not required.* The Chief of Zoning may approve a change of use without an amendment to the Project Plan or Site Plan approval, where the change of use:

(1) Is the only proposed change to the Project Plan or Site Plan;

(2) Does not require any change in the physical elements of the site that would otherwise require a major or minor amendment;

(3) Does not increase impact on transportation infrastructure, schools, or water and sewer infrastructure; and

(4) Is consistent with this Chapter and all applicable laws and regulations.

(b) *Notice.* Notice is not required for a change of use under this Section.

(c) *Decision.* The Chief of Zoning must approve or deny a change of use under this Section by dated letter. Approval may be subject to any conditions the Chief of Zoning determines necessary to make the findings in Sec. 25.4.2.5(a).

(d) *Other approvals required.* In addition to approval of a change of use under this Section, an applicant must also receive approval any other permits or approvals required by this Chapter and other applicable law.

Division 4.3. Special Exceptions

Sec. 25.4.3.1. Application required.

(a) A Special Exception use under Sec. 25.6.2.1(a)(3) must receive Special Exception approval. A proposed Special Exception may also require approval of a Project Plan, Level 2 Site Plan, Level 1 Site Plan, or an amendment to such an approval, if it includes development subject to Division 4.1 or Division 4.2 of this Article.

Sec. 25.4.3.2. Approving Authority.

(a) The Board of Appeals is the Approving Authority for Special Exceptions and Special Exception amendments, except as provided in Sec. 25.4.3.6(c).

Sec. 25.4.3.3. Application process.

(a) *Application.* The applicant must file the application in accordance with Sec. 25.3.2.2 and must include a date for an area meeting.

(b) *Notice.* The applicant must provide notice in accordance with Article 3, Division 3.3.

(c) *Area meeting.* After submitting the application, the applicant must hold a public area meeting to outline the scope of the project and receive public comments.

(d) *Development Review Committee meeting.* After the area meeting, the applicant must hold a meeting with the Development Review Committee.

Sec. 25.4.3.4. Approval process.

(a) *Public hearing.* The Board of Appeals must hold a public hearing on a Special Exception application before acting on the application.

(b) *Findings.* The Board of Appeals may only approve a Special Exception application if it finds that:

(1) The proposed use is consistent with the Plan, this Chapter, and all other applicable law; and

(2) The proposed use at the location selected will not:

A. Adversely affect the health and safety of residents or workers in the area;

B. Overburden existing and programmed public facilities in accordance with Article 8, Division 8.11 and the adopted Adequate Public Facilities Standards;

C. Be detrimental to the use or development of adjacent properties or the neighborhood;

D. Change the character of the neighborhood in which the use is proposed, considering services currently provided, population density, character, and number of similar uses; and

E. Constitute a nuisance because of noise, traffic, number of people, or type of physical activity.

(c) *Decision.* After the public hearing, the Board of Appeals must approve or deny a Special Exception application by resolution. Approval may be subject to any conditions the Board of Appeals determines necessary to make the findings in Sec. 25.4.3.4(b).

Sec. 25.4.3.5. Expiration.

(a) *No expiration.* Unless an expiration date is established as a condition of Special Exception approval, a Special Exception does not expire. Any use governed by a Special Exceptions approval is conforming for the life of the Special Exception.

Sec. 25.4.3.6. Amendments.

(a) *Amending a Special Exception.* The operator of a Special Exception or the owner of the subject site may file an application to amend the terms or conditions of the Special Exception.

(b) *Notice*. The applicant must provide notice in accordance with Article 3, Division 3.3.

(c) *Minor amendment.*

(1) *Chief of Zoning approval.* The Chief of Zoning may amend the terms or conditions of a Special Exception upon finding that:

A. The proposed amendment does not substantially change the nature, character, or intensity of the use or substantially change the effect of traffic from the use on the immediate neighborhood; and

B. The amendment conforms to the findings in Sec. 25.4.3.4(b).

(2) *Decision.* The Chief of Zoning must approve or deny a minor amendment by dated letter. Approval may be subject to any conditions the Chief of Zoning determines necessary to make the findings in Sec. 25.4.3.6(c)(1). The Chief of Zoning must send a copy of the letter to the holder of the Special Exception, the Board of Appeals, and all parties entitled to notice in accordance with Sec. 25.3.3.5.

(3) *Aggrieved party.* The Chief of Zoning's decision letter must state that any aggrieved party may appeal the decision in accordance with Section 25.3.4.1(b).

(d) *Major amendment*.

(1) *Board of Appeals approval.* If, in the opinion of the Chief of Zoning, the proposed amendment is ineligible for a minor amendment, the Board of Appeals must hold a public hearing to consider the proposed amendment.

(2) *Public hearing.* The Board of Appeals must hold a public hearing on a major amendment application before acting on the application. The scope of a public hearing on a major amendment is limited to the following:

A. The proposed amendment described in the application; and

B. Those aspects of the Special Exception use that are directly related to, or affected by, the proposed amendment.

(3) *Additional considerations for certain expansions.* Notwithstanding the provisions of Sec. 25.4.3.6(d)(2), the Board of Appeals must consider all aspects of the Special Exception if the amendment proposes an expansion of the total floor area of all

structures or buildings by more than 25 percent, or 7,500 square feet, whichever is less.

(4) *Findings.* The Board of Appeals may only approve a major amendment if it finds that the amendment conforms to the findings in Sec. 25.4.3.4(b).

(5) *Decision.* The Board of Appeals must approve or deny a major amendment by resolution. Approval may be subject to any conditions the Board of Appeals determines necessary to make the findings in Sec. 25.4.3.4(b).

Division 4.4. Permits

Sec. 25.4.4.1. Temporary use permit.

(a) *Permit required.* Before using a building, structure, or land in a manner allowed as a temporary use and listed in Sec. 25.6.8.4, a person must receive a temporary use permit.

(b) *Exceptions.* A temporary use permit is not required for uses regulated by Chapter 12.

(c) *Issuance.* The Chief of Inspection Services may issue a temporary use permit upon finding that the use proposed by the application will not:

(1) Adversely affect the health or safety of persons residing or working in the neighborhood of the proposed use;

(2) Be detrimental to the public welfare or injurious to property or improvements in the neighborhood; or

(3) Constitute a violation of any provision of this Chapter or other applicable law.

(d) *Expiration.* A temporary use permit must include an expiration date consistent with the requirements of Sec. 25.6.8.4.

Sec. 25.4.4.2. Fence permit.

(a) *Required.* Before constructing a fence, a person must receive approval of a fence permit from the Chief of Zoning.

(b) *Exceptions.* A fence permit is not required for the installation of deer mesh.

(c) *Issuance.* The Chief of Zoning must issue a fence permit upon finding that the proposed fence is consistent with this Chapter.

Sec. 25.4.4.3. Small shed permit.

(a) *Required.* Before constructing an enclosed structure of 200 square feet or less on a single-unit detached, townhouse, or multiplex lot, a person must receive approval of a small shed permit from the Chief of Zoning.

(b) *Issuance.* The Chief of Zoning must issue a small shed permit upon finding that the proposed structure is consistent with the requirements of this Chapter.

Sec. 25.4.4.4. Sign permit.

(a) *Required*. Before installing, erecting, illuminating, or modifying a sign, a person must receive approval of a sign permit from the Chief of Zoning.

(b) *Exceptions*. A sign permit is not required for:

(1) Signs exempt under Article 10;

(2) Signs within the public right-of-way, which are subject to the requirements of Chapter 21;

(3) The installation or erection of an A-frame sign;

(4) The installation or erection of a temporary freestanding sign on an individual residential lot or a lot containing a multiplex or apartment with up to 10 dwelling units; or

(5) The maintenance or repair of an existing, permitted sign, including repainting, refacing, and electrical repairs.

(c) *Review*. The Chief of Zoning must review and grant or deny a sign permit application in writing within 15 business days of receipt of a complete sign permit application, including the required fee.

(d) *Issuance*. The Chief of Zoning must grant a sign permit upon finding that the sign meets all application requirements of Article 10 and, if applicable, any comprehensive sign plan for the site.

Division 4.5. Variances, Waivers, and Administrative Adjustments

Sec. 25.4.5.1. Variances.

(a) *Authority.* The Board of Appeals may grant variances from the strict application of density, bulk, or area requirements of the development standards in this Chapter.

(b) *Application process.* Applications for variances must be submitted in accordance with Sec. 25.3.2.2.

(c) *Notice.* The applicant must provide notice in accordance with Article 3, Division 3.3.

(d) *Public hearing.* The Board of Appeals must hold a hearing on a variance application before acting on the application.

(e) *Findings.* The Board of Appeals may only grant a variance if it finds that:

(1) The request for the variance is the result of conditions peculiar to the property and not the result of any action taken by the applicant;

(2) Literal enforcement of this Chapter would result in practical difficulty;

(3) The variance would not be contrary to the public interest; and

(4) The granting of the variance is consistent with the purposes of this Chapter.

(f) *Decision.* After the public hearing, the Board of Appeals must approve or deny a variance application by resolution. Approval may be subject to any conditions the Board of Appeals determines necessary to make the findings in Sec. 25.4.5.1(e).

(g) *Expiration.* A variance approval expires if an applicant has not secured all other necessary approvals and exercised the rights granted by approval of the variance within five years.

Sec. 25.4.5.2. Waivers.

(a) *Waivers associated with plans.* An applicant seeking a waiver of the requirements of this Chapter as part of a Project Plan, Site Plan, Special Exception, major or minor subdivision, or amendment to such approvals must incorporate the waiver request and any required justification in the associated application. The waiver will be approved or denied by the applicable Approving Authority as part of the associated application.

(b) *Waivers associated with permits.*

(1) *Authority.* The Chief of Zoning may grant waivers from the regulations of this Chapter in accordance with this Section.

(2) *Application.* An applicant seeking a waiver of the requirements of this Chapter as part of a permit under this Chapter or Chapter 5 must submit a waiver application in accordance with Sec. 25.3.2.2.

(3) *Notice.* The applicant must provide notice in accordance with Article 3, Division 3.3.

(4) *Finding.* The Chief of Zoning may only approve a waiver application if it finds that the application conforms to the applicable waiver standards of this Chapter.

(5) *Decision.* The Chief of Zoning must approve or deny a waiver associated with a permit by dated letter. Approval may be subject to any conditions the Chief of Zoning determines necessary to make the finding in Sec. 25.4.5.2(b)(4).

(6) *Expiration.* A standalone waiver application expires if an applicant has not secured all other necessary approvals and exercised the rights granted by approval of the waiver within five years.

Sec. 25.4.5.3. Administrative adjustments.

(a) *Authority.* The Chief of Zoning may make administrative adjustments from the regulations of this Chapter in accordance with this Section.

(b) *Permitted administrative adjustments for residential uses in single dwelling unit residential zones.* The Chief of Zoning may grant an administrative adjustment from the regulations of this Chapter for residential uses in the R-400, R-200, R-150, R-90, R-75, R-60, and R-40 zones, in accordance with this Section, for the following:

(1) *Setbacks.* To reduce the required yard setback by no more than 10 percent; and

(2) *Lot coverage.* To increase the lot coverage requirements by no more than 10 percent.

(c) *Permitted administrative adjustments for non-residential uses in the R-400, R-200, R-150, R-90, R-75, R-60, and R-40 zones and all uses in the RMD-Infill, RMD-10, RMD-15, RMD-25, RHD, industrial, mixed use, and special zones.* The Chief of Zoning may grant an administrative adjustment from the regulations of this Chapter for non-residential uses in residential zones and all uses in residential medium density, industrial, mixed use, and special zones, in accordance with this Section, for the following:

(1) *Setbacks.* To reduce the required yard setback by no more than 10 percent.

(d) *Application.* Applications for administrative adjustments must be submitted and in accordance with Sec. 25.3.2.2.

(e) *Notice.* The applicant must provide notice in accordance with Article 3, Division 3.3.

(f) *Review procedures.* The following procedures apply to an application for an administrative adjustment:

(1) *Staff review*. The Chief of Zoning, after having determined that the submission is complete, will distribute copies of the application to appropriate City departments for review.

(2) *Staff report.* Any City department reviewing the application will prepare staff comments on the application and send the comments to the Chief of Zoning.

(g) *Findings.* The Chief of Zoning may only grant an administrative adjustment upon making the following findings:

(1) *Property characteristics.* The adjustment is necessary due to the small size or configuration of the site or the characteristics of the site improvements, and the adjustment provides a solution to a hardship encountered in the use or development of the site.

(2) *Consistency with purpose*. The adjustment is consistent with the purposes of this Chapter .

(3) *Total cumulative adjustment.* The total cumulative adjustment to the regulation that is the subject of the application does not exceed the maximum allowable adjustment. This total cumulative adjustment must be considered in connection with all adjustments made to the applicable property and not solely to the adjustments in connection with any single application for adjustment.

Article 5. Zones & Zoning Map

Division 5.1. Zones

Sec. 25.5.1.1. Establishment of zoning districts.

(a) The City is divided into zoning districts, listed in Table 5.1.1-1: Establishment of Zoning Districts.

Table 5.1.1-1: Establishment of Zoning Districts

Category	Zoning District	Abbreviation
Residential	Residential 400	R-400
	Residential 200	R-200
	Residential 150	R-150
	Residential 90	R-90
	Residential 75	R-75
	Residential 60	R-60
	Residential 40	R-40
	Residential Medium Density Infill	RMD-Infill
	Residential Medium Density 10	RMD-10
	Residential Medium Density 15	RMD-15
	Residential Medium Density 25	RMD-25
	Residential High Density	RHD
Industrial	Industrial Light	I-L
	Industrial Heavy	I-H
Mixed-Use	Mixed-Use Transit District 235	MXTD-235
	Mixed-Use Transit District 200	MXTD-200
	Mixed-Use Transit District 85	MXTD-85
	Mixed-Use Corridor District	MXCD
	Mixed-Use Corridor Transition	MXCT
	Mixed-Use Neighborhood Commercial	MXNC
	Mixed-Use Transition	MXT
	Mixed-Use Commercial	MXC
	Mixed-Use Employment	MXE
	Mixed-Use Business	MXB
Special	Park	PARK
	Planned Development (multiple)	See Table 7.4.3-1: Planned Development zones
Overlay	Historic District	HD
	Lincoln Park Neighborhood Conservation District	LPNCD
	Cluster Development	CL

Division 5.2. Zoning Map

Sec. 25.5.2.1. Zoning map.

(a) The location and boundaries of zones established in the City are as shown on the map entitled "Zoning Map of the City of Rockville," adopted on [date of Comprehensive Map Amendment adoption] by Ordinance No. [XX], as may be amended. The maps, sections, notations, dimensions, designations, references, and other data shown on the map are hereby made a part of this Chapter.

Sec. 25.5.2.2. Boundaries of zones.

(a) Where uncertainty exists as to the boundaries of any of the zones as shown on the zoning map, the following rules apply:

(1) Where zone boundaries are indicated as approximately following street or alley lines, proposed street lines, rapid transit, or railroad rights-of-way, the zoning boundaries are the centerline of those streets, alleys, or rights-of-way;

(2) Where zone boundaries are indicated as approximately following lot lines and are not more than 10 feet distant from the property lines of an unplatted property, such lot lines are the boundaries; and

(3) Where zoning boundaries are greater than 10 feet distant from the property lines of an unplatted property, or where a zone boundary divides an unplatted property, the location of any such zoning boundary is determined by use of the map scale shown on the map to the nearest foot, unless the boundary is indicated by dimensions on the map.

Division 5.3. Zoning Map Amendments.

Sec. 25.5.3.1. Zoning map amendments.

(a) *Compliance required*. The zoning map may be amended by following the procedures in this Article and other applicable law.

(b) *Types of applications*. An application may be filed for any of the following types of amendment to the zoning map:

(1) Local map amendment;

(2) Sectional map amendment; and

(3) Comprehensive map amendment.

(c) *Applications*.

(1) *Authority to file*.

A. *Local map amendment*. An application for a local map amendment may be filed by any governmental agency or by a person with a financial, contractual, or proprietary interest in the property to be affected by the proposed amendment.

B. *Sectional and comprehensive map amendments*. Except as otherwise provided in Sec. 25.5.3.1(c)(1)(C), an application for a sectional or comprehensive map amendment may be filed only by the Planning Commission or the Mayor and Council.

C. *Historic District Overlay zone*.

1. An application for a sectional map amendment to place a property in the historic District Overlay zone may only be filed by the Mayor and Council or the Historic District Commission.

2. The Historic District Commission may only file a sectional map amendment application to place a property in the Historic District Overlay zone pursuant to Sec. 25.11.1.2.

(2) *Submission*.

A. *General requirements*. An application for an amendment to the zoning map must be submitted to the City Clerk on forms approved by the Chief of Zoning and must include payment of any fee established by resolution of the Mayor and Council.

B. *Complete application*. The application is complete when the Chief of Zoning determines that all submission requirements have been met.

(3) *Local amendment applications*.

A. *Limitation on successive applications*. An applicant may not file a local map amendment application for any portion of a property that was subject to a rezoning decision made within the preceding 12 months.

(4) *Public notification of pending application*.

A. *Notification requirements*. Notice must be provided in accordance with this Section.

B. *Newspaper notification*. Publication in a newspaper of general circulation is required prior to a hearing in accordance with State law.

C. *Sign required*. In the case of a local amendment, the owners of the subject property must post an application sign or signs in accordance with Sec. 25.3.3.4.

D. *Written notification to property owners*. The Chief of Zoning must mail notice of any public hearing on a map amendment application at least 15 days before the public hearing, as follows:

1. *Local map amendment and sectional map amendment*. For a local map amendment or a sectional map amendment, each owner of property subject to the map amendment application at the mailing address on the current tax assessment list, and also the property location address, if addresses are different on the tax roll, and civic associations and homeowner's associations within 750 feet of the area proposed for rezoning.

2. *Comprehensive map amendment*. In the case of a comprehensive map amendment, mailed notice is not required.

(5) *Referring application to the Planning Commission*. The Chief of Zoning must send a copy of the application to the Planning Commission. The Commission may submit a written recommendation to the Mayor and Council.

(6) *Hearing on application*. The Mayor and Council must hold a public hearing in accordance with State law before approving an application for a zoning map amendment.

(7) *Action on application*.

A. The Mayor and Council may grant an application by ordinance or deny, dismiss, or allow an application to be withdrawn by resolution.

B. The Mayor and Council may dismiss an application if it finds that the application does not comply with the procedural requirements of this Chapter or other applicable law.

C. Adoption of an ordinance placing a site in the Historic District Overlay zone must be in accordance with Sec. 25.11.1.2.

D. The Mayor and Council may only grant a local map amendment application if it finds that:

1. A substantial change has occurred in the character of the neighborhood since the original zoning or comprehensive rezoning, or a mistake was made by the Mayor and Council when it applied the existing zoning; and

2. The requested zone is compatible with the surrounding area.

(8) *Withdrawal of application*. An application for a local map amendment for which a public hearing has been conducted may be withdrawn only with the approval of the Mayor and Council. The Mayor and Council may decline to permit the withdrawal and decide the application on its merits or may permit withdrawal subject to any reasonable condition. Conditions may include prohibiting a subsequent local map amendment application for the property for a period of up to three years.

(9) *Notification of decision*.

A. Within 10 days of a decision under this Section, the City Clerk must provide a copy of the decision to the applicant, if applicable, and any other party of record. The copy must be provided by first class mail, unless the party has requested an e-mail notification instead.

Article 6. Uses & Use Standards

Division 6.1. General Provisions

Sec. 25.6.1.1. General provisions.

(a) *Use categories.*

(1) There are six use categories which group like uses: Residential, Retail Sales and Services, Institutions and Public Uses, Industrial, Automotive, and Miscellaneous.

(2) When a use category is referenced in this Chapter, the use category applies to all uses found within that use category.

(b) *Use definitions.*

(1) The definition of a use in this Article applies to that use term wherever it is used in this Chapter.

(c) *Uses requiring a license.*

(1) When a use requires a license from the City, County, or State to operate, the use is allowed only when the license is in effect.

(d) *Grandfathered uses.*

(1) Any use that conforms to the use requirements in effect immediately before [effective date of this Chapter] but no longer conforms to the use requirements of the zone in which it is located is a conforming use.

Division 6.2. Use Table

Sec. 25.6.2.1. Classification of use permissions.

(a) The use table identifies uses allowed in each zone. The key for this table is as follows:

(1) *Permitted uses (P).* A "P" indicates that the use is permitted if it meets the "Use Standards" listed in this Division.

(2) *Conditional uses (C).* A "C" indicates that the use must meet the "Use Standards" and any applicable "Conditional Use Standards" listed in this Division.

(3) *Special Exception uses (S).* An "S" indicates that the use must meet the "Use Standards" and "Special Exception Use Standards" listed in this Division. These uses also require the approval of a Special Exception in accordance with the applicable provisions of Article 4, Division 4.3.

(4) *Blank cells.* A blank cell indicates that a use is prohibited in the zone.

Sec. 25.6.2.2. Use table.

Table 6.2.2-1 Use Table

Use P = Permitted C = Conditional S = Special Exception Blank = Prohibited	Use Definition and Standards	R-400	R-200	R-150	R-90	R-75	R-60	R-40	RMD-Infill	RMD-10	RMD-15	RMD-25	RHD	I-L	I-H	All MXTD Zones	MXCD	MXCT	MXNC	MXC	MXT	MXE	MXB	PARK
Residential Uses																								
Apartment	Sec. 25.6.3.2	C	C	C	C	C	C	C	C	P	P	P	C			P	P	P	P	C	P	C	P	
Child Care Home (Up to 8 Children)	Sec. 25.6.3.3	P	P	P	P	P	P	P	P	P	P	P	P			P	P	P	P	P	P	P	P	
Cottage Court	Sec. 25.6.3.4	C	C	C	C	C	C	C	P	P	P	P	P											
Dwelling, Single-Unit Detached	Sec. 25.6.3.5	P	P	P	P	C	C	C	C	C	C	C				C	C	C	C	C	C	C	C	
Dwelling Unit, Accessory	Sec. 25.6.3.6	P	P	P	P	P	P	P	P	P	P	P	P			C	P	P	P	P	P	P	P	
Group Home, Large	Sec. 25.6.3.7	C	C	C	C	C	C	C	C	P	P	P	P			P	P	P	P	P	P	P	P	
Group Home, Small	Sec. 25.6.3.8	P	P	P	P	P	P	P	P	P	P	P	P			P	P	P	P	P	P	P	P	

Use P = Permitted C = Conditional S = Special Exception Blank = Prohibited	Use Definition and Standards	R-400	R-200	R-150	R-90	R-75	R-60	R-40	RMD-Infill	RMD-10	RMD-15	RMD-25	RHD	I-L	I-H	All MXTD Zones	MXCD	MXCT	MXNC	MXC	MXT	MXE	MXB	PARK
Housing for Senior Adults and Persons with Disabilities	Sec. 25.6.3.9	C	C	C	C	C	C	C	C	C	P	P	P			P	P	P	P	C	C	P	C	
Life Care Facility	Sec. 25.6.3.10	C	C	C	C	C	C	C	C	C	C	C	C			P	P	P	C		C	P	C	
Live/Work Unit	Sec. 25.6.3.11													P		P	P	P	P	P	P	P	P	
Multiplex	Sec. 25.6.3.12	C	C	C	C	C	C	C	C	P	P	P	P			P	P	P	P	C	P	C	P	
Personal Living Quarters	Sec. 25.6.3.13															P	P	P	P		P	P	P	
Townhouse	Sec. 25.6.3.14	C	C	C	C	C	C	C	C	P	P	P	P			P	P	P	P		P	C	P	
Retail, Office, and Service Uses																								
Adult-Oriented Establishment	Sec. 25.6.4.1													S										
Alcoholic Beverage Production, Limited	Sec. 25.6.4.2													C	P	C	C	C	C			C	C	
Alcoholic Beverage Retail Establishment	Sec. 25.6.4.3															P	P	P	P	C	P	P		
Ambulance Service	Sec. 25.6.4.4													C			P	C	C	C		P	C	
Animal Boarding Establishment	Sec. 25.6.4.5													P	P	C	C	C	C	C	C	C	C	
Animal Grooming Establishment	Sec. 25.6.4.6															P	P	P	P	P	P	P	P	
Auctioneer or Commercial Gallery	Sec. 25.6.4.7													P		P	P	P	P	P	P	P	P	
Bank or Financial Institution	Sec. 25.6.4.8															P	P	P	P	P	P	P	P	
Bed and Breakfast	Sec. 25.6.4.9	P	P	P	P	P	P	P	P	P	P	P	P			P	P	P	P	P	P	P	P	
Cannabis Dispensary	Sec. 25.6.4.10													P		P	P	P	P	P	P	P	P	
Eating and Drinking Establishment	Sec. 25.6.4.11													C		P	P	P	P	P	P	P	P	

Use P = Permitted C = Conditional S = Special Exception Blank = Prohibited	Use Definition and Standards	R-400	R-200	R-150	R-90	R-75	R-60	R-40	RMD-Infill	RMD-10	RMD-15	RMD-25	RHD	I-L	I-H	All MXTD Zones	MXCD	MXCT	MXNC	MXC	MXT	MXE	MXB	PARK
Event Space, Club, or Lodge	Sec. 25.6.4.12	S												P		P	P	P	P		P	P	P	
Food Preparation Establishment	Sec. 25.6.4.13													P		P	P	P	P			P	P	
Funeral Home	Sec. 25.6.4.14															P	P	P	P	P	P		P	
Health and Fitness Establishment	Sec. 25.6.4.15													P		P	P	P	P	P	P	P	P	
Home Maintenance Service	Sec. 25.6.4.16													P	P	P	P	P	P	P	P	P	P	
Hospital	Sec. 25.6.4.17													P		P	P	P	C			P	P	
Hotel	Sec. 25.6.4.18															P	P	P	P			P	P	
Instructional Facility	Sec. 25.6.4.19													P		P	P	P	P	P	P	P	P	
Laboratory, Medical or Dental	Sec. 25.6.4.20													P		P	P	P	P			P	P	
Mobile Use	Sec. 25.6.4.21													P		P	P	P	P	P	P	P	P	
Office	Sec. 25.6.4.22										C	C	C	C		P	P	P	P	P	P	P	P	
Outdoor Sales and Storage	Sec. 25.6.4.23													P		C	C	C	C	C	C	C	C	
Pawnbroker	Sec. 25.6.4.24													P										
Personal Care Facility	Sec. 25.6.4.25										C	C	C			P	P	P	P	P	P	P	P	
Recreational Facility; Indoor, Commercial	Sec. 25.6.4.26													P		P	P	P	P			P	P	
Recreational Facility; Outdoor, Commercial	Sec. 25.6.4.278													P		P	P	P	P			P		
Retail Establishment	Sec. 25.6.4.289										C	C	C	C		P	P	P	P	P	P	P	P	
Shooting Range, Indoor	Sec. 25.6.4.29													S	S									
Studio	Sec. 25.6.4.30													P		P	P	P	P	P	P	P	P	

Use P = Permitted C = Conditional S = Special Exception Blank = Prohibited	Use Definition and Standards	R-400	R-200	R-150	R-90	R-75	R-60	R-40	RMD-Infill	RMD-10	RMD-15	RMD-25	RHD	I-L	I-H	All MXTD Zones	MXCD	MXCT	MXNC	MXC	MXT	MXE	MXB	PARK
Swimming Pool	Sec. 25.6.4.31	C	C	C	C	C	C																	C
Theater	Sec. 25.6.4.32															P	P	P	P	P	P	P	P	
Tobacco and Vape Shop	Sec. 25.6.4.33													P		P	P	P				P	P	
Veterinary Service	Sec. 25.6.4.34	C	C											P		P	P	P	P	P	P	P	P	
Wholesale Establishment	Sec. 25.6.4.35													P			CP	P				P	P	
Institutional and Public Uses																								
Adult Day Care	Sec. 25.6.5.1	C	C	C	C	C	C	C	C	C	C	C	C	P		P	P	P	P	P	P	P	P	
Charitable or Philanthropic Institution	Sec. 25.6.5.2	C	C	C	C	C	C	C	C	C	C	C	C	P		P	P	P	P	P	P	P	P	C
Child Care Center (9 or More Children)	Sec. 25.6.5.3	C	C	C	C	C	C	C	C	C	C	C	C	P		P	P	P	P	P	P	P	P	
Crematorium	Sec. 25.6.5.4																							
Cultural Institution	Sec. 25.6.5.5													C		P	P	P	P	P	P	P	P	
Educational Institution, Private	Sec. 25.6.5.6	C	C	C	C	C	C		C	C	C	C	C	P		P	P	P	C	P	C	P	P	
Park	Sec. 25.6.5.7	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P
Place of Worship or Religious Assembly	Sec. 25.6.5.8	P	P	P	P	P	P	P	P	P	P	P	P	P		P	P	P	P	P	P	P	P	
Public Utility Structure	Sec. 25.6.5.9	S	S	S	S	S	S	S	C	C	C	C	C	P	P	P	P	P	P	P	C	P	P	S
Publicly-Owned or -Operated Facility	Sec. 25.6.5.10	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P

Use P = Permitted C = Conditional S = Special Exception Blank = Prohibited	Use Definition and Standards	R-400	R-200	R-150	R-90	R-75	R-60	R-40	RMD-Infill	RMD-10	RMD-15	RMD-25	RHD	I-L	I-H	All MXTD Zones	MXCD	MXCT	MXNC	MXC	MXT	MXE	MXB	PARK
Wireless Communication Facility (Located entirely within an existing building or on the roof or side of a building, or attached to an existing structure)	Sec. 25.6.5.11	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C
Wireless Communication Facility (Located on a freestanding ground mounted antenna support structure)	Sec. 25.6.5.11	S	S	S	S	S	S	S	S	S	S	S	S	S	S	S	S	S	S	S	S	S	S	S
Industrial Uses																								
Alcoholic Beverage Production	Sec. 25.6.6.1													C	P							C	C	
Artisanal Craft Production	Sec. 25.6.6.2													P	P	P	P	P	P	P	P	P	P	
Data Center or Data/Cryptocurrency Mining	Sec. 25.6.6.3																							
General Warehousing	Sec. 25.6.6.4													P	P									
Industrial, Heavy	Sec. 25.6.6.5														P									
Industrial, Light	Sec. 25.6.6.6													C	P							C	C	
Research and Development	Sec. 25.6.6.7													P		P	P	P				P	P	
Self-Storage Facility	Sec. 25.6.6.8													P	P							C	P	
Automotive Uses																								
Automobile Rental Establishment	Sec. 25.6.7.1															C	P	P	P			P	P	
Automobile and Recreational Vehicle Sales Establishment	Sec. 25.6.7.2													P		C	C	C		C				

Use P = Permitted C = Conditional S = Special Exception Blank = Prohibited	Use Definition and Standards	R-400	R-200	R-150	R-90	R-75	R-60	R-40	RMD-Infill	RMD-10	RMD-15	RMD-25	RHD	I-L	I-H	All MXTD Zones	MXCD	MXCT	MXNC	MXC	MXT	MXE	MXB	PARK
Automobile Repair Establishment	Sec. 25.6.7.3													P	P								P	
Automobile Service Establishment	Sec. 25.6.7.4													P			P					P	P	
Automobile Towing Establishment	Sec. 25.6.7.5													P	P								C	
Car Wash	Sec. 25.6.7.6													P			P							
Drive-Through Window	Sec. 25.6.7.7															C	P	P	C	P		C	P	
Electric Vehicle Charging	Sec. 25.6.7.8	C	C	C	C	C	C	C	C	C	C	C	C	P	P	C	P	P	C	C	C	C	P	C
Gas Station	Sec. 25.6.7.9													S	S		S	S	S	S		S		
Parking Structure, Commercial	Sec. 25.6.7.10															P	P	P				P	P	
Miscellaneous Uses																								
Backyard Chicken Coop	Sec. 25.6.8.1	P	P	P	P	P	P	P	P	P	P	P	P			C	P	P	P	P	P	P	P	
Home-Based Business (Little to No Impact)	Sec. 25.6.8.2	P	P	P	P	P	P	P	P	P	P	P	P			P	P	P	P	P	P	P	P	
Home-Based Business (Material Impact)	Sec. 25.6.8.2	S	S	S	S	S	S	S	S	S	S	S	S			S	S	S	S	S	S	S	S	
Renewable Energy System	Sec. 25.6.8.3										C	C	C	C/S	C/S	C	C	C	C	C		C	C	C
Temporary Uses	Sec. 25.6.8.4	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	

Division 6.3. Residential Uses

Sec. 25.6.3.1. Generally.

(a) In the R-400, R-200, R-150, R-90, R-75, R-60, and R-40, Apartments, Multiplexes, Townhouses, and Cottage Courts; and Apartments and fourplexes in the RMD-Infill; are permitted conditionally, when the use is:

(1) Part of a qualified project as defined in Subtitle 5, Title 7, Division I of the Land Use Article; or

(2) Located on land, including land that is subject to a ground lease, that is either:

A. Wholly owned by a nonprofit organization as defined in Sec. 7-504 of the Land Use Article;

B. Includes improvements owned by an entity that is controlled by a nonprofit organization as defined in Sec. 7-504 of the Land Use Article;

C. A Place of Worship or Religious Assembly; or

D. A Publicly-Owned or -Operated Facility.

(b) Where a use is permitted under Sec. 25.6.3.1(a), at least 25 percent MPDUs are required.

(c) Development standards are those required for the zone, except as follows:

(1) *Minimum street frontage.* Where a use is permitted under Sec. 25.6.3.1(a)(2), the site must have at least 60 feet of frontage on a public street.

(2) *Building height*.

A. In the R-400, R-200, and R-150, the maximum height is 50 feet.

B. In the R-90, R-75, R-60, R-40, and RMD-Infill, the height may be increased to 50 feet if:

1. A step back of 10 feet on the side and rear facades are provided for any height above the height permitted in the zone; and

2. Side and rear setbacks double that required in the zone are provided.

Sec. 25.6.3.2. Apartment.

(a) *Definition*.

(1) Apartment means one of a group of five or more dwelling units contained within a single building where each unit is separated from the other units. This term includes dwellings located within apartment buildings, condominiums, and cooperatives. It does not include Townhouses. Stacked Townhouses are Apartments when arranged in groups of five units or more.

(b) *Use standards*. In all zones, the following standards apply:

(1) Apartments are prohibited in buildings in which the principal use is industrial.

(c) *Conditional use standards*.

(1) In the R-400, R-200, R-150, R-90, R-75, R-60, R-40, and RMD-Infill zones, Apartments are subject to the requirements of Sec. 25.6.3.1.

(2) In the RHD zone, Apartment developments must comply with the mixed-use building location and design standards of Sec. 25.7.3.6, Sec. 25.7.3.7, and Sec. 25.7.3.8.

(3) In the MXE zones, the following standards apply:

A. The use must be in areas recommended for residential use in the Plan;

B. Where the Approving Authority determines the use is compatible with adjoining and confronting uses by means of landscaping, screening, or other measures; or

C. *In buildings in which the principal use is an Office*. In Office buildings in the MXE, Apartments may occupy no more than 20 percent of the building's gross floor area.

(4) In the MXC zone, Apartments are prohibited at the ground floor level.

Sec. 25.6.3.3. Child Care Home.

(a) *Definition*.

(1) Child Care Home means a residence in which child care services are provided for up to eight children for compensation at any one time in compliance with all applicable State and County laws and regulations.

Sec. 25.6.3.4. Cottage Court.

(a) *Definition*.

(1) Cottage Court means two or more dwelling units arranged around a shared courtyard on a single lot.

(b) *Use standards.* In all zones, the following standards apply.

(1) Up to 12 units may be located on a single lot and the units may be duplexes.

(2) There must be at least six feet between detached units.

(3) Accessory Dwelling Units are prohibited on lots where Cottage Courts are located.

(4) *Development standards*.

A. The maximum height is 30 feet.

B. The maximum unit width is 24 feet.

C. The maximum unit size is 1,200 square feet.

(5) *Design standards*. Cottage Courts must conform to the following design standards:

A. Each dwelling unit must front on a shared courtyard which is at least partially open to the street. All units must have access to common areas and public sidewalks by walkways.

B. Facades along street frontages other than alleys must include elements that provide interaction with the street such as stoops, porches, terraces, balconies, and bay windows.

C. Attached garages or carports are prohibited.

(c) *Conditional use standards*.

(1) In the R-400, R-200, R-150, R-90, R-75, R-60, and R-40 zones, Cottage Courts are subject to the requirements of Sec. 25.6.3.1.

Sec. 25.6.3.5. Dwelling, Single-Unit Detached.

(a) *Definition*.

(1) Single-Unit Detached Dwelling means a dwelling unit that is entirely separated from any other building or structure on all sides, except for an attached accessory dwelling unit.

(b) *Use standards*. In all zones, the following standards apply:

(1) Except as otherwise provided, no more than one Single-Unit Detached Dwelling may be built on a lot.

(c) *Conditional use standards.*

(1) In the R-75 and R-60 zones, Single-Unit Detached Dwellings and their Attached Accessory Dwelling Units must conform to the design standards of the East Rockville Design Guidelines, adopted February 1, 2021, where applicable.

(2) The R-40 and RMD-Infill, RMD-10, MXT, and MXC zones, Single-Unit Detached Dwellings must comply with the following:

A. The development standards of the R-60 zone; and

B. The design standards of the East Rockville Design Guidelines, adopted February 1, 2021, where applicable.

(3) In the RMD-15 and RMD-25 zones, Single-Unit Detached Dwellings must comply with the development standards of the R-60 zone.

(4) In all MXTD zones, Single-Unit Detached Dwellings are permitted only when they were lawfully in existence on [effective date of this Chapter] and must comply with the development standards of the R-60 zone.

(5) In the MXCD, MXCT, MXNC, MXE, and MXB zones, Single-Unit Detached Dwellings must comply with the development standards of the R-60 zone and are permitted as follows:

A. In areas recommended for residential use in the Plan; or

B. Where the Approving Authority determines the use is compatible with adjoining and confronting uses by means of landscaping, screening, or other measures.

Sec. 25.6.3.6. Dwelling Unit, Accessory.

(a) *Definition*.

(1) Accessory Dwelling Unit means a dwelling unit that is subordinate to a Single-Unit Detached Dwelling on the same lot.

A. Attached Accessory Dwelling Unit means an Accessory Dwelling Unit that shares a common wall with the principal dwelling unit on the lot. Attached Accessory Dwelling Units may have a gross floor area:

1. Equal to or less than 75 percent of the total floor area of the principal dwelling unit; or

2. If the Attached Accessory Dwelling unit is located in a basement, equal to or less than the square footage of the basement.

B. Detached Accessory Dwelling Unit means an Accessory Dwelling Unit within a detached accessory building.

(b) *Use standards*. In all zones, the following standards apply:

(1) All Accessory Dwelling Units, whether attached or detached, must comply with the following standards:

A. Accessory Dwelling Units must be accessory to a Single-Unit Detached Dwelling located on the same lot.

B. Only one Accessory Dwelling Unit is permitted on a lot.

C. Both the Accessory Dwelling Unit and the principal dwelling unit on a lot must remain under common ownership. In accordance with Chapter 18, only one rental license is permitted on a property.

(2) *Attached Accessory Dwelling Units.* Attached Accessory Dwelling Units, except for Accessory Apartments constructed before October 9, 2023, under a valid Special Exception approval, must comply with the following standards:

A. If a separate entrance to the Attached Accessory Dwelling Unit is provided, it must be located on the side or rear of the principal dwelling unit.

B. Attached Accessory Dwelling Units are subject to all design guidelines applicable to their principal Single-Unit Detached Dwellings.

(3) *Detached Accessory Dwelling Units.* Detached Accessory Dwelling Units must comply with the following standards:

A. Detached Accessory Dwelling Units are subject to the development standards in Sec. 25.8.1.3.

B. Detached Accessory Dwelling Units must be permanently attached to the ground by a foundation.

C. *Size limitation*. Detached Accessory Dwelling Units may have a gross floor area:

1. If the principal dwelling unit has a gross floor area of 800 square feet or more, equal to or less than 75 percent of the total floor area of the principal dwelling unit; or

2. If the principal dwelling unit has a gross floor area of less than 800 square feet, the Detached Accessory Dwelling Unit may be up to 600 square feet.

(c) *Conditional use standards.*

(1) In all MXTD zones, Accessory Dwelling Units are permitted only when located on the same lot as a Single-Unit Detached Dwelling that was in existence on [effective date of this Chapter].

Sec. 25.6.3.7. Group Home, Large.

(a) *Definition*.

(1) Large Group Home means a facility that is licensed or certified by, or partnering with, the State or County and operating as a group homeoffering residential accommodations, supervision, or assisted community living for nine to 16 residents, or the limit set by State or County law, whichever is less.

A. The number of residents living in a Group Home is calculated by adding the number of individuals receiving services and the number of staff members residing in the Group Home. Dependent children of individuals receiving services may also live in the Group Home and are not included in this calculation.

(b) *Use standards*. In all zones, the following standards apply:

(1) Large Group Homes are prohibited in Apartments, Cottage Courts, Multiplexes, or Townhouses.

(c) *Conditional use standards*.

(1) In the R-400, R-200, R-150, R-90, R-75, R-60, R-40, and RMD-Infill, Large Group Homes must be separated from existing Large Group Homes by at least ¼ mile (1320 feet) along the shortest line connecting the uses.

A. This standard does not apply where the Large Group Homes are separated by a principal arterial street, interstate highway, rail line, major topographical feature such as a major stream floodway, or major non-residential uses such as a Shopping Center or Office.

(2) Parking facilities for Large Group Homes must be located to the side or the rear of the principal structure on the lot.

Sec. 25.6.3.8. Group Home, Small.

(a) *Definition*.

(1) Small Group Home means a facility that is licensed or certified by, or partnering with, the State or County and operating as a group home offering residential accommodations, supervision, or assisted community living for three to eight residents, or the limit set by State or County law, whichever is less.

A. The number of residents living in a Group Home is calculated by adding the number of individuals receiving services and the number of staff members residing in the Group Home. Dependent children of individuals receiving services may also live in the Group Home and are not included in this calculation.

Sec. 25.6.3.9. Housing for Senior Adults and Persons with Disabilities.

(a) *Definition*.

(1) Housing for Senior Adults and Persons with Disabilities means a building or buildings containing dwelling units for independent or assisted living and related services or facilities for senior adults or persons with disabilities. The use may also include facilities for such services to residents as meal preparation and service, day care, personal care, nursing, or therapy, or any service to the senior adult or disabled population of the community that is an ancillary part of any of the above operations.

(b) *Use standards.* In all zones, the following standards apply:

(1) Occupancy is restricted to the following:

A. A senior adult or a person with a disability, as defined in Sec. 25.2.2.16(n);

B. The spouse of a resident, regardless of age or disability;

C. The resident's relative or caregiver, if needed to assist a resident senior or person with a disability;

D. The resident's dependent child; and

E. Resident staff necessary for operation of the facility.

(2) Age restrictions must comply with at least one type of exemption for housing for older persons from the familial status requirements of the federal Fair Housing Act.

(3) For developments with a common main/front entrance, a designated pick-up and drop-off zone must be provided adjacent to the main/front entrance. The area must:

A. Allow safe, unobstructed vehicle access for passenger loading and unloading;

B. Be ADA-compliant in location and design to accommodate accessible vehicles, including vans with wheelchair lifts;

C. Have sufficient space for at least one vehicle to pull off the main driveway or street without blocking through traffic; and

D. Include curb cuts and clear signage directing visitors and service providers to the zone.

(4) Usable outdoor recreational space must be provided. This outdoor space must be designed and maintained to accommodate active and passive recreation, including elements such as seating areas, gardens, or patios. Usable outdoor recreation areas must:

A. Be located on the ground, terraces, rooftops, or courtyards;

B. Be accessible to all residents, including those with mobility aids;

C. Not include driveways, parking areas, loading/unloading zones, or required yard setbacks; and

D. Be landscaped or developed to promote social interaction, physical activity, and relaxation.

(c) *Conditional use standards*. In the R-400, R-200, R-150, R-90, R-75, R-60, R-40, RMD-Infill, RMD-10, MXT, MXC, and MXB zones, the following additional standards apply:

(1) The site must have adequate accessibility to, or provide on-site, public transportation, medical services, shopping areas, and other community services frequently used by residents of such use.

(2) *Dimensional and development standards.*

A. Development standards are those required for the zone, except as follows:

1. *Minimum street frontage.* The lot must have at least 60 feet of frontage on a public street.

2. *Building height*.

i. In the R-400, R-200, R-150, RMD-10, RMD-15, MXC and MXT, the maximum height is 50 feet.

ii. In the R-90, R-75, R-60, R-40, and RMD-Infill the height may be increased to 50 feet if:

a. A step back of 10 feet on the side and rear facades are provided for any height above the height permitted in the zone; and

b. Side and rear setbacks double that required in the zone are provided.

3. *Lot coverage*. In the R-400 and R-200 zones, the maximum lot coverage is limited to 30 percent.

Sec. 25.6.3.10. Life Care Facility.

(a) *Definition*.

(1) Life Care Facility means a facility housed in a single building or group of buildings that provides continuing progressive care for residents, composed of a nursing home and

any associated dwelling units for independent or assisted living. It may also include accessory facilities for the enjoyment, service, or care of the residents.

(b) *Use standards*. In all zones, the following standards apply:

(1) Occupancy is restricted in accordance with applicable State and County regulation, and the following:

A. A senior adult or a person with a disability, as defined in Sec. 25.2.2.16(n);

B. The spouse of a resident, regardless of age or disability;

C. The resident's relative or caregiver, if needed to assist a resident senior or person with a disability;

D. The resident's dependent child; and

E. Resident staff necessary for operation of the facility.

(2) Age restrictions must comply with at least one type of exemption for housing for older persons from the familial status requirements of the federal Fair Housing Act.

(3) A dedicated pick-up and drop-off zone must be provided adjacent to the main entrance of the life care facility. The area must:

A. Allow safe, unobstructed vehicle access for passenger loading and unloading;

B. Be ADA-compliant in location and design to accommodate accessible vehicles, including vans with wheelchair lifts;

C. Have sufficient space for at least one vehicle to pull off the main driveway or street without blocking through traffic; and

D. Include curb cuts and clear signage directing visitors and service providers to the zone.

(4) Usable outdoor recreational space must be provided. This outdoor space must be designed and maintained to accommodate active and passive recreation, including seating areas, gardens, and patios. Usable outdoor recreation areas must:

A. Be located on the ground, terraces, rooftops, or courtyards;

B. Be accessible to all residents, including those with mobility aids;

C. Not include driveways, parking areas, loading/unloading zones, or required yard setbacks; and

D. Be landscaped or developed to promote social interaction, physical activity, and relaxation.

(c) *Conditional use standards.*

(1) In the R-400, R-200, R-150, R-90, R-75, R-60, R-40, RMD-Infill, RMD-10, RMD-15, RMD-25, RHD, MXNC, MXT and MXB zones, the following additional standards apply:

A. The site must have adequate accessibility to, or provide on-site, public transportation, medical services, shopping areas, and other community services frequently used by residents of such use.

B. *Dimensional and development standards*. Development standards are those required for the zone, except as follows:

1. *Minimum lot area*. The use must be on a lot of at least two acres.

2. *Minimum street frontage*. The lot must have at least 60 feet of frontage on a public street.

3. *Setbacks*. All structures on the site must be set back at least as follows:

i. *Front yard*. 50 feet.

4. *Building height.*

i. In the R-400, R-200, R-150, RMD-10, RMD-15, and MXT, the maximum height is 50 feet.

ii. In the R-90, R-75, R-60, R-40, and RMD-Infill the height may be increased to 50 feet if:

a. A step back of 10 feet on the side and rear facades are provided for any height above the height permitted in the zone; and

b. Side and rear setbacks double that required in the zone are provided.

5. *Lot coverage.* In the R-400 and R-200 zones, the maximum lot coverage is limited to 30 percent.

Sec. 25.6.3.11. Live/Work Unit.

(a) *Definition*.

(1) Live/Work Unit means a building or spaces within a building used jointly for commercial or light industrial and residential purposes where the residential use of the space is secondary or accessory to the principal use as a place of work. This use includes a dwelling unit for a caretaker in connection with a Self-Storage Facility or a Funeral Home.

(b) *Use standards*. In all zones, the following standards apply:

(1) *Occupancy*.

A. At least one full-time employee of the business must reside in the residential portion of the Live/Work Unit.

Sec. 25.6.3.12. Multiplex.

(a) *Definition.*

(1) Multiplex means a building containing a group of two to four attached principal dwelling units. Multiplex units may be arranged vertically, horizontally, or a

combination of the two. A two-unit Multiplex is also known as a "duplex"; a three-unit Multiplex, a "triplex"; and a four-unit Multiplex, a "fourplex." A Single-Unit Detached Dwelling with an attached Accessory Dwelling Unit is not a Multiplex. Stacked townhouses are Multiplexes when arranged in groups of four units or fewer.

(b) *Use standards*. In all zones, the following standards apply:

(1) *Front-loaded Multiplexes*. Where a Multiplex consists of more than one unit with garage(s) that face a street other than an alley (i.e., front-loaded), the Multiplex must be designed in a manner to accommodate all required site elements, including but not limited to wet and dry utilities, streetlights, street trees, traffic signage, storm drain inlets and structures, and stormwater management facilities.

(c) *Conditional use standards.*

(1) In the R-400, R-200, R-150, R-90, R-75, and R-60 zones, Multiplexes are permitted as follows:

A. Within the Historic District Overlay zone, when the Multiplex is a conversion from a single-unit detached dwelling; and

B. Where permitted by Sec. 25.6.3.1.

(2) In the R-40 zone, Duplexes are permitted. Triplexes and fourplexes are permitted as follows:

A. Within the Historic District Overlay zone, when the Multiplex is a conversion from a single-unit detached dwelling; and

B. Where permitted by Sec. 25.6.3.1.

(3) In the RMD-Infill zone, duplexes and triplexes are permitted. Fourplexes are permitted as follows:

A. Within the Historic District Overlay zone, when the Multiplex is a conversion from a single-unit detached dwelling;

B. Where permitted by Sec. 25.6.3.1; and

C. On a corner lot only where recommended by the Plan,.

(4) In the MXE zone, Multiplexes are permitted as follows:

A. In areas recommended for residential use in the Plan; or

B. Where the Approving Authority determines the use is compatible with adjoining and confronting uses by means of landscaping, screening, or other measures.

(5) In the MXC zone, dwelling units on the ground floor are prohibited.

Sec. 25.6.3.13. Personal Living Quarters.

(a) *Definition*.

(1) Personal Living Quarters means a permanent residential unit within a larger structure that houses at least five such units, plus a residential unit for an on-site manager. Personal Living Quarters have incomplete kitchen or bathroom facilities and are occupied by no more than two persons per unit.

Sec. 25.6.3.14. Townhouse.

(a) *Definition*.

(1) Townhouse means one of a group of five or more attached dwelling units where each dwelling unit is separated by a vertical party wall.

(b) *Use standards*. In all zones, the following standards apply:

(1) *Front-loaded Townhouses*. Where a Townhouse has a garage that faces a street other than an alley (i.e., front-loaded), the Townhouse must be designed in a manner to accommodate all required site elements, including wet and dry utilities, streetlights, street trees, traffic signage, storm drain inlets and structures, and stormwater management facilities.

(c) *Conditional use standards*.

(1) In the R-400, R-200, R-150, R-90, R-75, R-60, and R-40 zones, Townhouses subject to the requirements of Sec. 25.6.3.1.

(2) In the RMD-Infill, no more than six Townhouses may be in any one attached row.

(3) In the MXE zones, Townhouses are permitted as follows:

A. In areas recommended for residential use in the Plan; or

B. Where the Approving Authority determines the use is compatible with adjoining and confronting uses by means of landscaping, screening, or other measures.

Division 6.4. Retail, Office, and Service Uses

Sec. 25.6.4.1. Adult-Oriented Establishment.

(a) *Definition*.

(1) Adult-Oriented Establishment means any commercial establishment which devotes 250 or more square feet or five percent of its gross floor area, whichever is smaller, to the retailing, distributing, exhibiting, or storing of sexually-oriented materials, or to affording customers the opportunity to engage in sexually-oriented activities. The term includes the following establishments which meet the criteria of this definition: bookstores, theaters or arcades, massage parlors, model studios, and nightclubs. It does not include Hotels. Theaters do not meet this definition unless a predominance of the pictures or performances exhibited constitute sexually-oriented materials.

(b) *Special Exception use standards*. In the I-L zone, Adult-Oriented Establishments may be permitted by the Board of Appeals under Article 4, Division 4.3, subject to the following requirements:

(1) *Location*. No Adult-Oriented Establishment is allowed within a structure that is located within 1,000 feet of the nearest property line of any residence, school, church, library, public facility, or public building.

(2) *Lighting and visibility*.

A. Lighting must provide visibility to all portions of the parking lot at all times.

B. Sexually-oriented material or sexually-oriented activities must not be visible or audible from outside the establishment.

(3) *Operations*.

A. Any employee of an Adult-Oriented Establishment must be at least 18 years old and must never have been convicted of violating any law, ordinance, or regulation concerning obscenity or restricting the access of minors to material, activities, or establishments; and

B. No person under 18 years of age is permitted access to any Adult-Oriented Establishment.

(4) *Special Exception findings*. The Board of Appeals must make the following additional findings:

A. That the owners and operators of any Adult-Oriented Establishment have devised and will implement a procedure sufficient to ensure that no person under 18 years of age will be allowed access to the establishment; and

B. That neither the owner nor the operator of such a use has ever been convicted of violating any law, ordinance, or regulation dealing with obscenity or restricting the access of minors to such material, activities, or establishments.

Sec. 25.6.4.2. Alcoholic Beverage Production, Limited.

(a) *Definition.*

(1) Limited Alcoholic Beverage Production means the production of any alcoholic beverage or neutral spirits by distilling, fermenting, brewing, or rectifying under the following Maryland State manufacturer's license classifications: Classes 4, 6, 7, and 9.

(b) *Use standards.*

(1) In all zones, areas for the tastings or sampling of products are permitted in accordance with State law.

(c) *Conditional use standards*.

(1) In the I-L zone, Limited Alcoholic Beverage Production facilities must not abut or confront a residential use in a residential zone.

(2) In all MXTD zones, as well as the MXCD, MXCT, MXNC, MXE, and MXB zones, the following standards apply:

A. The use must be at least 250 feet from a lot with a public or private school providing pre-school or K-12 education.

B. The use must not abut or confront Single Unit Detached Dwellings.

Sec. 25.6.4.3. Alcoholic Beverage Retail Establishment.

(a) *Definition*.

(1) Alcoholic Beverage Retail Establishment means an establishment serving as a point of sale of beer, wine, or liquor in sealed packages or containers that may not be opened or consumed on the premises where sold.

(b) *Conditional use standards*.

(1) In the MXC zone, Alcoholic Beverage Retail Establishments are prohibited on sites that abut property within a residential zone.

Sec. 25.6.4.4. Ambulance Service.

(a) *Definition*.

(1) Ambulance Service means a private facility providing medical transport or ambulance services.

(b) *Conditional use standards*.

(1) In the I-L, MXCT, MXNC, MXC, and MXB zones, Ambulance Services must not abut or confront residential uses.

Sec. 25.6.4.5. Animal Boarding Establishment.

(a) *Definition*.

(1) Animal Boarding Establishment means the provision of housing and care of an animal or animals in the absence of the owner, except for Veterinary Services. Accessory services related to grooming of animals for which a fee is charged are included in this definition.

(b) *Use standards*. The following standards apply in all zones:

(1) The facility must operate entirely indoors, except for outdoor runs; and

(2) Outdoor runs must be entirely enclosed by a fence at least six feet in height.

(c) *Conditional use standards*. In all MXTD zones, as well as the MXCD, MXCT, MXNC, MXT, MXC, MXE, and MXB zones:

(1) The use must not include the overnight housing of animals, except in the MXE and MXB zones;

(2) Outdoor runs must be located at least 100 feet from any lot line; and

(3) The parts of the building where animals are boarded must be fully enclosed, with solid core doors and no operable windows, and must be sufficiently insulated or

soundproofed so that no unreasonable noise or odor can be detected off premises or through shared tenant party walls and ceilings.

Sec. 25.6.4.6. Animal Grooming Establishment.

(a) *Definition*.

(1) Animal Grooming Establishment means the provision of grooming and care of an animal or animals for which a fee is charged. This use does not include Animal Boarding Establishments or Veterinary Services.

(b) *Use standard*. The following standard applies in all zones:

(1) The facility must operate entirely indoors.

Sec. 25.6.4.7. Auctioneer or Commercial Gallery.

(a) *Definition*.

(1) Auctioneer or Commercial Gallery means a building, area, or areas within a building used for the public sale of goods, wares, merchandise, or equipment to the highest bidder; or where works of art are kept, displayed, and offered for sale as the principal use. Auctioneer or Commercial Gallery does not include auctions for which the principal purpose is the sale of livestock or motor vehicles.

Sec. 25.6.4.8. Bank or Financial Institution.

(a) *Definition*.

(1) Bank or Financial Institution means an establishment that provides retail banking services, mortgage lending, or similar financial services, such as credit unions and savings and loans, to individuals and businesses. This use does not include check cashing services, bail bond brokers, investment or brokerage firms, or insurance services.

Sec. 25.6.4.9. Bed and Breakfast.

(a) *Definition*.

(1) Bed and Breakfast means a Single-Unit Detached Dwelling in which a room or rooms are provided as overnight accommodations for a fee, and in which breakfast is served. This use does not include Hotels and is not a Home-Based Business.

(b) *Use standards*. The following standards apply in all zones.

(1) Bed and Breakfasts must be located within a Single-Unit Detached Dwelling.

(2) The Bed and Breakfast operator, who may be the owner or an on-site manager, must reside on the premises as their principal place of residence during any period of guest occupancy.

(3) Breakfast must be served to guests daily.

(4) *Minimum lot area*. At least 9,000 square feet, but no smaller than the minimum lot area required in the zone.

(5) No more than six guest rooms are allowed on a lot or parcel of less than two acres.

(6) *Guest rooms*. Guest rooms:

A. Are prohibited from having separate utilities or provisions for cooking; and

B. Must be located within the principal dwelling.

(7) *Parking*. Parking must be located only in the side or rear yard.

Sec. 25.6.4.10. Cannabis Dispensary.

(a) *Definition*.

(1) Cannabis Dispensary means any retail establishment that is licensed by the State of Maryland to sell cannabis to patients or consumers.

(b) *Use standards*. In all zones, the following standards apply:

(1) Cannabis Dispensaries must meet all applicable requirements of State law and regulations, including any distance requirements of Sec. 36-410 of the Alcoholic Beverages and Cannabis Article.

Sec. 25.6.4.11. Eating and Drinking Establishment.

(a) *Definition*.

(1) Eating and Drinking Establishment means an establishment selling food or drink for consumption, including restaurants, taverns, bars, coffee shops, cafeterias, fast-casual restaurants, fast food, and similar facilities selling prepared foods and drinks for on-site or off-site consumption.

(b) *Conditional use standards*.

(1) I-L zone, the following standards apply:

A. Carry-out is permitted as either a principal or accessory use with no additional use standards.

B. All other Eating and Drinking Establishments in the I-L zone:

1. Must be accessory to a principal use on the same lot; and

2. Must be located within the main building.

(2) In the PD zones, accessory Eating and Drinking Establishments are permitted in an Office, subject to Sec. 25.6.4.22(b)(3).

Sec. 25.6.4.12. Event Space, Club, or Lodge.

(a) *Definition*.

(1) Event Space, Club, or Lodge means an indoor or outdoor gathering space available for rental to host meetings and social occasions or for use by associations for civic, social, cultural, religious, literary, political, recreational, or like activities.

(b) *Special Exception use standards*.

(1) In the R-400, Event Spaces, Clubs, or Lodges may be permitted by the Board of Appeals under Article 4, Division 4.3.

Sec. 25.6.4.13. Food Preparation Establishment.

(a) *Definition*.

(1) Food Preparation Establishment means a licensed kitchen facility where raw or processed food products are used to prepare ready-to-eat foods for sale in wholesale or retail markets or for serving at events. Such uses include low-impact food and beverage manufacturers, commercial kitchens, caterers, kitchen incubators, and ghost kitchens.

Sec. 25.6.4.14. Funeral Home.

(a) *Definition*.

(1) Funeral Home means:

A. An establishment providing any of the following services:

1. Temporary holding and transporting of human remains to and from the premises;

2. Embalming and preparation of remains, including preparation by means of alkaline hydrolysis;

3. Visiting of the premises by family members and the public for the purpose of viewing the remains and conducting funeral and memorial services; and

4. Organizing funeral processions.

(2) A crematorium and natural organic reduction are not included in this definition.

Sec. 25.6.4.15. Health and Fitness Establishment.

(a) *Definition*.

(1) Health and Fitness Establishment means a membership facility providing space and specialized equipment for individual or group exercise.

Sec. 25.6.4.16. Home Maintenance Service.

(a) *Definition*.

(1) Home Maintenance Service means an establishment or business providing for the maintenance, installation, or repair of appliances or constructed elements of a home. This includes plumber, electrician, carpenter, locksmith, appliance repair, upholstering,

studio glass sales and installation, picture framing, and similar services for the upkeep of the home. Items regulated separately in this Chapter are not included in this definition.

Sec. 25.6.4.17. Hospital.

(a) *Definition*.

(1) Hospital means an institution licensed by the State that:

A. Has a group of at least five physicians who are organized as a medical staff for the institution;

B. Maintains facilities to provide, under the supervision of the medical staff, diagnostic and treatment services for two or more unrelated individuals; and

C. Admits or retains the individuals for overnight care.

(b) *Use standards*. In all zones, the following standards apply:

(1) Dimensional and development standards.

A. The site must be at least five acres, except as provided in Sec. 25.6.4.17(c).

B. The lot frontage must be at least 200 feet.

C. The front yard and side yard setbacks must be at least 50 feet.

D. The rear yard setback must be at least 100 feet.

(c) *Conditional use standards*.

(1) In the MXNC, the site must be at least two acres.

Sec. 25.6.4.18. Hotel.

(a) *Definition*.

(1) Hotel means a building other than a Single-Unit Detached Dwelling that provides temporary lodging to the public for compensation, with or without meals. Accessory uses such as meeting rooms, pools, indoor gyms, business centers, and restaurants may be included. This definition includes motels and inns.

Sec. 25.6.4.19. Instructional Facility.

(a) *Definition*.

(1) Instructional Facility means a facility where non-accredited educational services or instruction are provided in individual or group settings, typically on a part-time or sessional basis. Instruction may include activities such as yoga, art, music, tutoring, dance, or similar skill-based learning. This use does not include facilities that offer formal academic curricula or award diplomas or degrees.

Sec. 25.6.4.20. Laboratory, Medical or Dental.

(a) *Definition*.

(1) Medical or Dental Laboratory means a facility for the testing of blood or other clinical specimens or the fabrication of dental and orthodontic prosthetics and appliances.

(b) *Use standards*. In all zones, labs generating medical waste must comply with federal, State, and local disposal regulations.

Sec. 25.6.4.21. Mobile Use.

(a) *Definition*.

(1) Mobile Use means a self-contained mobile unit in which permitted uses are operated, and in which all functional necessities for the operation of the use such as water, sanitary facilities, and power are self-contained.

(b) *Use standards*. In all zones, the following standards apply:

(1) Mobile Uses must not be permanently affixed to a foundation.

(2) Mobile Uses providing goods or services are subject to the Hawkers and Peddlers regulations in Chapter 12.

Sec. 25.6.4.22. Office.

(a) *Definition*.

(1) Office means a room, set of rooms, or a building where administrative, clerical, professional, or managerial work is conducted. Office includes medical and dentist offices but does not include Veterinary Services.

(b) *Conditional use standards*.

(1) In the RMD-15, RMD-25, and RHD zones, the following standards apply.

A. The use may only consist of a medical or dental Office in an apartment building.

B. The exterior of the apartment building must not be altered except for display of a sign.

C. The Office must be located on the ground floor or lower.

(2) In the I-L zone, an Office must be accessory to the principal use.

(3) In the PD zones, so long as a principal Office use is listed for a parcel in the approved Planned Development governing documents, an accessory Eating and Drinking Establishment is permitted, subject to the following standards.

A. Signs will be governed by the Planned Development governing documents, including any comprehensive signage plan.

B. This use must not exceed five percent of the total gross floor area of the building.

C. Drive-through or walk-up service is prohibited.

D. A bar patron area must not exceed 10 percent of the total patron use area.

Sec. 25.6.4.23. Outdoor Sales and Storage.

(a) *Definition*.

(1) Outdoor Sales and Storage means the permanent display, sale, or storage of merchandise or tangible property in a primarily outdoor location or within a storage shed. This use does not include a Junkyard or vehicle salvage yard or the display and storage of vehicles as part of an Automobile and Recreational Vehicle Sales or Rental Establishment.

(b) *Use standards*. In all zones, the following standards apply:

(1) Outdoor Sales and Storage areas are considered as part of the gross floor area of the associated retail use, except where the principal use is an Automobile or Recreational Vehicle Sales Establishment or an Automobile Rental Establishment. Outdoor Sales and Storage areas associated with Automobile or Recreational Vehicle Sales Establishments or Automobile Rental Establishments are not considered part of the gross floor area of the use.

(c) *Conditional use standards*. In all MXTD, MXCD, MXCT, MXNC, MXT, MXC, MXE, and MXB zones, the following standards apply.

(1) Outdoor Sales and Storage must be accessory to the principal use on the site.

(2) Outdoor Sales and Storage must be an extension of the sales floor into which patrons are allowed free access.

(3) Outdoor Sales and Storage must be screened with opaque walls or fences, except when associated with an Automobile or Recreational Vehicle Sales Establishment or an Automobile Rental Establishment.

Sec. 25.6.4.24. Pawnbroker.

(a) *Definition*.

(1) Pawnbroker means lending money against the deposit or pledge of tangible personal property or purchasing tangible personal property with the agreement to resell it to the original seller at a stipulated price, or to resell it to the general public if the seller fails to reclaim the property. Additionally, any person, corporation, or business entity required by the State or County to obtain a pawnbroker or pawn dealer license, or a similar license to operate a pawn shop or engage in pawning operations, is considered a Pawnbroker.

(b) *Use standards*. In the I-L zone, the following standards apply.

(1) Pawnbrokers are prohibited within a structure that is located within 500 feet of the nearest property line of any residentially zoned property.

(2) Pawnbrokers are prohibited within a structure located within 1,500 feet of another structure in which another Pawnbroker is located.

Sec. 25.6.4.25. Personal Care Facility.

(a) *Definition*.

(1) Personal Care Facility means an establishment offering specialized skilled services for individuals' personal improvement or maintenance, including a barber shop, hair stylist, aesthetician, tanning salon, body piercing establishment, tattoo parlor, wearing apparel services, and similar uses. Items separately regulated in this Chapter are not included in this definition. The accessory sale of merchandise is included in this definition.

(b) *Conditional use standards*.

(1) In the RMD-15, RMD-25, and RHD, the use is limited to wearing apparel services, which may be located in an apartment building if the building contains 150 dwelling units or more, the use is located on the ground floor, and no direct entrance to the use from the outside is provided.

Sec. 25.6.4.26. Recreational Facility; Indoor, Commercial.

(a) *Definition*.

(1) Indoor Commercial Recreational Facility means a facility providing indoor recreational activities to the public for a fee as the principal commercial activity, including sports facilities, bowling alleys, laser tag, dance halls, and amusement device arcades. Indoor Shooting Ranges and Health and Fitness Centers are not included.

Sec. 25.6.4.27. Recreational Facility; Outdoor, Commercial.

(a) *Definition*.

(1) Outdoor Commercial Recreational Facility means a facility providing outdoor active and passive recreational activities to the public for a fee as the principal commercial activity, typically in a park-like setting. This may include sports facilities, picnic areas, and nature preserves, but does not include Indoor Shooting Ranges.

(b) *Use standards*. In all zones, the following standards apply.

(1) The use must extinguish all activity area lighting at the close of business or 11:00 p.m., whichever is earlier.

Sec. 25.6.4.28. Retail Establishment.

(a) *Definition*.

(1) Retail Establishment means an establishment serving as a point of sale of merchandise to the general public. Retail Establishment does not include Alcoholic Beverage Retail Establishments, Cannabis Dispensaries, and Tobacco and Vape Shops.

(b) *Conditional use standards*.

(1) In the RMD-15, RMD-25, and RHD zones, the use is permitted only in apartment buildings with at least 150 dwelling units. Uses must be primarily for the residents, and no direct entrance from the outside is permitted.

(2) In the I-L zone, the use must be accessory to a principal use.

Sec. 25.6.4.29. Shooting Range, Indoor.

(a) *Definition*.

(1) Indoor Shooting Range means any establishment which, as part of its activities, provides a location in which firearms are discharged indoors.

(b) *Special Exception use standards*. In the I-L and I-H zones, Indoor Shooting Ranges may be permitted by the Board of Appeals under Article 4, Section 3, subject to the following requirements.

(1) An Indoor Shooting Range must not be located within 200 feet of a residential zone.

(2) The facility's design must comply with occupational safety standards, including air filtration for lead and noise exposure limits (e.g., OSHA 29 CFR 1910.1025 for lead, 29 CFR 1910.95 for noise).

(3) The applicant must supply a security plan which at a minimum contains a continuously operating video surveillance system located on all exterior entrances.

(4) The applicant must provide a plan for the safe removal and disposal of lead and lead dust. Lead and lead dust may not be disposed of in either the storm system or the sanitary sewer system.

(5) A coded keypad lock must be installed at each entrance into the Indoor Shooting Range.

(6) The Indoor Shooting Range must be constructed in such a manner that a bullet of the maximum caliber fired within the range cannot escape from the structure.

(7) The range portion of the Indoor Shooting Range must utilize bullet traps that prevent the bullet from escaping from the structure and, in addition, minimize the escape of lead particles into the air, both inside and outside the structure.

(8) A first-aid kit containing items recommended by a certified expert in emergency medical treatment must be readily available in the range facility for emergency treatment or care for minor injuries.

Sec. 25.6.4.30. Studio.

(a) *Definition*.

(1) Studio means a building or room used for the creation or practice of various forms of art, including painting, sculpture, photography, music, and dance. This definition includes instruction that is accessory to the principal use.

Sec. 25.6.4.31. Swimming Pool.

(a) *Definition*.

(1) Swimming Pool means a structure, whether above or below grade level, designed to hold water more than 30 inches deep to be used for recreational purposes. This use does not include swimming pools that are accessory to a single-unit residential use.

(b) *Conditional use standards*.

(1) In the R-400, R-200, R-150, R-90, R-75, and R-60 zones Swimming Pools are permitted subject to the following standards:

A. *Legal capacity*. The number of persons allowed on the lot on which the Swimming Pool is located must not exceed the sum of the following:

1. One person for each 10 square feet of water surface where the water depth is less than five feet; and

2. One person for each 24 square feet of water surface where the water depth is five feet or greater, excluding 300 square feet of such water surface which is required for each diving board or diving platform.

B. The following dimensional and development standards apply:

1. *Setbacks*. A Swimming Pool must meet the following setbacks:

i. Abutting railroad rights-of-way, publicly owned land except street rights-of-way or land in a nonresidential zone: 25 feet.
ii. Abutting all other land, including street rights-of-way: 75 feet.

2. *Minimum lot area*. The minimum lot size of any Swimming Pool must be in accordance with Table 6.4.31-1 and the legal capacity of the Swimming Pool under Sec. 25.6.4.31(b)(1)A:

Table 6.4.31-1: Minimum Swimming Pool Lot Area

Legal Capacity of Swimming Pool (Persons)	Minimum Lot Area (Acres)
0 to 350	3
351 to 438	3.5
439 to 525	4
526 to 613	4.5
614 to 700	5

3. *Minimum deck size*. A Swimming Pool must have a pool apron, deck, or other structure surrounding the pool proper of at least 20 square feet multiplied by the legal capacity of the Swimming Pool under Sec. 25.6.4.31(b)(1)A.

(2) In the Park zone, Swimming Pools must be City-owned or -operated.

Sec. 25.6.4.32. Theater.

(a) *Definition*.

(1) Theater means a facility for audio and visual productions and performing arts, excluding adult motion picture theaters and adult entertainment businesses.

Sec. 25.6.4.33. Tobacco and Vape Shop.

(a) *Definition*.

(1) Tobacco and Vape Shop means any retail establishment that devotes at least 10 percent of its floor area to the sale or display of tobacco products or electronic smoking devices or allows customers to vape or smoke (each as defined in City Code Sec. 13-21(a)) indoors on-site.

(b) *Use standards*. In all zones, the following standards apply:

(1) A Tobacco and Vape Shop must not be located on a parcel that is within 1,000 feet of a parcel on which one or more of the following uses are located:

A. Destination park, citywide park, or neighborhood park as classified by the City of Rockville Recreation and Parks Strategic Plan, as adopted December 7, 2020;

B. Public or private elementary school;

C. Public or private middle school; or

D. Public or private high school.

(2) A Tobacco and Vape Shop is a nonconforming use subject to the requirements of Sec. 25.9.1 if a use listed in Sec. 25.6.4.33(b)(1) is established on a parcel within 1,000 feet of the parcel on which the Tobacco and Vape Shop is located after the Tobacco and Vape Shop began lawfully operating.

Sec. 25.6.4.34. Veterinary Service.

(a) *Definition*.

(1) Veterinary Service means a facility staffed by at least one veterinarian licensed by the State, dedicated to the medical treatment and care of animals. This includes facilities that provide care on both an outpatient basis and facilities that keep animals overnight exclusively for medical purposes.

(b) *Use standards*. In all zones, the following standards apply:

(1) The facility must operate entirely indoors, except for outdoor runs.

(2) Outdoor runs must be entirely enclosed by a fence at least six feet in height, and, except in the I-L zone, must be located at least 100 feet from any lot line.

(c) *Conditional use standards*.

(1) In the R-400 and R-200 zones, the following additional standards apply:

A. *Minimum lot area*. The use must be located on a lot of at least one acre.

B. Structures for the overnight keeping of animals must be located 50 feet of any off-site residential use.

Sec. 25.6.4.35. Wholesale Establishment.

(a) *Definition*.

(1) Wholesale Establishment means an establishment that primarily sells goods to other businesses, retailers, or resellers, rather than directly to consumers.

Division 6.5. Institutional and Public Uses

Sec. 25.6.5.1. Adult Day Care.

(a) *Definition*.

(1) Adult Day Care means a licensed facility in which day care services are provided to four or more persons over the age of 16, for any part of a 24-hour period in accordance with all applicable State and County laws and regulations.

(b) *Use standards*.

(1) For facilities serving nine or more individuals, a dedicated pick-up and drop-off zone must be provided adjacent to the main entrance of the Adult Day Care. The area must:

A. Allow safe, unobstructed vehicle access for passenger loading and unloading;

B. Be ADA-compliant in location and design to accommodate accessible vehicles, including vans with wheelchair lifts;

C. Have sufficient space for at least one vehicle to pull off the main driveway or street without blocking through traffic; and

D. Include curb cuts and clear signage directing visitors and service providers to the zone.

(2) If outdoor activity areas are provided, these areas must be enclosed by a fence or barrier at least four feet in height designed to ensure resident safety and prevent unauthorized entry and exit.

(c) *Conditional use standards*.

(1) In the R-400, R-200, R-150, R-90, R-75, R-60, R-40, and RMD-Infill zones, the following standards apply.

A. Adult Day Cares must meet the following lot size standards, based on the maximum number of individuals receiving services at any one time.

Table 6.5.1-1: Minimum Adult Day Care Lot Area

Number of Individuals Receiving Services	Minimum Lot Area (sq. ft.)
9 to 12	7,000
13 to 25	10,000
26 to 40	20,000
More than 40	30,000 plus 500 sq. ft. for each individual over 40 persons.

Sec. 25.6.5.2. Charitable or Philanthropic Institution.

(a) *Definition*.

(1) Charitable or Philanthropic Institution means a private, non-profit, and tax-exempt organization that is not organized or operated for commercial purposes.

(2) Charitable or Philanthropic Institution includes offices to support the use.

(b) *Conditional use standards*.

(1) In the R-400, R-200, R-150, R-90, R-75, R-60, R-40, RMD-Infill, RMD-10, RMD-15, RMD-25, and RHD zones, the following standards apply.

A. The use may only consist of offices. Services, educational activities, or similar are prohibited in these zones.

B. *Minimum lot area*: 25,000 square feet.

C. *Minimum lot frontage*: 150 feet.

D. *Setbacks*:

1. *Front yard*: 35 feet.

2. *Side yard*: A distance equal to at least twice the height of the tallest building on the lot containing the use.

3. *Rear yard*: 40 feet.

Sec. 25.6.5.3. Child Care Center.

(a) *Definition*.

(1) Child Care Center means a facility in which child day care services are provided to children in accordance with all applicable State and County laws and regulations. This use does not include Child Care Homes.

(b) *Use standards*. In all zones, the following standards apply:

(1) The use must satisfy all applicable State and County requirements.

(2) Outdoor activity areas must be enclosed by a fence or barrier at least four feet in height designed to ensure occupant safety and prevent unauthorized entry and exit.

(3) Any outdoor play or activity area must be safely accessible without crossing any hazardous area, such as a street or driveway.

(c) *Conditional use standards*.

(1) In the R-400, R-200, R-150, R-90, R-75, R-60, R-40, and RMD-Infill zones, the following standards apply:

A. Child Care Centers must meet the following lot size standards, based on the maximum number of children being cared for at any one time.

Table 6.5.3-1: Minimum Child Care Lot Area

Number of Children in Care	Minimum Lot Area (sq. ft.)
9 to 12	7,000
13 to 25	10,000
26 to 40	20,000
More than 40	30,000 plus 500 sq. ft. for each child in care over 40 children.

Sec. 25.6.5.4. Crematorium.

(a) *Definition*.

(1) Crematorium means an establishment or portion of an establishment used for the cremation of the remains of deceased persons or animals by means of incineration.

Sec. 25.6.5.5. Cultural Institution.

(a) *Definition*.

(1) Cultural Institution means a facility providing for display, performance, or enjoyment of heritage, history, or the arts; such as a museum, cultural or art exhibit, performing arts venue, cultural center, interpretive site, and library.

(b) *Use standards*. In all zones, the following standard applies:

(1) Cultural Institutions may include accessory Retail Establishments such as gift shops, provided that the accessory Retail Establishment comprises no more than 20 percent of the Cultural Institution's gross floor area.

(c) *Conditional use standards*.

(1) In the I-L zone, Cultural Institutions must be accessory to a principal use.

Sec. 25.6.5.6. Educational Institution, Private.

(a) *Definition*.

(1) Private Educational Institution means a privately operated school that provides structured academic or vocational instruction and that is staffed by regularly employed instructors and administrators. This use includes preschools, primary and secondary schools, post-secondary institutions, and trade or technical schools that offer certifications, diplomas, or degrees. This use does not include private educational institutions that are accessory to a Place of Worship or Religious Assembly.

(b) *Conditional use standards*.

(1) In the R-400, R-200, R-150, R-90, R-75, R-60, R-40, RMD-Infill, RMD-10, RMD-15, RMD-25, RHD, MXNC, and MXT zones, the following standards apply:

(2) Institutions which offer any general academic instruction at levels above the eighth grade must comply with the following:

A. The lot area must be at least one acre plus 875 square feet for each student in excess of 50;

B. The lot frontage must be at least 300 feet;

C. The front yard and rear yard building setback must be at least 50 feet; and

D. The side yard building setback must be equal to at least two times the height of the tallest institutional building located on the lot which is proximate to a side yard.

(3) Kindergartens and nursery schools must comply with the following:

A. The lot area must be at least 10,000 square feet for up to 30 students;

B. The lot frontage must be at least 100 feet;

C. The front yard building setback must be at least 35 feet;

D. The side yard building setback must be equal to at least two times the height of the tallest institutional building located on the lot which is proximate to a side yard; and

E. The rear yard building setback must be at least 40 feet.

(4) All other Private Educational Institutions must comply with the following:

A. Where the maximum attendance at any one time does not exceed 40 students, Institutions must comply with the following:

1. The lot area must be at least 10,000 square feet for up to 20 students, plus 500 square feet for each student over 20 students;

2. The lot frontage must be at least 150 feet;

3. The front yard building setback must be at least 35 feet;

4. The side yard building setback must be equal to at least two times the height of the tallest institutional building located on the lot which is proximate to a side yard; and

5. The rear yard building setback must be at least 40 feet.

B. Where the maximum attendance at any one time exceeds 40 students, the Institution must comply with the following:

1. The lot area must be at least one acre, plus 700 square feet for each student, over 60 students;

2. The lot frontage must be at least 200 feet;

3. The front yard and rear yard building setback must be at least 50 feet; and

4. The side yard building setback must be equal to at least two times the height of the tallest institutional building located on the lot which is proximate to a side yard.

Sec. 25.6.5.7. Park.

(a) *Definition*.

(1) Park means land owned or administered by a branch of government and available to the general public for recreational purposes.

Sec. 25.6.5.8. Place of Worship or Religious Assembly.

(a) *Definition*.

(1) Place of Worship or Religious Assembly means a use primarily devoted to regular assembly for worship, religious instruction, religious ceremony, or similar religious practices and observance in a building, facility or a place, including, but not limited to a church, synagogue, mosque, convent, monastery, seminary, interfaith center, or religious retreat center, together with accessory uses. This definition also includes private educational institutions located on the same site as, and subordinate to, the principal use. Accessory uses on the site do not alter the principal classification of the site as a Religious Assembly use, provided that the Religious Assembly use remains the principal use of the site.

Sec. 25.6.5.9. Public Utility Structure.

(a) *Definition*.

(1) Public Utility Structure means buildings and structures of a public utility company for the housing of switching equipment, regulators, and stationary transformers for supplying electric service; telephone offices and exchanges; radio and television stations; and buildings and structures of similar nature and characteristics. The term

Public Utility Structure does not include a Wireless Communication Facility or Publicly-Owned or -Operated Facilities.

(b) *Conditional use standards*. In the RMD-10, RMD-15, RMD-25, RHD, and MXT, the following standards apply:

(1) The use must be screened from all abutting residential properties by a solid fence at least six feet in height and a landscaped buffer at least ten feet wide; or

(2) The use must incorporate high quality materials like brick, stone, decorative panels, wood, or precast concrete.

(3) The site must be maintained free of debris and graffiti.

(4) Security lighting on-site must be fully shielded, motion-activated, and oriented downward to prevent off-site glare.

(c) *Special Exception use standards*.

(1) In the R-400, R-200, R-150, R-90, R-75, R-60, R-40, RMD-Infill, and Park zones, Public Utility Structures may be permitted by the Board of Appeals under Article 4, Section 3, and must meet the requirements of Sec. 25.6.5.(b).

Sec. 25.6.5.10. Publicly-Owned or -Operated Facility.

(a) *Definition*.

(1) Publicly-Owned or -Operated Facility means any structure or use that is operated or funded by a governmental agency or entity for a public purpose. This use does not include sanitary landfills or Parks.

Sec. 25.6.5.11. Wireless Communication Facility.

(a) *Definition*.

(1) Wireless Communication Facility means one or more antennas designed for the purpose of emitting radiofrequency radiation and operating from a fixed location in accordance with Federal Communications Commission authorization, along with associated support structures and equipment, switches, wiring, cabling, power sources, shelters, or cabinets located at the same fixed location as the antenna or antennas.

(b) *Purpose*.

(1) The purpose of this Section is to provide a uniform and comprehensive set of standards for the development and installation of Wireless Communication Facilities, related structures, and equipment. These regulations and requirements are intended to:

A. Regulate the placement, construction, and modification of Wireless Communication Facilities in order to protect the health, safety, and welfare of the public and the aesthetic quality of the City; and

B. Encourage managed development of wireless communication infrastructure, while at the same time not unreasonably interfering with the development of the competitive wireless communication marketplace in the City.

(2) This Section is intended to promote the following objectives:

A. To minimize the total number of Wireless Communication Facilities and antenna support structures throughout the community through siting standards;

B. To provide for the appropriate location and development of Wireless Communication Facilities and related structures and equipment within the City, and, to the extent possible, minimize potential adverse impacts on the community;

C. To minimize adverse visual impacts of Wireless Communication Facilities and related structures and equipment through careful design, siting, landscape screening, and innovative camouflaging techniques, such as stealth technology, and utilizing current and future technologies;

D. To promote and encourage shared use/collocation of antenna support structures;

E. To maintain and preserve the existing residential character of the City and its neighborhoods and promote the creation of a convenient, attractive, and harmonious community;

F. To promote the safety of citizens and avoid the risk of damage to adjacent properties by ensuring that Wireless Communication Facilities and related structures and equipment are properly designed, constructed, located, modified, maintained, and removed;

G. To ensure that Wireless Communication Facilities and related structures and equipment are compatible with surrounding land uses;

H. To encourage: the location of antennas on existing buildings or other structures; collocation of new antennas on existing antenna support structures; camouflaged antenna support structures; and construction of antenna support structures with the ability to locate three or more providers or users; and

I. To maintain and ensure that a non-discriminatory, competitive, and broad range of high-quality wireless communication services and high-quality wireless communication infrastructure consistent with laws are available to the community.

(c) *Wireless Communication Facilities attached to existing structures*. Wireless Communication Facilities attached to the roof or side of a building, or attached to an existing structure must comply with the following:

(1) The building or other structure on which a Wireless Communication Facility is to be installed must be at least 35 feet in height if used for nonresidential purposes and 50 feet in height if used for Apartment purposes. In a mixed-use development, the Apartment standard applies. Except as provided in Sec. 25.6.5.11(f), Wireless

Communication Facilities are prohibited on any Single-Unit Detached Dwelling or appurtenant accessory building or structure.

(2) The antennas and antenna support structures must be located and designed to minimize visual impacts through various methods, including the use of stealth technology. Antennas and antenna support structures must be installed according to the following order of preference, with Sec. 25.6.5.11(c)(2)A being the preferred option.

A. Antennas must be flush mounted on existing structures, or on either rooftop enclosures or the side of a building and closely match the color and architectural treatment of the structure, enclosure, or building.

B. Antennas must be flush mounted on expanded rooftop mechanical equipment enclosures, with the enclosures and antennas designed to be consistent with the architectural treatment and color of the building.

C. Antennas must be enclosed with screening that is consistent with the architectural treatment and color of the building or structure.

D. Antennas and support structures must be painted or otherwise treated to minimize their visibility.

1. Use of a lower preference location is permitted only if an applicant provides detailed justification as to why higher preference locations are not suitable.

(3) Antennas and supporting structures are permitted to exceed the height of the building or structure to which they are attached by a maximum of 19 feet. The height above a building must be measured from the finished roof elevation, and not from the roof of any equipment enclosure.

(4) Antennas must comply with the following size standards:

A. Whip antennas must be no more than seven inches in diameter; and

B. Panel antennas must be no more than two feet wide and six feet long.

(5) An equipment building or cabinet may be located on the roof of a building provided it and all other roof structures do not occupy, in the aggregate, more than 25 percent of the roof area.

(6) When an antenna is located on a stadium light or utility pole, the total height of the antenna plus the pole or light must not exceed 125 percent of the average height of the lighting system at the stadium or run of poles within 500 feet of the pole on which the antenna is located.

(d) *Wireless Communication Facility located on freestanding ground-mounted antenna support structure.*

(1) *Scope*. This subsection applies to Wireless Communication Facilities mounted on free-standing antenna structures.

(2) *Special Exception*. Wireless Communication Facilities covered by this Section require the approval of a Special Exception in accordance with the applicable provisions of Article 4, Division 7.4.

(3) *Additional findings required*. The Approving Authority must make the following additional findings to grant a Special Exception:

A. The location selected is necessary for the public convenience and service and cannot be supplied with equivalent public convenience on a building or structure or collocated on an existing antenna support structure; and

B. For new antenna support structures to be located in a residential zone or within 500 feet of a residential zone, the applicant has made a good faith effort to locate the proposed antenna support structure in a nonresidential zone more than 500 feet from the residential zone, with adequate coverage and on an isolated site with minimal visual impact.

(4) *Independent consultant*. The City may hire an independent consultant to review evidence submitted by the applicant, and the applicant must reimburse the City for the reasonable cost of hiring and using such a consultant.

(5) *Development standards*.

A. The maximum height of the facility, including antenna and other attachments, is 50 feet in a residential zone or within 500 feet of a residential zone, and 199 feet in all other locations. Height must be measured vertically from the pre-disturbance ground level at the center of the support structure.

B. Monopoles are the preferred type of freestanding antenna support structure.

C. No commercial or promotional signs, banners, or similar devices or materials are permitted on antenna support structures.

D. The ground-mounted antenna support structure must be located and designed in a manner that is harmonious with surrounding properties, to the extent practicable. Antenna support structures must be designed to blend into the surrounding environment through the use of color and camouflaging architectural treatment. When practicable, available stealth structure design techniques must be used.

E. Wireless Communication Facilities must be located on City-owned property, if feasible.

F. Antenna support structures must be set back one foot for every foot of height of the structure, measured from the base of the structure to each adjoining property line or right-of-way.

G. Lights are prohibited on antenna support structures unless they are required for aircraft warnings or other safety reasons, or to comply with applicable laws and regulations. If required, minimum lighting requirements must be applied, and

strobe lights must be avoided unless specified by the Federal Aviation Administration or the Federal Communications Commission.

H. Outdoor storage of equipment or items related to the Wireless Communication Facility is prohibited on sites with antenna support structures.

I. All antenna support structures erected as part of a Wireless Communication Facility must be designed to accommodate collocation of additional wireless communication carriers. New antenna support structures of a height of 150 feet or more must be designed to accommodate collocation of a minimum of four additional providers either upon initial construction or through future modification to the antenna support structure. Antenna support structures of less than 150 feet must be designed to accommodate collocation of a minimum of two additional providers.

J. Before installing a Wireless Communication Facility, each applicant must provide certification from a registered structural engineer that the structure will meet pertinent design, construction, installation, and operation standards, including the applicable standards of the Electronics Industries Association (EIA), the Telecommunications Industry Association (TIA), ANSI, and the BOCA Code in effect at the time of the building permit application.

K. Upon completion of any sale or sublease of an antenna support structure, the owner of an antenna support structure must provide written notice to the City's Inspection Services Division.

L. The owner of a ground-mounted antenna support structure, at the owner's expense, must remove antenna support structures when a Wireless Communication Facility is not used for wireless purposes for a period of 180 days in a 12-month period. The owner of a ground-mounted antenna support structure must immediately notify the City, in writing, of nonuse or abandonment of the structure upon its cessation as a Wireless Communication Facility. Failure to remove an abandoned or unused ground-mounted antenna support structure will result in removal of the structure by the City at the expense of the owner.

M. When a ground-mounted antenna support structure is removed by an owner, said owner must apply for a demolition permit to remove the tower. A condition of the demolition permit is to restore the site to the standards required by the building code in effect at the time, at no expense to the City.

(e) *Equipment enclosures located at ground level standards*. Equipment enclosures located at ground level must comply with the following standards:

(1) Each enclosure that contains the equipment of a single provider must not exceed 560 square feet of gross floor area and 12 feet in height; if more than one provider is to be accommodated in an enclosure, a single enclosure must be constructed to accommodate the maximum number of providers that are required to collocate on the

antenna support structure, up to a maximum of 1,500 square feet in area and 12 feet in height.

(2) The enclosure must conform to the applicable setback standards for main structures in the zone in which the property is located; setback standards for accessory buildings and structures in Article 8, Division 8.1 are not applicable to equipment enclosures.

(3) The enclosure must be screened to provide year-round screening. This standard may be met by one or a combination of the following: fencing, walls, landscaping, structures or topography which will block the view of the equipment shelter as much as practicable from any street or adjacent properties. In areas of high visibility, fencing may be wrought iron, masonry, or other decorative fencing material.

(4) Lighting associated with equipment structures must be directed so as to minimize any negative impact of such lighting on adjacent properties.

(5) When constructed as a freestanding building, the design of the enclosure must be coordinated with the design of the existing main building on the same lot, or if there is no building on the lot, with the buildings on an adjoining lot, to the extent practicable. In addition, the enclosure must be constructed of non-reflective materials.

(6) When attached to an existing building, the enclosure must be designed in a manner that is harmonious with the existing building and surrounding properties.

(7) The equipment enclosure must be removed at the cost of the owner when the Wireless Communication Facility is no longer being used by a wireless communication provider. Failure to remove abandoned equipment will result in removal by the City at the expense of the owner.

(f) *Waivers permitted.*

(1) *Regulated satellite earth station antennas*.

A. Any person or entity seeking to install or erect a satellite earth station antenna subject to this Section, other than an antenna specified in Sec. 25.6.5.11(f)(1)A.2 may apply for a waiver from one or more of the provisions of Sec. 25.6.5.11, and the Board of Appeals may grant such a waiver in accordance with applicable procedures and standards if it is shown that:

1. The provisions of Section 25.6.5.11 at issue materially limit or inhibit the transmission or reception of satellite signals at the waiver applicant's property or the provisions at issue impose more than a minimal cost on the waiver applicant;

2. The waiver, if granted, would not result in any noncompliance with applicable laws, regulations, and codes, including safety and building codes; and

3. The waiver sought is the minimum waiver necessary to permit the reception or transmission of satellite signals at the waiver applicant's property.

B. The Board of Appeals is authorized to grant a complete or partial waiver to any provision of Sec. 25.6.5.11. In addition, the Board of Appeals may impose a lesser requirement instead of granting a complete waiver of any provision in this Section if a complete waiver is not necessary to permit reception or transmission of amateur service communications at the waiver applicant's property, and the lesser requirement will allow the reception or transmission of satellite signals. The Board of Appeals must not condition a waiver on an applicant's expenditure of a sum of money, including costs required to screen, pole-mount, or otherwise specially install a satellite earth station antenna, over and above the aggregate purchase or total lease cost of the equipment as normally installed, if such sum would be greater that the aggregate purchase or total lease cost of the equipment as normally installed.

(2) *Wireless Communication Facilities for amateur service communications*.

A. Any person or entity seeking to install or erect a Wireless Communication Facility in the City for amateur radio communications may apply for a waiver from one or more of the provisions of Sec. 25.6.5.11, and the Board of Appeals may grant such a waiver in accordance with applicable procedures and standards if the Board of Appeals finds that:

1. The provisions of Sec. 25.6.5.11 at issue preclude amateur service communications, do not reasonably accommodate amateur service communications at the waiver applicant's property, or do not constitute the minimum practicable regulation to accomplish the City's health, safety, and welfare objectives;

2. The waiver, if granted, would not result in any noncompliance with applicable laws, regulations and codes, including FCC regulations concerning amateur radio transmission and reception; and

3. The waiver sought is the minimum waiver necessary to reasonably accommodate amateur service communications at the waiver applicant's property.

B. The Board of Appeals may grant a complete or partial waiver to any provision of Sec. 25.6.5.11. In addition, the Board of Appeals may impose a lesser requirement instead of granting a complete waiver of any provision in this Section if a complete waiver is not necessary to permit reception or transmission of amateur service communications at the waiver applicant's property, and the lesser requirement:

1. Will not preclude amateur service communications; and

2. Is the minimum practicable regulation to accomplish the City's health, safety, and aesthetic objectives.

C. In determining whether to grant a complete or partial waiver of any provision in Sec. 25.6.5.11 or to impose a lesser requirement, the Board must reasonably accommodate amateur radio communications.

(3) *All other Wireless Communication Facilities*.

A. The Board of Appeals may grant a waiver from any and all of the standards of Sec. 25.6.5.11, except for the height restrictions for a freestanding antenna support structure in subsection c. of this Section, if it finds that compliance with this Section would impose an undue hardship or prohibit or have the effect of prohibiting the provision of wireless communication services or would result in unreasonable discrimination among providers of functionally equivalent wireless communication services.

B. Waiver requests from the height restrictions in Sec. 25.6.5.11(d)(5) for a freestanding antenna support structure may be granted by the Mayor and Council if it finds that compliance with this Section would impose an undue hardship or prohibit or have the effect of prohibiting the provision of wireless communication services or would result in unreasonable discrimination among providers of functionally equivalent wireless communication services. When requesting a height waiver under this provision, the applicant must submit evidence to the Mayor and Council that the height requested for the freestanding antenna support structure is the minimum height necessary to provide adequate coverage for the area that is being served by the structure. The Mayor and Council, in reviewing any waiver request from this Section, must also consider the impact that the increased height of the antenna support structure would have on properties in the area surrounding the proposed structure, including the visibility of the structure from residences and proposed methods of mitigating the visibility of the structure.

C. This Sec. 25.6.5.11(f)(3) does not apply to antennas and Wireless Communication Facilities specified in Secs. 25.6.5.11(f)(1) and (2).

(4) *Procedures for all waivers*.

A. Unless the Mayor and Council adopt by resolution different procedures for processing waivers from the height restrictions contained in Sec. 25.6.5.11(f)(3), all waivers of this Section must be processed in accordance with the variance procedures in Sec. 25.4.5.1.

B. A waiver applicant must provide supporting evidence and all information requested by the City. The City may hire an independent consultant to review such evidence, and the applicant must reimburse the City for the reasonable cost of hiring and using such a consultant.

Division 6.6. Industrial Uses

Sec. 25.6.6.1. Alcoholic Beverage Production.

(a) *Definition*.

(1) Alcoholic Beverage Production means the production of any alcoholic beverage or neutral spirits by distilling, fermenting, brewing, or rectifying under the following Maryland State manufacturer's license classifications: Classes 1, 2, 3, and 5.

(b) *Use standards*. In all zones, the following standards apply:

(1) Areas for the tasting or sampling of products are permitted in accordance with State law.

(c) *Conditional use standards*.

(1) In the I-L zone, Alcoholic Beverage Production must not abut or confront a residential use in a residential zone.

(2) In the MXE and MXB zone, Alcoholic Beverage Production must not be located within 500 feet of a residential use in a residential zone.

Sec. 25.6.6.2. Artisanal Craft Production.

(a) *Definition*.

(1) Artisanal Craft Production means the production of specialty products which involve a substantial degree of hand work. Examples of such products include fine art, pottery, art glass, custom furniture, jewelry, food, drink and similar products.

Sec. 25.6.6.3. Data Center or Data/Cryptocurrency Mining.

(a) *Definition*.

(1) Data Center or Data/Cryptocurrency Mining means a physical facility used primarily for the storage, processing, and distribution of digital data or computes the "mining" function and executes the associated administrative/accounting tasks for cryptocurrency mining.

Sec. 25.6.6.4. General Warehousing.

(a) *Definition*.

(1) General Warehousing means the indoor storage of goods, wares, and merchandise which will be processed, sold, transferred, or otherwise disposed of for ultimate consumption off the premises or through e-commerce.

Sec. 25.6.6.5. Industrial, Heavy.

(a) *Definition*.

(1) Heavy Industrial means industrial activity where such activity generates substantial air or waste pollution, dust, noise, smoke, odors, or other potentially adverse emanations.

Examples include rolling, drawing, or extruding of metals; asphalt batching plants; sawmills; meat slaughtering or packing houses; waste processing; and manufacture or packaging of cement products, fertilizer, glue, paint, petroleum products, turpentine, varnish, or charcoal. This definition does not include Alcoholic Beverage Production.

Sec. 25.6.6.6. Industrial, Light.

(a) *Definition*.

(1) Light Industrial means industrial activity where such activity does not generate substantial air or waste pollution, dust, noise, smoke, odors, or other potentially adverse emanations. Such uses include contractor's storage yards; commercial greenhouses; outdoor storage lots and lumberyards; bottling plant; dry cleaning plant; automotive body shop; light manufacturing and advanced manufacturing; natural organic reduction; blacksmith; specialty trade contractors providing services to alter, remodel, repair, or replace a building or part of a building used as a residence, including roofing, flooring, tiling, windows, brick and stone masonry; and similar uses. This definition does not include Research & Development.

(b) *Conditional use standards*.

(1) In the I-L zone, lumberyards must not abut the R-400, R-200, R-150, R-90, R-75, R-60, R-40, or RMD-Infill zones.

(2) In the MXE zone, lumberyards and natural organic reduction are prohibited.

(3) In the MXB zone, Light Industrial uses:

A. Must consist only of specialty trade contractors providing services to alter, remodel, repair or replace a building or part of a building used as a residence; light manufacturing and advanced manufacturing; media production; and similar types of uses; and

B. Must not abut or confront Single Unit Detached Dwellings.

Sec. 25.6.6.7. Research and Development.

(a) *Definition*.

(1) Research and Development means study, research, or experimentation using materials in one or more fields such as life sciences, applied sciences, electronics, robotics, prototype development, biology, biophysics, biochemistry, bioelectronics, biotechnology, clean/climate technology, energy systems, renewable energy technology, environmental innovation, environmental health, cybernetics, nanotechnology, battery technology, advanced materials, advanced engineering, biomedical engineering, bioinformatics, clinical engineering, diagnostics, drug production, embryology, genetic testing, immunology, medicine, health and medical analytics, devices, medical wearables, systems medicine analysis, nutraceuticals, pharmacogenomics, therapeutics, clinical research, informatics, and biohealth

computing,. This includes the marketing of resultant products and related activities, and the use of accessory administrative offices, educational facilities, libraries, and data services. This use also includes accessory manufacturing, mixing, fermentation, treatment, assembly, packaging, and servicing of products resulting from on-site research.

(b) *Use standards*. In all zones, waste disposal must comply with federal, state, and local disposal regulations.

Sec. 25.6.6.8. Self-Storage Facility.

(a) *Definition*.

(1) Self-Storage Facility means a building or group of buildings divided into separate compartments with controlled access and leased to customers for self-service storage of property. Such use may also be referred to as a mini-warehouse or ministorage facility.

(b) *Use standards*. In all zones, the following standards apply:

(1) In all zones, a Self-Storage Facility is prohibited on a lot within 250 feet of any lot on which a public school is located.

(2) In all zones, the use must not adjoin or confront Single-Unit Detached Dwellings.

(c) *Conditional use standards*.

(1) In the MXE zone, the following additional standards apply.

A. The use is only permitted on a site that abuts a site that is zoned to accommodate Heavy Industrial uses, except as provided in Sec. 25.6.6.8(c)(1)B.

B. Any Self-Storage Facility in the MXE zone that does not conform to Sec. 25.6.6.8(c)(1)A but is subject to an approved Site Plan as of [effective date of this Chapter] may continue as a conforming use until July 8, 2029, except that it may not be expanded, altered, or enlarged beyond the size and configuration of the original Site Plan approval. After July 8, 2029, such a Self-Storage Facility use in the MXE zone will be considered nonconforming.

Division 6.7. Automotive Uses

Sec. 25.6.7.1. Automobile Rental Establishment.

(a) *Definition*.

(1) Automobile Rental Establishment means a principal use consisting of the renting or leasing of automobile. This use includes accessory and incidental sales and storage areas.

(b) *Use standards*. In all zones, the following standards apply:

(1) Outdoor Sales and Storage areas that are accessory to the Automobile and Recreational Vehicle Sales Establishment use:

A. Are not considered as part of the gross floor area of the use; and

B. Must conform to all applicable standards of Sec. 25.6.4.23.

(2) The storage, display, or renting of vehicles that are not in operating condition is prohibited.

(c) *Conditional use standards*.

(1) In all MXTD zones, rental is limited to non-commercial vehicles and passenger vans. The renting of commercial trucks or recreational vehicles is prohibited.

Sec. 25.6.7.2. Automobile and Recreational Vehicles Sales Establishment.

(a) *Definition*.

(1) Automobile and Recreational Vehicle Sales Establishment means a principal use consisting of the selling of automobiles, including cars, light trucks and SUVs, motorcycles, ATVs, motorized recreational equipment, and motorized watercraft, which may also include incidental repair or service. This use includes accessory and incidental sales and storage areas.

(b) *Use standards*. In all zones, the following standards apply:

(1) Outdoor Sales and Storage areas that are accessory to the Automobile and Recreational Vehicle Sales Establishment use:

A. Are not considered as part of the gross floor area of the use; and

B. Must conform to all applicable standards of Sec. 25.6.4.23.

(2) Where an Automobile and Recreational Vehicle Sales Establishment abuts a residential zone, all buildings, off-street parking and loading areas, and all Outdoor Sales and Storage areas must be set back 50 feet from the abutting residentially zoned property.

(3) The storage of waste materials, auto parts, refuse, or motor vehicles is prohibited in any required setback area.

(4) The storage, display or sale of vehicles that are not in operating condition is prohibited.

(c) *Conditional use standards*.

(1) In all MXTD zones, as well as the MXCD, MXCT, MXC, MXE, and MXB zones, the following additional standards apply:

A. The use may include the sale of boats provided that the sales and associated storage occur entirely indoors.

B. The sale of trucks and trailers exceeding ¾ ton capacity is prohibited.

(2) In all MXTD zones, the following additional standards apply:

A. Sales are limited to non-commercial vehicles and passenger vans. The sale of commercial trucks or recreational vehicles is prohibited.

B. All vehicles available for sale must be stored in a showroom or structured parking facility.

C. All ground floor showrooms must have a ground-floor transparency of 50 percent between four and eight feet above grade.

D. Maintenance and refueling of the vehicles available for sale on-site is prohibited.

E. Incidental repair and service is prohibited, except on properties containing an automobile and recreational vehicle sales or rental establishment established before and continually operating since March 16, 2009.

Sec. 25.6.7.3. Automobile Repair Establishment.

(a) *Definition*.

(1) Automobile Repair Establishment means any building, structure, or area used for automobile repair, minor body work and painting, detailing, tinting, stereo/audio system services, glass repair, fluid maintenance, or servicing including the accessory sale of oils, grease and coolants, or parts, but not including fuel.

(b) *Use standards*. In all zones, the following standards apply.

(1) Vehicles must not be serviced or stored for customers on or within the public right-of-way.

(2) Parking spaces may not be offered for rent.

Sec. 25.6.7.4. Automobile Service Establishment.

(a) *Definition*.

(1) Automobile Service Establishment means any building, structure, or area used for automobile service activities such as routine fluid maintenance (servicing of fluids related to engine, transmission, differential, power steering, battery, brakes, cooling, and windshield washer systems), muffler repair, and tire installation; and where no general motor vehicle repair is conducted.

(b) *Use standards*. In all zones, the following standards apply.

(1) Vehicles must not be serviced or stored for customers on or within the public right-of-way.

(2) Parking spaces may not be offered for rent.

(c) *Conditional use standards*.

(1) In the MXCD and MXE zones, vehicle storage is prohibited on-site, except those temporarily awaiting service during the business hours of the establishment.

Sec. 25.6.7.5. Automobile Towing Establishment.

(a) *Definition*.

(1) Automobile Towing Establishment means an establishment operated for the purpose of towing vehicles from one location to another.

(b) *Use standards*. The following standards apply to all zones:

(1) Vehicles may not be stored on the premises.

Sec. 25.6.7.6. Car Wash.

(a) *Definition*.

(1) Car Wash means an establishment where the principal use is the commercial washing of vehicles either by hand or by automated/semi-automated methods. Interior detailing may be accessory.

(b) *Use standards*. In all zones, the following standards apply:

(1) The site must have direct vehicular access to a public street. Vehicular access from the site to any residential street is prohibited.

(2) The use must provide required stacking spaces in accordance with Sec. 25.8.2.9.

Sec. 25.6.7.7. Drive-Through Window.

(a) *Definition*.

(1) Drive-Through Window means a sales window or electronic point of sale where food or goods are sold or services are provided to the general public, and which faces an automobile stacking lane. This definition includes stacking lanes leading to the window or point of sale, along with any associated menu boards, speakers, or signage.

(b) *Use standards*. In all zones, the following standards apply:

(1) *All Drive-Through Windows*. Drive-Through Windows are permitted only when they are provided as accessory to one of the following principal uses:

A. Bank or Financial Institution;

B. Cannabis Dispensary;

C. Eating and Drinking Establishment; and

D. Pharmacy.

(2) Drive-Through Windows must be designed and situated to not obstruct traffic circulation within the site.

(3) The use must provide required stacking spaces as described in Sec. 25.8.2.9.

(4) Drive-Through Windows must not be located between the façade of the building and any right-of-way, except as follows:

A. If circumstances of the site require a drive-through lane to abut a right-of-way, landscaped screening must be provided along the entire length for which the drive-through abuts the right-of-way. The landscaped screening must consist of shrubs at least three feet tall.

B. If a grade change of five feet or more exists between the drive-through use and centerline of the adjacent right-of-way, the drive-through use will be exempt from these requirements.

(5) *Drive-Through Window associated with a Cannabis Dispensary*. Where a Cannabis Dispensary with drive-through dispensing services is permitted as a conditional use, it must meet all applicable requirements of State law, including any distance requirements of Sec. 36-410 of the Alcoholic Beverages and Cannabis Article and all applicable State regulations governing drive-through dispensing services.

(6) *Drive-Through Window associated with an Eating and Drinking Establishment*. A Drive-Through Window associated with an Eating and Drinking Establishment must conform to the following standards:

A. The associated Eating and Drinking Establishment must be the principal use of the lot.

B. The use must occupy a record lot that:

1. Is at least 400 feet away from any school site or parcel of land zoned or planned for Single-Unit Detached Dwelling residential development or medium density residential use (this setback does not apply to residential or educational properties recommended for a nonresidential or noneducational use in the Plan); and

2. Has a minimum lot area of 40,000 square feet.

C. *Frontage, access, and circulation*.

1. The site must have at least 200 feet of frontage on and direct vehicular access to a public street. Vehicular access from the site to any residential street is prohibited.

2. If an Eating and Drinking Establishment Drive-Through Window occupies a corner lot, ingress and egress driveways must be located at least 75 feet from the point of intersection of the street line and the corner arc.

(c) *Conditional use standards*.

(1) In the MXTD and MXNC zones, a Drive-Through Window must be incorporated and enclosed within a building or structure.

(2) In the MXE zone, a Drive-Through Window associated with an Eating and Drinking Establishment must be located on a site that has frontage on and access to a major arterial street at the front lot line.

Sec. 25.6.7.8. Electric Vehicle Charging.

(a) *Definition*.

(1) Electric Vehicle Charging means a lot or portion thereof containing one or more electric vehicle (EV) parking spaces and associated electric vehicle supply equipment (EVSE).

(b) *Use standards*. In all zones, the following standards apply:

(1) Electric Vehicle Charging must comply with Sec. 25.8.2.10(a)(4).

(c) *Conditional use standards*.

(1) In the R-400, R-200, R-150, R-90, R-75, R-60, R-40, RMD-Infill, RMD-10, RMD-15, RMD-25, RHD, MXT, MXC, and Park zones, Electric Vehicle Charging must be accessory to the principal use.

(2) In all MXTD zones, MXNC, and MXE, Electric Vehicle Charging must be accessory to the principal use, except that the use may be a principal use when the last lawful use of a site was a Gas Station.

Sec. 25.6.7.9. Gas Station.

(a) *Definition*.

(1) Gas Station means a facility having fuel pumps and fuel storage tanks which are used primarily to dispense motor vehicle fuels to customers. Minor automobile repair services and accessory car washes are included in this definition. Automobile and Recreational Vehicle Sales and Automobile Rental are not included in this definition.

(b) *Special Exception use standards*. In the I-L, I-H, MXCD, MXCT, MXNC, MXC, and MXE zones, Gas Stations may be permitted by the Board of Appeals under Article 4, Division 4.3, and must meet the following requirements:

(1) *Application*. As part of the Special Exception application, the applicant must provide the following information:

A. An acoustic analysis demonstrating that nighttime noise from operations (including the truck noise from refueling operations) will not violate the County noise control ordinance.

(2) *General*.

A. Incidental retailing of groceries is permitted.

B. Vehicle storage is prohibited on-site, except those temporarily awaiting service during the business hours of the establishment.

C. Vehicles must not be serviced or stored for customers on or within the public right-of-way.

D. Parking spaces may not be offered for rent.

(3) *Location*.

A. The nearest gas pump on the site must be located at least 250 feet from any lot on which a school, outdoor playground, library, hospital, or residential use is located.

B. Gasoline pumps or other service appliances must be located on the lot at least 20 feet behind the front setback.

C. All service, storage, or similar activities in connection with such use must be conducted entirely within a building.

(4) *Frontage, access, and circulation*.

A. The site must have at least 150 feet of frontage on and direct vehicular access to a public street. Vehicular access from the site to any residential street is prohibited.

B. The proposed layout must provide adequate ingress, egress, and circulation for large fuel transport vehicles.

C. If a gas station occupies a corner lot, ingress and egress driveways must be located at least 75 feet from the point of intersection of the street line and the corner arc.

(5) In the MXC zone, Gas Stations additionally must:

A. Be located on a property that has a shopping center;

B. Be contained in a structure limited in size to two single car service bays plus restrooms and office or supply storage space;

C. Be limited in function to dispensing and installing gasoline, oil, grease, antifreeze, tires, batteries, and automobile accessories; and to motor vehicle washing and polishing;

D. Not rent or sell motor vehicles, trailers, or general replacement parts;

E. Not overhaul, tune up, or repair motors or bodies, or provide brake relining or wheel alignment service, upholstery work, auto glass work, painting, welding, tire recapping, or auto dismantling; and

F. Extinguish all floodlights at the close of business or 11:00 p.m., whichever is earlier.

(6) *Special Exception findings*. The Board of Appeals must make the following additional findings:

A. That the use at the proposed location will not result in a saturation of similar uses within a half-mile radius of the proposed use; and

B. That the additional development and use requirements contained in Sec. 25.6.7.9(b)(3) - (5) will be satisfied.

(7) *Abandonment*. If a gas station is abandoned, the Special Exception terminates, and all structures exclusively used in the business (including underground storage tanks), except buildings, must be removed and remediated by the owner of the property. For

the purpose of this Subsection, the term "abandonment" means nonoperation as a gas station (including cessation of the sale of motor vehicle fuel) for 12 months.

Sec. 25.6.7.10. Parking Structure, Commercial.

(a) *Definition*.

(1) Commercial Parking Structure means a structure, or portion of a structure, other than a sales or rental lot associated with an Automobile and Recreational Vehicle Sales and Rental Establishment, used for the storage or parking of seven or more motor vehicles for compensation as the principal use of the site. This use does not include surface parking lots.

Division 6.8. Miscellaneous Uses

Sec. 25.6.8.1. Backyard Chicken Coop.

(a) *Definition*.

(1) Backyard Chicken Coop means a covered enclosure where chickens are kept, as permitted in City Code Sec. 3-24(b)(1)e.

(b) *Use standards*. In all zones, the following standards apply:

(1) Backyard Chicken Coops must comply with City Code Sec. 3-24(b)(1)e.

(c) *Conditional use standards*.

(1) In all MXTD zones, Backyard Chicken Coops are permitted only when located on the same lot as a Single-Unit Detached Dwelling that was in existence on [effective date of this Chapter].

Sec. 25.6.8.2. Home-Based Business.

(a) *Definition*.

(1) Home-Based Business means any occupation that provides a service or product that is conducted within a dwelling unit or accessory structure by a resident or residents of the dwelling unit. Home-Based Businesses are divided into two categories:

A. Home-Based Business (Little to No Impact) means a Home-Based Business with:

1. No more than one non-resident employee; and

2. No more than four customer visits per day.

B. Home-Based Business (Material Impact) means a Home-Based Business with:

1. Two or more non-resident employee; and

2. Five to eight customer visits per day.

(2) A Home-Based Business does not include the following uses: Bed and Breakfast, Child Care Home or Child Care Center, Group Home, and Private Educational Institution.

Work from home in connection with off-premises employment not involving any visits to the site, such as telecommuting, is not a Home-Based Business and is permitted in all residential dwellings.

(b) *Use standards*. In all zones, the following standards apply:

(1) *Area of use*.

A. The Home-Based Business must be accessory to the residential use on the site.

B. Except as otherwise provided, a Home-Based Business must be conducted entirely within the dwelling unit or accessory building.

C. The use must not occupy more than 35 percent of the gross floor area of the principal dwelling, or 400 square feet, whichever is greater.

D. The floor area of an accessory building used in connection with the Home-Based Business is not included in the total floor area allowed for the business in the principal building.

(2) *Prohibition of nuisance*. A Home-Based Business must not:

A. Use any equipment or process that creates a nuisance such as noise (in violation of Chapter 31B of the Montgomery County Code, as amended), vibration, glare, fumes, odors, or electrical or electronic interference detectable at or beyond the lot line of a detached dwelling unit or the floor, ceiling, or party wall of an attached dwelling unit; or

B. Involve the use, storage, generation, or disposal of any hazardous material, except for disposal of medical waste regulated by Maryland laws and regulations.

(3) *Equipment or facilities*.

A. Contracting equipment or materials must not be stored on the lot, except in a commercial vehicle used for transporting said equipment and materials between jobs. Loading and unloading is prohibited on or in the vicinity of the site.

B. Motor vehicle repairs, sales, or internal combustion engine work is prohibited.

C. The use of mechanical or electrical equipment is prohibited on the premises, except for machinery or equipment customarily found in a home, associated with a hobby or avocation not conducted for gain or profit, or customary for a small business, professional office, or medical or dental office.

D. Outdoor display or storage of goods or equipment is prohibited.

(4) *Exterior appearance*. All structures associated with the use must have the exterior appearance of a dwelling or residential accessory structure.

(5) *Visits by customers*.

A. No more than two customers may be present at the Home-Based Business at any one time.

B. Visits are prohibited between the hours of 9:00 p.m. and 8:00 a.m., except in cases of medical emergency.

(6) *Truck deliveries prohibited*. Truck deliveries are prohibited, except for parcels delivered by public or private parcel services that customarily make residential deliveries.

(7) *Residence requirement*. A Home-Based Business must be conducted by one or more persons who reside in the dwelling at least 220 days in each calendar year.

(8) *Existing Home-Based Businesses*. A Home-Based Business in existence as of March 16, 2009, is a conforming Home-Based Business if it complies with the provisions of the zoning ordinance for a Home Occupation in effect immediately prior to March 16, 2009.

A. If there is any change in the character of the existing Home-Based Business, all applicable requirements of this Section will apply.

B. If the Home-Based Business ceases to operate for one year, or if the ownership of the property changes, all applicable provisions of this Section will apply.

(c) *Special Exception use standards*. Where a Home-Based Business (Material Impact) is proposed, it may be permitted by the Board of Appeals under Article 4, Division 4.3, and must meet the following additional requirements:

(1) *Application procedures*. As part of the Special Exception application, the applicant must provide the following information:

A. The location of any off-street parking spaces;

B. The hours of operation;

C. The number of nonresident employees; and

D. Any licensing requirements.

(2) *Inspections.*

A. All Home-Based Businesses (Material Impacts) are subject to inspection by the Chief of Zoning between the hours of 8:00 a.m. and 9:00 p.m.

(3) *Expiration.* Any Special Exception is granted solely to the owner/applicant and does not run with the land. The Special Exception expires when either of the following occurs:

A. The owner/applicant vacates the property; or

B. The owner/applicant stops using a portion of the dwelling for the Home-Based Business.

Sec. 25.6.8.3. Renewable Energy System.

(a) *Definition.*

(1) Renewable Energy System means free-standing, ground-mounted equipment necessary for the on-site generation and use of energy from renewable energy sources.

This use does not include solar canopies over parking facilities, Electric Vehicle Charging, or any systems or structures accessory to individual dwelling units.

(b) *Use standards.* In all zones, the following standards apply:

(1) *Glare.* Renewable Energy Systems must minimize glare.

(c) *Conditional use standards.*

(1) In the RMD-15, RMD-25, RHD, all MXTD zones, MXCD, MXCT, MXNC, MXC, MXE, and MXB zones, and the Park zone, the following additional standards apply:

A. Renewable Energy Systems must be accessory to a principal use.

B. *Height*.

1. The maximum height for freestanding solar systems is 20 feet.

2. The maximum height for freestanding wind systems is 50 feet or the height allowed in the zone, whichever is greater.

(2) In the I-L and I-H zones, height up to the height allowed in the zone is allowed without a Special Exception approval.

(d) *Special Exception use standards*. In the I-L zone, Renewable Energy Systems in excess of the height allowed in the zone may be permitted by the Board of Appeals under Article 4, Division 4.3.

Sec. 25.6.8.4. Temporary Uses.

(a) *Definition.*

(1) Temporary Uses means any use which is impermanent in nature, demonstrating a fixed short-term operational period, which is subject to a Temporary Use Permit. Temporary Uses does not include uses that are regulated by Chapter 12.

(b) *Use standards.* In all zones, the following standards apply:

(1) *Permit required*. All Temporary Uses are subject to the requirements of Sec. 25.4.4.1.

(2) *Construction-related temporary uses.*

A. Temporary buildings, trailers, semi-trailers, and portable storage units incidental and necessary to construction in the immediate area may operate under a Temporary Use Permit for as long as there is a valid Building Permit for construction on the site, except that the uses must cease operation no later than the issuance of the last required Occupancy Permit.

B. Temporary offices and model homes incidental to and necessary for the sale or rental of real property in the immediate area may operate under a Temporary Use Permit for as long as there is a valid Building Permit for construction on the site, except that the uses must cease operation no later than the issuance of the last required Occupancy Permit.

1. If such Temporary Uses are included in a valid Building Permit for construction on the site, no Temporary Use Permit is required.

(3) *Garden produce, house plants, and cut flower sales*. The temporary sale of garden produce, house plants, and cut flowers may operate May through October with a Temporary Use Permit.

(4) *Holiday tree sales*. Temporary holiday tree sales are permitted only between the fourth Friday in November and December 25.

(5) *Portable storage units associated with residential uses.*

A. Portable storage units may be placed on property improved with a duplex, Single-Unit Detached Dwelling, or Townhouse for the short-term storage of household items.

B. The Temporary Use Permit may be issued for a period of up to 30 days. One extension may be granted for a period of up to an additional 60 days for good cause shown.

C. A Temporary Use Permit is not required for a portable storage unit used on residential property for moving or other short-term purposes for five days or less.

D. Portable storage units are prohibited from being placed in the public right-of-way.

(6) *Party and event tents.* Temporary tents associated with parties and events may be installed under a Temporary Use Permit for a period of up to seven days.

A. A Temporary Use Permit is not required in the following instances:

1. When a party and event tent is included in a special event permit under City Code Sec. 14-41 or Sec. 12-151.

2. When a party and event tent is used on residential property for a period of three days or less.

Article 7. Zone Standards

Division 7.1. Residential Zones

Sec. 25.7.1.1. Compliance with development standards.

(a) All development must comply with the development standards in Tables 7.1.2-1, 7.1.3-1, 7.1.4-1, 7.1.5-1, 7.1.6-1, 7.1.7-1, and 7.1.8-1 as applicable, except as provided elsewhere in this Chapter.

Sec. 25.7.1.2. Qualifying undersized lots.

(a) *Qualifying undersized lots.* A record lot that meets the requirements for a qualifying undersized lot under Sec. 25.12.5.2(e) is a buildable lot even if it has less than the minimum area required in the current zone. The owner may seek to have the lot recorded by plat in accordance with Sec. 25.12.5.2(e); however, the owner may build on the lot without recording a plat.

(b) *Development standards.* Development on a qualifying undersized lot must conform to the following standards:

(1) Buildings and structures must comply with the maximum building height and maximum lot coverage of the current zone;

(2) Development must comply with the setbacks established in Table 7.1.2-1, except as provided in Sec. 25.8.1.3; and

(3) Development on qualifying undersized lots must conform to any established building restriction lines.

Table 7.1.2-1: Qualifying Undersized Lot Principal Building Setbacks

Standard	Minimum Setback
Front Setback	25 ft.
Side Setback	7 ft.
Rear Setback	20 ft.

Sec. 25.7.1.3. Large lot single-unit residential zones.

(a) *Purpose of the large lot single-unit residential zones.* The large lot single-unit residential zones include the R-400, R-200, and R-150 zones. These zones are intended primarily for single-unit residential uses on large lots and some institutional uses.

Figure 7.1.3-1: Large Lot Single-Unit Residential Zones

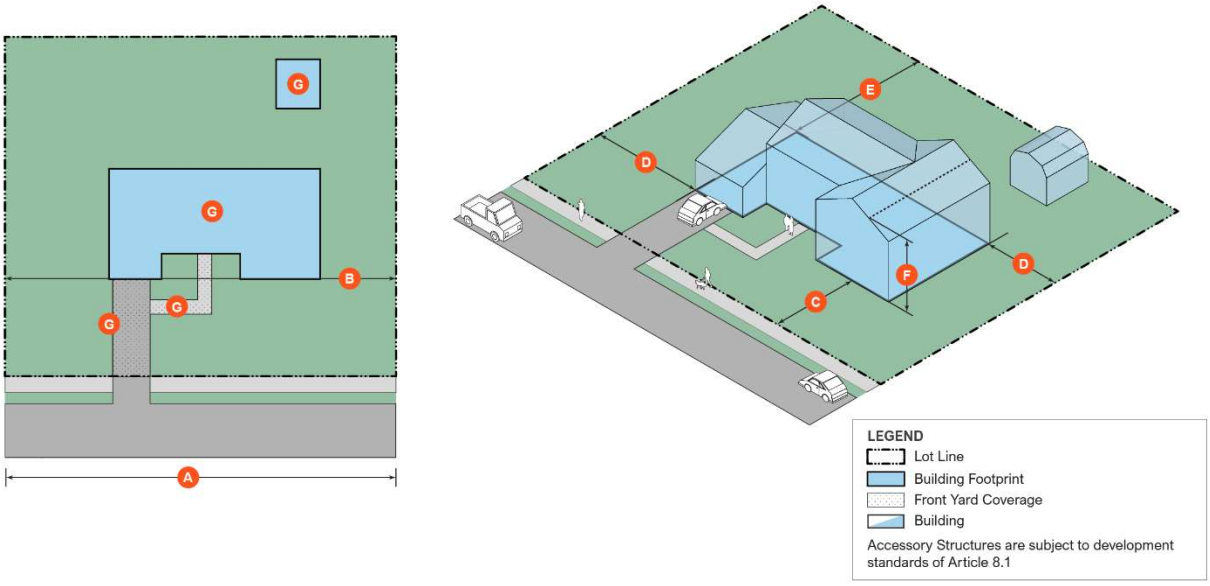


Table 7.1.3-1: Large Lot Single-Unit Residential Zone Development Standards

	Standard		R-400	R-200	R-150
	Lot Area (Min.)		40,000 sq. ft.	20,000 sq. ft.	15,000 sq. ft.
A	Lot Frontage (Min.)		25 ft.	25 ft.	25 ft.
B	Lot Width at Front Setback Line (Min.)		150 ft.	100 ft.	90 ft.
C	Front Setback (Min.)		50 ft.	35 ft.	35 ft.
D	Side Setback	Abutting Street (Min.)[1]	30 ft.	25 ft.	30 ft.
		Abutting Land (Min.)	20 ft.	13 ft.	13 ft.
E	Rear Setback (Min.)		50 ft.	35 ft.	30 ft.
	I-270 Setback (Min.)[2]		50 ft.	50 ft.	50 ft.
F	Building Height (Max.)		40 ft.	40 ft.	40 ft.
H	Lot Coverage (Max.)		15%	25%	25%

[1] A side street setback applies only if the lot abutting the rear of the subject lot does not front on the street. If this condition is not met, front setback requirements apply.

[2] Principal dwelling units must be set back a minimum of 50 feet from I-270, except that the lot is exempt from the I-270 setback when the lot is shown on an approved preliminary subdivision plan or an approved final record plat prior to January 1, 1980.

Sec. 25.7.1.4. Small lot single-unit residential zones.

(a) *Purpose of the small lot single-unit residential zones.* The small lot single-unit residential zones include the R-90, R-75, R-60, and R-40 zones. These zones are intended primarily for single-unit residential uses on smaller lots than those in the large lot single-unit residential zones.

Figure 7.1.4-1: Small Lot Single-Unit Residential Zones

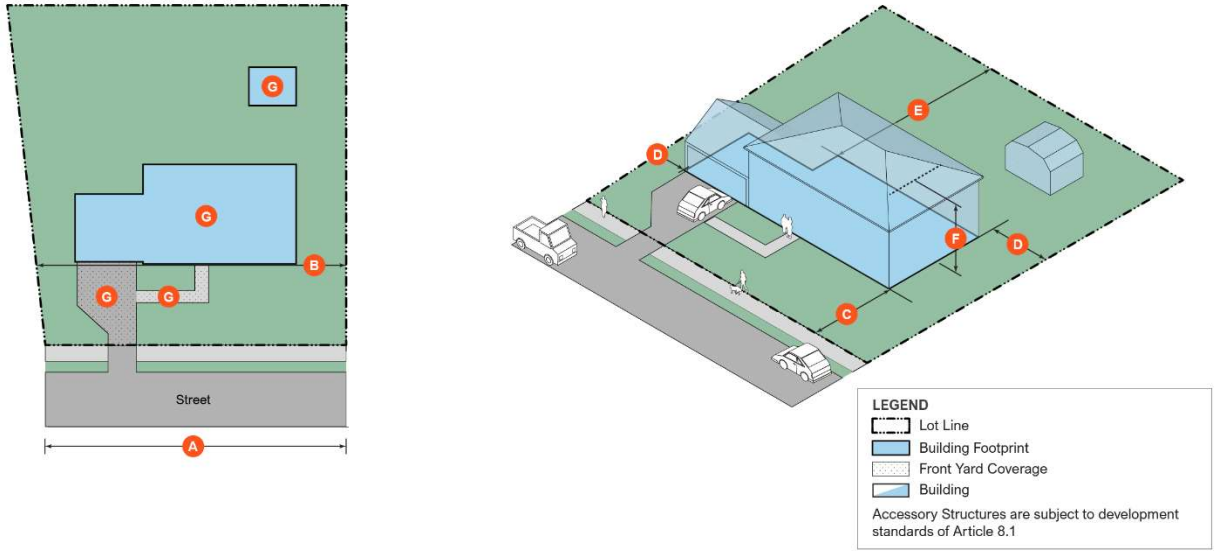


Table 7.1.4-1: Small Lot Single-Unit Residential Zone Development Standards

	Standard		R-90	R-75	R-60	R-40[1]
	Lot Area (Min.)		9,000 sq. ft.	7,500 sq. ft.	6,000 sq. ft.	4,000 sq. ft.
A	Lot Frontage (Min.)		25 ft.	40 ft.	35 ft.	25 ft.
B	Lot Width at Front Setback Line (Min.)		70ft.	70 ft.	60 ft.	40 ft.
C	Front Setback		30 ft.	25 ft.	25 ft.	25 ft.
D	Side Setback	Abutting Street (Min.)[2]	20 ft.	20 ft.	20 ft.	25 ft.
		Abutting Land (Min.)	11 ft.	9 ft.	8 ft.	10 ft.
E	Rear Setback (Min.)		25 ft.	20 ft.	20 ft.	20 ft.
	I-270 Setback (Min.)[3]		50 ft.	50 ft.	50 ft.	50 ft.
F	Building Height (Max.)		35 ft.	35 ft.	35 ft.	35 ft.
H	Lot Coverage (Max.)		25%	35%	35%	40%

[1] For single unit detached dwellings located in the R-40, R-60 standards apply.

Standard	R-90	R-75	R-60	R-40[1]
[2] A side street setback applies only if the lot abutting the rear of the subject lot does not front on the street. If this condition is not met, front setback requirements apply. [3] Principal dwelling units must be set back a minimum of 50 feet from I-270, except that the lot is exempt from the I-270 setback when the lot is shown on a preliminary plan of subdivision or a final record plat approved prior to January 1, 1980.				

Sec. 25.7.1.5. RMD-Infill, Medium Density Residential zone.

(a) *Purpose of the RMD-Infill zone.* The RMD-Infill zone is intended to provide for medium density residential uses with a range of housing types on infill lots.

Figure 7.1.5-1: RMD-Infill, Medium Density Residential Zone

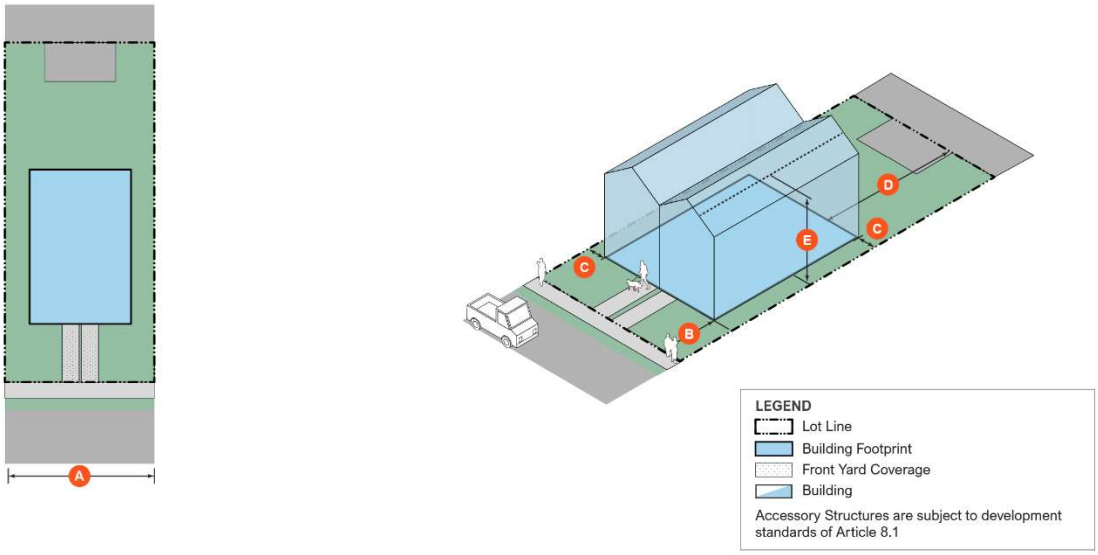


Table 7.1.5-1: RMD-Infill, Medium Density Residential Zone Development Standards

	Standard		Requirement
	Lot Area (Min.)		2,000 sq. ft. per dwelling unit
	Dwelling Units per Lot (Max.)	Single-Unit Detached	1
		Multiplex	4, except as provided in Sec. 25.6.3.14(c)(2)
		Townhouse	6
		Cottage Court	12
	Development Bonus[1]		30% increase in allowable dwelling units per lot
A	Lot Frontage (Min.)		N/A

Standard			Requirement
B	Front Setback		20 ft.
C	Side Setback	Abutting Street (Min.) [2]	15 ft.
		Abutting Land (Min.)	5 ft. Side setbacks can be reduced from the normal requirement of 5 ft. provided that the sum of both side setbacks is a minimum of 10 ft.
D	Rear Setback (Min.)		15 ft.
	I-270 Setback (Min.) [3]		50 ft.
E	Building Height (Max.)		30 ft. for cottage courts
			35 ft. for single-unit detached dwellings, duplexes, and triplexes
			40 ft. for townhouses and fourplexes

[1] The bonus density is permitted for any qualified project as defined in Subtitle 5, Title 7, Division I of the Land Use Article.
[2] A side street setback applies only if the lot abutting the rear of the subject lot does not front on the street. If this condition is not met, front setback requirements apply.
[3] Principal dwelling units must be set back a minimum of 50 feet from I-270, except that the lot is exempt from the I-270 setback when the lot is shown on a preliminary plan of subdivision or a final record plat approved prior to January 1, 1980.

(b) *RMD-Infill design standards.* The following design standards apply to multiplex and cottage court development in the RMD-Infill zone. Additional townhouse, multiplex, and cottage court use standards are located in Article 6, Division 6.3.

(1) Facades along street frontages other than alleys must include elements such as windows, stoops, porches, terraces, balconies, and bay windows, which provide interaction with the street.

Sec. 25.7.1.6. RMD-10 and RMD-15, Medium Density Residential zones.

(a) *Purpose of the RMD-10 and RMD-15 zones.* The RMD-10 and RMD-15 zones are intended to provide for medium density residential uses with a range of housing types, typically townhouse, multiplex, and apartment dwellings.

Figure 7.1.6-1: RMD-10 and RMD-15, Medium Density Residential Zone

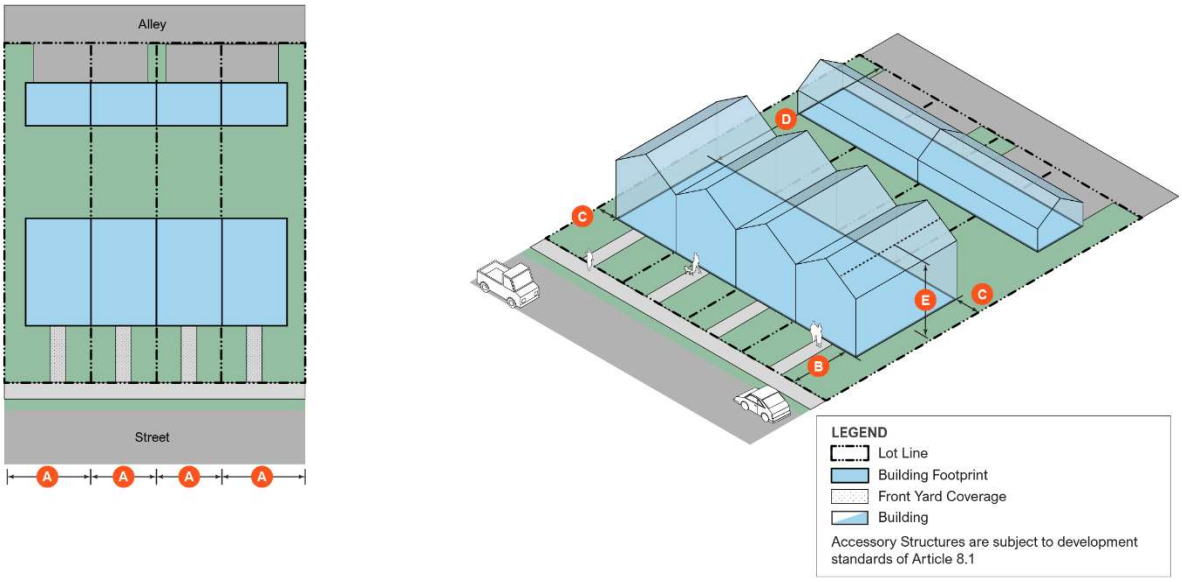


Table 7.1.6-1: RMD-10 and RMD-15, Medium Density Residential Zone Development Standards

	Standard	RMD-10	RMD-15
	Density (Max.)	10 DU/acre	15 DU/acre
	Bonus Density (Max.) [1]	30% increase in allowable dwelling units per acre	30% increase in allowable dwelling units per acre
	Site Area (Min.)	20,000 sq. ft. but never more than 10 acres	0.75 acres
A	Lot Frontage (Min.)	14 ft.	14 ft.
B	Front Setback (Min.)	20 ft.	15 ft.
C	Side Setback (Min.)	8 ft.	8 ft.
D	Rear Setback (Min.)	15 ft.	15 ft.
	I-270 Setback (Min.)[2]	50 ft.	50 ft.
E	Building Height (Max.)	35 ft.	40 ft. [3]

[1] The bonus density is permitted for any qualified project as defined in Subtitle 5, Title 7, Division I of the Land Use Article.

[2] Principal dwelling units must be set back a minimum of 50 feet from I-270, except that the lot is exempt from the I-270 setback when the lot is shown on a preliminary plan of subdivision or a final record plat approved prior to January 1, 1980.

[3] A height of 55 feet is permitted for any property abutting I-270 which was undeveloped on [effective date of the ordinance], subject to the massing and height transitions requirements of Sec. 25.7.3.7(a)(1).

Sec. 25.7.1.7. RMD-25, Medium Density Residential zone.

(a) *Purpose of the RMD-25 zone.* The RMD-25 zone is intended to provide for medium density residential uses, typically townhouse and apartment dwellings, up to 25 dwelling units per acre.

Figure 7.1.7-1: RMD-25, Medium Density Residential Zone

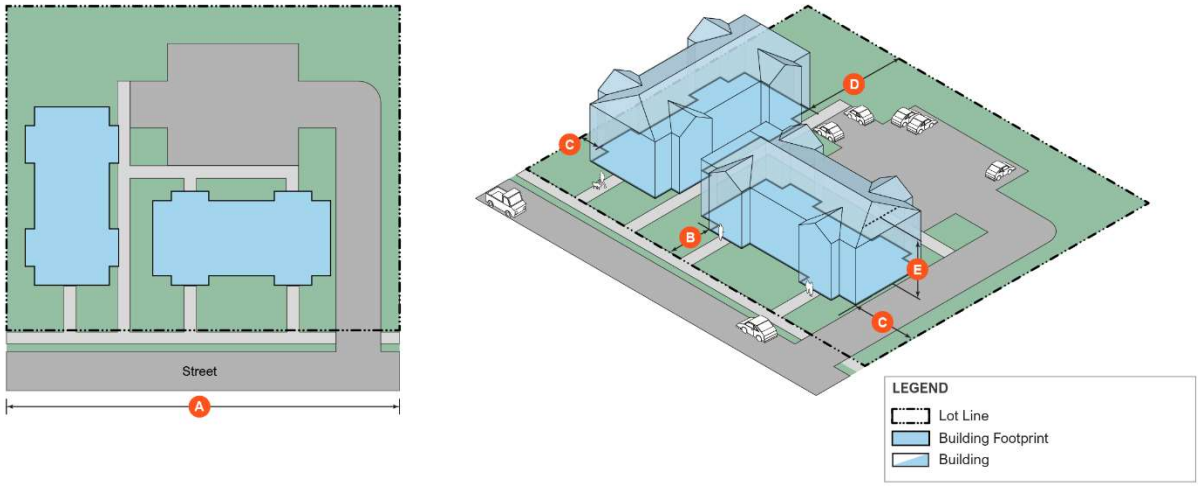


Table 7.1.7-1: RMD-25, Medium Density Residential Zone Development Standards

	Standard	Requirement
	Density (Max.)	25 DU/acre
	Bonus Density (Max.)[1]	30% increase in allowable dwelling units per acre
	Site Area (Min.)	0.75 acres
A	Lot Frontage (Min.)	14 ft.
B	Front Setback	25 ft.
C	Side Setback	8 ft. for townhouse, multiplex, and cottage courts 10 ft. for apartments
D	Rear Setback (Min.)	15 ft.
	I-270 Setback (Min.)[2]	50 ft.
E	Building Height (Max.)[3]	75 ft.

[1] The bonus density is permitted for any qualified project as defined in Subtitle 5, Title 7, Division I of the Land Use Article.

Standard	Requirement
[2] Principal dwelling units must be set back a minimum of 50 feet from I-270, except that the lot is exempt from the I-270 setback when the lot is shown on a preliminary plan of subdivision or a final record plat approved prior to January 1, 1980. [3] Subject to the massing and height transitions requirements of Sec. 25.7.3.7(a)(1).	

Sec. 25.7.1.8. RHD, Residential High Density zone.

(a) *Purpose of the RHD zone.* The RHD zone is intended to provide for high-density residential uses, typically apartment dwellings, up to 100 dwelling units per acre.

Figure 7.1.8-1: RHD, Residential High Density Zone

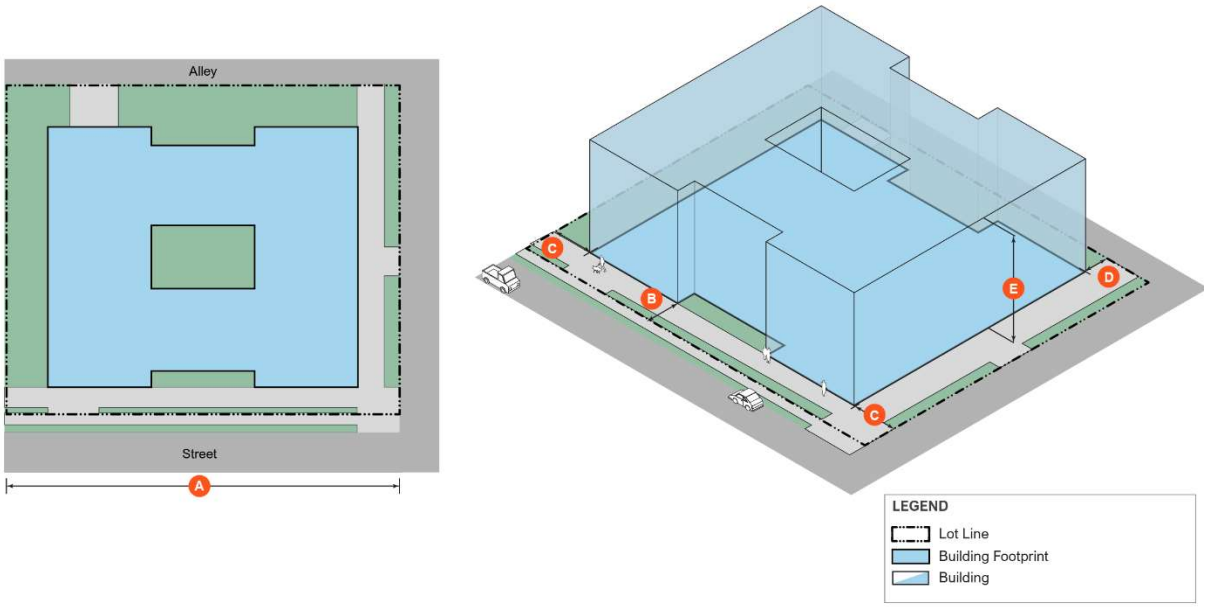


Table 7.1.8-1: RHD, Residential High Density Zone Development Standards

Standard		Requirement
	Density (Max.)	100 dwelling units/acre
	Bonus Density (Max.) [1]	30% increase in allowable dwelling units per acre
	Lot Size (min)	N/A
A	Lot Frontage (Min.)	10 ft.
B	Setback Abutting Public Right-of-Way (Min.)	None
C	Side Setback	None required, except as provided in Sec. 25.7.3.6(d)
D	Rear Setback (Min.)	None required, except as provided in Sec. 25.7.3.6(d)

Standard		Requirement
E	Building Height (Max.) [2]	150 ft.

[1] The bonus density is permitted for any qualified project as defined in Subtitle 5, Title 7, Division I of the Land Use Article.
[2] Subject to the massing and height transitions requirements of Sec. 25.7.3.7(a)(1).

Division 7.2. Industrial Zones

Sec. 25.7.2.1. Compliance with development standards.

(a) All development must comply with the development standards in Tables 7.2.2-1 and 7.2.3-1, as applicable, except as provided elsewhere in this Chapter.

Sec. 25.7.2.2. I-L, Light Industrial zone.

(a) *Purpose of the I-L zone*. The I-L zone is intended to provide for limited light manufacturing, warehousing, and wholesaling facilities necessary to serve residents of the City and surrounding areas, and to provide general retailing facilities for certain commodities appropriate in an industrial zone.

Figure 7.2.2-1: I-L, Light Industrial Zone

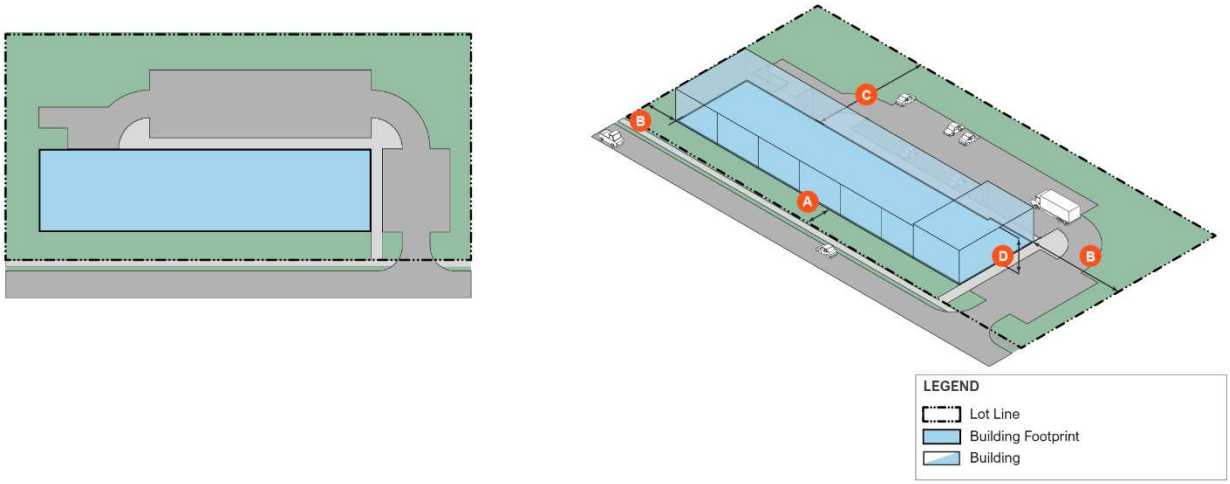


Table 7.2.2-1: I-L, Light Industrial Zone Development Standards

Standard			Requirement
	Lot Size (Min.)		N/A
	Lot Size (Max.)		N/A
A	Front Setback (Min.)		25 ft.
B		Abutting Street (Min.)	10 ft.

Standard			Requirement
	Side Setback	Abutting Residential Property[1] (Min.)	30 ft. or building height, whichever is greater
		Abutting Nonresidential Property (Min.)	10 ft.; unless both side yards abut nonresidential property, in which case one of the side setbacks may be 0 ft.
C	Rear Setback	Abutting Residential Property[1] (Min.)	30 ft. or building height, whichever is greater
		Abutting Nonresidential Property (Min.)	None required. 10 ft. min. if provided
D	Building Height (Max.) [2]		60 ft.
	Design Standards		Sec. 25.7.2.4

[1] This setback applies when the abutting property is zoned R-400, R-200, R-150, R-90, R-75, R-60, R-40, RMD-Infill, RMD-10, or RMD-15 and is developed with single-unit detached, townhouse, or multiplex dwellings.
[2] Subject to the massing and height transitions requirements of Sec. 25.7.3.7(a)(1).

Sec. 25.7.2.3. I-H, Heavy Industrial zone.

(a) *Purpose of the I-H zone.* The I-H zone is intended to provide for a wide range of industrial and related uses which may need various types of access, and which, because of the nature of their operation, may or may not be compatible near other land uses.

Figure 7.2.3-1: I-H, Heavy Industrial Zone

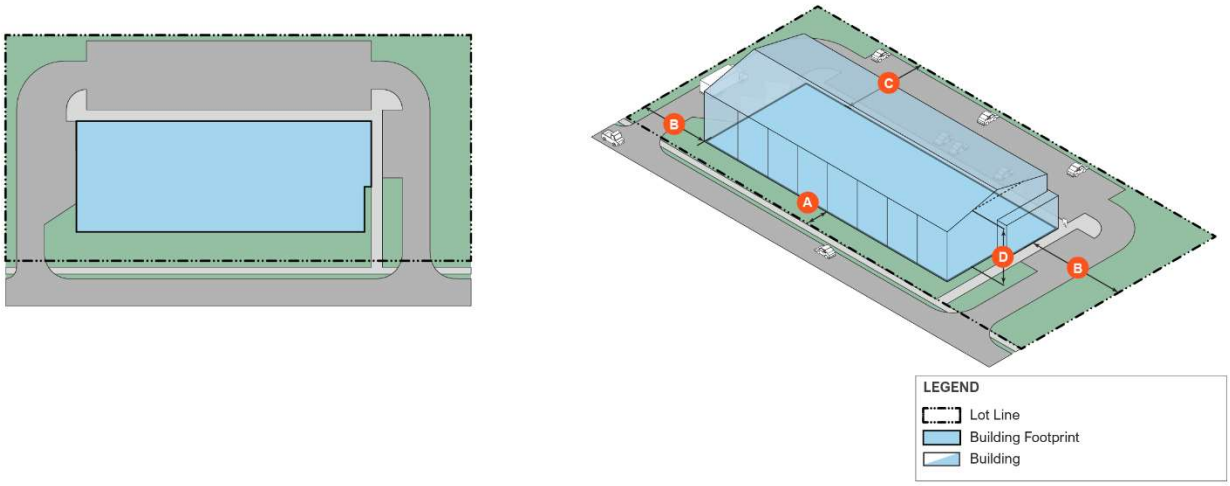


Table 7.2.3-1: I-H, Heavy Industrial Zone Development Standards

	Standard		Requirement
	Lot Size (Min.)		N/A
	Lot Size (Max.)		N/A
A	Front Setback (Min.)		25 ft.
B	Side Setback	Abutting Street (Min.)	10 ft.
		Abutting Residential Property[1] (Min.)	30 ft. or building height, whichever is greater.
		Abutting Nonresidential Property (Min.)	10 ft.; unless both side yards abut nonresidential property, in which case one of the side setbacks may be 0 ft.
C	Rear Setback	Abutting Residential Property[1] (Min.)	30 ft. or building height, whichever is greater.
		Abutting Nonresidential Property (Min.)	None required. 10 ft. min. if provided.
D	Building Height (Max.)[2]		70 ft.
	Design Standards		Sec. 25.7.2.4

Standard	Requirement
[1] This setback applies when the abutting property is zoned R-400, R-200, R-150, R-90, R-75, R-60, R-40, RMD-Infill, RMD-10, or RMD-15 and is developed with single-unit detached, townhouse, or multiplex dwellings. [2] Subject to the massing and height transitions requirements of Sec. 25.7.3.7(a)(1).	

Sec. 25.7.2.4. Industrial zone design standards.

(a) Facades greater than 100 feet in length facing either abutting residentially-zoned property (other than live-work units or residential uses that are part of a mixed-use development) or a street other than an alley or drive aisle must include projections, recessions, or other treatments with a minimum depth or offset of 2 feet, spaced no more than 30 feet apart.

Division 7.3. Mixed Use Zones

Sec. 25.7.3.1. Compliance with development standards.

(a) All development must comply with the development standards in Tables 7.3.2-1, 7.3.3-1, 7.3.4-1 and 7.3.5-1 as applicable, except as provided elsewhere in this Chapter.

Sec. 25.7.3.2. Transit-oriented, high-density mixed use zones.

(a) *Purpose of the Mixed-Use Transit District zones.* The MXTD zones are intended to provide for high-density development of retail, office, and residential uses in areas near Metro stations. These zones are characterized by their transit-oriented location, walkability and urban development patterns.

Figure 7.3.2-1: Transit-Oriented, High-Density Mixed Use Zones

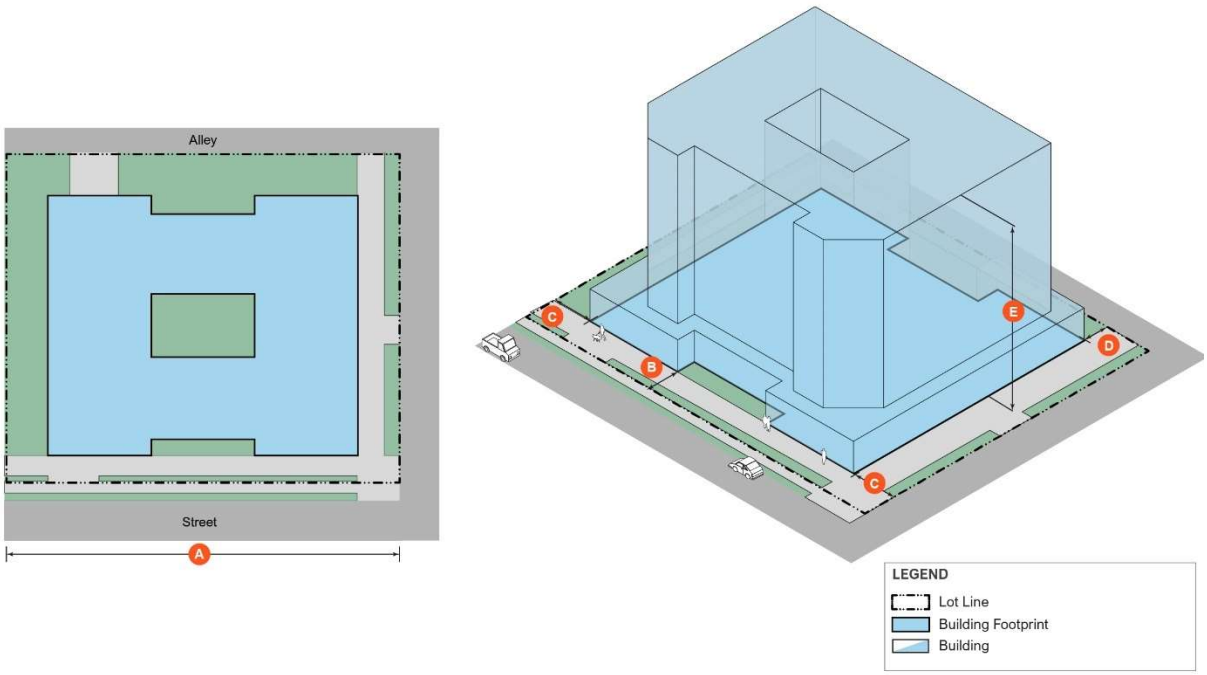


Table 7.3.2-1: Transit-Oriented, High-Density Mixed Use Zones Development Standards

	Standard		MXTD-235	MXTD-200	MXTD-85
A	Lot Frontage (Min.)		10 ft.	10 ft.	10 ft.
B	Setback Abutting Public Right-of-Way (Min.)		None	None	None
C	Side Setback (Min.)				
C			None required, except as provided in Sec. 25.7.3.6(d)	None required, except as provided in Sec. 25.7.3.6(d)	None required, except as provided in Sec. 25.7.3.6(d)
D	Rear Setback (Min.)				
D			None required, except as provided in Sec. 25.7.3.6(d)	None required, except as provided in Sec. 25.7.3.6(d)	None required, except as provided in Sec. 25.7.3.6(d)
E	Building Height (Max.)		235 ft.	200 ft.	85 ft.
	Bonus Building Height (Max.)[1]		100 ft.	100 ft.	50 ft.
	Building Location		Sec. 25.7.3.6		
	Design Standards		Sec. 25.7.3.7 and Sec. 25.7.3.8		

[1] The bonus building height is permitted for any Champion Project, any development project with a residential component that includes 20% or more moderately priced dwelling units, or any qualified project as defined in Subtitle 5, Title 7, Division I of the Land Use Article.

Sec. 25.7.3.3. Corridor-oriented, medium- to high-density mixed use zones.

(a) *Purpose of the Mixed-Use Corridor District zone*. The MXCD zone is intended to provide for areas along major highway corridors outside of the MXTD zone areas. It allows for flexibility in siting medium density development of retail, office, auto-oriented, and residential uses.

(b) *Purpose of the Mixed-Use Corridor Transition zone*. The MXCT zone is intended to provide for medium density development of residential and office uses, as well as neighborhood-serving retail and service uses, and to serve as a transition between areas zoned for medium- to high-intensity development and areas of residential development or parks within residentially zoned areas.

Figure 7.3.3-1: Corridor-Oriented, Medium- to High-Density Mixed Use Zones

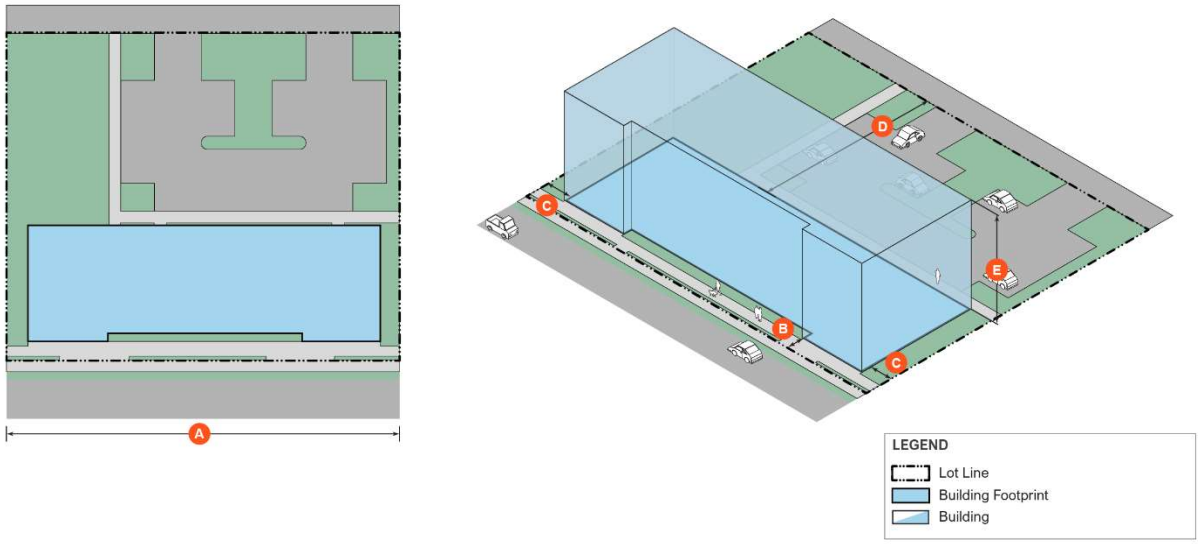


Table 7.3.3-1: Corridor-Oriented, Medium- to High-Density Mixed Use Zones Development Standards

Standard			MXCD	MXCT
A	Lot Frontage (Min.)		10 ft.	10 ft.
B	Setback Abutting Public Right-of-Way (Min.)		None	None
C	Side Setback (Min.)			
			None required, except as provided in Sec. 25.7.3.6(d)	None required, except as provided in Sec. 25.7.3.6(d)
D	Rear Setback (Min.)			
			None required, except as provided in Sec. 25.7.3.6(d)	None required, except as provided in Sec. 25.7.3.6(d)
E	Building Height (Max.)		125 ft.	75 ft.

	Standard	MXCD	MXCT
	Bonus Building Height (Max.)	50 ft.[1]	30% increase in allowable building height[2]
	Building Location	Sec. 25.7.3.6	
	Design Standards	Sec. 25.7.3.7 and Sec. 25.7.3.8	

[1] The bonus building height is permitted for any Champion Project or any qualified project as defined in Subtitle 5, Title 7, Division I of the Land Use Article.
[2] The bonus height is permitted for any qualified project as defined in Subtitle 5, Title 7, Division I of the Land Use Article.

Sec. 25.7.3.4. Neighborhood-oriented, medium- to low-density mixed use zones.

(a) *Purpose of the Mixed-Use Neighborhood Commercial zone.* The MXNC zone is intended to provide primarily for local, low to moderate density retail and service uses in areas near single unit detached residential uses. This zone also allows for low to moderate density residential uses and limited office uses. It is not intended to provide for major employment.

(b) *Purpose of the Mixed-Use Transition zone.* The MXT zone is intended to provide for low density multi-unit, attached, and townhouse residential development, and other neighborhood-serving uses in areas located between moderate or high-density development and single-unit detached residential neighborhoods.

(c) *Purpose of the Mixed-Use Commercial zone.* The MXC zone is intended to provide primarily for local, low density retail and service uses in areas near single unit detached residential uses. This zone also allows for low density residential uses and limited office uses. It is not intended to provide for major employment.

Figure 7.3.4-1: Neighborhood-Oriented, Medium- to Low-Density Mixed Use Zones

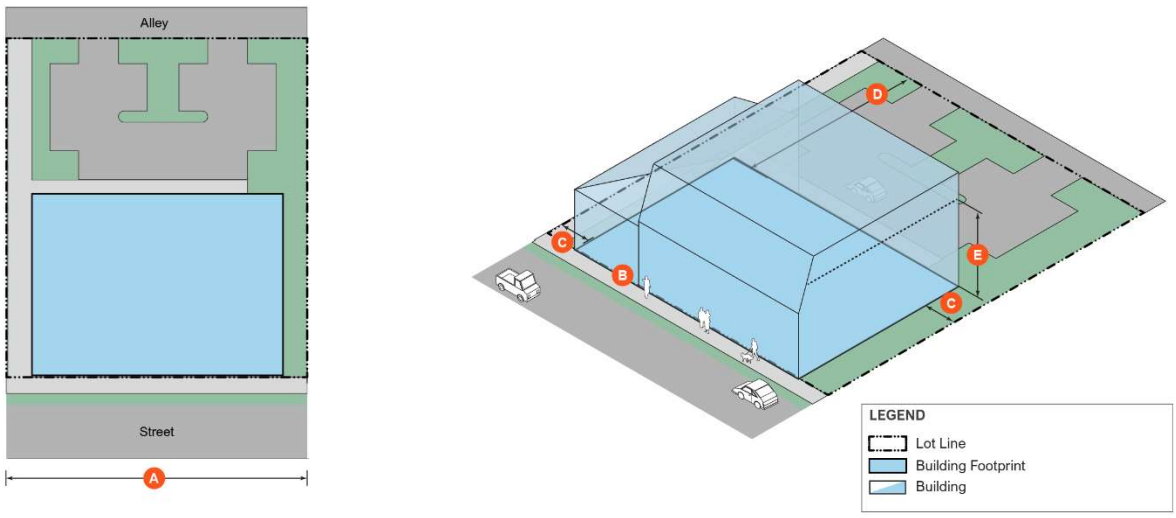


Table 7.3.4-1: Neighborhood-Oriented, Medium- to Low-Density Mixed Use Zones Development Standards

	Standard		MXNC	MXT	MXC
A	Lot Frontage (Min.)		10 ft.	10 ft.	10 ft.
B	Setback Abutting Public Right-of-Way (Min.)		None required	10 ft.	15 ft.
C	Side Setback (Min.)				
C			None required, except as	None required	None required

Standard			MXNC	MXT	MXC
			provided in Sec. 25.7.3.6(d)		
D	Rear Setback (Min.)				
D			None required, except as provided in Sec. 25.7.3.6(d)	None required, except as provided in Sec. 25.7.3.6(d)	None required, except as provided in Sec. 25.7.3.6(d)
E	Building Height (Max.)		65 ft.	35 ft.	30 ft.
	Bonus Building Height (Max.) [1]		30% increase in allowable building height	30% increase in allowable building height	30% increase in allowable building height
	Building Location		Sec. 25.7.3.6		
	Design Standards		Sec. 25.7.3.7 and Sec. 25.7.3.8		

[1] The bonus height is permitted for any qualified project as defined in Subtitle 5, Title 7, Division I of the Land Use Article.

Sec. 25.7.3.5. Business- and employment-oriented mixed use zones.

(a) *Purpose of the Mixed-Use Employment zone*. The MXE zone is intended to provide for areas that are either currently developed or are recommended for development primarily for office, light industrial, industrial park, and similar employment-generating uses, while also allowing for medium- to high-density development of retail, and residential uses.

(b) *Purpose of the Mixed-Use Business zone*. The MXB zone is intended to provide primarily for retail sales, neighborhood services, home maintenance services, and compatible residential development in areas convenient to both higher-density commercial zones and single-unit detached residential uses. This zone allows for a range of densities and permits retail, service, office, and residential uses.

Figure 7.3.5-1: Business- and Employment-Oriented Mixed Use Zones

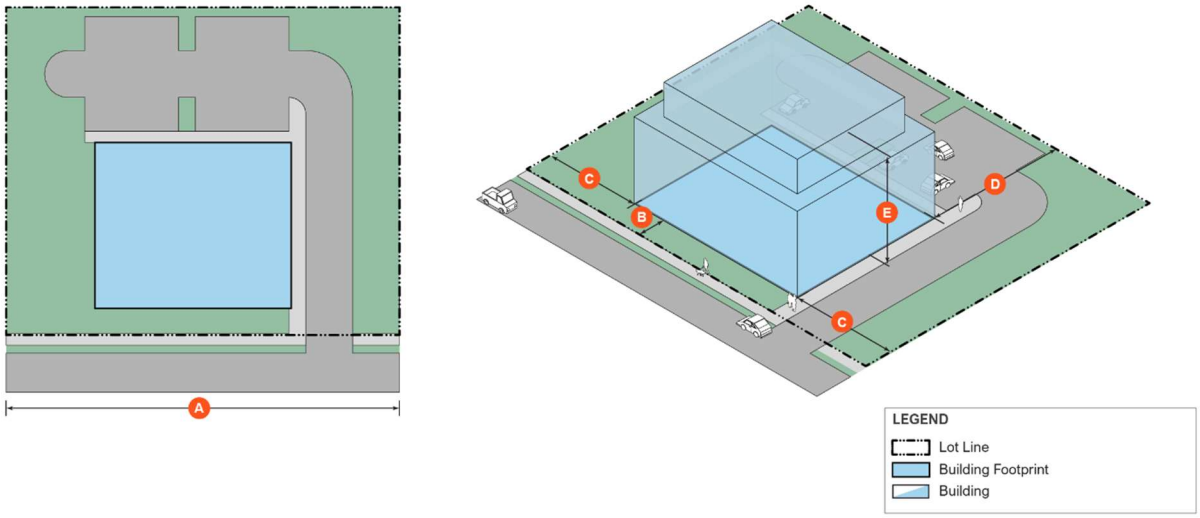


Table 7.3.5-1: Business- and Employment-Oriented Mixed Use Zones Development Standards

	Standard		MXE	MXB[1]
A	Lot Frontage (Min.)		10 ft.	10 ft.
B	Setback Abutting Public Right-of-Way (Min.)		None required, except as provided in Sec. 25.7.3.6(d)	None required, except as provided in Sec. 25.7.3.6(d)
C	Side Setback (Min.)			
			None required, except as provided in Sec. 25.7.3.6(d)	None required, except as provided in Sec. 25.7.3.6(d)
D				

Standard			MXE	MXB[1]
	Rear Setback (Min.)		None required, except as provided in Sec. 25.7.3.6(d)	None required, except as provided in Sec. 25.7.3.6(d)
E	Building Height (Max.)		120 ft.	55 ft.
	Bonus Building Height (Max.) [1]		30% increase in allowable building height	30% increase in allowable building height
	Building Location		Sec. 25.7.3.6	
	Design Standards		Sec. 25.7.3.7 and Sec. 25.7.3.8	
[1] The bonus height is permitted for any qualified project as defined in Subtitle 5, Title 7, Division I of the Land Use Article.				

Sec. 25.7.3.6. Mixed use building location standards.

(a) Buildings must be located at the front property line, including on corner lots, or the build-to line where established by the Plan. This standard applies in all mixed use zones, except that in the MXE zone, a service drive may be located between the front property line and the building .

(b) Parking must be located to the side or rear of buildings.

(c) Within the Rockville Pike Neighborhood Plan area, all building must conform to the build-to lines established in the Plan.

(d) *Certain side and rear yard setbacks.* A 25-foot side or rear yard setback is required where a development abuts single-unit detached dwellings, townhouses, or multiplexes in the R-400, R-200, R-150, R-90, R-75, R-60, R-40, or RMD-Infill zone and proposes the following:

(1) Uses other than Single-Unit Detached, Cottage Court, Multiplex, or Townhouses; and

(2) Height greater than 50 feet.

Setbacks under this subsection are only required in a side or rear yard directly abutting the single-unit detached dwelling, townhouse, or multiplex in the R-400, R-200, R-150, R-90, R-75, R-60, R-40, or RMD-Infill zone.

Sec. 25.7.3.7. Mixed use design standards.

(a) The following standards apply to all structures in the mixed-use zones, except for parking structures or any structures located on properties in the Historic District Overlay zone.

(1) *Massing and height transitions*.

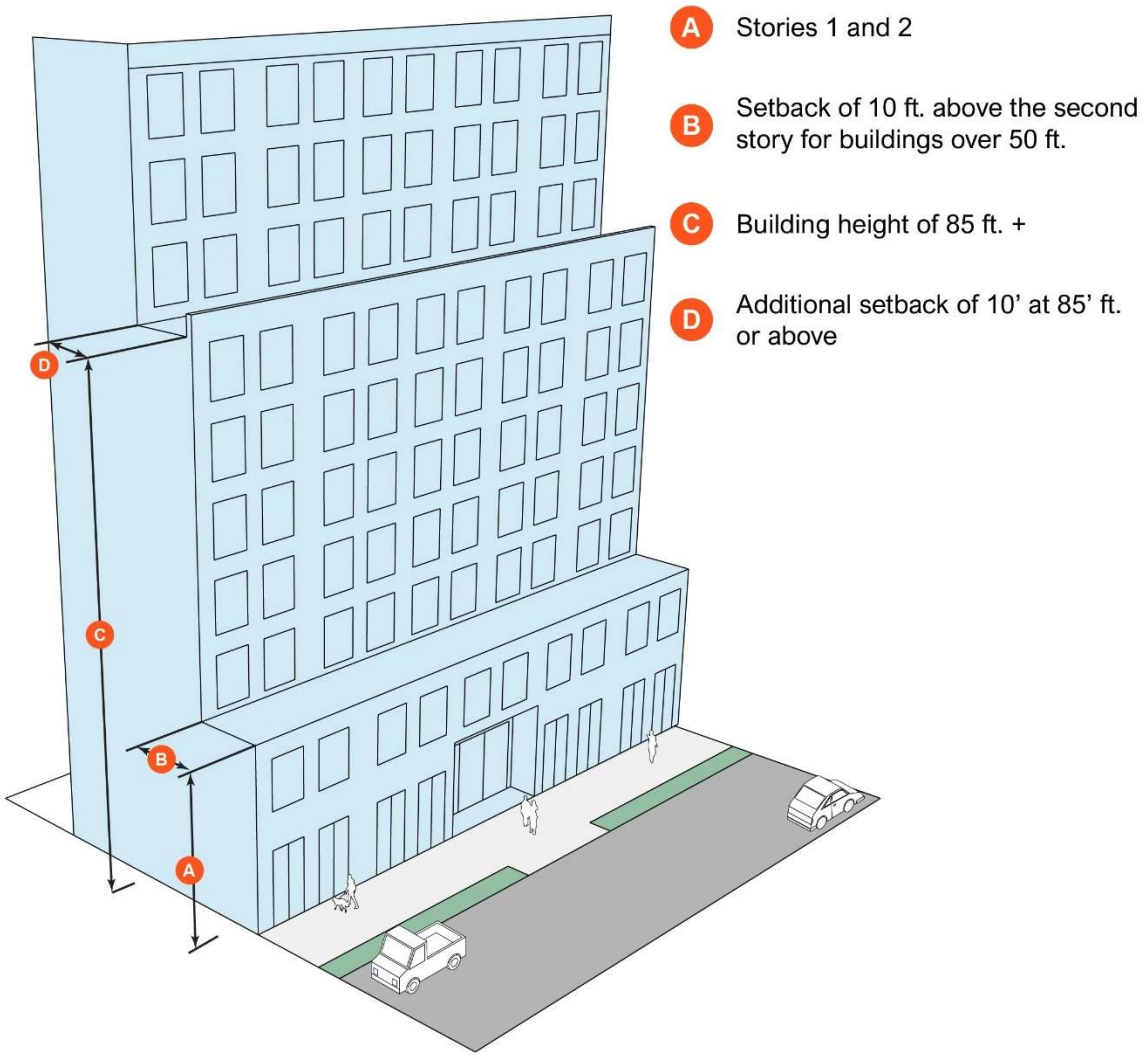
A. A building greater than 50 feet in height abutting or confronting a single-unit detached dwelling, townhouse, or multiplex in the R-400, R-200, R-150, R-90, R-75, R-60, R-40, or RMD-Infill zone must meet the following standards:

1. For buildings greater than 50 feet in height, the third story and above must be set back a minimum of 10 feet from the outer wall of the first story of the building.
2. For all buildings greater than 85 feet in height, the building must be set back an additional 10 feet at 85 feet and above.

B. Height transitions under this subsection are only required for the portion of the façade directly abutting or confronting the single-unit detached dwelling, townhouse, or multiplex in the R-400, R-200, R-150, R-90, R-75, R-60, R-40, or RMD-Infill zone.

C. Height transition requirements do not apply to buildings of 50 feet in height or less.

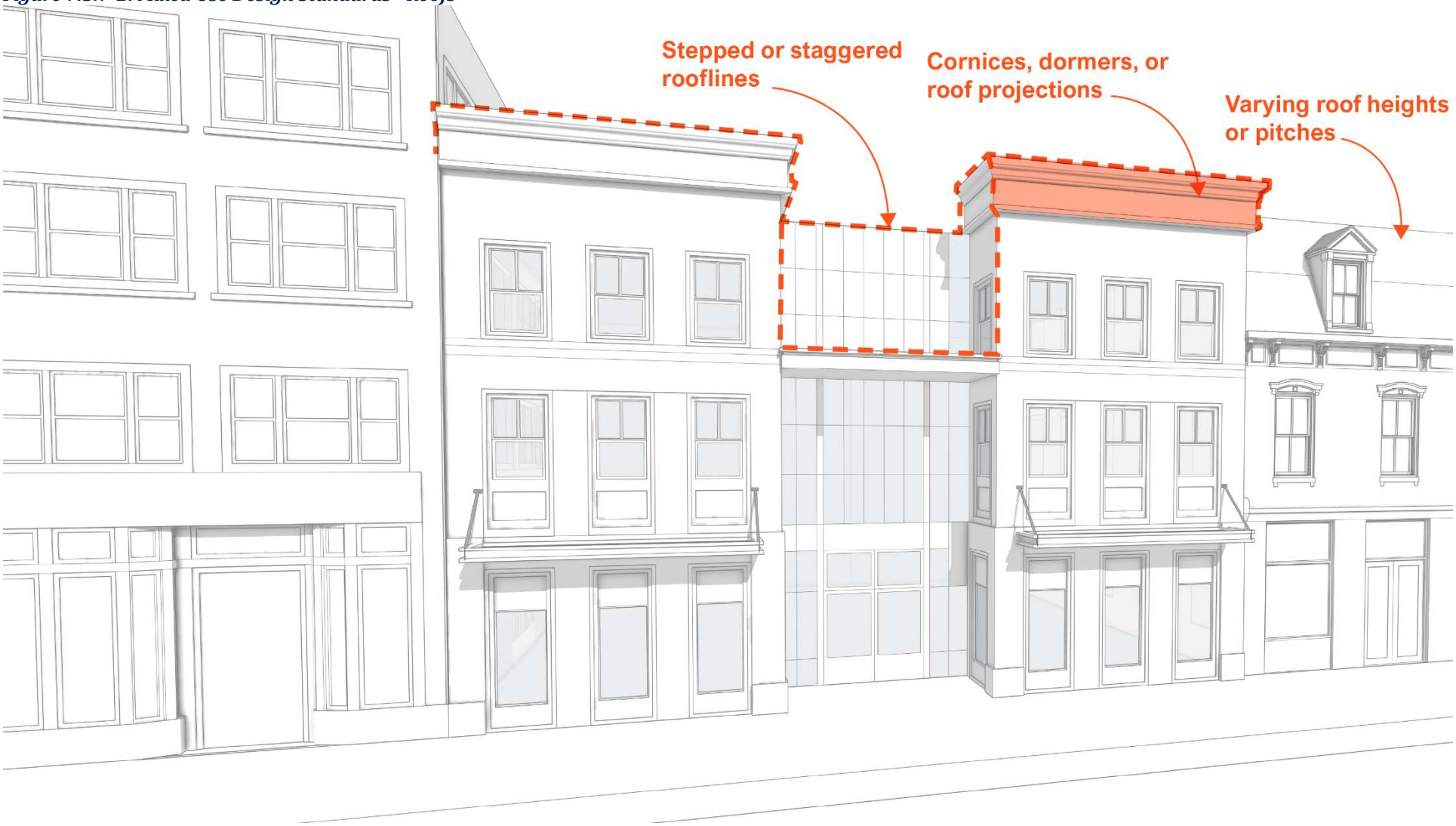
Figure 7.3.7-1: Mixed Use Design Standards - Massing and Height Transitions



(2) *Roofs.* Roof design must add interest to, and reduce the massive scale of, large buildings through the use of architectural treatments such as stepped or staggered rooflines; varying roof heights or pitches; cornices, dormers, or roof projections; variation in color or materials; and the addition of terraces, skylights, or light wells. The addition of solar panels, roof gardens, rainwater harvesting systems, and light color surfaces for energy and resource saving purposes are also encouraged.

A. Buildings in the MXT zone must have a gable, hip, or mansard roof.

Figure 7.3.7-2: Mixed Use Design Standards - Roofs



(3) *Facades.* The below requirements apply to all building facades and exterior walls, including sides and backs.

A. Side and rear facades must receive architectural treatment similar to that provided to the front facade to ensure consistent views from off-site locations and public areas on-site (e.g. parking lots, walkways, etc.).

B. All building facades greater than 250 feet long must vary the facade height to avoid a monotonous, monolithic appearance.

Figure 7.3.7-3: Mixed Use Design Standards – Facade Height



C. At the pedestrian level (generally within the first 10 feet of the building wall measured vertically at street level), facades must include architectural features to break up the building wall and contribute to visual interest at the pedestrian scale. These can include such things as wall offsets, reveals, or projecting ribs.

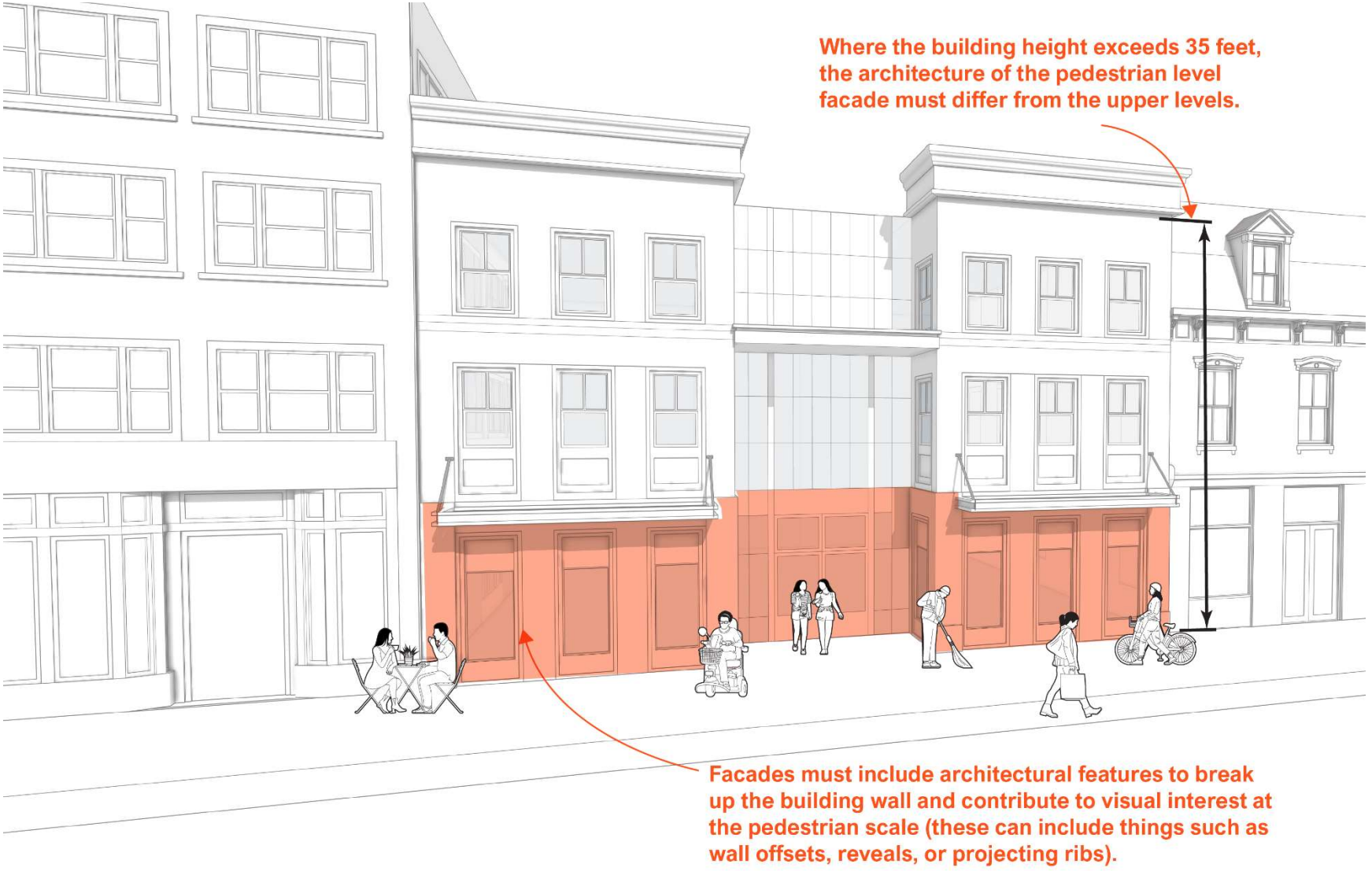
D. Where the building height exceeds 35 feet, the architecture of the pedestrian level facade must differ from the upper levels.

E. In the MXTD-235, MXTD-200, and MXTD-85, building facades that face public or private streets, except for private alleys or driveways, are subject to the following requirements:

   1. Ground floor facades must be between 16 and 20 feet in height.

   2. All facades greater than 100 feet long must include projections, recessions, or other similar treatments.

Figure 7.3.7-4: Mixed Use Design Standards – Facade Design



(4) *Entryways.* The primary building entrance must be clearly defined and accessible. Primary building entrances must include design features such as canopies, awnings, or porches that enhance the pedestrian experience or offer shelter.

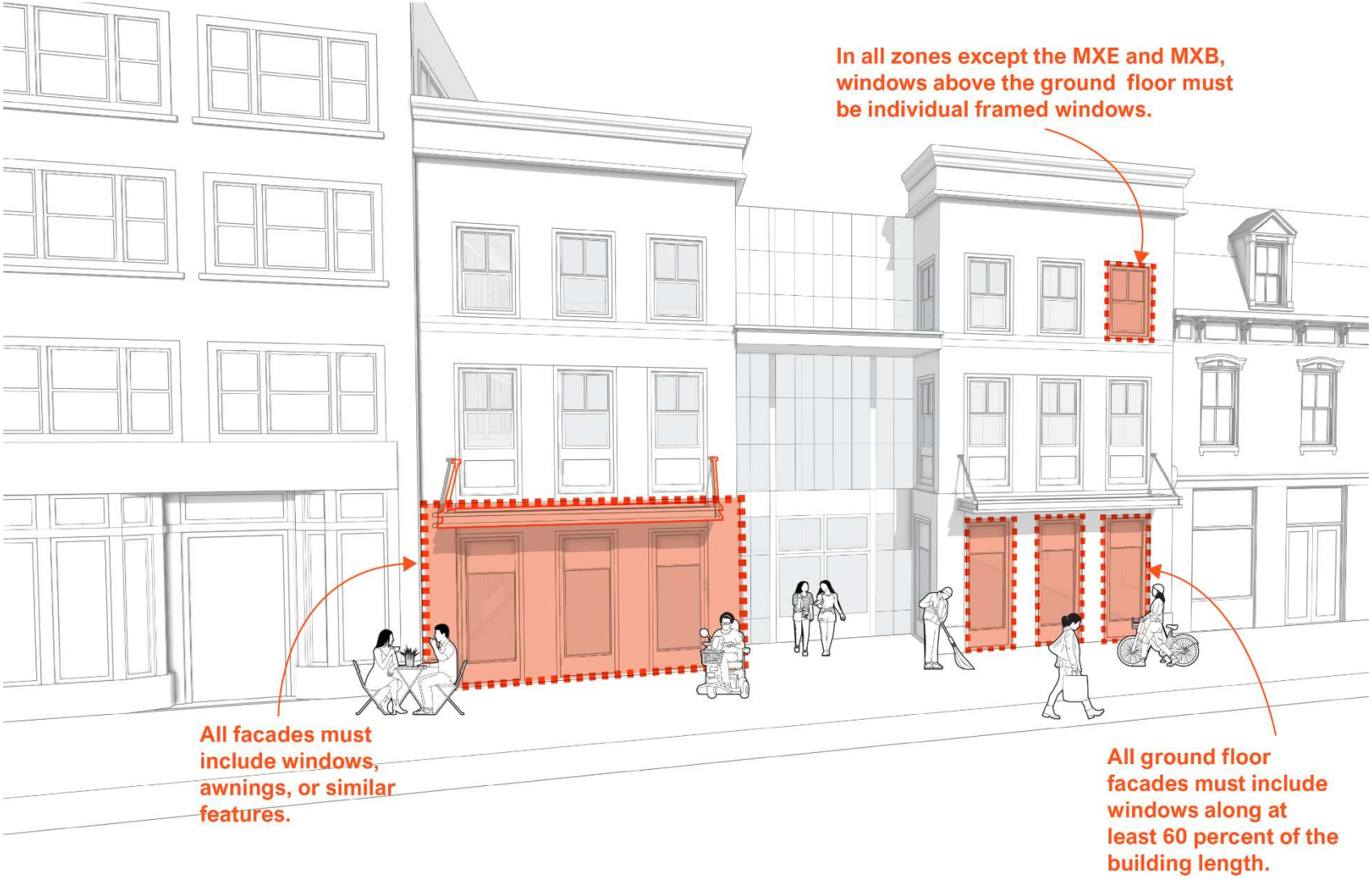
(5) *Windows and doors*.

A. All facades must include windows, awnings, or similar features.

B. All ground floor facades must include windows along at least 60 percent of the building length.

C. In all zones except the MXE and MXB, windows above the ground floor must be individual framed windows.

Figure 7.3.7-5: Mixed Use Design Standards - Windows and Doors



(6) *Materials and finishes*.

A. Construction materials such as tilt-up concrete, smooth-faced concrete block, prefabricated steel panels, and other similar materials must be avoided unless the exterior surface is concealed.

B. Finishes that incorporate metallic or highly reflective surfaces must be limited to trim, signage, or accent areas and must not be applied to large, flat wall surfaces.

C. The applicant may be required to submit a sample or specification sheet for any proposed exterior materials to demonstrate compliance with material standards.

(7) *Items allowed not facing a public street*. For all uses other than single-unit detached dwellings, townhouses, multiplexes, and cottage courts, the following items are only allowed either on sides not facing a public street or in the rear yard:

A. Electric utility meters;

B. Air conditioning compressors; and

C. Irrigation and pool pumps.

Sec. 25.7.3.8. Parking structure design standards.

(a) The following standards apply to parking structures:

(1) *Signage*.

A. Access to a parking facility must be clearly marked with signage to facilitate vehicle access and reduce pedestrian and bicycle conflicts.

B. Where an automated directional sign system is installed, there must be a readily legible indication from the street of the status of available parking within the structure.

(2) *Facades*.

A. The architectural design of the pedestrian level facade (generally within the first 10 feet of the building wall measured vertically at street level) must differ from the upper levels. This can be achieved through elements such as awnings or canopies, architectural façade details, variations in fenestration, materials, or color.

B. In all MXTD zones, the pedestrian level of all parking garages must be wrapped by other uses allowed in the zone.

C. All façade treatment must include design features that screen, disguise, and conceal parking on upper stories. This can be achieved through wrapping with other uses or articulation and detailing of exposed facades with awnings, louvres, glass panels, perforated metal, grilles, screens, overhangs, vertical greenery, brick, stone, or similarly attractive material.

D. Architectural features must be integrated into the design of rooftop stair and elevator towers.

Figure 7.3.8-1: Parking Structure Design Standards







A The architectural design of the pedestrian level facade differs from the upper levels

B Façade treatment conceals parking on upper floors

C Parking garage hidden by public-facing retail

D Continuous building frontage along street due to location of parking in rear

E Retail uses on the ground floor of the parking podium

F Discrete but visible signage directing vehicles

Sec. 25.7.3.9. Alternative compliance.

(a) Alternative compliance to the standards of Sec. 25.7.3.6, Sec. 25.7.3.7, or Sec. 25.7.3.8 may be approved by the Chief of Zoning or other applicable Approving Authority as defined in the Zoning Ordinance provided that the proposed alternative design:

(1) Meets or exceeds the intent of the requirements for which alternative compliance is being requested.

(2) Provides an equal or better design solution.

(3) Accomplishes the purpose of the zone in which the site is located.

(b) An applicant for alternative compliance must demonstrate, in a written statement, how their proposed alternative meets or exceeds each of the items list above.

Division 7.4. Special Zones

Sec. 25.7.4.1. Compliance with development standards.

(a) All development must comply with the development standards of the zone in which the development is located, except as provided elsewhere in this Chapter.

Sec. 25.7.4.2. Park zone.

(a) *Purpose of the Park zone.* The Park zone is intended to:

(1) Provide for recreational and other compatible uses;

(2) Provide and maintain adequate open space areas within the City to ensure that conservation, safety, and recreational needs, both active and passive, are met;

(3) Enhance the visual, economic, and environmental character of the community; and

(4) Improve the appearance and value of neighborhoods through the preservation of natural features, and the provision of recreation areas and open space.

(b) *Development standards.* The development standards of this zone are those development standards of the lowest density adjoining single dwelling unit residential zone.

Sec. 25.7.4.3. Planned Development zones.

(a) *Purpose of the Planned Development zones.* Prior to March 16, 2009, developments with special provisions for development standards and types of uses were approved through several types of special development procedures. These included comprehensive planned development, planned residential unit, preliminary development plan, and the I-3 zone optional method. Under these procedures, approved developments may have had little or no relation to the underlying zoning that existed at the time of development. Development of each planned development is governed individually by approval documents.

(1) To more clearly identify planned developments, they were placed in individual Planned Development (or "PD") zones when the Zoning Ordinance was comprehensively

amended on March 16, 2009. Planned development governing documents are included by reference as the applicable standards in the respective Planned Development zones. In addition, one or more equivalent zones are designated for each Planned Development zone.

(b) *Uses.*

(1) Only those uses specifically permitted by the applicable planned development governing documents or permitted in the Planned Development's equivalent zone are allowed in a Planned Development zone.

(c) *PD development standards.*

(1) *General policy.* The planned developments located in the Planned Development zones were approved by resolution of the Mayor and Council or action by the Planning Commission as a unified, coherent design. In some instances, the development standards of the underlying zone applied to aspects of the development project but were not restated in the Mayor and Council's or Planning Commission's development project approval. Additionally, several of the planned development projects are subject to annexation agreements or development agreements with the City that have specific terms for how development is to proceed. Collectively, these documents constitute the planned development governing documents as defined by Sec. 25.2.2.16(v).

(2) *Approved development standards.* Approved development standards in the planned development governing documents apply to all portions of a planned development except as provided in Sec. 25.7.4.3(c)(3). This includes the:

A. Completed planned development projects;

B. Undeveloped or partially completed individual sites within a planned development;

C. The redevelopment of any portion of a planned development that does not require an amendment to the planned development governing documents.

(3) *Equivalent zone development standards*.

A. For any portion of a planned development subject to an amendment to the planned development, the development standards of the equivalent zone designation for the Planned Development zone listed in Table 7.4.3-1 fully supersede the development standards contained in the planned development governing documents.

B. For any portion of a planned development proposed for development without the need for a planned development amendment, the development standards contained in the planned development governing document apply, except that the equivalent zone designation for the planned development apply in the absence of development standards related to minimum setbacks, maximum building height, lot coverage, or lot dimension in the planned development governing documents.

(4) *Waiver of equivalent zone standards.* The Approving Authority may waive the application of one or more of the development standards of the designated equivalent zone if it finds that the applicant has shown good cause as to why the development standard should not apply to any portion of the planned development project. In determining whether the burden of establishing good cause has been met, the Approving Authority must consider the following:

A. Whether the development standard of the equivalent zone is compatible with the completed portions of the planned development;

B. Whether applying the development standard of the equivalent zone is consistent with good planning and design principles;

C. Whether applying the development standard of the equivalent zone is reasonable and practically feasible. The cost of applying the standard may, but does not necessarily, demonstrate that applying the development standards of the equivalent zone is reasonable or practically feasible; and

D. Such other factors as the Approving Authority reasonably determines to be appropriate.

Table 7.4.3-1: Planned Development Zones Establishment

Principal Development Pattern	Zone	Approval Date	Resolution or Preliminary Development Plan, as May be Amended	Equivalent Zones[1] and Development Standards, Where Applicable
Single-Unit Residential	Meadow Hall, PD-MH	August 23, 1965	Resolution No. 62-65	RMD-10
	Fallsmead, PD-FM	January 3, 1966	Resolution No. 2-66	R-60
	Rockshire, PD-RS	March 7, 1966; May 20, 2024	Resolution No. 21-66; Resolution No. 09-24	MXNC for Commercial Uses
				R-60 for Single-Unit Detached Dwellings
				RMD-10 for Townhouse Dwellings
	New Mark Commons, PD-NMC	January 10, 1966	Resolution No. 4-66	R-60 for Single-Unit Detached Dwellings
				RMD-10 for Townhouse Dwellings
	Redgate Farm,	March 13, 1967	Resolution No. 14-67	R-60 for Single-Unit Detached Dwellings

Principal Development Pattern	Zone	Approval Date	Resolution or Preliminary Development Plan, as May be Amended	Equivalent Zones[1] and Development Standards, Where Applicable
	PD-RF			RMD-10 for Townhouse Dwellings
	Carter Hill, PD-CH	August 4, 1969	Resolution No. 48-69	R-60 for Single-Unit Detached Dwellings
				RMD-10 for Townhouse Dwellings
	Barnside Acres, PD-BA	September 10, 1973	Resolution No. 42-73	R-60 for Single-Unit Detached Dwellings
				RMD-10 for Townhouse Dwellings
	Dawson Farms, PD-DF	April 21, 1980	Resolution No. 7-80	R-60 for Single-Unit Detached Dwellings
				RMD-10 for Townhouse Dwellings
	Fallsbend, PD-FB	May 12, 1980	Resolution No. 12-80	R-60
	Flint Ledge Estates, PD-FL	June 1, 1981	Resolution No. 13-81	R-60 for Single-Unit Detached Dwellings
				RMD-10 for Townhouse Dwellings
	Fallsmead 2, PD-FM2	June 29, 1981	Resolution No. 17-81	R-60
	Rose Hill Falls, PD-RHF	January 23, 1990	Resolution No. 3-90	R-60 for Single-Unit Detached Dwellings
				RMD-10 for Townhouse Dwellings
	Rose Hill, PD-RH	December 8, 1997	Resolution No. 32-97	R-60
	Buckingham Property, PD-BP	October 14, 2002	Resolution No. 19-02	R-90
	Legacy at Lincoln Park, PD-LG	January 10, 2005	Resolution No. 3-05	R-60 for Single-Unit Detached Dwellings
				RMD-10 for Townhouse Dwellings

Principal Development Pattern	Zone	Approval Date	Resolution or Preliminary Development Plan, as May be Amended	Equivalent Zones[1] and Development Standards, Where Applicable
	Chestnut Lodge, PD-CL	February 6, 2006; June 18, 2018	Resolution No. 3-06; Resolution No. 12-18	R-90 for Single-Unit Detached Dwellings
Mixed-Use Residential and Commercial	Tower Oaks, PD-TO	October 12, 1987; September 27, 1993; January 8, 2001; August 1, 2016; and October 30, 2023	Resolution No. 25-87; Resolution No. 21-93 (amendment); Resolution No. 1-01 (amendment); Resolution No. 20-16; and Resolution No. 15-23, respectively	RMD-10 for Townhouse Dwellings
				RMD-25 for Apartment Dwellings
				MXNC for Retail Commercial Uses
				MXE for Office and Institutional Uses
	King Farm, PD-KF	July 8, 1996	Resolution No. 10-96	R-60 for Single-Unit Detached Dwellings
				RMD-10 for Townhouse Dwellings
				RMD-25 for Apartment Dwellings
				MXNC for Retail Commercial Uses
				MXE for Office and Institutional Uses
	Fallsgrove, PD-FG	February 22, 2000; August 1, 2005; and	Resolution 1-00; Resolution No. 21-05	R-60 for Single-Unit Detached Dwellings
				RMD-10 for Townhouse Dwellings

Principal Development Pattern	Zone	Approval Date	Resolution or Preliminary Development Plan, as May be Amended	Equivalent Zones[1] and Development Standards, Where Applicable
		December 20, 2021	(amendment); and Resolution No. 18-21, respectively	RMD-25 for Apartment Dwellings
				MXNC for Retail Commercial Uses
				MXE for Office and Institutional Uses
	Town Square, PD-TS	August 6, 2003	Preliminary development plan	MXTD-200 in the Core Character Area and MXTD-235 in the MD-355 Character Area, in accordance with the Town Center Master Plan.
	KSI Apartments, PD-KSI	July 14, 2004	Preliminary development plan	MXTD-200
	Twinbrook Commons, PD-TC	April 4, 2005; October 3, 2022	Resolution No. 9-05; Resolution No. 14-22	MXTD-235
	Rockville Center, Inc., PD-RCI	May 2, 2005; December 8, 2014	Resolution No. 10-05; Resolution No. 21-14	MXTD-200 in the Core Character Area and MXTD-235 in the MD-355 Character Area, in accordance with the Town Center Master Plan
	Upper Rock, PD-UR	May 23, 2005	Resolution No. 14-05	MXE
				PD-UR development standards at Sec. 25.7.4.3(e)(4)
Commercial	Shady Grove, PD-SG	February 9, 1998	Resolution No. 4-98	MXE
	Metro Center, PD-MC	March 7, 2005; January 7, 2019	Resolution No. 5-05; Resolution No. 3-19	MXTD-235
	Champion Billiards, PD-CB	October 23, 2006;	Resolution No. 14-06;	MXCD

Principal Development Pattern	Zone	Approval Date	Resolution or Preliminary Development Plan, as May be Amended	Equivalent Zones[1] and Development Standards, Where Applicable
		September 30, 2024	Resolution No. 17-24	

(d) *Fences in Planned Development zones.*

(1) In a Planned Development zone approved prior to January 1, 1975, fences up to six feet tall will be allowed:

A. To replace an existing fence; or

B. If the location of the fence within such planned development is approved by the homeowner's association.

(e) *Signs in Planned Development zones.*

(1) Except as otherwise provided in Article 10, signs in any of the Planned Development zones are regulated based on the applicable designated equivalent zones described in each Planned Development.

(2) Notwithstanding the provisions of Article 10, freestanding signs in the PD-TS zone are specifically allowed, as follows:

A. One off-premises sign per lot limited to 35 square feet of sign area and 25 feet in height; and

B. Up to 18 off-premises signs limited to four square feet of sign area each and 10 feet in height installed on existing light posts located on lots covered by and subject to a preliminary development plan.

(3) Notwithstanding the provisions of Article 10, the following standards apply in the PD-CB (Champion Billiards), PD-FG (Fallsgrove), PD-KF (King Farm), PD-KSI (KSI Apartments), PD-MC (Metro Center), PD-RCI (Rockville Center, Inc.), PD-RS (Rockshire), PD-SG (Shady Grove), PD-TC (Twinbrook Commons), PD-TO (Tower Oaks), PD-TS (Town Square), and PD-UR (Upper Rock) zones:

A. Freestanding signs are allowed in accordance with the following:

1. One freestanding sign facing each public street bordering the project and designated as a major arterial street or limited access highway;

2. Such sign is limited to 100 square feet of sign area and 20 feet in height;

3. Such signs must be located within the boundaries of the approved Planned Development;

4. Such signs must be located on property owned by the homeowner's association, civic association, or similar entity;

5. Such signs must not use internal illumination; and

6. Except in the PD-TS zone, a landscaped area at least two square feet per square foot of sign area in size must be provided at the base of the sign.

B. Directional signs are allowed as follows:

1. Signs must not exceed three feet in square area; and

2. If freestanding, signs must not exceed six feet in height.

(4) *PD-UR (Upper Rock) development standards.*

A. Development standards are those approved by the Mayor and Council in the resolution and as shown on the preliminary development plan, notwithstanding any contrary development standard for the I-3 optional method of development in effect at the time of the adoption of the resolution.

B. Minimum building setbacks for streets internal to the preliminary development plan area are as provided in exhibit 4 to the preliminary development plan resolution, as may be amended.

C. Setbacks are not required from lot lines or property lines that are not external boundaries of the preliminary development plan area.

D. There are no standards for minimum lot size and minimum lot width for record lots, provided that they conform to the blocks shown in the approved preliminary development plan.

E. Any lot platted as an ownership lot may be re-platted as a record lot.

Division 7.5. Overlay Zones

Sec. 25.7.5.1. Compliance with development standards.

(a) All development must comply with the development standards of the overlay zone in which the development is located, except as provided elsewhere in this Chapter.

Sec. 25.7.5.2. Historic District Overlay zone.

(a) Development in the Historic District Overlay zone must comply with the regulations of Article 11.

Sec. 25.7.5.3. Lincoln Park Neighborhood Conservation District Overlay zone.

(a) *Subdivision standards.*

(1) *Lots*. Lots within the Lincoln Park Neighborhood Conservation District Overlay zone are subject to the following standards:

A. The assemblage of separate lots for new development is prohibited;

B. The re-subdivision of existing original lots is prohibited; and

C. The creation of new pipe stem lots are prohibited.

(2) *Streets.*

A. New streets and private driveways that serve more than one lot are prohibited.

B. Culs-de-sac accessing structures set back from the main streets are prohibited.

(b) *Development standards.* Development within the Lincoln Park Neighborhood Conservation District Overlay zone is subject to the following development standards:

Table 7.5.3-1: Lincoln Park Neighborhood Conservation District Overlay Zone Development Standards

Standard		Requirement
Lot size (Max.)		6,000 sq. ft.
Building Footprint (Max.) [1]	Existing One-Story Dwellings and Additions (Max.) [2]	2,100 sq. ft. or the max. lot coverage of the base zone, whichever is less
	All Other Principal Dwellings (Max.)	1,800 sq. ft. or the max. lot coverage of the base zone, whichever is less
Front Setback (Min.)		25 ft.
Building Height (Max.)		30 ft.[3]

[1] The maximum building footprint does not include an unenclosed porch attached to the principal dwelling and facing a street frontage.
[2] The existing one-story dwelling must be retained after construction of the addition to the principal dwelling. Additionally, the total square footage of the addition must not exceed the present total square footage of the house, unless a new single-unit dwelling permit, subject to all single-unit dwelling permit requirements, is applied for and obtained.
[3] Measured from existing grade to the peak of the roof.

(c) *Alternative compliance*. The Chief of Zoning may approve a design for a principal dwelling that deviates from one or more of the standards in Sec. 25.7.5.3(b) upon finding that the design:

(1) Meets or exceeds the purpose and intent of the standard for which alternative compliance is requested;

(2) Provides an equal or better design solution in terms of livability for residents and impacts on neighboring property; and

(3) Accomplishes one or more of the following goals:

A. Conserves and strengthens the unique identity and sense of place that exists among residents in the neighborhood;

B. Promotes complementary and context-sensitive development between new and existing structures, while also allowing for creative design; and

C. Maintains and enhances a walkable and pedestrian-friendly environment.

(4) This subsection does not authorize the Chief of Zoning to approve a deviation from any standard of a property's base zone or any other provisions of this Chapter.

(5) Institutional uses are exempt from all conservation district development standards.

Sec. 25.7.5.4. Cluster Development Overlay zone.

(a) *Purpose of the Cluster Development Overlay zone.* Prior to March 16, 2009, eight subdivisions were approved by the Planning Commission as either variable lot size developments or cluster subdivisions. These developments were subdivided under regulations allowing development of single-unit detached dwellings with varying lot areas, lot widths, and setbacks, some of which are less than required by the underlying zoning.

(b) *Development standards.* Setbacks, minimum lot area, and minimum lot width standards in the Cluster Development Overlay zone are reduced based on the underlying zoning, as follows:

Table 7.5.4-1: Cluster Development Overlay Zone Development Standards

Cluster Development	Underlying Zoning	Allowable Reduction
Horizon Hill	R-90	20%
Jefferson Place		
North Farm		
Orchard Ridge		
Fallswood	R-150	30%
Saddlebrook		
Wootton's Mill		
Ivy Woods	R-200	25%

Article 8. General Development Requirements

Division 8.1. Accessory Buildings and Structures

Sec. 25.8.1.1. Fences and retaining walls.

(a) *Generally.*

(1) Fences must be constructed of standard or typical fence materials.

(2) Fences and retaining walls are not subject to accessory structure setback requirements.

(3) Additional regulations for fences in Planned Development zones are in Sec. 25.7.4.3(d).

(b) Fences and retaining walls are subject to the restrictions outlined in Table 8.1.1-1, as applicable.

(1) *Exceptions.* Deer mesh may be up to 8 feet tall in any yard of a residential property.

Table 8.1.1-1: Fence and Retaining Wall Restrictions

Structure	Permitted Height
Fences in the R-400, R-200, R-150, R-90, R-75, R-60, R-40, and RMD-Infill, RMD-10, RMD-15, RMD-25	Fences must not exceed four feet tall in the front yard, except that: • Where the abutting street is classified as an arterial highway or greater, fences may be up to six feet tall in the front yard. • Where the abutting street is an unimproved right-of-way, fences may be up to six feet tall. If the right-of-way is subsequently improved, any fence exceeding four feet in height is nonconforming and may be maintained and repaired. If replaced, the fence must comply with the provisions of this Section. Fences must not exceed eight feet tall in the side or rear yard, except that: • On a corner lot, fences must not exceed four feet above the curb level for a distance of 25 feet from the intersection of the street lines. Retaining walls made necessary by changes in street grade, width, or alignment are not subject to the limitations in the preceding sentence.
Fences in the RHD and all MX zones	Fences no greater than eight feet tall in the side or rear yard.
	Fences no greater than four feet tall are permitted in the front yard.
	Fences no greater than eight feet tall in the side or rear yard.

Fences in the I-L and I-H zones	Fences no greater than four feet tall are permitted in the front yard, except that the Approving Authority may allow a fence up to eight feet tall in the front yard as part of a Site Plan review.
Fences on public school property	Fences no greater than six feet tall are permitted in the front yard of any public school property.
Retaining walls	Where a retaining wall intended to hold back a mass of earth or other material is located along a lot line, it may be of any necessary height measured from the lower ground level. If the retaining wall is also intended to act as a fence for the property at the upper grade level, the fence height requirements of the zone apply.

Sec. 25.8.1.2. Air conditioners, heat pumps, and emergency generators.

(a) In the R-400, R-200, R-150, R-90, R-75, R-60, R-40, and RMD-Infill zones, air conditioners, heat pumps, and emergency generators are subject to principal structure setbacks.

(b) *Emergency generators*.

(1) Emergency generators may only be located in a rear yard or side yard, except that:

A. On a corner lot, an emergency generator may encroach into the front yard as allowed by Table 2.3.4-1 in Sec. 25.2.3.4.

(2) Emergency generators are subject to the noise regulations of Sec. 25.8.8.1(d).

Sec. 25.8.1.3. Other accessory buildings and structures.

(a) *Applicability*. This Section applies to all accessory buildings and structures on properties developed with single-unit detached dwellings, townhouses, multiplexes, and cottage courts, except the following:

(1) Air conditioners;

(2) Emergency generators;

(3) Fences and retaining walls;

(4) Flagpoles;

(5) Heat pumps;

(6) Signs; and

(7) Wireless communication facilities.

(b) *Requirements.* Accessory buildings and structures must be customarily associated with, and clearly incidental and subordinate to, a legally established principal structure. Attaching these structures to the main building by any part of a common wall or common roof is prohibited, except as follows:

(1) One accessory building on a lot may be connected to a main building by an open, unenclosed breezeway no more than 20 feet long.

(c) *Residential accessory buildings and structures.*

(1) *Existing accessory buildings and structures*. Accessory buildings and structures that were constructed in conformance with the standards in effect at the time they were erected are conforming and may be modified, repaired, or replaced so long as they conform to the standards under which they were built except that they must maintain a minimum setback of three feet from any property line.

(2) Residential accessory buildings and structures are subject to the development standards in Table 8.1.3-1.

Figure 8.1.3-1: Residential Accessory Buildings and Structures

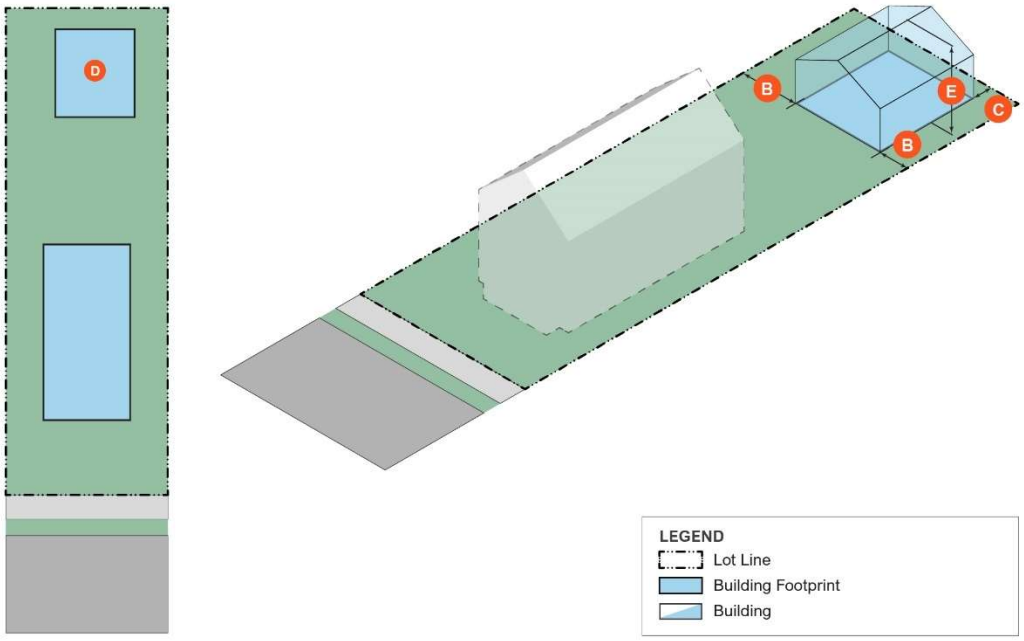


Table 8.1.3-1: Residential Accessory Buildings and Structures Development Standards

Standard			R-400	R-200	R-150	R-90	R-75	R-60	R-40	RMD-Infill
A	Side Setback (Min.)	Street abutting [1]	30 ft.	25 ft.	30 ft.	20 ft.				
B		Land abutting	• Buildings up to 12 feet tall: 3 feet • Buildings 13 feet tall: 6 feet • Buildings 14 feet tall: 9 feet							

Standard		R-400	R-200	R-150	R-90	R-75	R-60	R-40	RMD-Infill
		• Buildings 15 to 20 feet tall: 12 feet							
C	Rear Setback (Min.)	• Buildings up to 12 feet tall: 3 feet • Buildings 13 feet tall: 6 feet • Buildings 14 feet tall: 9 feet • Buildings 15 to 20 feet tall: 12 feet							
D	Footprint (Max.)	For accessory dwelling units, the maximum footprint is determined by Sec. 25.6.2.7. For all other accessory structures, maximum footprint is as follows: • The maximum footprint of any one accessory building or structure is 750 square feet or the footprint of the main building, whichever is less. • The maximum total footprint of all accessory buildings on a single lot is 1,000 square feet or the area of the footprint of the main building, whichever is less.							
E	Height (Max.) [2]	20 feet or the height of the peak of the main building, whichever is less							

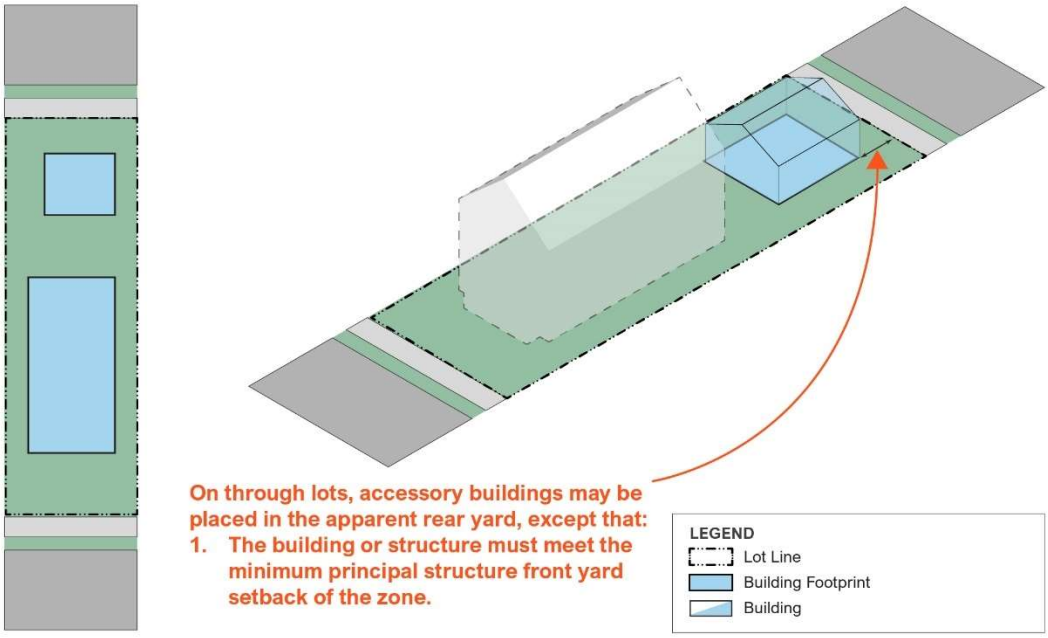
[1] The listed setbacks apply for accessory buildings and structures up to 12 feet tall. Those that exceed 12 feet in height must be set back an additional three feet for each additional foot (or any portion thereof) of building height up to 15 feet. Accessory buildings may exceed 15 feet in height, up to a maximum of 20 feet, with no additional setback required.

[2] The height of an accessory building or structure is measured from the lowest point of the finished grade at the front of the building to the highest point of the roof, as defined in Sec. 25.2.3.6(b)(1). Additional height may be allowed in conformance with this Table.

(3) Residential accessory buildings and structures must be located in the rear yard, except as follows:

A. *Accessory buildings on through lots*. On through lots, accessory buildings may be placed in the apparent rear yard, subject to the requirements of Table 8.1.3-1, except that the building or structure must meet the minimum principal structure front yard setback of the zone.

Figure 8.1.3-2: Residential Accessory Buildings and Structures on Through Lots



B. *Small open structures*. Open structures with a footprint of 100 square feet or less, such as gazebos, pavilions, and pergolas, are permitted with a 10-foot setback in a yard abutting a street.

Division 8.2. Parking and Loading

Sec. 25.8.2.1. Applicability.

(a) This Division applies to all development, except for the following:

(1) Construction of a shed, fence, or sign.

(2) The following activities when they are not associated with any other development activities:

A. Grading.

B. Clearing.

C. Underground utility work.

Sec. 25.8.2.2. General parking and loading requirements.

(a) *Prohibited use of parking areas and loading spaces*.

(1) Required off-street parking and loading spaces must not be used for the storage, sale, repair, dismantling, or servicing of any vehicles, equipment, materials, or supplies.

(2) Required off-street parking and loading spaces must not be reduced in area or encroached upon by buildings, trash receptacles, or any other purpose other than those intended by this Division.

(b) *Limitations on vehicular access*.

(1) In the MXCD zone, vehicular access to a secondary residential street is prohibited unless determined by the Director of Public Works, Chief of Inspection Services, or Fire Marshal to be necessary.

(2) In the MXE, I-L, and I-H zones, vehicular access to any residential street is prohibited unless determined by the Director of Public Works, Chief of Inspection Services, or Fire Marshal to be necessary.

(3) In the RMD-15 zone, new vehicular access to any secondary residential street ending in a cul-de-sac [on the effective date of the ordinance] is prohibited unless determined by the Director of Public Works, Chief of Inspection Services, or Fire Marshal to be necessary.

(c) *Location of parking and loading facilities.*

(1) All off-street parking and loading facilities required by this Article for any use must be located on and entirely within the same record lot with that use, unless otherwise provided in this Chapter.

(d) *Residential zones*.

(1) In the R-400, R-200, R-150, R-90, R-75, R-60, and R-40 zones, the off-street parking of motor vehicles is limited to:

A. Passenger vehicles; and

B. One of either of the following per dwelling unit:

1. One delivery-type commercial vehicle not exceeding three-quarter-ton capacity, or

2. One truck that has been issued a special permit under Chapter 23, Sec. 23-27.

C. One trailer, provided that:

1. The trailer is not used for dwelling purposes or any accessory use.

2. The trailer is parked behind the front building line whenever possible.

D. A semi-trailer for transport by a truck tractor under the Maryland Vehicle Law is not allowed except as a Temporary Use in accordance with Sec. 25.6.8.4.

(2) In the RMD-Infill, RMD-10, RMD-15, and RMD-25 zones:

A. *Generally*. The off-street parking of motor vehicles is limited to:

1. Passenger vehicles; and

2. One of either of the following per dwelling unit:

   i. One delivery-type commercial vehicle not exceeding three-quarter-ton capacity, or

   ii. One truck that has been issued a special permit under Chapter 23, Section 23-27.

B. The off-street parking of trailers is prohibited except when located on a lot whose principal use is a single unit detached dwelling.

Sec. 25.8.2.3. Calculation of required parking.

(a) The minimum number of automobile parking spaces required in all zones is the sum of the number of spaces required for each applicable land use in the table in Table 8.2.5-1, unless otherwise provided in this Division.

(b) *In general*.

(1) *Rounding.* In the case of parking calculations, any fraction of a parking space requirement is rounded up to the next higher number.

(2) *Area Measurements*. Unless otherwise expressly stated, all requirements based on area (square footage) must be computed based on the sum of the gross floor area of a building devoted to a use requiring off-street parking. The following areas are not included:

A. Floor space devoted primarily to the housing of mechanical or electrical equipment.

B. Elevator shafts and stairwells.

(3) *Accessible spaces*. The minimum number of accessible parking spaces required under the Maryland Accessibility Code and Chapter 5 must be provided.

(4) *Electric Vehicle (EV) spaces*. The minimum number of electric vehicle parking spaces required under Chapter 5, Article 8, must be provided.

(5) *Compact spaces*. Compact parking spaces may constitute up to 20 percent of the total parking spaces.

(6) *Parking in the right-of-way*. Any on-street parking space in a right-of-way counts toward the minimum number of required parking spaces if the space is:

A. Abutting the subject property.

B. Any such space removed by a public agency at a later date is not required to be replaced on-site.

(c) *Exemptions*.

(1) *Uses near transit*.

A. Uses are exempt from the parking minimums shown in Table 8.2.5-1 if they are located within the following distance from transit:

1. ½ mile of a Metro station.

2. ¼ mile of an existing Bus Rapid Transit station or a Bus Rapid Transit station that has been funded for construction in the Montgomery County, Maryland, 6-year Capital Improvements Program at the time of application.

This subsection does not affect any requirements for the provision of loading areas or pick-up/drop-off (PUDO) spaces under this Division or applicable law.

B. *Place of Worship or Religious Assembly uses*. No parking spaces are required for a building used by a congregation, whose religious beliefs prohibit the use of motor vehicles in traveling to and from religious services on the Sabbath and principal religious holidays and which the building may only be used for religious services on the Sabbath and principal religious holidays and as a residence for the clergy and their family. Such a building must, however, provide two off-street parking spaces on its property. Other uses that may be located on the property that involve activities on days other than the Sabbath must provide off-street parking in accordance with this Division, or as may be required by the Board of Appeals in approving a Special Exception on the site.

(d) *Adjustments*.

(1) *In General*. An applicant may choose to apply the following parking rate adjustments.

A. *Electric vehicle parking spaces*. One electric vehicle parking space is equal to two required parking spaces, for up to 10 percent of the required parking spaces. Electric vehicle parking spaces are excluded from the maximum parking space limits of Sec. 25.8.2.4.

B. *Pick-up/drop-off (PUDO) spaces*. One on-site PUDO space located near an entrance is equal to two required parking spaces.

C. *Moderately priced dwelling unit (MPDU) apartments*. For moderately priced apartment dwelling units, the required parking shown in Table 8.2.4-1 may be reduced by 50 percent.

D. *Bicycle commuters*. The required parking shown in Table 8.2.4-1 may be reduced by 10 percent for developments that provide:

1. Additional enclosed (indoor and locker) and secure bicycle parking spaces equal to at least five percent of the number of vehicle parking spaces provided; and

2. Shower and dressing areas for employees.

E. *Shared parking*. An applicant proposing development with more than one use may submit a shared parking analysis using the Urban Land Institute Shared Parking Model (Third Edition, 2020) instead of using Table 8.2.4-1.

Sec. 25.8.2.4. Minimum parking space requirements.

(a) *Minimum parking requirements*.

(1) The number of motor vehicle parking spaces required for each land use included in Article 6 is shown in Table 8.2.4-1.

(2) *New development*. New development must comply with the minimum parking requirements of this Section as calculated under Table 8.2.4-1 and Sec. 25.8.2.3.

(3) *Amendments to existing approvals*. An amendment to an existing approval that includes a change in floor area, use, or parking design requires recalculation of the parking requirements for the approval. The parking ratios of Table 8.2.4-1 apply as follows:

A. *Increases in gross floor area*.

1. When the gross floor area on the site is proposed to increase by up to 25 percent, additional required parking must be provided only for the additional floor area.

2. When the gross floor area on the site increases by greater than 25 percent, the development must comply with the minimum parking requirements of this Division as calculated under Table 8.2.4-1 and Sec. 25.8.2.3.

B. *Changes in use*.

1. When a change in use results in a parking requirement less than or equal to 125 percent of the parking requirement for the existing use, no additional parking is required.

2. When a change in use results in a parking requirement greater than 125 percent of the parking requirement for the existing use, the use must comply with the minimum parking requirements of this Division as calculated under Table 8.2.4-1 and Sec. 25.8.2.3.

Table 8.2.4-1: Minimum Parking Requirements

Category	Use		Parking Minimum
Residential Uses	Apartment	Studio Unit or 1 Bedroom Unit	1 per dwelling unit
		2+ Bedroom Unit	1.5 per dwelling unit
	Child Care Home		N/A
	Cottage Court		1 per dwelling

Category	Use		Parking Minimum
	Dwelling, Single-Unit Detached		2 per dwelling
	Dwelling Unit, Accessory		N/A
	Housing for Senior Adults and Persons with Disabilities		1 per 3 independent living dwelling units
	Life Care Facility	Independent living dwelling units	1 per 3 dwelling units
		Assisted living or nursing care	1 per 4 beds
	Multiplex		2 per building
	Personal Living Quarters		1 per resident room
	Townhouse	Studio or 1 Bedroom Units	1 per dwelling unit; 1 visitor parking space per 2 units. Visitor parking may be provided on-site or within the right-of-way.
		2+ Bedroom Unit	1.5 per dwelling unit; 1 visitor parking space per 2 units. Visitor parking may be provided on-site or within the right-of-way.
Retail and Service Uses	**All Retail and Service Uses Unless Otherwise Listed**		1 per 300 sq. ft. GFA
	Bed and Breakfast		0.33 per guest unit and 1 per 400 sq. ft. GFA of assembly/restaurant area
	Event Space, Club, or Lodge		1 per 225 sq. ft. GFA
	Funeral Home		1 per 225 sq. ft. GFA
	Home Maintenance Service		N/A
	Hospital		1 per 3 patient beds
	Hotel		0.33 per guest unit and 1 per 400 sq. ft. GFA of assembly/restaurant area
	Office[2]		1 per 500 sq. ft. GFA
	Recreational Facility; Indoor, Commercial		1 per 600 sq. ft. GFA
	Recreational Facility; Outdoor, Commercial		To address the variability inherent in this use, a parking plan to demonstrate that parking needs will be met on-site is

Category	Use	Parking Minimum
		required, to be approved by the Approving Authority.
	Wholesale Establishment	1 per 1,000 sq. ft. GFA
Automotive Uses	**All Automotive Uses**	4 spaces per service bay, or 1 space per 200 square feet of indoor space open/used for customer processing if bays do not exist, whichever is less. Electrical vehicle charging stations and parking facilities excluded.
Industrial Uses	**All Industrial Uses**	1 space per 2,000 sq. ft. GFA
Institutional/ Public Uses	Adult Day Care	1 per 400 sq. ft. GFA
	Child Care Center	1 per 400 sq. ft. GFA
	Charitable or Philanthropic Institution	1 per 500 sq. ft. GFA
	Crematorium	N/A
	Cultural Institution	1 per 500 sq. ft. GFA
	Educational Institution, Private	6 per classroom
	Park	N/A
	Place of worship	1 per 300 sq. ft. GFA
	Public Utility Structure	N/A
	Publicly-Owned or -Operated Building or Structure	N/A
	Wireless Communication Facility	N/A
Miscellaneous Uses	**All Miscellaneous Uses**	N/A

[1] One off-street parking space is required for each Townhouse that is a moderately priced dwelling unit, provided that:

1. The unit is located in a PD zone;
2. Public on-street parking, visitor parking, and other unrestricted parking on the unit's approved Site Plan exceeds one-half spaces per dwelling unit; and
3. A major point of pedestrian access from the unit's development is within seven-tenths of one mile (3,696 feet) walking distance of a transit station entrance shown on the Washington Metropolitan Area Transit Authority Adopted Regional Rail Transit System or a bus stop or there is a parking facility available to the public within 1,000 feet of this major point of pedestrian access.

The Chief of Zoning may reduce the off-street parking required by a Site Plan approved before March 3, 2025, for any Townhouse that is a moderately priced dwelling unit upon finding that the unit meets the requirements of this footnote.

Category	Use	Parking Minimum
[2] In a mixed-use building in the MXTD-235, MXTD-200, and MXTD-85 where the predominant use is office, the number of required parking spaces may be determined by applying an office use to the entire floor area of the building and not on the requirements for the individual uses, so long as the building meets the following standards: 1. Office uses occupy more than 75% of the gross floor area; 2. The building fronts a block which is directly served by a Metro pedestrian bridge; and 3. The building is not part of a previously approved Project Plan. 4. If the mix of uses contains one or more restaurants that, in the aggregate, exceed 4,500 square feet of gross floor area, the parking requirement for the restaurant or restaurants must be calculated according to the restaurant parking standard.		

(b) *Reduction of minimum parking requirements*. The Approving Authority may permit a reduction in the number of required parking spaces, as follows:

(1) A *de minimis* reduction up to 10 percent may be approved without a parking demand analysis.

(2) A reduction of greater than 10 percent may be approved if the applicant provides a parking demand analysis demonstrating that the minimum required parking for the proposed development exceeds the practical demand of the proposed uses.

Sec. 25.8.2.5. Maximum parking requirements.

(a) In the MXTD-235, MXTD-200, MXTD-85, MXCD, MXCT, MXNC, MXT, MXC, MXE, MXB, RMD-10, RMD-15, RMD-25, and RHD, the number of motor vehicle parking spaces is limited to 125 percent of the minimum required parking spaces established in this Section.

(b) Existing parking facilities providing parking spaces over the maximum parking requirements of this Division are not required to remove excess parking.

(c) Increase of maximum parking requirements. New parking above the maximum may be approved by the Approving Authority only if the applicant submits a parking demand study demonstrating how the maximum number of parking spaces allowed by this Division is insufficient for the proposed development.

Sec. 25.8.2.6. Off-site parking facilities.

(a) The parking requirements in Table 8.2.4-1 may be met off-site with the execution of an agreement or other instrument that ensures parking availability that is in a form satisfactory to the Chief of Zoning and the City Attorney. Any off-site facility used to meet requirements must be within a 1,000-foot walking distance of the entrance to the use being served to satisfy the parking requirements.

Sec. 25.8.2.7. Minimum loading spaces required.

(a) *Minimum loading space requirements*. Any new development involving the routine vehicular delivery or shipping of goods, supplies, or equipment must provide safe and

adequate on-site loading space, taking into consideration the size of the building and the uses allowed in such zone. Loading spaces must be provided as follows:

Table 8.2.7-1: Minimum Loading Spaces Required

Use Category	Unit Measure	Minimum Number of Loading Spaces
Residential Uses (Apartment Dwellings and Life Care Facilities only)	At least 100 dwelling units but less than 300 dwelling units	1
	Each additional 200 dwelling units or major fraction thereof	Add 1
Retail Sales and Service Uses	At least 5,000sf GFA but less than 10,000sf GFA	1
	At least 10,000sf GFA but less than 100,000sf GFA	2
	Each additional 100,000 sq. ft. GFA or major fraction thereof	Add 1
Medical, Office, and Hotel Uses	At least 10,000 sq. ft. GFA but less than 100,000 sq. ft. GFA	1
	Each additional 100,000 sq. ft. GFA or major fraction thereof	Add 1
Industrial Uses except General Warehousing	At least 5,000 sq. ft. GFA but less than 25,000 sq. ft. GFA	1
	At least 25,000 sq. ft. GFA but less than 50,000 sq. ft. GFA	2
	Each additional 50,000 sq. ft. GFA or major fraction thereof	Add 1
General Warehousing	At least 2,000sf GFA and up to 10,000 sq. ft. GFA	1
	Each additional 40,000 sq. ft. GFA or major fraction thereof	Add 1

(b) *Reduction of minimum loading requirements*. The Approving Authority may permit a reduction in the number of required loading spaces if it finds that the applicant's alternate design ensures adequate loading is provided in a safe and efficient manner.

(c) To support a request for a request, the applicant must submit to the Approving Authority a statement of reasons for such request and such information as may reasonably be required by the Approving Authority.

Sec. 25.8.2.8. Minimum pick-up/drop-off (PUDO) spaces required.

(a) *Minimum PUDO space requirements*. Developments with 20 or more Apartment units must provide dedicated spaces for pick-up and drop-off, as follows:

(1) Where there are no parking minimums and the development proposes no parking spaces, or where the applicant proposes a reduction of greater than 50 percent of the required parking, the development must provide:

A. One PUDO space per 75 Apartment units or fraction thereof, up to a maximum of six required PUDO spaces.

(2) In all other instances, the development must provide:

A. One PUDO space per 100 units (or fraction thereof), up to a maximum of five required PUDO spaces.

(b) *Location*. PUDO spaces must be provided in one of the following locations, in order of priority:

(1) On-site;

(2) Within 200 feet of the site, outside of the public right-of-way; or

(3) If neither on-site nor off-site locations are feasible, or if no minimum on-site parking is required, PUDO spaces may be located in the adjacent right-of-way.

(4) Any PUDO space in the public right-of-way must comply with Chapter 21.

(c) *Design*.

(1) On-site PUDO spaces may consist of, but not be limited to, parking spaces visible from the entrance to the building.

(2) PUDO spaces must not be within a gated, controlled-access parking area, unless there is clearly marked free parking for a minimum of 15 minutes.

(3) PUDO spaces must be signed and marked for 15-minute parking.

(d) *Reduction of minimum PUDO requirements*. The Approving Authority may permit a reduction in the number of required PUDO spaces, up to the full amount required, if it finds that the applicant's alternate design ensures adequate pick-up and drop-off is provided in a safe and efficient manner.

(1) To support a request for a request, the applicant must submit to the Approving Authority a statement of reasons for such request and such information as may reasonably be required by the Approving Authority.

Sec. 25.8.2.9. Minimum stacking spaces required.

(a) *Minimum stacking space requirements*. New development with a mechanical car wash or drive-through must provide a minimum number of drive-through stacking spaces, as established in Table 8.2.9-1. The space immediately adjacent to the drive-through window is included in the stacking space requirements.

(b) *Stacking space design and dimensions*. Stacking spaces must be provided in drive-through lanes and may not impede other traffic in the parking facility. Stacking spaces must be a rectangle at least nine feet wide and 18 feet long.

Table 8.2.9-1: Minimum Stacking Spaces Required

Category		Minimum Number of Stacking Spaces
Mechanical car wash		5 times the simultaneous capacity of the mechanical car wash
Drive-through	Bank	2 per drive-through window or ATM
	Restaurant	5 per pick-up window
	Pharmacy	2 per drive-through window
	Cannabis Dispensary	2 per drive-through window

(c) *Reduction of minimum stacking requirements.* The Approving Authority may permit a reduction in the number of required stacking spaces if it finds that the applicant's alternate design ensures adequate stacking is provided in a safe and efficient manner.

(1) To support a request for a request, the applicant must submit to the Approving Authority a statement of reasons for such request and such information as may reasonably be required by the Approving Authority.

Sec. 25.8.2.10. Parking and loading design standards.

(a) *Parking spaces*.

(1) *Parking space dimensions*.

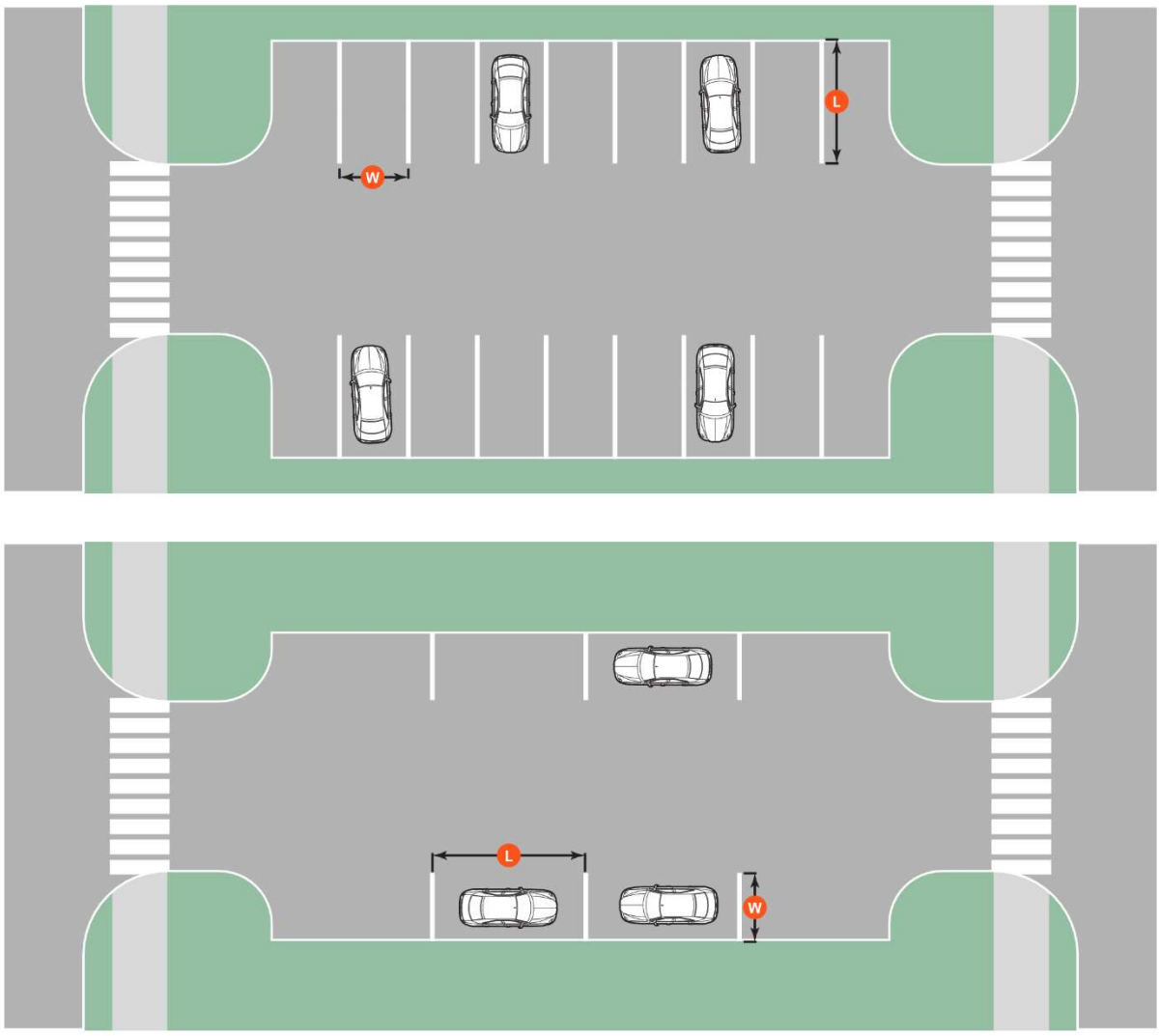
A. Automobile parking spaces, including electric vehicle parking spaces and PUDO spaces, must be a rectangle at least nine feet wide and 18 feet long, except as follows:

1. Accessible spaces and EV parking spaces designed for accessibility must be designed in accordance with Maryland Accessibility Code and Chapter 5.
2. Parallel parking spaces must be a rectangle at least seven feet wide and 21 feet long.
3. Parallel compact parking spaces must be a rectangle at least seven feet wide by 16 feet long. All other compact parking spaces must be a rectangle at least eight feet wide by 16 feet long.
4. If a column or other obstruction would interfere with opening a car door, then the minimum stall width of the affected space must be increased by one foot.
5. A parking space may extend beyond a wheel stop or curb provided that:

i. The parking space extends no more than three feet beyond a wheel stop and two feet beyond a curb;
ii. The extension does not conflict with pedestrian, bicycle, or vehicular circulation;
iii. The wheel stop or curb does not exceed six inches in height; and

iv. The area between the wheel stop or curb and the end of the space is free of obstructions above the height of the wheel stop or curb.

Figure 8.2.10-1: Parking Space Dimensions



(2) *Parking space design*. Automobile parking space must be designed and situated such that:

A. Parking spaces are not installed on a grade greater than five percent.

B. All parking spaces are separated from walkways, sidewalks, streets, or alleys by curbing and all sidewalks, walkways, and lot lines are protected from vehicular overhangs by wheel bumpers or curbs.

C. Wheel bumpers and curbs are installed at least five feet from a street right-of-way line.

D. Each parking space must be clearly marked, and adequate pavement directional arrows or signs must be provided.

E. Off-street surface parking facilities may contain up to 150 spaces. If a greater number of spaces is required by this Division, separate parking areas of no more than 150 spaces must be provided and must be separated by a landscaped area at least 10 feet wide.

(3) *Compact parking spaces*.

A. Compact parking spaces must be grouped rather than intermixed with standard-sized parking spaces.

B. Compact parking spaces must be clearly striped and marked with signage indicating "Compact Cars Only".

C. Compact parking spaces must not be located within garages serving individual dwelling units.

(4) *Electric vehicle (EV) parking spaces and Electrical Vehicle Supply Equipment (EVSE).* Electric vehicle parking spaces and EVSE must comply with the below requirements.

A. *Exceptions*. Where EV parking spaces are used exclusively for the charging of vehicles for commercial or industrial uses and are not available for use by the public, EV parking spaces and EVSE are exempt from the design and signage standards of this Section.

B. *Location of EVSE*. The placement of EVSE must meet the following requirements:

1. EVSE and EVSE cords and connectors must not impede pedestrian, bicycle, or automobile travel.

2. EVSE may encroach into required parking space dimensions a maximum of one square foot at the top of the space. EVSE are prohibited within the dimensions of a space on the sides or entrance to a space.

C. *Design*.

1. When EVSE cords and connectors are not in use, retraction devices or locations for storage must be located at a height sufficient to avoid conflict with pedestrians and vehicle maneuvering.

D. *Signage for EV parking and EVSE*.

1. Signage associated with EV parking spaces or EVSE must comply with the Annotated Code of Maryland, the Maryland Accessibility Code, and Chapter 5, and meet the following requirements:

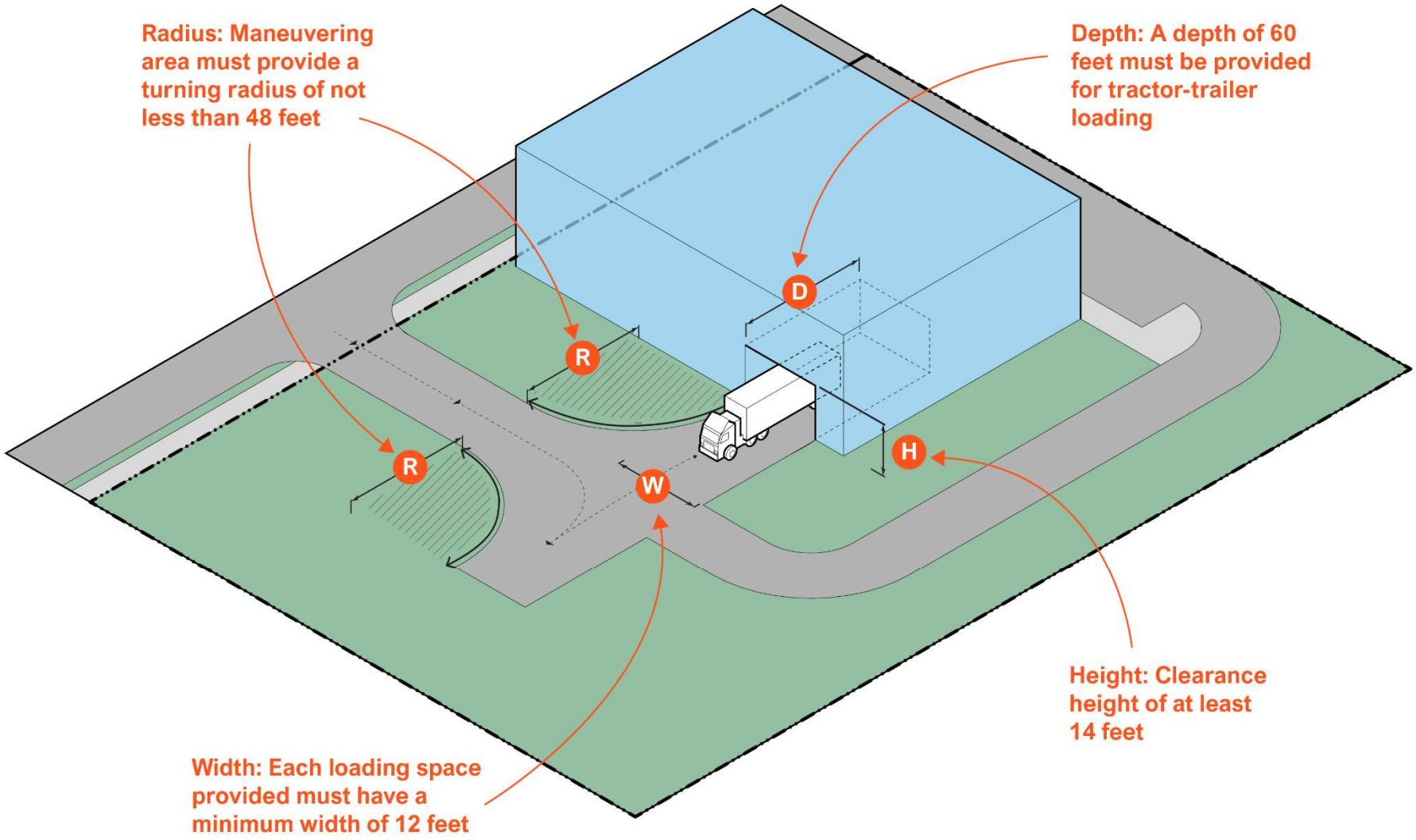
    i. Signage may not impede pedestrian, bicycle, or automobile travel and must be located outside of sidewalk, bike lane, and drive aisle widths.
    ii. Location of signage must not reduce the length of the electric vehicle parking space below the dimensional requirements of Sec. 25.8.2.10(a)(1).

2. Signage no larger than six square feet that is located within five feet of an EV parking space or EVSE may be installed without a permit.

(b) *Loading spaces*.

(1) *Loading space dimensions*. Each loading space provided must have a minimum width of 12 feet, clearance height of at least 14 feet, and depth sufficient to accommodate the maximum length of delivery trucks reasonably likely to serve the building. If intermediate tractor-trailer (WB-50) loading or unloading is reasonably likely, a depth of 60 feet must be provided. Loading space must be located so that trucks will not obstruct pedestrian, bicycle, or motor vehicle traffic movement or project into any public or private right-of-way. Maneuvering area must provide a turning radius of at least 48 feet.

Figure 8.2.10-2: Loading Spaces



(c) *Driveways and drive aisles*.

(1) *Markings and signage*. Pavement markings and signs must be provided in sufficient quantities and locations to ensure safe and efficient on-site traffic circulation.

(2) *Maximum grades*.

A. Driveways and drive aisles may not be installed on a grade in excess of:

1. 5 percent in any area where parking is provided along the side of the drive aisle.

2. 10 percent for commercial and industrial areas.

3. 14 percent for all other areas.

This requirement may be waived for ramps within parking structures.

(3) *Driveways*.

A. *Number of driveways.* All uses other than residential must be served by at least two one-direction driveways or one two-direction driveway.

B. *Generally*. Driveway aprons and entrances within the public right-of-way are subject to the standards and specifications of Chapter 21.

C. *Driveway width*.

1. *Residential uses.*

i. Driveways serving single-unit detached, townhouse, or multiplex dwellings, or a cottage court must be at least 10 feet wide.

2. *Other uses*.

i. All other driveways must be a minimum of 14 feet wide for one-direction circulation or 18 feet wide for two-direction circulation.

a. *Exceptions.* At the entrance or exit to a site, driveways must be a minimum of 15 feet wide for one-direction circulation or 25 feet wide for two-direction circulation.

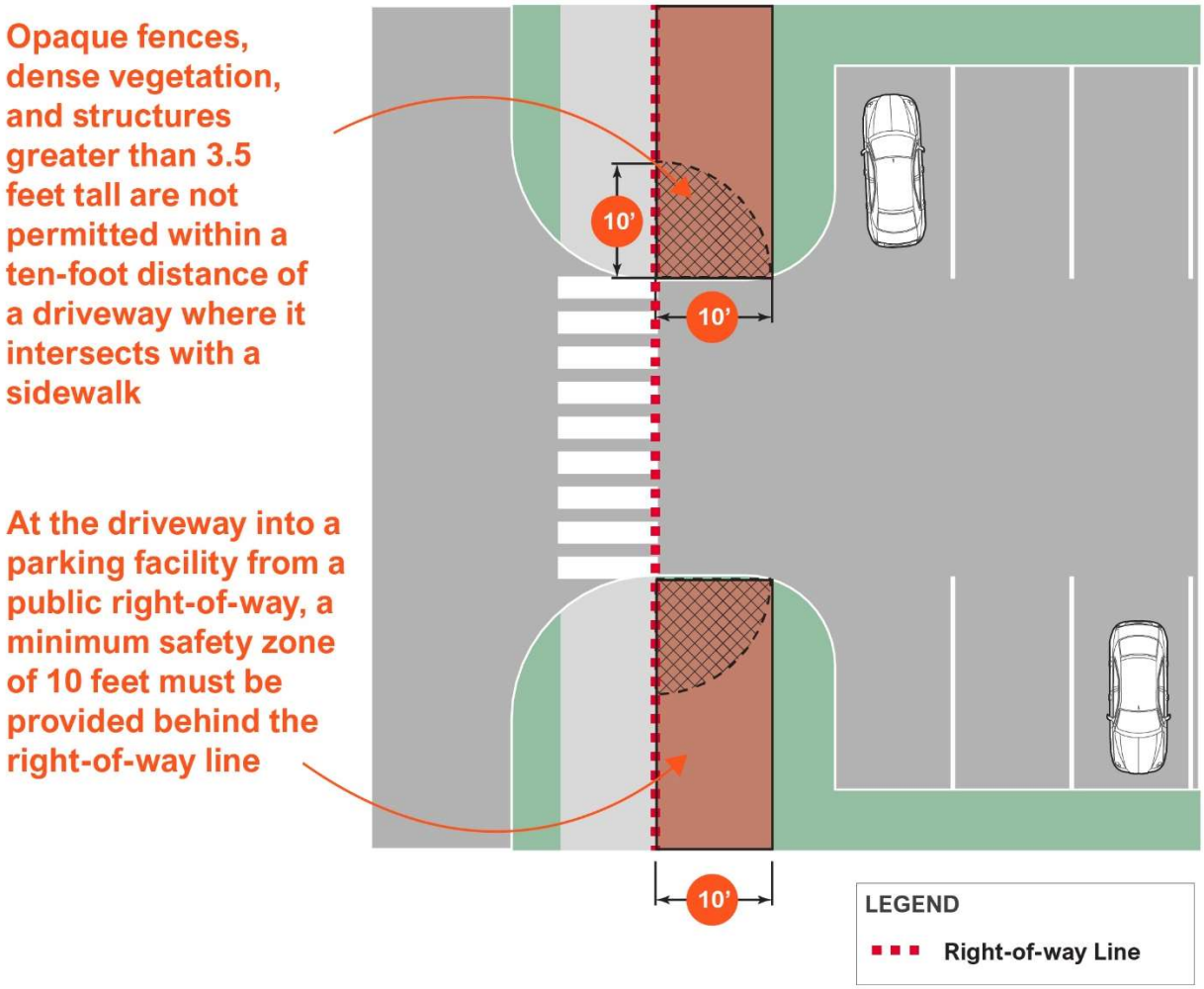
3. Driveway widths may be required to be modified to accommodate turning movements and loading requirements as approved by the Director of Public Works.

D. *Safety zones*.

1. At the driveway into a parking facility from a public right-of-way, a minimum safety zone of 10 feet must be provided behind the right-of-way line to allow for maneuvering of motor vehicles within the parking facility.

2. To ensure pedestrian safety where sidewalks cross driveways, opaque fences, dense vegetation, and structures greater than 3.5 feet tall are prohibited within a ten feet of a driveway where it intersects with a sidewalk.

Figure 8.2.10-3: Safety Zones



(4) *Drive aisle dimensions*.

A. Where parking spaces abut a drive aisle, the drive aisle width must be at least:

1. 22 feet where parking spaces are at a 70° to 90° angle to the drive aisle, except that:

i. 20-foot-wide drive aisles may be used when such spaces are provided in a parking structure; or

ii. When such spaces are not provided in a parking structure, the Approving Authority may grant a reduction in drive aisle width from 22 feet to 20 feet, based on a demonstrated constraint, including:

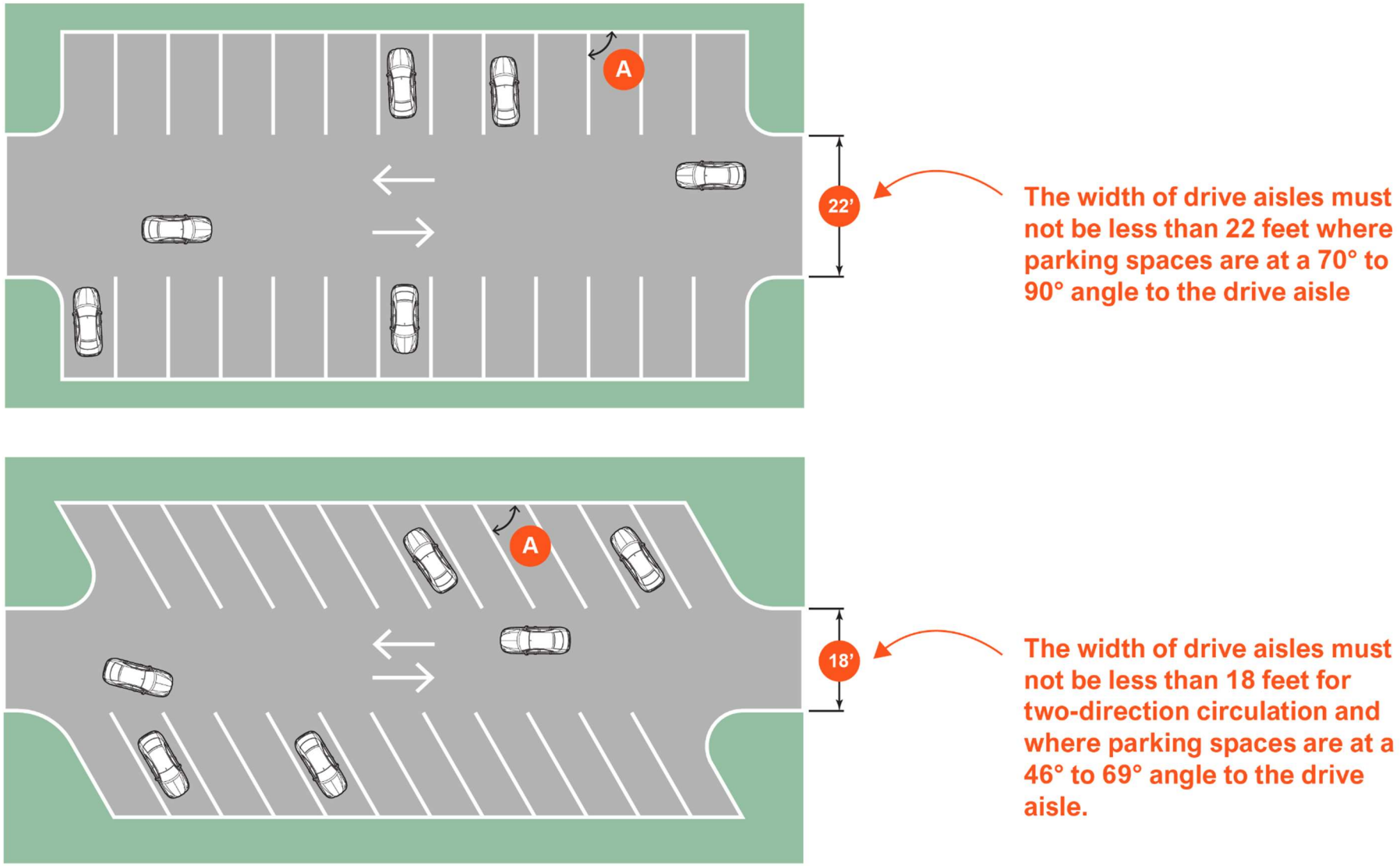
a. Narrow lot dimensions;
b. Areas impacted by necessary dedications for rights-of-way or easements; or
c. Existing non-conformities where full compliance with minimum drive aisle widths are not feasible.

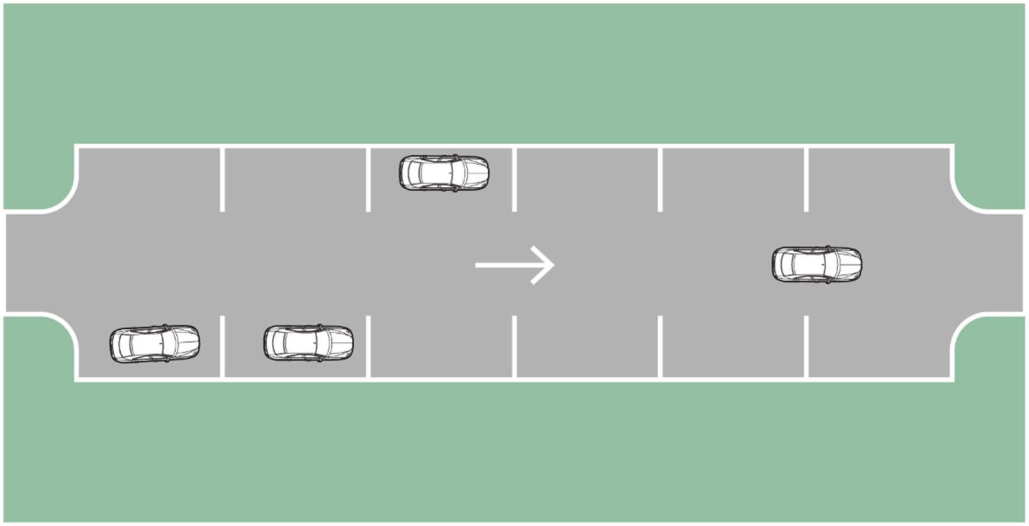
2. 18 feet where parking spaces are at a 46° to 69° angle to the drive aisle.
3. 14 feet where parking spaces are at a less than 46° angle or parallel to the one-direction drive aisle.

B. Where no parking spaces abut a drive aisle, the drive aisle width must be at least:

1. 18 feet for two direction circulation.
2. 14 feet for one direction circulation.

Figure 8.2.10-1: Drive Aisle Dimensions





The width of drive aisles must not be less than 14 feet for one-direction circulation and where parking spaces are at a less than 46° angle or parallel to the one-direction drive aisle.

LEGEND

A Parking Space Angle

(d) *Paving specifications*. All off-street parking and loading areas must be so drained as to prevent damage to abutting properties or public streets and must be paved with a minimum of:

(1) A pervious paving material as approved by the Director of the Department of Public Works;

(2) Six inches of concrete;

(3) Six inches of bituminous asphalt;

(4) Six inches of compacted gravel and two inches of bituminous asphalt; or

(5) Other paving as approved by the Director of the Department of Public Works.

(e) *Signage*.

(1) Access to a parking facility must be clearly marked with signage to facilitate vehicle access and reduce pedestrian and bicycle conflicts.

(2) Where an automated directional sign system is installed, there must be a readily legible indication from the street of the status of available parking within the structure.

(f) *Solar canopies over parking facilities*.

(1) *Location*. Solar canopies are permitted to be constructed or installed over parking spaces, drive aisles, and walkways located within parking facilities with seven or more parking spaces.

(2) *Design*. Solar canopies constructed or installed over parking facilities must comply with the following:

A. Solar canopies must minimize glare onto adjacent buildings or streets.

B. A solar canopy must conform to the setbacks of the zone.

(3) Supports and structural elements may encroach into required parking space dimensions a maximum of one square foot at the top of the space. No supports or structural elements may be placed within the dimensions of a space on the sides or entrance to a space.

Division 8.3. Pedestrian and Bicycle Facilities

Sec. 25.8.3.1. General requirements.

(a) *Applicability.* The requirements of this Section apply to pedestrian and bicycle facilities constructed on private property. Sidewalks provided within the public right-of-way are subject to the requirements of Chapter 21.

(b) Sidewalks and pedestrian walkways must:

(1) Conform to the requirements of the Maryland Accessibility Code.

(2) Meet the minimum requirements of the Standards and Details for Construction Manual issued by the Department of Public Works and any other provisions of Chapter 21, as applicable.

(c) All signing and marking materials for pedestrian and bicycle facilities must comply with the latest edition of the Maryland Manual on Uniform Traffic Control Devices.

Sec. 25.8.3.2. Pedestrian and bicycle circulation.

(a) *Generally.*

(1) All sidewalks and pedestrian walkways must be a minimum of five feet wide.

(2) Sites must be served by an internal pedestrian and bicycle circulation system that provides safe, convenient, efficient, and accessible movement of pedestrians and bicycles to and through the site.

A. Continuous internal pedestrian walkways must be provided from the public sidewalk or right-of-way to the principal customer entrance of all principal buildings on the site.

B. Bicycle facilities must provide direct connection from the entrance to the site to short- and long-term bicycle parking.

C. Sidewalks and bicycle facilities must connect the main entrance of retail and multifamily residential uses to transit stops (on-site or on an adjacent street).

D. Pedestrian and bicycle facilities must provide direct connection from the site to adjacent existing trails, as well as any adjacent park, school, or community center property.

(b) *Pedestrian and bicycle circulation in parking facilities.*

(1) Parking facilities must include pedestrian and bicycle facilities, as follows:

A. Pedestrian walkways and bicycle facilities must connect parking areas to building entrances, sidewalks, and adjacent public rights-of-way.

1. Pedestrian walkways connecting parking areas to main building entrances must be along direct, logical routes, and must minimizing pedestrian-vehicle conflicts.

B. Sidewalks must be provided along the full length of any building where the building adjoins a parking lot.

C. All parking facilities with three or more double-loaded rows must provide pedestrian pathways, as follows:

1. One walkway is required for every three double loaded aisles.

2. The walkway must be a minimum of eight feet in width if it is not grade-separated. Walkways may be reduced to five feet in width if designed as a grade separated walkway.

3. The walkway must be located within the parking area to serve the maximum number of parking stalls.

D. Where pedestrian walkways or sidewalks cross a drive aisle or driveway, the walkway or sidewalk must be marked with high-visibility materials.

E. Pedestrian walkways must be paved with durable, slip resistant surfaces like concrete or pavers and marked with high-visibility materials. Stamped concrete, brick, or other surfaces detrimental to the comfort or safety of wheelchair users, strollers, pedestrians using white tipped canes, or other pedestrians are prohibited.

Sec. 25.8.3.3. Bicycle parking.

(a) *Calculation of required bicycle parking.*

(1) The number of bicycle parking spaces required for each land use included in Article 6 is shown in Table 8.3.3-1.

(2) The bicycle parking requirement is the sum of the required bicycle parking for all uses served.

(b) *Required short- and long-term bicycle parking by use.*

Table 8.3.3-1: Minimum Bicycle Parking Requirements

Category	Use	Short-Term Parking (Min.)	Long-Term Parking (Min.)
Residential	Apartment (except those units with individual garages serving the unit)	1 space per 10 dwelling units, with a minimum of 4 spaces.	1 space per 3 dwelling units, with a minimum of 4 spaces.
	Child Care Home (Up to 8 Children)	N/A	N/A
	Cottage Court	N/A	N/A
	Dwelling Unit, Accessory	N/A	N/A
	Dwelling, Single-Unit Detached	N/A	N/A
	Group Home, Large	1 space per 20 dwelling units, with a minimum of 2 spaces.	1 space per 10 dwelling units, with a minimum of 2 spaces.
	Group Home, Small	N/A	N/A
	Housing for Senior Adults and Persons with Disabilities	1 space per 20 dwelling units, with a minimum of 2 spaces.	1 space per 10 dwelling units, with a minimum of 2 spaces.

Category	Use	Short-Term Parking (Min.)	Long-Term Parking (Min.)
	Life Care Facility	1 space per 20 dwelling units, with a minimum of 2 spaces.	1 space per 10 dwelling units, with a minimum of 2 spaces.
	Live/Work Unit	1 space per 5 dwelling units.	1 space per 3 dwelling units.
	Multiplex	N/A	N/A
	Personal Living Quarters	N/A	N/A
	Townhouse	N/A	N/A
Retail and Service	Adult-Oriented Establishment	1 space per 3,000 sq. ft.	1 space per 6,000 sq. ft.
	Alcoholic Beverage Production, Limited	1 space per 5,000 sq. ft.	1 space per 7,500 sq. ft.
	Alcoholic Beverage Retail Establishment	1 space per 3,000 sq. ft.	1 space per 6,000 sq. ft.
	Ambulance Service	1 space per 30,000 sf.	2 spaces per 15,000 sf.
	Animal Boarding Establishment	N/A	N/A
	Animal Grooming Establishment	1 space per 3,000 sq. ft.	1 space per 6,000 sq. ft.
	Auctioneer or Commercial Gallery	1 space per 3,000 sq. ft.	1 space per 6,000 sq. ft.
	Bank or Financial Institution	1 space per 3,000 sq. ft.	1 space per 6,000 sq. ft.
	Bed and Breakfast	N/A	1 space per 2 guest rooms.
	Cannabis Dispensary	1 space per 3,000 sq. ft.	1 space per 6,000 sq. ft.
	Eating and Drinking Establishment	1 space per 3,500 sq. ft.	1 space per 10,000 sq. ft.
	Event Space, Club, or Lodge	1 space per 5,000 sq. ft. with a minimum of 4 spaces.	1 space per 10,000 sq. ft. with a minimum of 2 spaces.
	Food Preparation Establishment	1 space per 2,500 sq. ft. with a minimum of 2 spaces.	1 space per 6,000 sq. ft. with a minimum of 2 spaces.
	Funeral Home	1 space per 10,000 sq. ft. with a minimum of 2 spaces.	1 space per 20,000 sq. ft. with a minimum of 2 spaces.

Category	Use	Short-Term Parking (Min.)	Long-Term Parking (Min.)
	Health and Fitness Establishment	1 space per 2,000 sq. ft. GFA, with a minimum of 4 spaces.	1 space per 5,000 sq. ft. GFA, with a minimum of 2 spaces.
	Home Maintenance Service	1 space per 16,000 sq. ft.	1 space per 4,000 sq. ft.
	Hospital	1 space per 20,000 sq. ft. with a minimum of 4 spaces.	1 space per 15,000 sq. ft. with a minimum of 4 spaces.
	Hotel	1 space per 20 rentable rooms.	1 space per 10 rentable rooms.
	Instructional Facility	1 space per 5,000 sq. ft.	1 space per 10,000 sq. ft.
	Medical or Dental Laboratory	1 space per 10,000 sq. ft.	1 space per 10,000 sq. ft.
	Mobile Use	N/A	N/A
	Office	1 space per 16,000 sq. ft.	1 space per 4,000 sq. ft.
	Outdoor Sales and Storage	N/A	N/A
	Pawnbroker	1 space per 3,000 sq. ft.	1 space per 6,000 sq. ft.
	Personal Care Facility	1 space per 3,000 sq. ft.	1 space per 6,000 sq. ft.
	Recreational Facility; Indoor, Commercial	1 space per 5,000 sq. ft.	1 space per 10,000 sq. ft.
	Recreational Facility; Outdoor, Commercial	1 space per 10 auto spaces.	1 space per 20 auto spaces.
	Retail Establishment	1 space per 3,000 sq. ft.	1 space per 6,000 sq. ft.
	Shooting Range, Indoor	1 space per 5,000 sq. ft.	1 space per 10,000 sq. ft.
	Shopping Center	1 space per 3,000 sq. ft.	1 space per 6,000 sq. ft.
	Studio	1 space per 20,000 sq. ft.	1 space per 10,000 sq. ft.
	Swimming Pool	2 spaces per 2,000 sf.	1 space per 4,000 sf.
	Theater	1 space per 50 seats.	1 space per 100 seats.
	Tobacco and Vape Shop	1 space per 3,000 sq. ft.	1 space per 6,000 sq. ft.
	Veterinary Service	1 space per 10,000 sq. ft.	1 space per 10,000 sq. ft.
	Wholesale Establishment	1 space per 20,000 sq. ft.	1 space per 20,000 sq. ft.
	Adult Day Care	1 space per 10,000 sq. ft.	1 space per 5,000 sq. ft.

Category	Use	Short-Term Parking (Min.)	Long-Term Parking (Min.)
Institutional and Public	Charitable or Philanthropic Institution	1 space per 5,000 sq. ft.	1 space per 10,000 sq. ft.
	Child Care Center	1 space per 10,000 sq. ft.	1 space per 5,000 sq. ft.
	Crematorium	N/A	N/A
	Cultural Institution	1 space per 5,000 sq. ft. with a minimum of 4 spaces.	1 space per 10,000 sq. ft. with a minimum of 2 spaces.
	Educational Institution, Private. (College)	1 space per 5,000 sq. ft.	1 space per 10,000 sq. ft.
	Educational Institution, Private. (Grade Pre-K-12)	3 spaces per classroom.	1 space per classroom.
	Park	1 space per each 10,000 sq. ft., with a minimum of 6 spaces.	N/A
	Place of Worship	1 space per 1,000 sq. ft.	1 space per 4,000 sq. ft.
	Public Utility Structure	N/A	N/A
	Publicly-Owned or -Operated Facility	N/A	N/A
	Wireless Communication Facilities	N/A	N/A
Industrial	Alcoholic Beverage Production	1 space per 20,000 sq. ft.	1 space per 10,000 sq. ft.
	Artisanal Craft Production	1 space per 20,000 sq. ft.	1 space per 10,000 sq. ft.
	Data Center or Data/Cryptocurrency Mining	N/A	N/A
	General Warehousing	1 space per 30,000 sq. ft.	1 space per 20,000 sq. ft.
	Industrial, Light	1 space per 20,000 sq. ft.	1 space per 10,000 sq. ft.
	Industrial, Heavy	1 space per 20,000 sq. ft.	1 space per 10,000 sq. ft.
	Junk Yard	N/A	N/A
	Research and Development	1 space per 20,000 sq. ft.	1 space per 5,000 sq. ft.

Category	Use	Short-Term Parking (Min.)	Long-Term Parking (Min.)
	Self-Storage Facility	1 space per 40,000 sq. ft.	1 space per 20,000 sq. ft.
Automotive	Automobile and Recreational Vehicle Sales or Rental Establishment	1 space per 20,000 sq. ft.	1 space per 5,000 sq. ft.
	Automobile Repair Establishment	1 space per 20,000 sq. ft.	1 space per 5,000 sq. ft.
	Automobile Service Establishment	1 space per 20,000 sq. ft.	1 space per 5,000 sq. ft.
	Automobile Towing Establishment	N/A	N/A
	Car Wash	N/A	N/A
	Drive-Through Window	N/A	N/A
	Electric Vehicle Charging	N/A	N/A
	Gas Station	1 space per 25,000 sq. ft.	1 space per 12,500 sq. ft.
Miscellaneous	Backyard Chicken Coop	N/A	N/A
	Home-Based Business	N/A	N/A
	Renewable Energy System	N/A	N/A
	Temporary Uses	N/A	N/A

(c) *Design of required bicycle parking, generally.*

(1) The following standards apply to both short- and long-term bicycle parking.

A. Each bicycle parking space must be at least two feet wide by six feet long. Bicycle parking spaces must not encroach into adjacent sidewalks.

B. Two feet of clearance around the rack on all sides must be provided for users to access and securely lock bicycles.

C. An additional 18 inches of clearance is required between each bicycle parking space and any adjacent curb or wall.

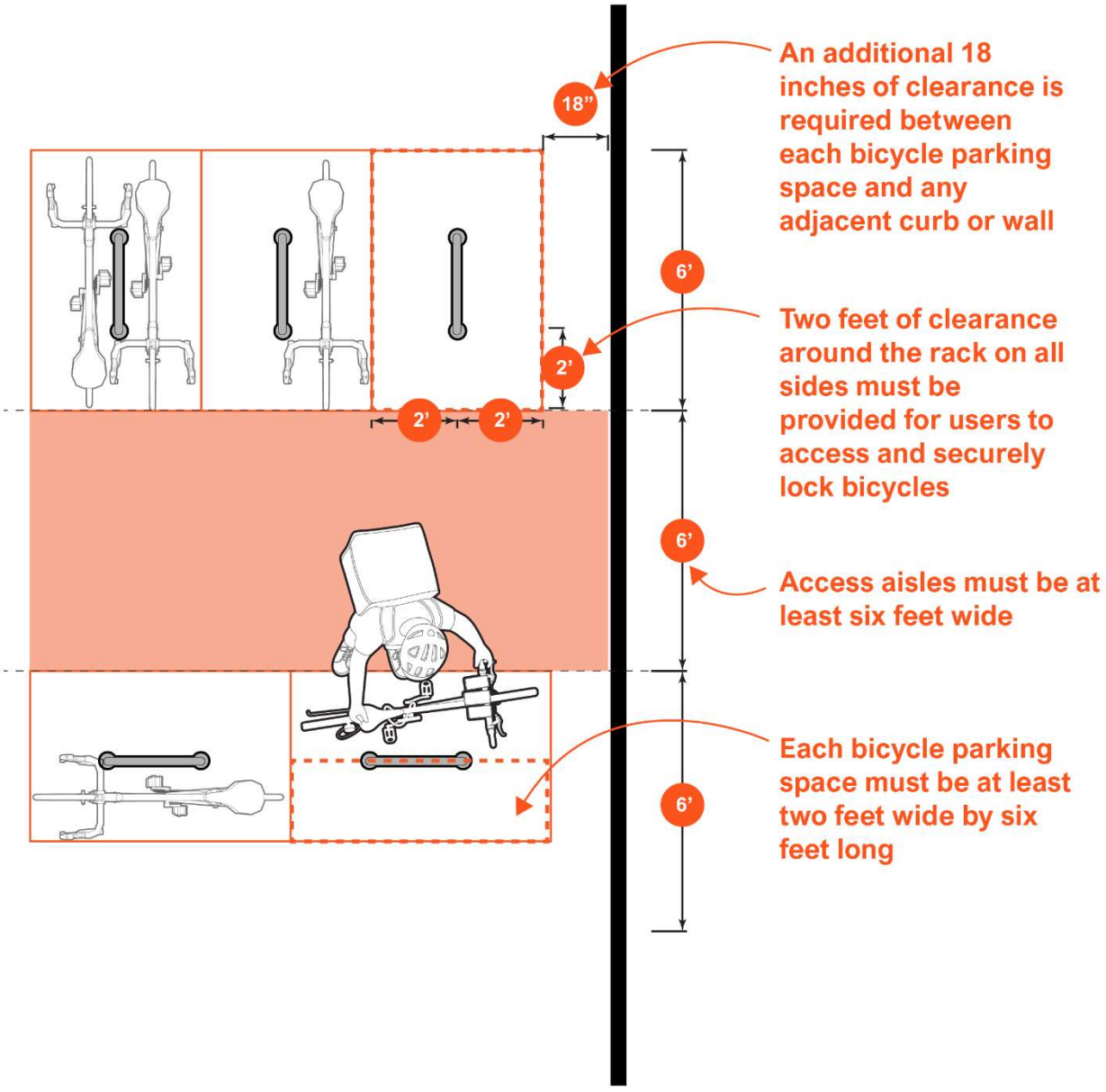
D. For bicycle racks placed on the ground, seven feet of overhead clearance above the rack must be provided.

E. Access aisles must be at least six feet wide to allow convenient entry and exit flow, simultaneous users, and accommodate lifting of bicycles where two-tiered racks are used.

F. The area designated for bicycle parking and maneuvering must be hard surfaced and well-lit.

G. If the bicycle parking is adjacent to a sidewalk, the maneuvering area may extend into the sidewalk.

Figure 8.3.3-1: Design of Required Bicycle Parking



(d) *Short-term bicycle parking.* The following standards must be met for required short-term bicycle parking spaces:

(1) *Location.*

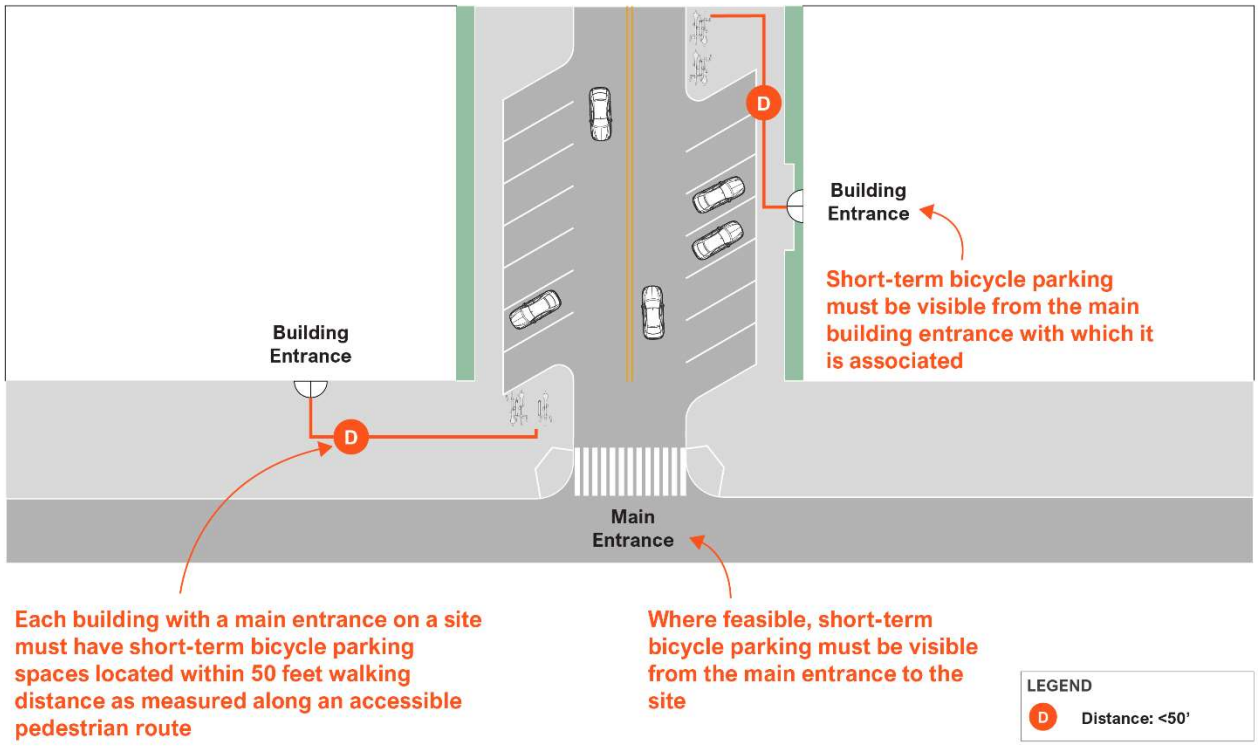
A. Each building with a main entrance on a site must have short-term bicycle parking spaces located within 50 feet walking distance as measured along an accessible pedestrian route.

1. Short-term bicycle parking must be sited outside the building and at the same grade as the sidewalk or at a location that can be reached by a bike-accessible route.

2. Short-term bicycle parking must be visible from the main building entrance with which it is associated.

3. Where feasible, short-term bicycle parking must be visible from the main entrance to the site. If short-term bicycle parking is not visible from the main entrance to the site, effective wayfinding must be provided between the entrance to the site and the short-term bicycle parking.

Figure 8.3.3-2: Short-Term Bicycle Parking Location

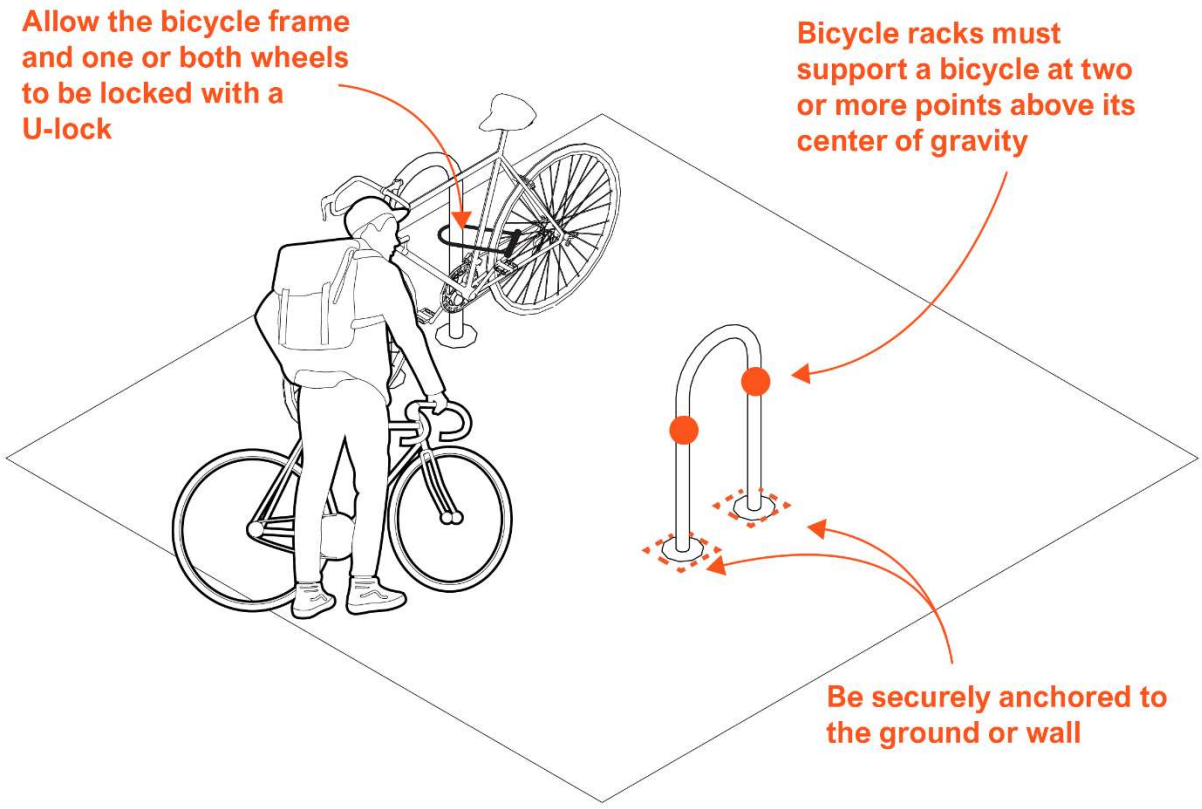


(2) *Design*. Short-term bicycle parking spaces must consist of racks or lockers.

A. *Bicycle racks.* Bicycle racks must:

1. Support a bicycle at two or more points above its center of gravity.
2. Allow the bicycle frame and one or both wheels to be locked with a U-lock.
3. Be securely anchored to the ground or wall.
4. Be constructed of hot-dip galvanized or stainless steel with a powder coat or plastic or rubber dipped coating.
5. For bike racks with elements that project outward, in which the bottom of the element is higher than 27 inches:
    i. The element must project no more than 4 inches; or
    ii. The rack must be installed on a detectable footing/base that is at least 2.5 inches high so that it is detectable to people with vision impairments.

Figure 8.3.3-3: Bicycle Rack Design



B. *Bicycle lockers.* Bicycle lockers must be provided in accordance with City standards and must be securely anchored.

(e) *Long-term bicycle parking.* The following standards must be met for required long-term bicycle parking spaces:

(1) *Location.*

A. Long-term bicycle parking spaces must be within 300 feet walking distance of at least one main entrance to a site or building as measured along an accessible pedestrian route.

B. Where feasible, bicycle parking must be visible from the main entrance to the site. If bicycle parking is not visible from the main entrance to the site, effective wayfinding must be provided between the entrance to the site and the bicycle parking.

C. To heighten security, long-term bicycle parking must be in at least one of the following locations:

    1. A locked room.

    2. An area enclosed by a floor-to-ceiling fence and secured with a locked gate.

    3. An area visible by an attendant or security guard, or within 100 feet of an attendant or security guard.

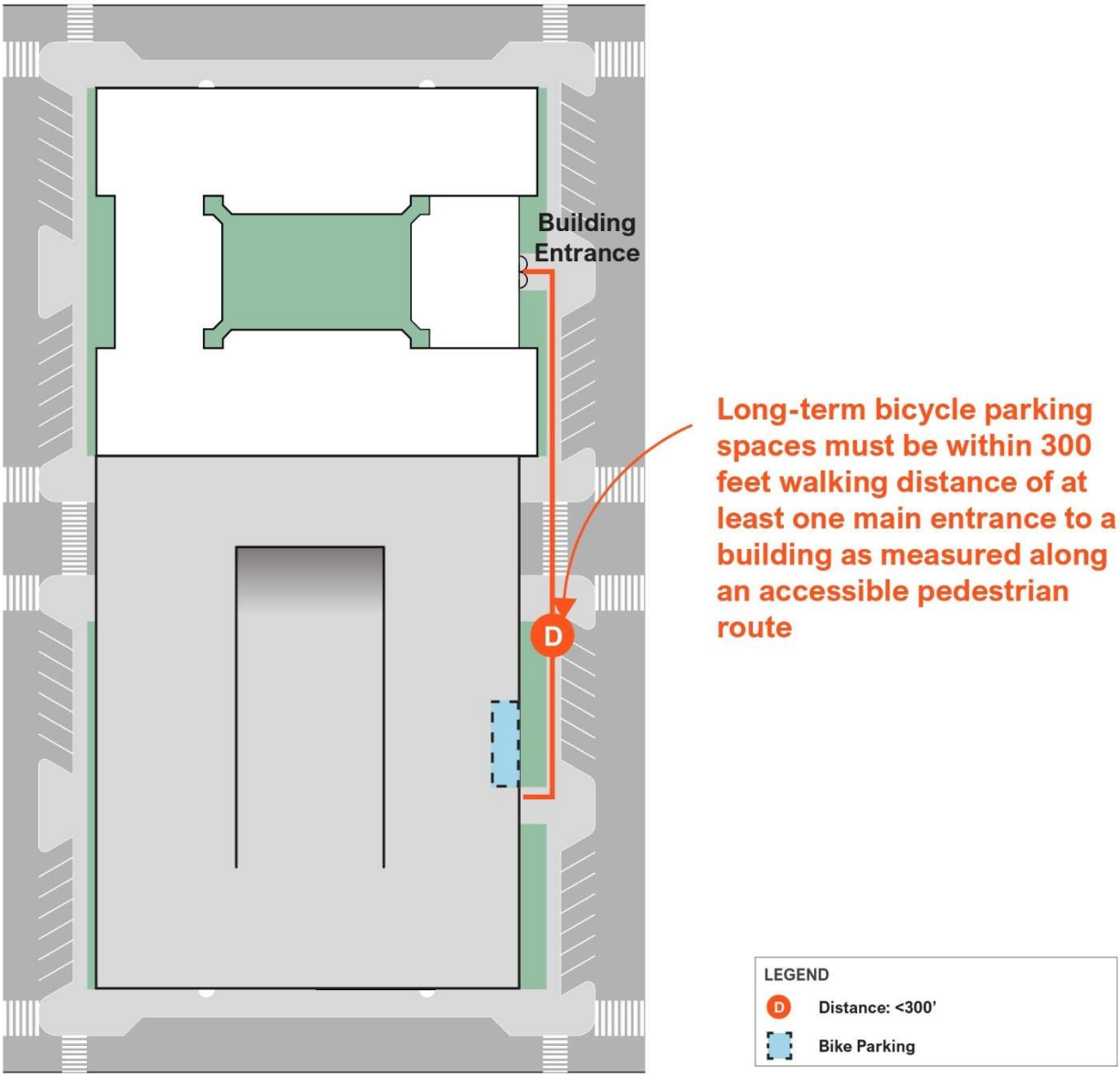
    4. An area monitored by a security camera.

    5. An area contained within a dwelling unit. If long-term bicycle parking spaces are provided in a dwelling unit, neither racks nor lockers are required.

D. Where provided within a parking structure, long-term bicycle parking must be located on the same level as the entrance to the garage from the street or accessible by an elevator that is sufficiently large to accommodate bicycles.

E. Where provided within a room, long-term bicycle parking must be located on the same level as the pedestrian entrance to the building or accessible by an elevator that is sufficiently large to accommodate bicycles.

Figure 8.3.3-4: Long-Term Bicycle Parking Location



(2) *Design.*

A. Long-term bicycle parking must meet the design requirements for short-term bicycle parking under Sec. 25.8.3.3(d)(2) and must also be covered. Covered parking may be provided by locating the bicycle parking inside buildings, in bicycle lockers, under roof overhangs, awnings, canopies, or within or under other structures.

B. Bicycle lockers, where provided, must be designed to be:

1. Accessible by key code; or

2. Secured with a U-lock or other lock provided by the bicyclist.

C. Where required covered bicycle parking is not within a building or locker, the cover must:

1. Be permanent;

2. Protect the bicycle from rain and snow; and

3. Be at least seven feet above the floor or ground.

(3) *Associated facilities.*

A. *Office uses*.

1. Where long-term bicycle parking spaces are provided for office use categories, the following requirements apply:

i. Two showers must be installed for every 50,000 square feet of gross floor area, up to a maximum of six showers. Showers must be accessible to all tenants of the building.

ii. Where long-term bicycle parking spaces are required for office use categories, two clothes storage lockers must be installed. The lockers must be installed adjacent to the showers in a safe and secured area and be accessible to all tenants.

B. Residential uses.

1. New residential development that provides long-term bicycle parking indoors must also provide charging infrastructure for electric bicycles.

Sec. 25.8.3.4. Waiver.

(a) *Applicability.* An applicant may seek a waiver to the following Sections of Article 8, Division 8.3:

(1) Sec. 25.8.3.2.

(2) Sec. 25.8.3.3.

(b) *Application.* Where an applicant desires a waiver of such requirements, an application must be submitted to the Approving Authority with a statement of reasons for such request and such information as may reasonably be required by the Approving Authority.

(c) *Findings*. The Approving Authority may grant a waiver of such requirement if it finds that the alternative design ensures adequate bicycle and pedestrian facilities are provided in a safe and efficient manner.

(d) *Conditions*. In granting waivers to the requirements of Sec. 25.8.3.2. or Sec. 25.8.3.3, the Approving Authority may impose any conditions the Approving Authority determines necessary to make the findings in Sec. 25.8.3.4(c).

Division 8.4. Amenity Space

Sec. 25.8.4.1. Purpose.

(a) Amenity space ensures that City residents, employees, and patrons enjoy adequate access to open areas, recreation opportunities, and community connections. Amenity space also provides an opportunity to preserve natural or historic resources, reduce the heat island effect, provide civic and meeting spaces, enhance stormwater management, and secure other public benefits anticipated by the Comprehensive Plan or the Recreation and Parks Strategic Plan.

Sec. 25.8.4.2. Applicability.

(a) *Amenity space required*. Applications in all MXTD zones, as well as the MXCD, MXCT, MXNC, MXT, MXC, MXE, MXB, RMD-10, RMD-15, RMD-25, and RHD must provide amenity space in accordance with this Division, unless exempted under Sec. 25.8.4.2(b). Any building expansion or cumulative addition that exceeds 100 percent of the existing gross floor area must also provide amenity space as required by this Division.

(b) *Exceptions.* This Division does not apply to the following:

(1) An application for up to five dwellings;

(2) An application for an Industrial use or Automotive use;

(3) An application for a non-residential use with a gross floor area of up to 20,000 square feet;

(4) An application for a residential development which is 100 percent affordable at an average area median income (AMI) of 60 percent or less and located within one-quarter mile (1320 feet) of a public park or publicly accessible amenity space; and

(5) An application covering a site area as follows:

A. In the MXTD zone, 1 acre (43,560 square feet) or less; or

B. In all other zones, 20,000 square feet or less.

Sec. 25.8.4.3. Amenity space, defined.

(a) Amenity space is an area within a development site designed to meet the active or passive recreational needs of residents, patrons, employees, and the general public. Amenity space includes:

(1) Active and passive recreation areas, such as children's playgrounds and tot lots, sport courts or fields, informal green spaces and picnic areas, fountains, and swimming pools and associated improvements;

(2) Urban plazas or other gathering areas improved with seating and shade;

(3) Linear parks and trails;

(4) Publicly accessible interior gathering spaces;

(5) Natural and forested areas and watercourses;

(6) Historical resources;

(7) Those portions of a stormwater facility including walkways and landscaping designed for human enjoyment; and

(8) Landscaping which is contiguous to or integral to the other features listed here.

(b) Amenity space does not include the following:

(1) Private yards;

(2) Street rights-of-way including sidewalks located within those rights-of-way or easements;

(3) Vehicular parking lots and required landscaped and circulation areas;

(4) Walkways not associated with amenity space;

(5) Driveways and drive aisles; and

(6) Land covered by structures not designated for recreation or gathering.

Figure 8.4.3-1: Amenity Spaces



A Active and passive recreation areas, such as children's playgrounds and tot lots

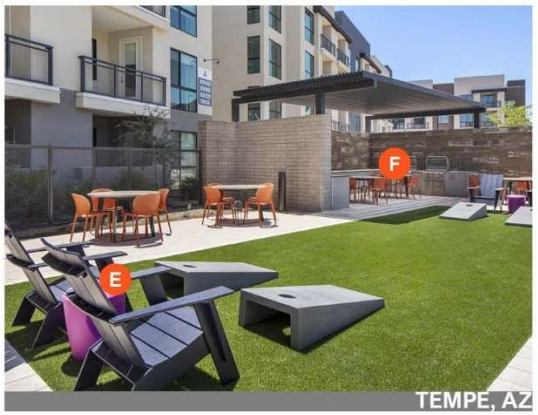


B Sport courts or fields



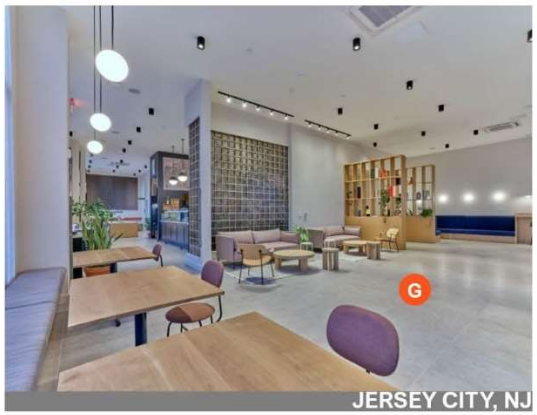
C Informal green spaces and picnic areas

D Linear parks and trails

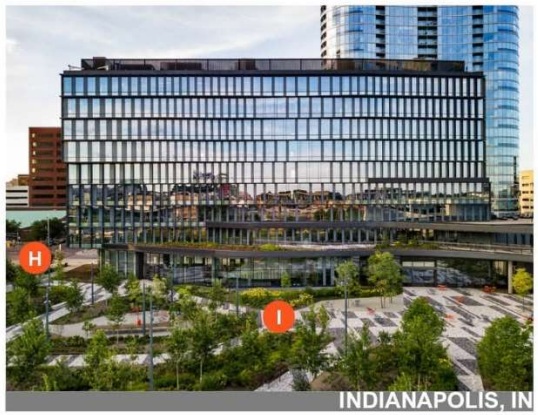


E Active and passive recreation areas

F Urban plazas or other gathering areas improved with seating and shade



G Publicly accessible interior gathering spaces



H Natural and forested areas and watercourses

I Those portions of a stormwater facility including walkways and landscaping designed for human enjoyment

Sec. 25.8.4.4. Amount of amenity space required.

(a) *Size of amenity space required.* Applications subject to this Division must provide a minimum of 10 percent of the development site area in amenity space.

(b) Amenity space provided in fulfillment of these requirements may be dedicated to the City as determined by the Mayor and Council. Amenity space may be appropriate for dedication in circumstances including the following:

(1) When dedication is recommended by the Comprehensive Plan;

(2) When the site is five acres or greater or the amenity space is one-half acre or greater; and

(3) When dedication would further the recommendations of the Comprehensive Plan and Recreation and Parks Strategic Plan.

Sec. 25.8.4.5. Design standards for amenity space.

(a) Amenity space must meet the following design standards:

(1) *Public access.*

A. Amenity space must be readily accessible and useable by occupants and users of the development as well as the general public, except as provided in Sec. 25.8.4.5(a)(1)A.1. Amenity space must be visible and accessible from the right-of-way or provided by public access easements.

1. *Exceptions.*

i. For development in the MXTD zones, up to 50 percent of required amenity space may be accessible only to the residents of the development.

ii. For development consisting of predominantly office uses, the amenity space may be accessible only to the employees of the site.

iii. Where a swimming pool is provided for the purpose of satisfying amenity space requirements, the swimming pool may be accessible only to the residents of a development.

(2) *Configuration.*

A. The following amenity spaces may be non-contiguous:

1. Publicly accessible interior gathering spaces;

2. Amenity spaces established for the preservation of natural or historical resources.

3. Any amenity space excepted from public access requirements under Sec. 25.8.4.5(a)(1)A.1.

B. In all other cases, amenity space must be contiguous or interconnected unless a different configuration is approved by the Approving Authority.

C. If the development site is adjacent to existing or planned public trails, parks, or other public use space, the amenity space must be located to adjoin, extend, and enlarge the trail, park, or other public land.

(3) *Features.* All features, such as seating, shading, lighting, art, play structures or other furniture, fixtures, and equipment must be of commercial quality and comply with industry standards for the use of such amenities in public spaces.

(4) *Alternative compliance.*

A. Alternative compliance to these design guidelines may be approved by the Chief of Zoning or other applicable Approving Authority as defined in the Zoning Ordinance provided that the proposed alternative design:

1. Meets or exceeds the intent of the requirements for which alternative compliance is being requested.

2. Provides an equal or better design solution in terms of livability for residents.

3. Accomplishes the purpose of this Division as established in Sec. 25.8.4.1.

B. An applicant for alternative compliance must demonstrate, in a written statement, how their proposed alternative meets or exceeds each of the items list above.

(5) *Fee in lieu of amenity space requirements*.

A. The Approving Authority may approve the payment of a fee in lieu of some or all of the amenity space requirement under any of the following circumstances:

1. The City could use the fee to provide or improve another more usable public space in the vicinity of the project;

2. The site cannot realistically provide the required area for public use and meet all of the other City development standard requirements; or

3. The applicable master plan makes specific recommendations on how and where amenity space is to be provided on or in the vicinity of the site.

B. An applicant must pay any approved fee in lieu of the amenity space requirement in an amount set by resolution of Mayor and Council.

Sec. 25.8.4.6. Ownership, management, and maintenance of publicly accessible amenity space.

(a) Publicly accessible amenity space must be managed and maintained in compliance with all applicable provisions of the Code and Maryland law. Unless inconsistent with Maryland law, public amenity space must be managed and maintained as permanent amenity space open to members of the public free of charge or for a nominal fee, through one or more of the following options:

(1) Dedication to the City of Rockville as public parkland;

(2) Conveyance of amenity space set-aside areas to a property owners' or homeowners' association that holds the land in common ownership;

(3) Conveyance of amenity space areas to a third-party beneficiary such as an environmental, historical, or civic organization that is organized for, capable of, and willing to accept responsibility for managing and maintaining the land; and

(4) Establishment of easements or covenants.

(b) All options involving private ownership of amenity spaces must include deed restrictions, covenants, or other legal instruments that ensure continued use of the land for its intended purposes, in perpetuity, and provide for the continued and effective management, operation, and maintenance of the land and facilities.

(c) Amenity space designated for public use must be publicly accessible. However, the Approving Authority may allow reasonable limitations on access to the amenity space to meet safety, security, or ownership concerns.

(d) Responsibility for managing and maintaining amenity space rests with the owner of the amenity space. Failure to maintain amenity space in accordance with this Division and any applicable development approval or permit is a violation of this Chapter.

Division 8.5. Land Abutting Parks

Sec. 25.8.5.1. Land abutting parks.

(a) On property abutting a City-owned park, excavation and grading are prohibited within 25 feet of any forest, as defined in Chapter 10.5, located on the City-owned park.

Division 8.6. Landscaping and Screening

Sec. 25.8.6.1. Purpose of landscaping standards.

(a) The purpose of the landscaping and screening standards are to provide shade, enhance the appearance of parking facilities, and to minimize potentially disruptive impacts (including noise, dust, and other debris, motor vehicle headlight glare or other artificial light intrusion, and light industrial activities) from a use onto adjoining or nearby properties through appropriate screening and buffering.

Sec. 25.8.6.2. Applicability and administration of landscaping standards.

(a) *Applicability.* This Division applies to any development subject to the Project Plan, Site Plan, or Special Exception review provisions of Article 4, Divisions 1, 2, and 3.

(b) *Landscape plan.* An applicant must submit a landscape plan with any Project Plan and Level 2 Site Plan. A landscape plan may be required for a Level 1 Site Plan as determined by the Chief of Zoning.

Sec. 25.8.6.3. General landscaping standards.

(a) *Application of standards.* The following standards apply to the preservation, installation, and maintenance of all landscaping, tree cover, screening, and barriers required by this Division.

(1) The planting and maintenance of all trees must be in accordance with Chapter 10.5.

(2) Existing native vegetation which is suitable for use in compliance with the requirements of this Division is preferred as planting material.

(3) Required landscape strips may be used for low-impact design or bioretention measures planted in accordance with Chapter 19, if the Chief of Zoning determines they are appropriate.

(b) *Planting materials.* All plant materials must comply with the following:

(1) Plantings must be maintained to be well-branched and healthy.

(2) Plant materials must be planted in accordance with the American Association of Nurserymen's American Standard for Nursery Stock.

(3) *Tree and shrub specifications.* At time of planting:

A. Shade and ornamental trees must be a minimum 2.5” caliper.

B. Evergreen trees must be small to medium species with a minimum 7-8’ clear height.

C. Shrubs must be evergreen species with a minimum height of 36”.

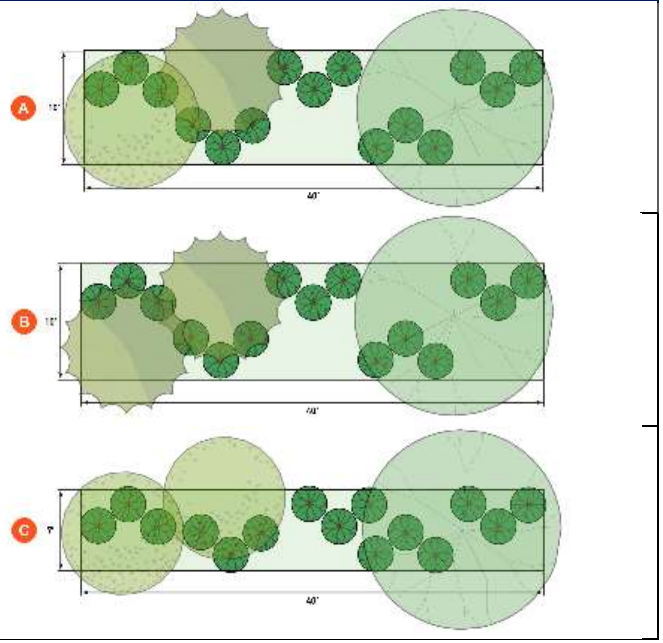
Sec. 25.8.6.4. Parking facility landscaping standards.

(a) *Applicability.* These requirements apply to all parking facilities with seven or more parking spaces.

(b) *Perimeter landscaping.*

(1) *Establishment of landscaping strip types.* For the purposes of this Division, the following landscaping strip types are established in Table 8.6.4-1: Landscaping Strip Types. Each landscape strip must include both trees and hedges in the amount and spacing listed.

Table 8.6.4-1: Landscaping Strip Types

Type	Width	Required Plantings per 40 Linear Feet (Choose One)			Evergreen Shrubs per 40 Linear Feet	Example
		Shade Trees (min.)	Ornamental Trees (min.)	Evergreen Trees (min.)		
Type A	10 ft.	1	1	1	15	
Type B	10 ft.	1	N/A	2	15	
Type C	10 ft.	1	2	N/A	15	

(2) *Abutting or adjoining a street right-of-way.* Where a parking facility adjoins a street right-of-way, a Type A landscaping strip must be provided. This width may be reduced through alternative compliance; however, wheel bumpers and curb stops must be installed at least five feet from a street right-of-way line as required by Sec. 8.2.10(a)(2)C. The use or combination of shade, ornamental, and evergreen trees must be determined by the site conditions and to avoid conflicts with the Street Tree Master Plan.

A. Exceptions.

1. The shrub requirement may be reduced by up to 50 percent if a wall, fence, or other method such as a change in grade or berm is provided and reduces the shrub requirement by 50 percent to further reduce the visual impact of the parking facility.

2. In the MXTD and MXCD zones, the Approving Authority may reduce the minimum width of the landscaping strip by up to 25 percent if a better design can be achieved through the provision of walls or fences in conjunction with landscaping.

(3) *Abutting or adjoining property other than a street right-of-way.*

A. *Non-residential uses in residential zones*. When abutting or adjoining single-unit detached, townhouse, or multiplex dwelling uses, parking facilities in connection with any institutional or other nonresidential use in the R-400, R-200, R-150, R-90, R-75, R-60, and R-40 zone must provide a Type B landscaping strip, except that this requirement does not apply to a Child Care Home or a Home-Based Business.

1. Walls or berms, at least 3 feet high, or fencing of at least 75 percent of continuous opacity may reduce the amount of landscape plants by 50 percent.

2. Instead of a buffer area, a setback of at least 20 feet from any adjoining residential use may be provided, but one shade tree must still be planted every 35 feet along the property line.

B. In all other cases where a parking facility adjoins a property other than a street right-of-way, a Type C landscaping strip must be provided.

(4) *Abutting or adjoining a parking facility.* Where one parking facility adjoins or abuts another parking facility under different ownership or use, a Type C landscaping strip must be provided.

(c) *Internal landscaping of parking facilities.*

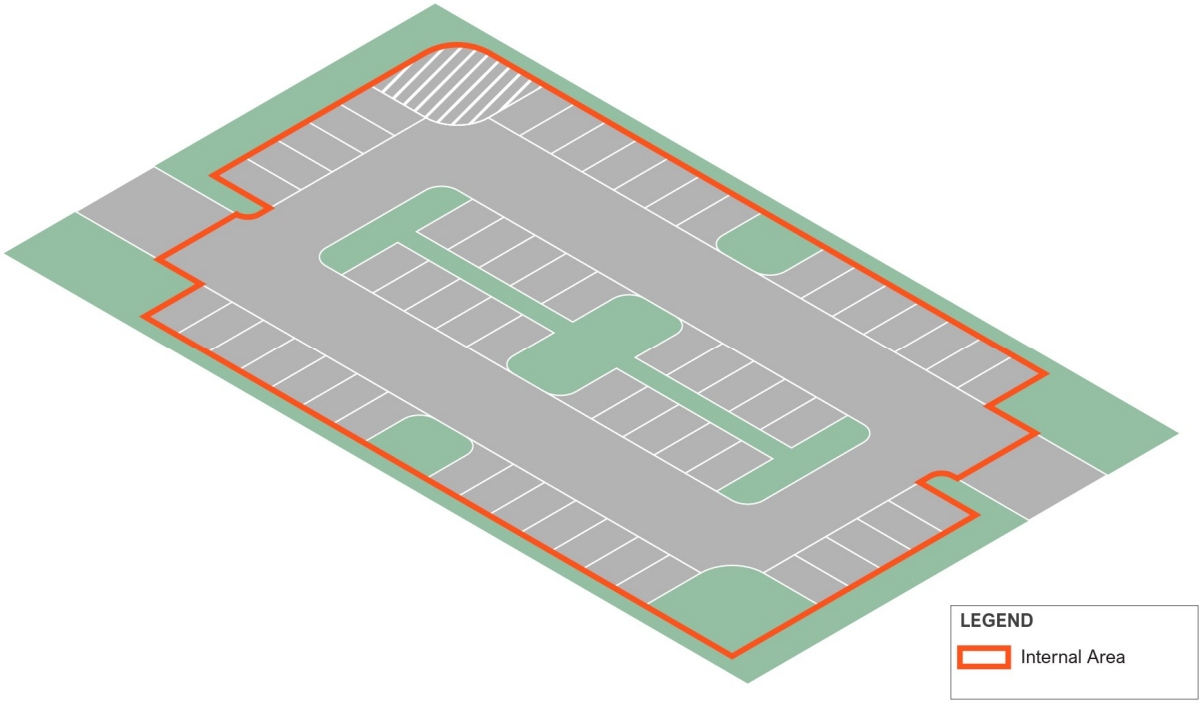
(1) *Generally.*

A. A minimum of five percent of the internal area of any surface parking facility must be landscaped with shade trees.

B. The internal area of a parking facility is generally defined by the perimeter of the curbs or edge of paving and includes all planting islands and landscaped areas within the facility, except those referenced in Sec. 25.8.6.4(c)(1)B.1. It also includes all planting islands and landscaped areas projecting into the parking facility.

1. *Exceptions.* The internal area of a parking facility does not include driveways, drive aisles without parking on either side, sidewalks, areas within islands that contain utilities below, or areas covered by solar canopies.

Figure 8.6.4-12: Internal Area of a Parking Facility



C. The shade trees must be distributed in order to increase shade. The applicant must demonstrate a good faith effort to preserve existing trees on the site of the planned parking area.

(2) *Planting islands.* Within the interior of a surface parking facility, planting areas must be provided with shade trees serving as the primary landscaping material.

A. The planting area must be wide enough to protect the trees from a vehicle's swinging doors and bumper overhang.

1. Where planting islands are parallel to the sides of parking spaces, planting islands must be at least ten feet long and nine feet wide, as measured from curb face to curb face.

2. Where planting islands are at the heads of parking spaces, planting islands must be at least ten feet wide as measured from curb face to curb face.

(3) *Landscaping materials.* The primary landscape material for parking facilities must be deciduous shade trees with ground cover or low shrubs. The use of tall shrubs or low branching trees that restrict visibility must be avoided.

Sec. 25.8.6.5. Screening of equipment and trash areas.

(a) *Mechanical equipment.* All air conditioning equipment, transformers, emergency generators, elevator equipment, and similar mechanical equipment on any roof, ground, or building must be screened from public view so it is not visible at ground level from the edge of the property. A wood fence or similar treatment is not acceptable.

(b) *Trash, recycling, and waste oil/grease collection areas.* All trash, recycling, and waste oil/grease collection areas must be inside a building or screened on four sides by an opaque wall or fence at least as tall as the trash, recycling, or waste oil/ grease collection receptacle so it is not visible at ground level from the edge of the property.

Sec. 25.8.6.6. Transitional bufferyard landscaping standards.

(a) *General.* A transitional bufferyard is an area of land located parallel to and within the outer perimeter of a lot or parcel, which contains the required landscaping, berm, or fence required by this Section. Transitional bufferyards provide landscaping or other buffering between low-intensity residential uses and incompatible uses.

(b) *Requirements.*

(1) The required transitional bufferyard is determined using the Transitional Bufferyard Requirements Table (Table 8.6.6-2) and Transitional Bufferyard Types Table (Table 8.6.6-1).

(2) Where adjacent land is vacant, no transitional bufferyard is required.

(3) Transitional bufferyards are made up of the building setback and the landscape yard; building setbacks as required by Article 7 are not in addition to the bufferyard required by this Division.

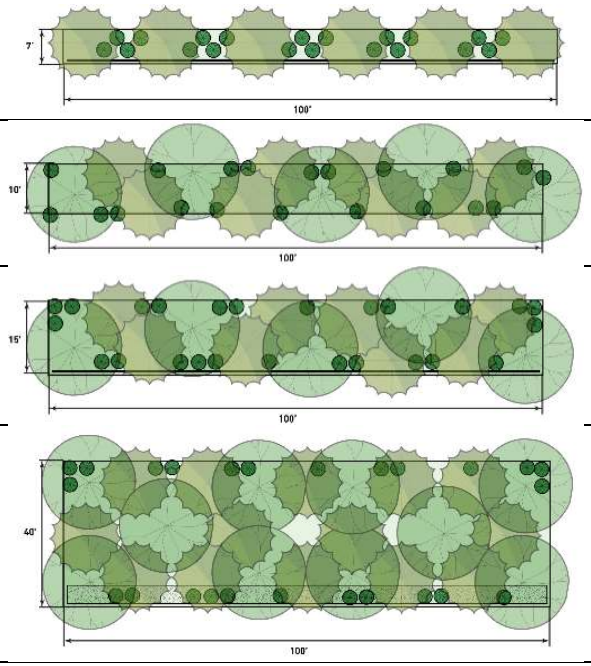
(4) With the exception of parking lot perimeter landscape strips required along a street right-of-way, where a bufferyard and any other landscape strip are required in the same location, the requirement with the greater width applies.

(5) Bufferyard standards should not be construed as prohibiting additional plant materials, screening, or buffer area in excess of the required regulations.

(6) If all or part of the landscape bufferyard required by this Section has been provided on the adjacent property and is shown on a landscape plan approved in accordance with this Division, the proposed use must only provide that amount of the buffer that has not been provided on the adjacent property.

(c) *Bufferyard types.* Table 8.6.6-1 provides minimum standards for each bufferyard type. The example diagrams are for illustrative purposes only.

Table 8.6.6-1: Transitional Bufferyard Types

Type	Width	Required Plantings per 100 Linear Feet			Berm/Fence	Bufferyard Example Diagram
		Shade Trees (min.)	Evergreen Trees (min.)	Shrubs (min.)		
Type 1	7’	N/A	6	20	6’ opaque fence or wall	
Type 2	10'	5	8	20	N/A	
Type 3	15’	5	8	25	6’ opaque fence or wall	
Type 4	30'	10	15	25	3' berm	

(d) *Transitional bufferyard requirements table.* Required transitional bufferyards are shown in the Transitional Bufferyard Requirements table. Locate the use category of the proposed development and abutting property and read over to determine the required bufferyard type.

Table 8.6.6-2: Transitional Bufferyard Requirements Table

Use Category	Abutting Use	Required Transitional Bufferyard
Self-Storage Facility	Residential	Type 1 or Type 2
Gas Station		
Alcoholic Beverage Production	Residential	Type 3 or Type 4
Automotive Repair Establishment		
General Warehousing		
Light Industrial		
Heavy Industrial	All uses other than Heavy Industrial	Type 4

Sec. 25.8.6.7. Waivers.

(a) A waiver of the requirements of this Division may be granted by the Approving Authority if the body finds:

(1) That alternative means of achieving the objectives of the buffering or screening requirements meet the purposes of this Division;

(2) That compliance with the buffering or screening requirements cannot reasonably be met due to unique site conditions;

(3) That there exist unique safety or security concerns that would be unreasonably compromised by compliance with the buffering or screening requirements;

(4) The lot occupied by the requesting use is less than 7,500 square feet in size; or

(5) The owners of 70 percent of the residential property immediately contiguous to the area of the requested waiver affirm, in writing, their support for a waiver of the buffering or screening requirements of this Section. The residential property referenced in this subsection must not include property in which the use seeking the waiver has any ownership or other financial interest.

(b) No waiver provided under this Division will exempt the site from the requirements of Chapter 10.5.

Sec. 25.8.6.8. Maintenance.

(a) The owner, or owner's agent, is responsible for the maintenance, repair, and replacement of all landscaping materials and barriers as may be required by this Division.

(b) All plant material must be tended and maintained in a healthy growing condition, replaced when necessary and kept free of refuse, debris, and invasive plants.

(c) Fences and walls must be maintained in good repair. Openings within the barriers may be required by the Chief of Zoning for accessibility to an area for necessary maintenance.

(d) As part of maintenance, the species of landscaping materials may be changed if the resulting materials will meet the design and intent of Chapter 10.5. Where such changes are proposed, a revised landscaping plan must be approved by the Chief of Planning in writing and maintained in the file with the original project approval.

Division 8.7. Lighting

Sec. 25.8.7.1. Lighting.

(a) Lighting must be provided in accordance with the Landscaping, Screening, and Lighting Manual approved by resolution of the Mayor and Council.

Division 8.8. Noise

Sec. 25.8.8.1. Noise.

(a) All development within the City is subject to the requirements of Montgomery County Code Chapter 31B, Noise Control.

(b) *Noise mitigation plan*. A noise mitigation plan may be required at time of development application.

(c) *Delivery and loading times.* Delivery and loading operations are prohibited between 10:00 p.m. and 7:00 a.m. on any property abutting a residential use or residentially zoned property. The Approving Authority of any development application may permit deliveries or loading at times outside of these hours if the applicant submits evidence that sound barriers between all areas for such operations effectively reduce noise to a level of 55 dBA (A-weighted decibels) or less as measured at the lot line of any abutting property.

(d) *Emergency generators*. Emergency generators must comply with all noise regulations applicable in the City. The periodic test operation of emergency generators must be conducted only on weekdays between the hours of 7:00 a.m. and 7:00 p.m.

Division 8.9. Environmental Guidelines

Sec. 25.8.9.1. Environmental guidelines.

(a) All development is subject to the Environmental Guidelines adopted by resolution of the Mayor and Council.

Division 8.10. Utility Lines and Equipment

Sec. 25.8.10.1. Applicability.

(a) This Division applies to the installation, construction, or relocation of utility lines and equipment.

Sec. 25.8.10.2. Underground installation of utility lines and cables.

(a) In all zones, electric, gas, telecommunication, television (including cable), and other utility lines and cables must be installed underground wherever an extension or relocation of a contiguous segment of said lines or cables is required. All underground lines and cables must be placed in a public utility easement, or otherwise on private property. Utilities placed in the public right-of-way are subject to Chapter 21 and other such terms and conditions that the City may require.

Sec. 25.8.10.3. Utility equipment.

(a) *Exceptions.* This subsection does not apply to the following:

(1) Wireless communication facilities, related structures, and equipment installed in accordance with the provisions of Sec. 25.6.5.11; and

(2) Emergency generators.

(3) Electric utility meters.

(b) All electrical equipment (including transformers and equipment cabinets), gas equipment, telecommunications equipment, and television equipment (including cable television) must meet the following standards.

(1) *Residential and mixed-use zones.* In all residential and mixed-use zones, electrical, gas (excluding generators), telecommunications, and television equipment must be placed underground or in an enclosed building.

(2) *Other zones.* In all other zones, electrical, gas, telecommunications, and television equipment may be placed above ground and outside of an enclosed building only if the following requirements are satisfied:

A. Screening is required on four sides of the equipment at a minimum of 80 percent opacity. The screen may consist of either vegetative or building materials, as follows:

1. Where vegetative screening is used, the screen must use plant material that will result in 80 percent opacity within one growing season.

2. Screening made of building materials must be complementary to the building architecture including material and scale.

3. The side for access may be a gate.

B. Where practical, all above ground electrical, gas, telecommunications, and television equipment not incorporated into a building must be clustered with other utility equipment and dumpsters, trash enclosures, and generators, and must be located in an inconspicuous manner so as to blend in with the landscaping and topography of the site.

C. The side of the screening enclosure that provides access to the equipment must be oriented and either gated or screened in a manner that minimizes the visual impacts of the equipment.

D. The location and screening of all above ground electrical, gas, telecommunications, and television equipment must be approved by the Approving Authority as part of the applicable Site Plan review.

Sec. 25.8.10.4. Waiver of requirements.

(a) *Feasibility waivers.* The Approving Authority may grant a waiver of any requirement of this Division if it finds that installing utility equipment underground or within an enclosed building is not feasible for any of the following reasons:

(1) A unique or peculiar site condition provides a physical impediment to installing equipment underground;

(2) It would be unsafe to locate the equipment underground; or

(3) The equipment cannot successfully operate below ground.

(b) *Reinstallation waiver.* The Approving Authority may allow equipment that has been placed underground to be reinstalled above ground if the owner of such equipment can demonstrate and fully document each of the following:

(1) Underground placement of such equipment has resulted in service degradation either:

A. In violation of state or federal laws or regulations; or

B. Contrary to the terms of any governing contractual agreements; and

(2) Reasonable improvements in maintenance or equipment cannot restore or improve the quality of service.

(c) *Standards for above ground utility equipment*. All utility equipment permitted to be installed above ground by means of waiver must meet the location and screening requirements of Sec. 25.8.10.3(b)(2). Waiver requests may be subject to greater public utility easement widths as may reasonably be required by the Approving Authority.

Division 8.11. Adequate Public Facilities

Sec. 25.8.11.1. General provisions.

(a) *Adequate Public Facilities Ordinance.* The provisions of this Division will be known as the Adequate Public Facilities Ordinance or the "APFO."

(b) *Adequate Public Facilities Standards.* The Mayor and Council have adopted the Adequate Public Facilities Standards or "APFS" by resolution, establishing the method used by the City to ensure that the necessary public facilities will be available to serve proposed new development or redevelopment. The Mayor and Council will periodically review the APFS and modify them as necessary.

Sec. 25.8.11.2. Demonstration of adequate public facilities.

(a) Where this Chapter requires an APF determination, the applicant must demonstrate that the development is served by adequate public facilities in accordance with this Division and the City's Adequate Public Facilities Standards.

(b) An application for any development approval or any amendment to that approval, that is subject to the provisions of this Division, must not be approved unless the Approving Authority determines that public facilities will be adequate to support and service the area of the proposed development.

(c) The applicant for any development approval, or any amendment to that approval, that is subject to the provisions of this Division must, at the request of the Approving Authority, submit sufficient information and data on the proposed development to demonstrate the expected impact on and use of public facilities and services by possible uses of said development.

(d) If the public facilities assessment outlined in the APFS shows that a proposed development will have an adverse impact on public facilities and services, the applicant must provide mitigation measures designed to alleviate such impact. The resulting development's impact on public facilities must not exceed any level of service established by the APFS.

(e) *Conditional approval.* The applicant may request conditional approval of the development application, subject to the future availability of the necessary public facilities. The Approving Authority may grant a conditional approval for a period of two years. Such conditional approval will place the application in a queue maintained by the Chief of Zoning. The order of the queue will be based on the date of the letter stating the action taken by the Approving Authority. If, at the end of the conditional approval period the necessary public facilities are not available, the approval becomes void.

Sec. 25.8.11.3. Waiver.

(a) A waiver of the requirements of the APFS may only be granted by a supermajority vote of the Approving Authority.

(1) For purposes of this Division, a supermajority vote must be three votes for the Board of Appeals, five votes for the Planning Commission, and five votes for the Mayor and Council.

(2) The Chief of Zoning may not grant a waiver.

(b) Waivers are granted in accordance with the criteria and findings contained in the APFS.

Sec. 25.8.11.4. Expiration of adequate public facilities determination.

(a) *Validity period.* Except as otherwise provided in this Section, a determination of adequate public facilities remains valid for so long as the underlying approval remains valid. If an approval under this Chapter expires, the determination of adequate public facilities also expires with respect to the portion of the approval that has expired.

(b) *Planned developments.* Any Planned Development is deemed to satisfy the APFS for the following validity periods:

(1) The number of years specified in the original approval, if explicitly stated; or

(2) If the original approval does not specify the number of years that public facilities are adequate, the validity period ends on November 1, 2030.

(3) The adequate public facilities determination of a Planned Development amendment is valid for so long as the amendment is valid.

(c) *Water and sewer.* Notwithstanding this Section, the adequate public facilities determination for water and sewer service is confirmed before issuance of a building permit.

Article 9. Nonconformities

Division 9.1. Nonconforming Uses

Sec. 25.9.1.1. Nonconforming uses, in general.

(a) *Applicability.* This Division applies to any use that was lawful when established but no longer conforms to the requirements of the zone in which it is located.

(b) *Continuing a nonconforming use.* A nonconforming use may be continued but not expanded, except as provided in Sec. 25.9.1.2. Continuing a nonconforming use includes the operation of a nonconforming use throughout those parts of a structure which were specifically designed or constructed for such use before [effective date of this Chapter] and which parts were either completed or substantially completed before that date.

Sec. 25.9.1.2. Expansion of nonconforming uses.

(a) *Limitations on expansion of nonconforming uses.* A nonconforming use may be expanded by no more than 20 percent of the total square footage of the use at the time it became nonconforming.

(b) *Nonconforming use expansion approval.* Any expansion of a nonconforming use under this Section must comply with Sec. 25.9.1.3.

Sec. 25.9.1.3. Nonconforming use expansion approval.

(a) *Approving authority.* The Planning Commission is the approving authority for all nonconforming use expansions.

(b) *Application*. Applications for nonconforming use expansions must be submitted to the Chief of Zoning.

(c) *Procedure.*

(1) Planning Commission review. An application for a nonconforming use expansion must be submitted and processed as a Level 2 Site Plan under Sec. 25.4.1.5, except that the application is subject to the findings in Sec. 25.9.1.3(d).

(d) *Findings.* The Planning Commission may only approve a nonconforming use expansion if it finds that:

(1) There exists documentation of the existence and extent of the nonconforming zoning status of the use;

(2) The proposed nonconforming use expansion will not have negative impacts on the public health, safety, and welfare of the nearby properties;

(3) The proposed nonconforming use expansion will be consistent with the purpose and intent of the zone in which the property is located and of the Plan; and

(4) For nonconforming use expansion approvals that trigger conformance with current parking requirements under Article 8, Division 8.2, the Planning Commission may

modify the current parking requirement and allow the maintenance of the existing nonconforming parking status through the grant of the nonconforming use expansion approval, if the Planning Commission finds that:

A. It is not practicable to provide the required parking on-site in a manner that preserves neighborhood character; and

B. Preserving the nonconforming parking status is the best solution to provide consistency with the goals, policies, and intent of the Plan.

(e) *Approval conditions.* The Planning Commission may condition its approval of a nonconforming use expansion on any condition the Planning Commission determines necessary to make the findings in Sec. 25.9.1.3(d).

Sec. 25.9.1.4. Site improvements allowed.

(a) The following site improvements are not considered to be nonconforming use expansions:

(1) Alterations that have the effect of bringing the use into greater conformity with this Chapter;

(2) Alterations necessary for general maintenance, safety, or compliance with the Maryland Accessibility Code or the American with Disabilities Act; or

(3) Alterations consisting only of improvements to the façade of the structure, stormwater management facilities, or pedestrian and bicycle facilities.

(b) *Replacement in kind*. A structure housing a nonconforming use that is destroyed in whole or in part by flood, fire, explosion, or other accidental damage may be repaired or replaced in kind.

(c) *Approvals required*. Before altering, repairing, or replacing any structure housing a nonconforming use under this Section, a person must receive approval of any permits or development approvals required by the City Code.

Sec. 25.9.1.5. Termination of nonconforming uses.

(a) The right to continue a nonconforming use terminates if:

(1) The nonconforming use is replaced by a permitted, conditional, or Special Exception use; or

(2) The use ceases for at least three calendar months. A nonconforming use has not ceased if:

A. Approval and execution of alterations or renovations are pursued to continue the use, subject to a validly issued building permit, occupancy permit, or nonconforming use expansion approval; or

B. The site is being actively marketed for tenants to continue the use. A sign on the site advertising its availability is not, by itself, evidence of active marketing.

(3) Notwithstanding the foregoing, if the site remains vacant for a period of 12 months, the nonconforming use is terminated. The property owner may request a six-month extension of the termination date from the Planning Commission for good cause shown. Such request must be submitted before the termination date. The Planning Commission may grant a maximum of two such extensions.

Division 9.2. Development Standards Nonconformities

Sec. 25.9.2.1. Development standards nonconformities, generally.

(a) *Applicability.* This Division applies to a structure or site that was lawful when established but no longer conforms to the development standards of this Chapter.

(b) *Continuing a development standards nonconformity.* A development standards nonconformity may continue, but a person may not alter or enlarge any structure or site in a manner that expands a development standards nonconformity, except as provided in Sec. 25.9.2.2.

Sec. 25.9.2.2. Alteration or expansion of development standards nonconformity.

(a) *Alteration or expansion of development standards nonconformity*. A person may only alter or expand a site or structure constituting a development standards nonconformity if:

(1) The alteration or expansion does not increase the development standards nonconformity;

(2) The alteration or expansion is necessary for general maintenance, safety, or compliance with the Maryland Accessibility Code or the American with Disabilities Act;

(3) The alteration or expansion consists only of improvements to the façade of the structure, stormwater management facilities, or pedestrian and bicycle facilities; or

(4) The alteration or expansion consists of the conversion of a carport to a garage.

(b) *Replacement in kind.* A site or structure constituting a development standards nonconformity that is destroyed in whole or in part by flood, fire, explosion, or other accidental damage may be repaired or replaced in kind.

(c) *Historic District Overlay zone.* Within the Historic District Overlay zone, any contributing building, structure, or site may be repaired or replaced in kind in its original location, subject to approval of the Historic District Commission, notwithstanding its failure to comply with any development standard in this Chapter. Any renovations or additions beyond the scope of the original structure as defined by the period of significance is subject to this Chapter.

(d) *Approvals required*. Before altering, repairing, or replacing any site or structure housing a development standards nonconformity under this Section, a person must receive approval of any permits or development approvals required by the City Code.

Article 10. Signs

Division 10.1. General Standards

Sec. 25.10.1.1. Purpose.

(a) The purpose of this Article is to:

(1) Enable the public to locate goods, services, facilities, and geographic areas without difficulty, danger, or confusion;

(2) Reduce traffic and pedestrian hazards and prevent interference with the effectiveness of traffic regulation;

(3) Promote the compatibility of signs with the surrounding land uses;

(4) Promote and preserve the economic well-being and vitality of the community;

(5) Preventing visual clutter; and

(6) Provide opportunities for expression and communication while protecting the public against the adverse effects of the unrestricted proliferation of signs.

Sec. 25.10.1.2. Applicability.

(a) No sign may be erected, installed, substantially altered, or illuminated unless in compliance with the requirements of this Article, except as provided in Sec. 25.10.1.2(b).

(b) *Exempt signs.* This Article does not apply to the following signs, and no permit under Chapter 25 is required for:

(1) Any sign or portion thereof required to be posted or displayed by this Chapter or other applicable federal, state, or local law or regulation;

(2) Signs and other visual displays erected by, or at the direction of, federal, State, or local governmental or quasi-governmental agencies;

(3) Any sign not readable from any right-of-way or abutting property, except as provided in Sec. 25.10.1.2(d)(13);

(4) Any unilluminated sign smaller than two square feet in area;

(5) Signs conforming to or required by the Manual of Uniform Traffic Control Devices as published by the Federal Highway Administration from time to time under 23 Code of Federal Regulations, Part 655, Subpart F;

(6) Numerals not exceeding 18 inches in height identifying an address on a lot;

(7) Up to three temporary freestanding signs of six square feet or less per sign on lots with single-unit detached dwellings, townhouses, or multiplexes;

(8) Directional signs that do not exceed a sign area of three square feet per sign and six feet in height, except that signs for certain Planned Development zones are regulated by Sec. 25.7.4.3(e);

(9) Signs displaying gasoline prices, which must comply with State law, and signs displaying electric vehicle charging prices; and

(10) Signs erected or installed within the public right-of-way, or that project into the public right-of-way, which must comply with the requirements of Chapter 21.

(c) *Signs in Planned Development zones.* Except as otherwise provided in this Article or in Sec. 25.7.4.3(e), signs in any of the Planned Development zones will be regulated based on the applicable designated equivalent zones described in each Planned Development.

(d) *Prohibited signs.* The following signs are prohibited in the City:

(1) Signs that impede the operation of any window, door, fire escape, stairway, ladder, or opening required to provide light, air, ingress, or egress for any building or structure;

(2) Signs which, by reason of position, size, shape, or color, may interfere with, obstruct the view of, or be confused with any traffic sign, signal, or device, or which make use of any word, phrase, symbol, or character in such a manner as to interfere with, mislead, or confuse traffic;

(3) Off-premises signs, except as provided in Sec. 25.7.4.3(e);

(4) Any sign placed or erected on property without the permission of the property owner;

(5) Signs which move or have any moving part, or which give the illusion of motion;

(6) Signs which use blinking, flashing, or fluttering illumination or illumination which varies in color or intensity, or which create the appearance or illusion of writing or printing, including strobe, rotating beacon, chasing, or zip lights;

(7) Signs erected by any person on any public property or right-of-way, unless expressly authorized or required by this Code, or as follows:

A. Any sign required by a valid and applicable federal, state, or local law, ordinance, or regulation;

B. Signs and other visual displays erected by, or at the direction of, federal, state, or local governmental or quasi-governmental agencies;

C. Signs conforming to or required by the Manual of Uniform Traffic Control Devices, as published by the Federal Highway Administration under 23 Code of Federal Regulations, Part 655, Subpart.

(8) Signs erected in such a location as to interfere with pedestrian or vehicular circulation onto or off of the property on which it is located;

(9) Portable signs, except A-frame signs and signs displayed by hand;

(10) Signs displayed on billboard vehicles;

(11) Signs with changeable copy, except as provided in this Article;

(12) Signs extending above the roof of any building in excess of one percent of the building height;

(13) Feather flags, freestanding banner signs, continuous strands of pennants or streamers, inflatable signs, and similar devices visible from a public right-of-way, except as expressly permitted by this Article;

(14) Signs projecting more than 42 inches from a building wall;

(15) Temporary signs, except as provided in this Article;

(16) Any sign with words, scenes, or graphics of an obscene, indecent, or prurient character which offend public morals or decency;

(17) Signs greater than eight square feet affixed to or depicted on a vehicle, when the vehicle is parked such that the sign is visible from a right-of-way within 50 feet of the vehicle, unless there is no reasonable alternative location on the site to park the vehicle; and

(18) Any sign not expressly allowed or permitted by this Article.

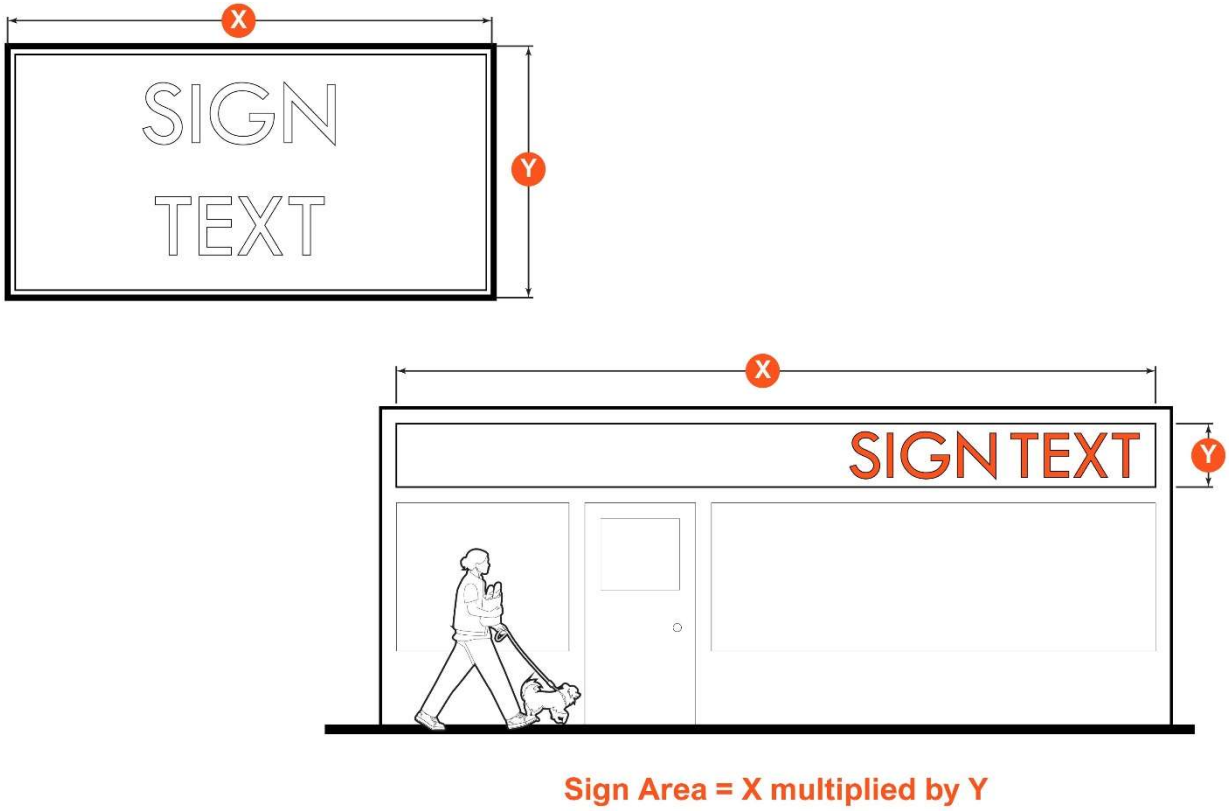
Division 10.2. Sign Measurement

Sec. 25.10.2.1. Sign measurement.

(a) *Sign area.* Sign area is measured as follows:

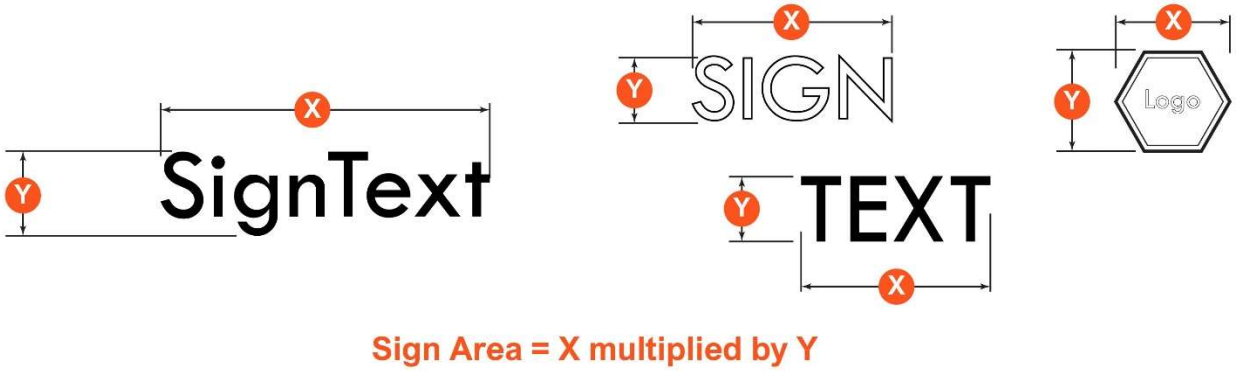
(1) *Signs with backgrounds*. For sign copy mounted or painted on a background panel or area distinctively painted, textured, lighted, or constructed as background for the sign copy, sign area is measured as that area contained within the outside dimensions of the background panel or surface.

Figure 10.2.1-1: Sign Area: Signs With Backgrounds



(2) *Signs with no backgrounds.* For sign copy mounted as individual letters and graphics on an area of a building that has not been painted, textured, lighted, or otherwise altered to provide a distinctive background for the sign copy, sign area is measured as the area or the sum of the areas enclosed by the smallest rectangle that will enclose each word and graphic.

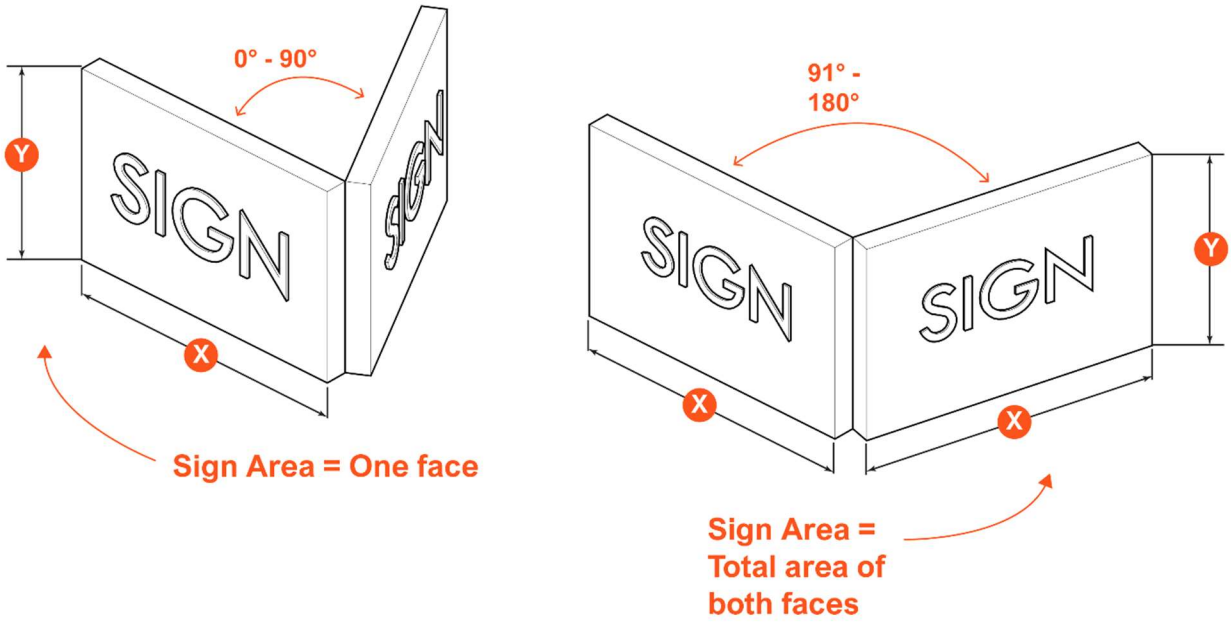
Figure 10.2.1-2: Sign Area: Signs With No Backgrounds



(3) *Signs with two sign faces.* Freestanding signs and projecting signs are allowed to have a maximum of two sign faces. If the interior angle between the two sign faces is 90

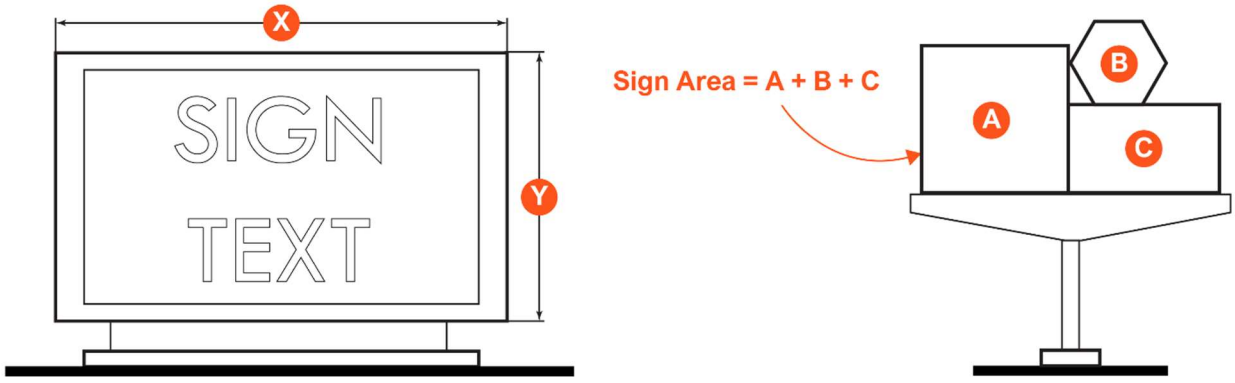
degrees or less, sign area is measured as the area of only one face. If the angle between the two faces is greater than 90 degrees, sign area is measured as the sum of the areas of the two faces.

Figure 10.2.1-3: Sign Area: Signs With Two Sign Faces



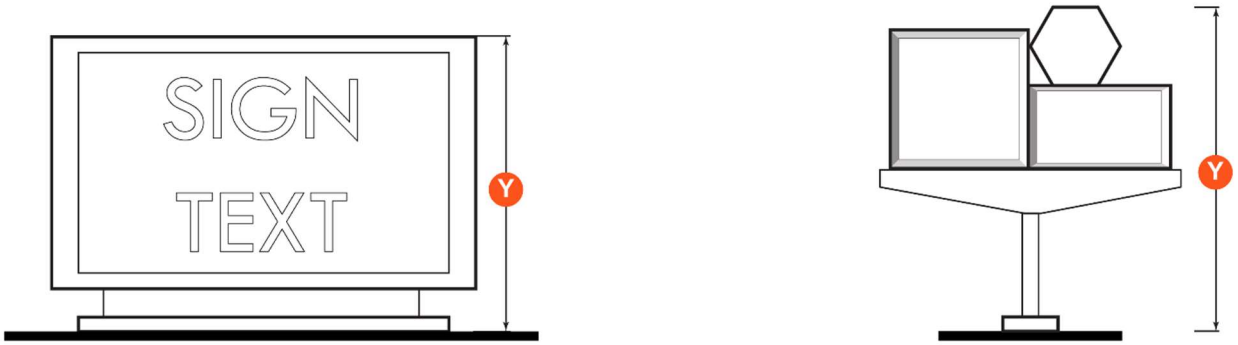
(4) *Freestanding signs*. For freestanding signs, the sign area is measured as the area encompassing all components of the sign, excluding the supporting structure that does not form part of the sign proper.

Figure 10.2.1-4: Sign Area: Freestanding Signs



(b) *Sign height calculations*. Sign height is measured from the top of the sign structure to the normal grade of the street which the sign faces or to the level of the lot on which the sign is erected, whichever is higher.

Figure 10.2.1-5: Sign Height

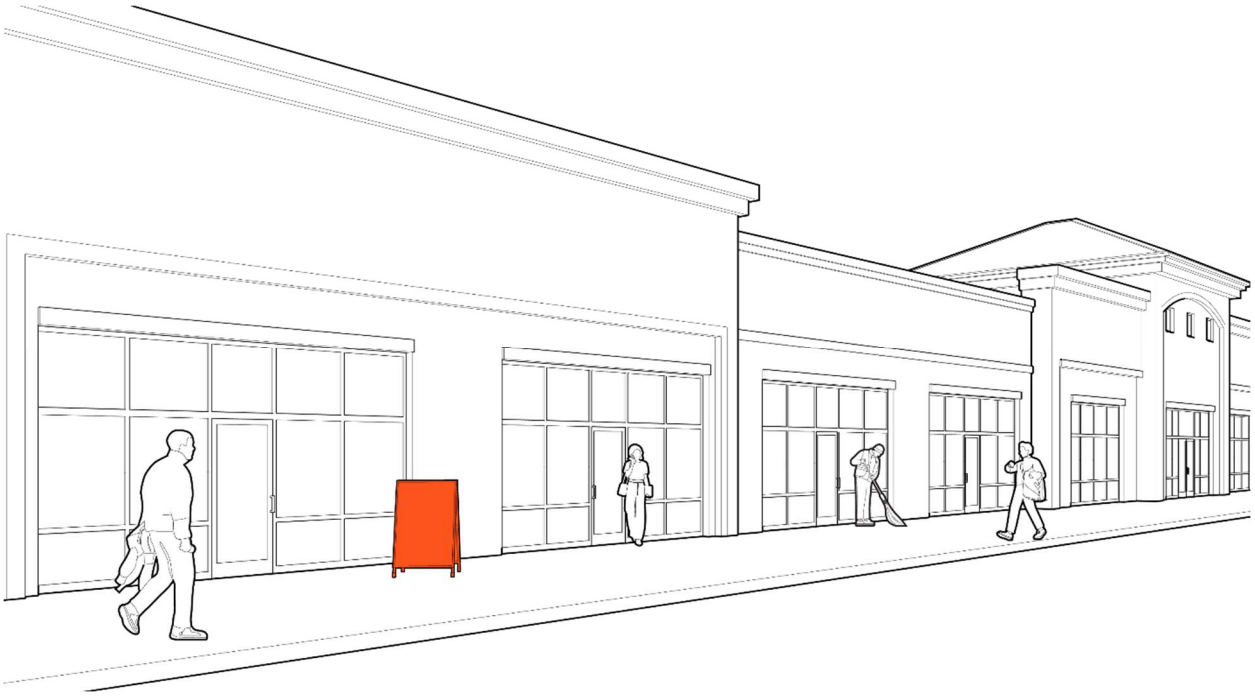


Sign Height (Y) = The top of the sign structure to the normal grade of the street which the sign faces or to the level of the lot on which the sign is erected, whichever is higher.

Division 10.3. Permitted Signs

Sec. 25.10.3.1. A-Frame sign.

Figure 10.3.1-1: A-Frame Sign



(a) *Definition.* A portable sign used on a sidewalk or similar location, consisting of one or two sign faces attached at the top with hinges or a similar device allowing for easy transport. Also referred to as sidewalk signs or sandwich boards.

(b) *A-frame sign standards*. A-frame signs are subject to the following requirements:

(1) A maximum of one A-frame sign is allowed per establishment.

(2) A-frame signs are limited to six square feet per sign face.

(3) A-frame signs must be constructed of a sturdy, durable, heavy-duty material.

(4) A-frame signs must be displayed within 20 feet of the public entrance of the associated establishment.

(5) A-frame signs must be displayed during business hours and must not be displayed during inclement weather.

(6) A-frame signs must not be placed within any accessible route or otherwise impede the flow of pedestrians or vehicles.

(7) A-frame signs may have changeable copy.

Sec. 25.10.3.2. Building sign.

Figure 10.3.2-1: Building Sign



(a) *Definition.* A sign permanently mounted on a wall, marquee, fascia, mansard, or parapet of a building. This definition includes blade signs and signs on awnings or canopies, except that words or images shown on fabric canopies are not considered building signs.

(b) *Building sign standards.*

(1) *Residential zones.* Building signs located in R-400, R-200, R-150, R-90, R-75, R-60, R-40, RMD-10, RMD-15, and RMD-25 zones must meet the following standards:

A. Building signs are allowed only on lots smaller than 20,000 square feet with permitted nonresidential uses, except that:

B. Building signs are prohibited on lots with Child Care Homes or Child Care Centers.

C. A maximum of one building sign is allowed per street frontage, except that a building sign is prohibited on the same frontage as a freestanding sign.

D. Building signs must not exceed a sign area of 24 square feet per sign.

E. Building signs may be externally illuminated. Internally illuminated building signs are prohibited.

F. Blade signs are prohibited.

(2) *RHD, I-L, I-H, all MXTD zones, MXCD, MXCT, MXNC, MXE, and MXB zones.* Building signs located in the RHD, I-L, I-H, all MXTD zones, MXCD, MXCT, MXNC, MXE, and MXB zones must meet the following standards:

A. For single-tenant buildings and buildings where tenant spaces do not have exterior main entrances, the total area of all building signs must not exceed:

1. Two square feet of sign area per linear foot of building facade for the first 50 linear feet; plus

2. One square foot of sign area per linear foot of building façade thereafter.

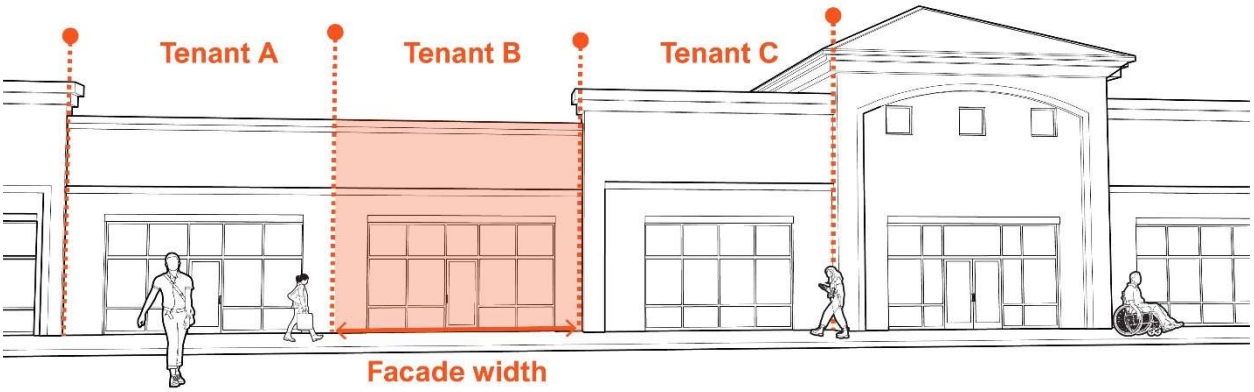
B. For multi-tenant buildings where tenant spaces have exterior main entrances, the total area of all building signs must not exceed:

1. Two square feet of sign area per linear foot of building facade for the first 50 linear feet; plus

2. One square foot of sign area per linear foot of building façade thereafter.

For each individual tenant, the linear footage of building facade is the sum of the lengths of the building facades associated with the tenant's leased space.

Figure 10.3.2-2: Building Sign - Multi-Tenant Buildings



C. Building signs may be externally or internally illuminated.

D. Blade signs may project up to 72 inches from the building façade. The bottom edge of a blade sign must be at least eight feet above grade.

(3) *MXT and MXC zones.* Building signs located in the MXT and MXC zones must meet the following standards:

A. The total area of all building signs on a building must not exceed 24 square feet.

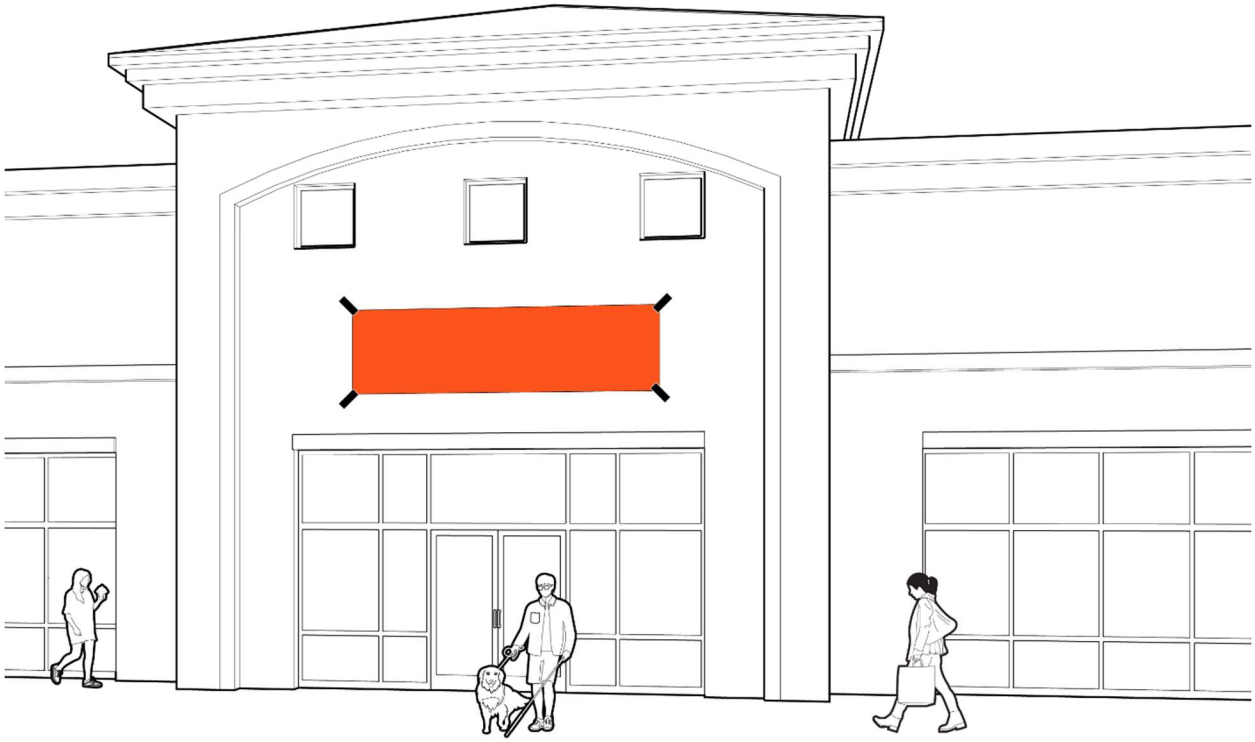
B. Building signs may be externally illuminated. Internally illuminated building signs are prohibited.

C. Blade signs may project up to 72 inches from the building façade. The bottom edge of a blade sign must be at least eight feet above grade.

D. Signs are prohibited above the first-story level of any building.

Sec. 25.10.3.3. Building-mounted banner sign (temporary).

Figure 10.3.3-1: Building-Mounted Banner Sign (Temporary)



(a) *Definition*. A banner sign that is mounted directly to the facade of a building or structure.

(b) *Temporary building-mounted banner sign standards*.

(1) *General standards.* The following standards apply to temporary building-mounted banner signs in all zones where they are permitted:

A. *Duration*. A temporary building-mounted banner sign may be erected for up to one year.

(2) *Residential zones.* Building signs located in R-400, R-200, R-150, R-90, R-75, R-60, R-40, RMD-10, RMD-15, and RMD-25 zones must meet the following standards:

A. Temporary building-mounted banner signs are allowed only on lots smaller than 20,000 square feet with permitted nonresidential uses, except that:

1. Building signs are prohibited on lots with Child Care Homes or Child Care Centers.

2. A maximum of one temporary building-mounted banner sign is allowed per street frontage.

3. Temporary building-mounted banner signs must not exceed a sign area of 24 square feet per sign.

(3) *RHD, I-L, I-H, all MXTD zones, MXCD, MXCT, MXNC, MXT, MXC, MXE, and MXB zones.* Temporary building-mounted banner signs located in the RHD, I-L, I-H, all MXTD zones, MXCD, MXCT, MXNC, MXE, and MXB zones must meet the following standards:

A. A maximum of one temporary building-mounted banner sign is allowed per street frontage, except that:

1. For multi-tenant buildings where tenant spaces have exterior main entrances, one temporary building-mounted banner sign is allowed per non-residential tenant space; and

2. One additional temporary building-mounted banner sign may be provided for each nonresidential tenant space with more than one frontage.

B. Temporary building-mounted banner signs must not exceed a sign area of 48 square feet per sign.

C. Temporary building-mounted banner signs may not be illuminated.

Sec. 25.10.3.4. Freestanding sign.

Figure 10.3.4--1: Freestanding Sign



(a) *Definition*. A sign, not including a flag, supported from the ground and not attached to any building.

(b) *Freestanding sign standards*.

(1) *General standards*. The following standards apply to freestanding signs in all zones where they are permitted:

A. *Sight distance approval*. The final location of a freestanding sign must be approved by the Director of the Department of Public Works or designee to ensure that the sign does not obstruct the sight distance triangle.

B. *Changeable copy*. Freestanding signs may have changeable copy.

C. *Illumination*.

1. A freestanding sign may be externally illuminated.

2. A freestanding sign may be internally illuminated in the I-L, RHD, and all Mixed-Use zones except for the MXT and MXC zones. Freestanding signs must not be internally illuminated in any other zone.

D. *Electronic message centers.*

1. A freestanding sign may be an electronic message center in the I-L zone and all Mixed-Use zones except for the MXT and MXC zones.

2. Electronic message centers must be permanently secured to the ground.

3. The display may change a maximum of once every 30 seconds. This change must be an entire sign change and not fade or pixelate in and out between messages.

4. In the event of malfunction, the display on an electronic message center must go dark or freeze.

5. Electronic message centers must operate at a brightness level of no greater than 0.3 foot candles above ambient light when measured using a foot candle meter at a distance of 150 feet.

6. Electronic message centers must have a light-sensing device to adjust the digital display brightness as ambient light conditions change.

(2) *Residential zones*. Freestanding signs located in R-400, R-200, R-150, R-90, R-75, R-60, R-40, RMD-Infill, RMD-10, RMD-15, and RMD-25 zones must meet the following standards:

A. *Residential developments*. One freestanding sign is allowed in a residential development containing 10 or more dwelling units. Such a sign must be located at or near the entrance to the subdivision; where the dwelling units are separately owned, the sign must be within an easement or on land owned or maintained by a homeowner's association, civic association, or similar entity.

B. *Nonresidential uses*. For any nonresidential use except for Child Care Homes and Child Care Centers located on lots under 20,000 square feet, one freestanding sign is allowed per street frontage. A freestanding sign is prohibited on the same frontage as a building sign. A freestanding sign must be located at least 10 feet from any lot line and within a landscaped area that is at least two square feet in size for each square foot of sign area.

C. A freestanding sign may not exceed a sign area of 24 square feet and a height of five feet and must be set back at least 10 feet from the public right-of-way.

(3) *RHD zone, all MXTD zones, the MXCD, MXCT, MXNC, MXE, and MXB zones*. Freestanding signs located in the RHD zone, all MXTD zones, the MXCD, MXCT, MXB, MXNC, MXE, and MXB zones must meet the following standards:

A. On a lot that is five acres or less, one freestanding sign is allowed.

B. On a lot larger than five acres, one freestanding sign per street frontage is allowed. Signs must be located at least 100 feet apart.

C. Freestanding signs must not exceed a sign area of 100 square feet per sign.

D. Freestanding signs must not exceed 10 feet in height, or the height of the associated building on the lot, whichever is less.

E. Freestanding signs must be located within a landscaped area that is at least two square feet in size for each square foot of sign area.

F. Freestanding signs must be set back from the public right-of-way at least 10 feet or the height of the sign, whichever is greater.

(4) *Industrial zones*. Freestanding signs located in the I-L and I-H zones must meet the following standards:

A. One freestanding sign is allowed per lot.

B. Freestanding signs must not exceed a sign area of 100 square feet per sign.

C. Freestanding signs must not exceed 20 feet in height, or the height of the associated building on the lot, whichever is less.

D. Freestanding signs must be located within a landscaped area that is at least two square feet in size for each square foot of sign area.

E. Freestanding signs must be set back from the public right-of-way at least 10 feet or the height of the sign, whichever is greater.

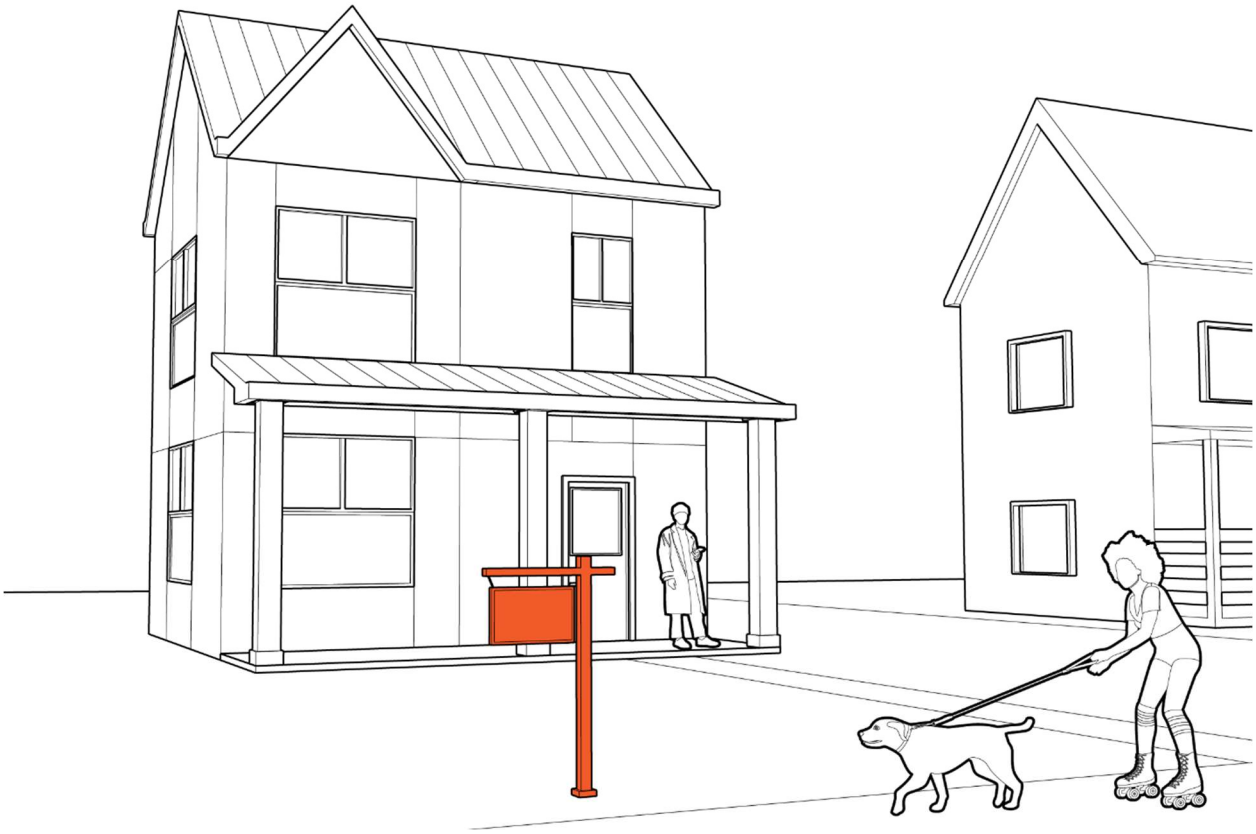
(5) *MXT and MXC zones*. Freestanding signs located in the MXT and MXC zones must meet the following standards:

A. A maximum of one freestanding sign of up to eight square feet in area and five feet in height is allowed per lot.

B. A freestanding sign must be set back at least 10 feet from the public right-of-way.

Sec. 25.10.3.5. Freestanding sign (temporary).

Figure 10.3.5-1: Freestanding Sign (Temporary)



(a) *Definition*. A freestanding sign intended to be displayed for a limited time.

(b) *Temporary freestanding sign standards*.

(1) *General standards*. The following standards apply to temporary freestanding signs in all zones where they are permitted:

A. *Duration*. A temporary freestanding sign may be erected for up to two years.

(2) *Residential zones*. Temporary freestanding signs located in R-400, R-200, R-150, R-90, R-75, R-60, R-40, RMD-Infill, RMD-10, RMD-15, and RMD-25 zones must meet the following standards:

A. *Individual residential lots*. On an individual residential lot, the following standards apply:

1. A sign permit is not required for temporary freestanding signs.

2. Temporary freestanding signs must not exceed a sign area of six square feet per sign.

3. Temporary freestanding signs must not exceed five feet in height, except that:

i. Any sign installed within 10 feet of a lot line must not exceed 42 inches in height.

B. *Commonly owned parcels*. On a parcel owned by a homeowner's association, civic association, or similar entity within a residential subdivision containing 10 or more lots, the following standards apply:

1. One temporary freestanding sign is allowed per parcel.
2. Temporary freestanding signs must not exceed a sign area of 48 square feet per sign.
3. Temporary freestanding signs must not exceed 12 feet in height.

C. *Multiplexes and small apartments*. On a lot containing a multiplex or apartment development with up to 10 dwelling units, the following standards apply:

1. One temporary freestanding sign is allowed per street frontage.
2. Temporary freestanding signs must not exceed a sign area of 12 square feet per sign.
3. Temporary freestanding signs must not exceed 8 feet in height.

D. *Apartments*. On a lot containing an apartment development with more than 10 dwelling units, the following standards apply:

1. One temporary freestanding sign is allowed per street frontage.
2. Temporary freestanding signs must not exceed a sign area of 48 square feet per sign.
3. Temporary freestanding signs must not exceed 12 feet in height.

(3) *RHD zone, all MXTD zones, MXCD, MXCT, MXNC, MXT, MXC, MXE, and MXB zones*. Temporary freestanding signs in all MXTD zones, MXCD, MXCT, MXNC, MXT, MXC, MXE, and MXB zones must meet the following standards:

A. Temporary freestanding signs for residential uses must meet the standards for temporary freestanding signs in residential zones in Sec. 25.10.3.5(b)(2).

B. Temporary freestanding signs for nonresidential uses must meet the following standards:

1. One temporary freestanding sign is allowed per street frontage.
2. Temporary freestanding signs must not exceed 48 square feet in area per sign, except that:

i. During construction. On a lot with ongoing construction, as determined by active building permits, temporary freestanding signs may have a sign area of up to 200 square feet per sign.

3. Temporary freestanding signs must not exceed 12 feet in height.

(4) *Industrial zones*. Temporary freestanding signs in the I-L and I-H zones must meet the following standards:

A. Temporary freestanding signs for nonresidential uses must meet the following standards:

1. One temporary freestanding sign is allowed per street frontage.

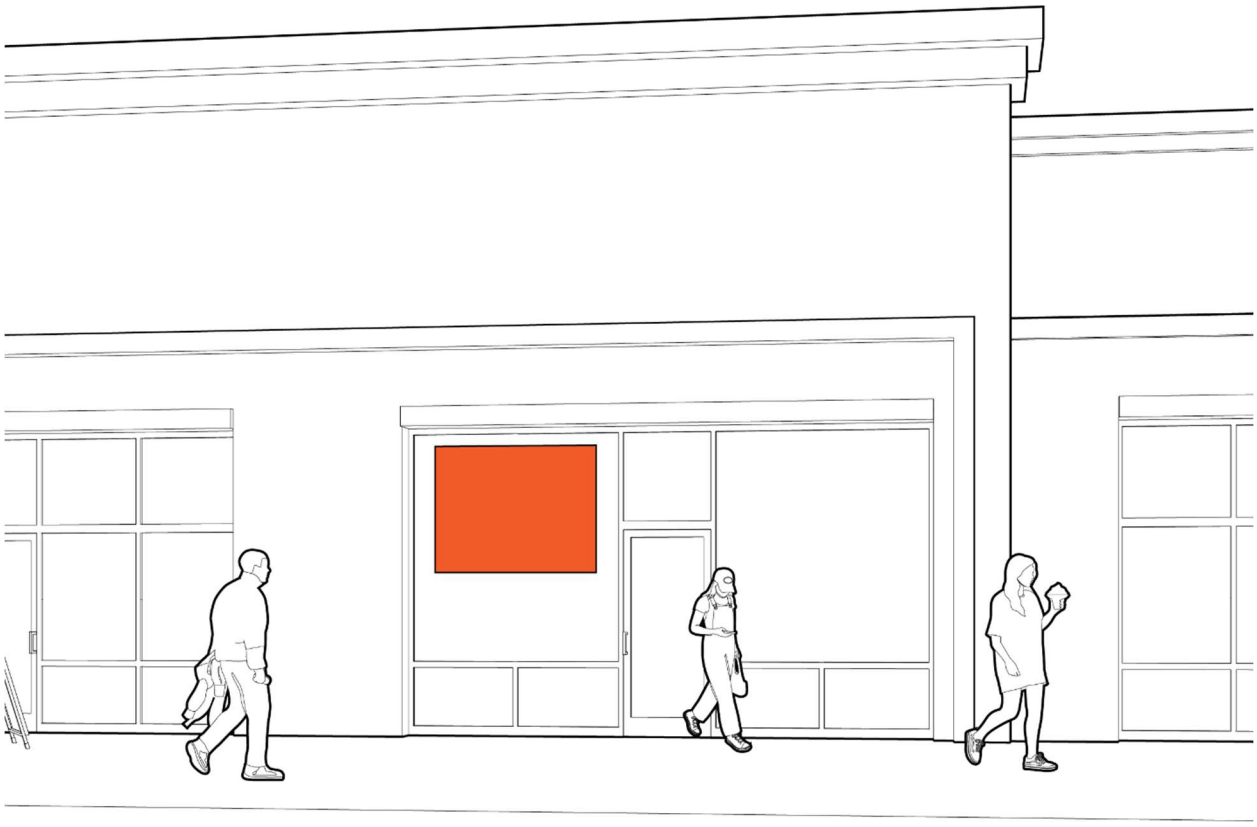
2. Temporary freestanding signs must not exceed 48 square feet in area per sign, except that:

i. *During construction*. On a lot with ongoing construction, as determined by active building permits, temporary freestanding signs may have a sign area of up to 200 square feet per sign.

3. Temporary freestanding signs must not exceed 12 feet in height.

Sec. 25.10.3.6. Window sign.

Figure 10.3.6-1: Window Sign



(a) *Definition.* A sign that is attached to the glass area of a window or placed immediately behind the glass of a window in a manner intended to allow for the sign to be read from outside the building.

(1) *Permanent window sign*. A window sign that is intended to be displayed for an indefinite period of time. This definition includes vinyl window clings and neon signs affixed to or adjacent to a window and visible from the exterior of the building.

(2) *Temporary window sign*. A window sign that is intended to be displayed for a limited period of time.

(b) *Window sign standards.*

(1) *Permanent window sign.* Permanent window signs are subject to the following standards:

A. Permanent window signs are prohibited on single-unit detached dwellings, townhouses, or multiplexes.

B. Permanent window signs must not cover more than 25 percent of the total window surface.

C. Permanent window signs must not be placed within four inches of a window frame.

D. Permanent window signs that are attached to a window must only be attached to the interior side of the window and must not be attached to the exterior side of the window.

E. Permanent window signs may be placed only in windows that are part of a façade that is allowed to have signage.

F. Permanent window signs may be illuminated.

(2) *Temporary window sign*. Window temporary signs are subject to the following standards:

A. Temporary window signs may be erected for up to one year.

B. Temporary window signs are prohibited on single-unit detached dwellings, townhouses, or multiplexes.

C. Temporary window signs must not cover more than 25 percent of the total window surface, except as follows:

1. Temporary window signs on vacant non-residential tenant spaces may occupy up to 95 percent of the total window surface for no longer than nine months in any calendar year.

D. Temporary window signs must not be placed within four inches of a window frame.

E. Temporary window signs may be attached to the interior or exterior sides of the window but must be removed when no longer in use.

F. Temporary window signs may be placed only in windows that are part of a façade that is allowed to have signage.

G. Temporary window signs must not be displayed for more than three months in any calendar year, unless otherwise provided for in this Article.

Division 10.4. Sign Design, Construction, and Illumination

Sec. 25.10.4.1. Sign design, construction, and illumination.

(a) *Building sign and freestanding sign design, construction, and illumination.* The following standards apply to building signs and freestanding signs.

(1) *Design.* Building signs and freestanding signs must be designed and constructed to withstand wind pressure as provided for in Chapter 5.

(2) *Construction.* Signs must be permanently attached to a building, structure, or footing by direct attachment to a rigid wall or structure.

A. Signs attached to masonry, concrete, or steel must be safely and securely fastened by means of metal anchors, bolts, or approved expansion screws of sufficient size and anchorage to safely support the loads applied.

B. Where wood anchors or supports are embedded in the soil, the wood must be pressure-treated with an approved preservative.

(3) *Illumination.* When the illumination of a sign is proposed, it must satisfy the following requirements:

A. A sign must be illuminated only with electric lighting installed in accordance with Chapter 5;

B. Sign illumination must use an enclosed lamp design or indirect lighting from a shielded source in a manner that prevents glare from beyond the property line; and

C. Sign illumination must not cause traffic interference.

(b) *Temporary sign and window sign design, construction, and illumination.* The following standards apply to A-frame signs, temporary building-mounted banner signs, temporary freestanding signs, and window signs.

(1) *Construction.*

A. Signs constructed in a manner that requires a building or electrical permit are prohibited; and

B. Signs must be securely anchored to the structure or land in which it is located.

(2) *Illumination.* Signs other than permanent window signs must not be illuminated in any manner.

Division 10.5. Sign Maintenance

Sec. 25.10.5.1. Sign maintenance.

(a) All signs and sign support structures, together with their supports, braces, guys, and anchors, must be maintained in good structural condition, in compliance with all applicable building and electrical codes, and in conformance with this Article at all times.

(b) The display surfaces of all signs must be kept neatly painted or posted at all times.

Division 10.6. Nonconforming Signs and Abandoned Signs

Sec. 25.10.6.1. Nonconforming signs.

(a) Any nonconforming sign may remain erected, installed, or in use subject to the requirements of this Section.

(b) Whenever an existing nonconforming sign is structurally altered, abandoned, destroyed, replaced, or substantially damaged, it must be modified to bring it into conformance with this Article.

(1) Repairs and maintenance of nonconforming signs, such as repainting, refacing, and electrical repairs, will be permitted, provided that repainting does not include a change of copy.

(c) Any sign lawfully existing immediately prior to the effective date of this Chapter, or any application amendment thereof, but which does not conform to the requirements as now constituted, must be removed within eight years from the date that the sign became nonconforming.

(d) In all other respects, nonconforming signs must comply with the applicable requirements of Article 9.

Division 10.7. Permits, Plans, and Variances

Sec. 25.10.7.1. Permit required.

(a) Except as expressly exempted or otherwise provided in this Article, a sign permit in conformance with the requirements of Sec. 25.4.4.4 must be obtained prior to the installation, erection, illumination, or modification of any sign allowed under this Article, including changing the face of a sign.

Sec. 25.10.7.2. Comprehensive sign plan.

(a) *Applicability.* All developments requiring Site Plan approval that propose two or more signs will be required to submit a comprehensive sign plan demonstrating conformance to the requirements of this Article prior to issuance of the first sign permit.

Sec. 25.10.7.3. Sign variances.

(a) *Intent.* The intent of this Section is to allow relief, in certain situations, from the strict application of the regulations in this Article.

(b) *Findings for sign variances.* The Chief of Zoning may approve a sign variance, with or without conditions, only after making all of the following findings:

(1) Strict application of this Article would preclude effective signage on the site.

(2) The variance application proposes a sign or signs that are compatible with the major structures on the site.

(c) *Expiration.* Any sign or signs approved by a sign variance must be installed within six months of the date of the approval of such sign variance. If a sign approved by a sign variance is not installed within such time period, the variance approval will expire.

Article 11. Historic Preservation

Division 11.1. Historic Zoning

Sec. 25.11.1.1. Historic District Overlay zone.

(a) *Purpose.* The purpose of the Historic District Overlay zone is to:

(1) Safeguard the heritage of the City by preserving sites and structures that reflect elements of cultural, social, economic, political, archaeological, or architectural history;

(2) Stabilize and improve the property values of historic sites and structures and the adjacent neighborhood;

(3) Foster civic beauty;

(4) Strengthen the local economy; and

(5) Promote the preservation and appreciation of historic sites and structures for the education and welfare of the residents of the City.

(b) *Underlying zoning.* The regulations of the Historic District Overlay zone are in addition to the regulations of a site's base zoning. Where the regulations of the Historic District Overlay zone and a site's base zoning conflict, the regulations of the Historic District Overlay zone govern.

Sec. 25.11.1.2. Historic Designation of sites and structures.

(a) *Criteria for historic designation.* A site may be appropriate for inclusion in the Historic District Overlay zone if the site or a structure on the site meets one or more of the criteria in Secs. 25.11.1.2(a)(1) and (2), and displays integrity, as defined in Sec. 25.11.1.2(a)(3).

(1) *Historic significance*. The site or structure:

A. Represents the development, heritage, or cultural characteristics of the City;

B. Is the site of an important event in the history of the City;

C. Is identified with a person or group of persons who influenced the City's history; or

D. Exemplifies the cultural, economic, industrial, social, political, archaeological, or historical heritage of the City.

(2) *Architectural, design and landscape significance.* The site or structure:

A. Embodies distinctive characteristics of a type, period, or method of construction;

B. Represents the work of a master architect, craftsman, or builder;

C. Possesses a style or elements distinctive to the region or the City;

D. Represents a significant architectural, design, or landscape entity in the City; or

E. Represents an established visual feature of the neighborhood or the City because of its physical characteristics or landscape components.

(3) *Integrity*. A site or structure has integrity if:

A. The location, design, setting, workmanship, materials, or historic association of the site or structure displays integrity as described in the standards and guidelines of the U.S. Department of the Interior; and

B. If the historic resource is a structure, a majority of the structural system and materials and the structure's character-defining features remain intact.

(b) *Initiation of historic designation process.* Evaluation of a site or a structure for historic designation begins when any of the following events occur:

(1) The filing of an application nominating the site or structure for historic designation by the owner of the site or structure, the Historic District Commission, or the Mayor and Council;

(2) The filing of a natural resources inventory identifying a potentially significant historic resource on a site; or

(3) The filing of a demolition permit for a structure that:

A. Is identified in the City of Rockville's Historic Buildings Catalog, as may be amended; or

B. Meets one or more of the criteria in Secs. 25.11.1.2(a)(1) and (2), as determined by the Chief of Zoning.

(c) *Notice of proposed historic designation.* At least 14 days before acting to nominate a site or structure for historic designation under Sec. 25.11.1.2(b)(1), the Mayor and Council or Historic District Commission must provide written notice of the proposed nomination by certified mail to the owner of such site or structure.

(d) *Notice of proposed demolition.* For a demolition permit that meets the criteria of Sec. 25.11.1.2(b)(3), notice must be provided in accordance with Article 3, Division 3.3.

(e) *Chief of Zoning review.* If any event in Sec. 25.11.1.2(b) occurs, the Chief of Zoning must evaluate the site or structure under the criteria in Sec. 25.11.1.2(a) and recommend to the Historic District Commission whether the site or structure should be designated as historic.

(f) *Historic District Commission review*. Upon receipt of the recommendation of the Chief of Zoning, the Historic District Commission must evaluate the site or structure proposed for historic designation under the criteria in Sec. 25.11.1.2(a).

(g) *Filing of sectional map amendment application.* If the Historic District Commission finds that the site or structure meets the criteria to be eligible for historic designation, it may by majority vote initiate the filing of a sectional map amendment application to place the historic site or the site of the historic structure in the Historic District Overlay zone. The sectional map amendment application must include a written recommendation explaining the findings of the Historic District Commission as to why the Mayor and Council should rezone the property to the Historic District Overlay zone.

(h) *Approval of sectional map amendment application.* Adoption of an ordinance placing a site in the Historic District Overlay zone requires the unanimous vote of the Mayor and Council when the owner of the site has opposed the sectional map amendment in writing.

(i) *Completion of historic designation process.* The historic designation process is complete when either of the following occurs:

(1) The determination of the Historic District Commission that the site or structure does not meet the criteria for historic designation; or

(2) The Mayor and Council grant or deny a sectional map amendment under Sec. 25.5.3.1 to place the site in the Historic District Overlay zone.

(j) *Restrictions on property during interim historic review period.* If a site or structure is the subject of any event listed in Sec. 25.11.1.2(b), no exterior change may be made to the site or structure until the historic designation process is complete, unless the property owner first obtains a certificate of approval from the Historic District Commission. This restriction applies for 210 days from the date of the event that initiated the historic designation review period.

(k) *Previously reviewed site or structure.* A site or structure may not be reviewed for historic designation if it was evaluated for historic designation by the Historic District Commission within the preceding five years and was not placed in the Historic District Overlay zone, unless the owner nominates the site or structure for historic designation under Sec. 25.11.1.2(b)(1).

Sec. 25.11.1.3. Removal of historic designation.

(a) *Criteria for removal.* A site may be removed from the Historic District Overlay zone for any of the following reasons:

(1) The site or structure on the site has lost the characteristics that justified placement of the site in the Historic District Overlay zone; or

(2) The site or structure is a deterrent to a major improvement that will be of substantial benefit to the City.

(b) *Authority to file application.* An application to remove a site's historic designation may be made by the property owner or the Mayor and Council.

(c) *Chief of Zoning review.* Upon receipt of an application to remove a site's historic designation, the Chief of Zoning must evaluate the application under the criteria in Sec. 25.11.1.3(a) and make a recommendation to the Historic District Commission.

(d) *Historic District Commission review.* Upon receipt of the recommendation of the Chief of Zoning, the Historic District Commission must evaluate the application under the criteria in Sec. 25.11.1.3(a).

(e) *Filing of sectional map amendment application.* If the Historic District Commission finds that the site meets the criteria to be eligible for removal from the Historic District Overlay

zone, it may initiate the filing of a sectional map amendment application to remove the site from the Historic District Overlay zone. The sectional map amendment application must include a written recommendation explaining the findings of the Historic District Commission as to why the Mayor and Council should remove the site from the Historic District Overlay zone.

(f) *Mayor and Council decision.* Upon receipt of a sectional map amendment application to remove a site from the Historic District Overlay zone from the Historic District Commission, the Mayor and Council must take a final action to grant or deny the application based on the criteria in Sec. 25.11.1.3(a).

Division 11.2. Certificates of Approval & Demolition by Neglect

Sec. 25.11.2.1. Certificate of approval.

(a) *Requirement*. A person must receive approval of a certificate of approval before taking any actions affecting a site or the exterior of a structure on a site in the Historic District Overlay zone. Such actions include:

(1) Construction;

(2) Alteration;

(3) Relocation;

(4) Demolition;

(5) Reconstruction; and

(6) Demolition by neglect.

(b) *Exceptions*. A certificate of approval is not required for the painting of the exterior of a structure, the repair or replacement of site or structural features and improvements using the same design and materials, normal gardening and landscaping, hazardous tree removal, or driveway repairs.

(c) *Administrative approval.* The Chief of Zoning may approve a certificate of approval for the following work within the Historic District Overlay zone, upon finding that such work is consistent with the City of Rockville: Technical Guides for Exterior Alterations – A Practical Series for the Preservation and Maintenance of Rockville's Historic Resources, Adopted 2004-2006, as may be amended:

(1) The construction of an accessory structure that does not exceed 150 square feet;

(2) A minor revision to plans associated with a certificate of approval issued by the Historic District Commission;

(3) Replacement of an existing driveway with different materials;

(4) Erection of a new fence or wall or continuation of an existing fence or wall in the same style as the existing fence or wall;

(5) Minor exterior alterations to a structure, including the installation of a mailbox or house numbers;

(6) Installation or replacement of minor landscape features, including plantings and planters;

(7) The replacement of exterior light fixtures or the installation of new light fixtures, including fixtures to illuminate signage;

(8) Minor paving, including the construction or replacement of brick, stone, concrete, or gravel walkways, sidewalks, small parking areas, and patios;

(9) Installation of a new sign;

(10) Installation of storm windows and storm doors;

(11) Installation of solar panels and solar shingles or tiles on roof elevations;

(12) Installation of utility meters, vents, cable or telephone boxes, exterior wiring, antennas, satellite dishes, HVAC system components, electric vehicle charging stations, and exterior security devices.

(13) Removal of the following types of trees and shrubs:

A. Trees immediately adjacent to buildings or walls that undermine structural foundations or threaten roofs, as certified by the administrator of Chapter 10.5;

B. Diseased trees, as certified by the administrator of Chapter 10.5; and

C. Any tree or shrub with a main trunk or stem of less than 12 inches diameter at breast height, as certified by the administrator of Chapter 10.5.

(d) *Historic District approval.* Where administrative approval is not authorized, the Historic District Commission must review and act on an application for a certificate of approval, subject to the following requirements:

(1) *Notice.* Notice must be provided in accordance with Article 3, Division 3.3.

(2) *Public hearing.* The Historic District Commission must hold a public hearing on a certificate of approval application before acting on the application.

(3) *Findings.* The Historic District Commission may only approve a certificate of approval application if it finds that:

A. The proposed changes do not diminish the character or integrity of the historic site or structure;

B. The proposed changes are compatible with any historically significant structures or elements on the site; and

C. The proposed changes are consistent with the following sources of design review:

1. Secretary of the Interior's Standards for the Treatment of Historic Properties; and

2. City of Rockville: Technical Guides for Exterior Alterations – A Practical Series for the Preservation and Maintenance of Rockville's Historic Resources, Adopted 2004-2006, as may be amended.

(4) *Decision*. After the public hearing, the Historic District Commission must approve or deny a certificate of approval by resolution. Approval may be subject to any conditions the Historic District Commission determines necessary to make the findings in Sec. 25.11.2.1(d)(3).

(e) *Expiration.* An applicant must receive all necessary permits and approvals and start any construction or demolition necessary to implement a certificate of approval within five years of the date of approval of the certificate of approval, or the certificate of approval expires. For good cause shown, the Approving Authority may approve a later expiration date at the time of approval of the certificate of approval.

(f) *Building permit.* No building permit may be issued for any activity subject to this Section until an approved certificate of approval for such activity has been approved.

(g) *Resubmittal of denied applications prohibited.* An applicant may not resubmit an application for a certificate of approval that is identical to a denied application for three years after the denial.

(h) *Nonconforming historic sites and structures*. Subject to Historic District Commission approval of a certificate of approval, within the Historic District Overlay zone, any historically designated building, structure, or site may be repaired or replaced in kind in its original location, notwithstanding its failure to comply with any development standard contained in this Chapter. Any renovations or additions beyond the scope of the original structure, as defined by the period of significance, are subject to the development standards of this Chapter.

Sec. 25.11.2.2. Demolition by neglect.

(a) *Demolition by neglect prohibited.* A person may not cause the demolition by neglect of any structure within the Historic District Overlay zone, unless the demolition by neglect is caused by a financial inability to maintain or repair the structure.

(b) *Notice of demolition by neglect.* Upon determining that a structure within the Historic District Overlay zone is in danger of demolition by neglect, the Chief of Zoning must notify, in writing, the property owner of record, any person having a right, title, or interest in the property, and the occupant or other person responsible for the maintenance of the property, of the demolition by neglect. The notice must specify the minimum items of repair or maintenance necessary to correct the demolition by neglect or prevent further demolition by neglect.

(c) *Corrective actions.* A notice of demolition by neglect must state that the owner or other responsible person must begin any corrective actions within 30 days of the date of said notice and complete such action within a reasonable time thereafter. The notice must state that the owner of record of the property, or any person of record with any right, title, or

interest therein, may, within 10 days after the date of the notice, request a hearing on the notice. At the hearing, the owner or other person of record may present evidence that the demolition by neglect is caused by a financial inability to maintain or repair the structure.

(d) *Municipal infraction.* Failure to comply with a notice of demolition by neglect, including all corrective actions ordered, is a violation of this Chapter, unless the Chief of Zoning finds after a hearing held under Section 25.11.2.2(c) that the demolition by neglect is caused by a financial inability to maintain or repair the structure.

Article 12. Plats & Subdivisions

Division 12.1. General Provisions

Sec. 25.12.1.1. Applicability.

(a) *Subdivision approval required.* To subdivide land within the City, a person must receive approval of a major or minor subdivision and record of a record plat in accordance with this Article.

(b) *Ownership plat approval required.* To divide land into separate ownership lots within the City, a person must receive approval of an ownership plat pursuant to this Article.

(c) *Exceptions.* This Article does not apply to the division or sale of land by judicial decree.

Sec. 25.12.1.2. Record lot required.

(a) *Structures.* A structure may not be constructed in the City unless it is on a record lot.

(b) *Residential dwelling.* Excluding cottage courts permitted by this Chapter, no more than one single unit detached dwelling may be located on a record lot.

Sec. 25.12.1.3. Record plat requirements.

(a) *Requirements.* Any record plat submitted under Divisions 12.2 or 12.3 of this Article or ownership plat submitted under Division 12.4 must include the following information:

(1) *Record plat requirements.* A record plat must include:

A. The title of the plat, the name of the subdivision, the name of the subdivision's owner, and the appropriate data, scale, and north arrow of the plat;

B. The tract boundary lines, right-of-way lines of streets, existing and proposed public easements, and other rights-of-way and property lines of residential lots and other sites with accurate dimensions, bearings, and distances; a curve table indicating central angle, radius, tangent, arc, chord, and chord bearings for all curves; name and right-of-way width of each street or other right-of-way;

1. All bearings must be generated in the Maryland Coordinate System (MCS); Where no MSC monument exists, the Department of Public Works may determine the acceptable meridian;

C. The land area of each proposed lot and parcel, in square feet and acres;

D. The location, dimensions, and purposes of any easements;

E. The lot and block numbering system for new lots within an existing subdivision, which must continue the previously established lot and block numbering system;

F. The purpose for which parcels, other than residential lots, are dedicated;

G. A note describing any waiver granted at time of plat approval under Division 12.7 of this Article.

H. The location and description of monuments;

I. The names of record owners of adjacent unplatted land;

J. The lot, block, and subdivision name of adjacent platted land;

K. Certification and seal by a land surveyor registered in the State, certifying the accuracy of survey and plat;

L. Certification by the Planning Commission or Chief of Zoning, as applicable, and the City Manager approving the plat;

M. A statement of dedication by the owner of dedicated streets, rights-of-way, and any sites to public use;

N. A statement by the owner granting easements established by the plat;

O. A statement of consent and signature of all lienholders or trustees of the property subject to the plat; and

P. A certification that the subdivider is the owner of the land.

(2) *Additional information.* The record plat must be accompanied by other detailed plans and data including such other certificates, affidavits, or endorsements as may reasonably be required by the Planning Commission, Chief of Zoning, or the Department of Public Works in the enforcement of this Chapter.

Division 12.2. Minor Subdivisions

Sec. 25.12.2.1. Minor subdivisions.

(a) *Applicability.* Except as provided in Sec. 25.12.2.1(b), the following subdivisions are minor subdivisions subject to the requirements of this Section:

(1) Subdivision of land involving four or fewer lots fronting on an existing street;

(2) Adjustment of a common property line between two or more existing record lots;

(3) Consolidation of two or more lots into one lot;

(4) A plat of correction;

(5) Replatting a parcel to incorporate land dedicated to public use that has been abandoned or otherwise disposed of, including public right-of-way;

(6) Replatting a parcel to reflect the dedication of land to public use, including right-of-way, public easements, and donations and gifts of land to the public;

(7) Conversion of a part of a lot into a record lot; and

(8) Platting of a qualifying undersize lot under Sec. 25.12.5.2(e).

(b) *Exceptions*. A subdivision is considered a major subdivision subject to Division 12.3 of this Article if it requires the extension of public streets, water, or sewer facilities; requires relief

from the requirements of this Chapter; or includes more than four lots fronting on an existing street.

(c) *Approval required*. Minor subdivision requires approval of a record plat. A preliminary plan of subdivision is not required for a minor subdivision.

(d) *Approving Authority*. The Chief of Zoning is the Approving Authority for minor subdivisions.

(e) *Application process*.

(1) *Application*. The applicant must file a record plat application in accordance with Sec. 25.3.2.2.

(2) *Notice*. The applicant must provide notice of the application as required by Article 3, Division 3.3. The notice must include the date for action on the plat by the Approving Authority and state that all interested parties have 15 days from the date of the letter to provide comments.

(3) *County and State approval.* The Approving Authority may not approve a record plat without the approval of any County or State government agencies that have jurisdiction. Such agencies must approve, with or without modification, or disapprove the record plat to the extent that each has jurisdiction. Such agencies must submit their approval or disapproval to the Approving Authority in writing within 15 days of the receipt of the record plat application. If they fail to act, the plat is deemed to be approved by the agency.

(f) *Findings*. The Chief of Zoning may only approve a minor subdivision upon finding that the record plat conforms to all requirements of this Chapter, except as follows:

(1) *Qualifying undersized lots*. Qualifying undersized lots under Sec. 25.12.5.2(e) must only conform to the standards of Sec. 25.7.1.2.b.

(g) *Approval conditions*. The Chief of Zoning may condition approval of a minor subdivision on any conditions the Chief of Zoning determines necessary to make the finding in Sec. 25.12.2.1(f).

(h) *Decision by letter.* The Chief of Zoning must approve or deny a minor subdivision by dated letter within 30 days of acceptance of a complete application.

(1) *Timing*. If the Chief of Zoning does not act within the required timeframe, the application is deemed approved, and the Chief of Zoning must issue a statement in writing to that effect on demand. However, the applicant may waive this requirement and consent to an extension of such period.

(2) *Denial*. Should the Chief of Zoning deny the minor subdivision, the letter must state the grounds for denial.

(3) *Transmittal to Planning Commission*. The Chief of Zoning must send a copy of the letter approving or denying a minor subdivision to the Planning Commission as well as all parties entitled to notification of the decision under Sec. 25.3.3.5.

(i) *Aggrieved parties*. The Chief of Zoning's decision letter must state that any aggrieved person may appeal the decision in accordance with Section 25.3.4.1(b).

(j) *Signature and recordation*. After all conditions associated with minor subdivision approval are satisfied, the Chief of Zoning and the City Manager must sign the record plat associated with the minor subdivision, record the plat in the Land Records of Montgomery County, Maryland, and notify the applicant of the date of recording and the plat book and plat number.

(k) *Revocation*. If the record plat is not recorded in accordance with Sec. 25.12.2.1(j) within two years after record plat approval due to the failure of the applicant to comply with any conditions, the application is considered withdrawn and any previous approval is revoked. For good cause shown, not more than two extensions not exceeding one year each may be granted by the Chief of Zoning; except that the Chief of Zoning may extend the time for recording the record plat to the expiration date of any existing Site Plan or Project Plan approval.

(l) *Establishing addresses.* Following recordation of the plat, the Chief of Zoning will assign addresses to any new lots.

Sec. 25.12.2.2. Consolidation of two or more residential lots into one lot.

(a) *When required.* An applicant must receive approval of a minor subdivision for the consolidation of two to four residential lots into one lot before receiving a permit to:

(1) Demolish a single-unit detached dwelling that crosses an existing lot line; or

(2) Construct an addition to a single-unit detached dwelling that does not cross an existing lot line, where the addition would cross an existing lot line.

(b) *When optional.* An applicant is not required to receive approval of a minor subdivision for the consolidation of two or more lots into one lot before receiving a permit to construct an addition to a single-unit detached dwelling that crosses an existing lot line at the time of permit application, regardless of whether the addition would also cross the lot line.

Division 12.3. Major Subdivisions

Sec. 25.12.3.1. Major subdivisions.

(a) *Applicability.* Any subdivision that is not eligible for minor subdivision approval under Division 12.2 of this Article is a major subdivision.

(b) *Approvals required.* A major subdivision requires approval of a preliminary plan of subdivision followed by approval of a record plat. A Project Plan or Site Plan approved in accordance with Article 4, Division 4.1 may serve as a preliminary plan of subdivision, so long as it meets all applicable subdivision standards of Division 12.5 of this Article.

(c) *Approving Authority.* The Planning Commission is the Approving Authority for preliminary plans of subdivision and record plats associated with major subdivisions.

(1) *Exception.* A Project Plan or Site Plan serving as a preliminary plan of subdivision is approved by the applicable Approving Authority, in accordance with Article 4, Division 4.1.

(d) *Preliminary plan of subdivision approval process.*

(1) *Application process.*

A. *Application.* The applicant must file a preliminary plan of subdivision application in accordance with Sec. 25.3.2.2. Before filing a preliminary plan application, the applicant must have received approval of a natural resources inventory under Chapter 10.5.

B. *Notice*. The applicant must provide notice of the application as required by Article 3, Division 3.3. The notice must state that all interested parties have 30 days from the date of the letter to provide comments.

C. *Development Review Committee meeting.* After submitting the application, the applicant must hold a meeting with the Development Review Committee.

D. *County and State recommendation.* The Planning Commission must not approve a preliminary plan of subdivision application unless there is on file with the Commission the recommendation of any County or State government agencies that have jurisdiction. Each agency must return one copy of the plan to the Commission within 30 days of referral with its recommendation noted. If such recommendation is not made within the 30-day period, the preliminary plan is deemed to be approved by the agency, unless the Planning Commission has extended the period.

(2) *Planning Commission action.* Within 60 days of the date the Chief of Zoning determines the preliminary plan application to be complete, the Planning Commission must hold a public hearing on a preliminary plan application and approve or disapprove the application by resolution. Failure to act within 60 days constitutes approval of the preliminary plan. However, the applicant may consent to an extension or waiver of such period.

(3) *Findings.* The Planning Commission may only approve a preliminary plan of subdivision application if it finds that the application:

A. Is consistent with the Plan;

B. Is supported by adequate existing and programmed public facilities as required by Article 8, Division 8.11 and the adopted Adequate Public Facilities Standards; and

C. Conforms to the requirements of this Chapter and other applicable law.

(4) *Approval conditions.* The Planning Commission may condition its approval of a preliminary plan of subdivision on any conditions the Planning Commission determines necessary to make the findings in Sec. 25.12.3.1(d)(3).

(5) *Expiration.* A preliminary plan of subdivision approved under this Section expires if an applicant does not file a record plat application within two years of preliminary plan approval.

(e) *Record plat approval process*.

(1) *Portion of plan.* The record plat may represent only a portion of any applicable preliminary plan of subdivision, provided that the public improvements to be constructed in the area covered by the plat are sufficient by and of themselves to accomplish a proper development and to provide adequately for the public health, safety, and welfare, including adequate access to contiguous areas.

(2) *Application process.*

A. *Application.* After receiving approval of a preliminary plan of subdivision, an applicant for a major subdivision must file a record plat application in accordance with Sec. 25.3.2.2.

B. *Notice.* The applicant must provide notice of the application as required by Article 3, Division 3.3. The notice must state that all interested parties have 30 days from the date of the letter to provide comments.

C. *County and State recommendation.* The Planning Commission must not approve a preliminary plan of subdivision application unless there is on file with the Commission the recommendation of any County or State government agencies that have jurisdiction. Each agency to which a plan is referred must return one copy of the plan to the Commission within 30 days of referral with its recommendation. If such recommendation is not made within the 30-day period, the preliminary plan is deemed to be approved by the agency, unless the period has been extended by the Commission.

(3) *Planning Commission action.* Within 30 days of the date the Chief of Zoning determines the record plat application to be complete, the Planning Commission must hold a public hearing on the application and approve or disapprove the application. Failure to act within 30 days constitutes approval of the record plat. However, the applicant may consent to an extension or waiver of such period. The grounds for disapproval of any record plat must be stated in the records of the Planning Commission and a copy furnished to the applicant.

(4) *Findings.* The Planning Commission may only approve a record plat application if it finds that the application:

A. Substantially conforms to any applicable preliminary plan of subdivision; and

B. Conforms to all requirements of this Chapter.

(5) *Approval conditions.* The Planning Commission may condition approval of a major subdivision application on any conditions the Planning Commission determines necessary to make the findings in Sec. 25.12.3.1(e)(4).

(6) *Signature and recordation*. After all conditions associated with major subdivision approval are satisfied, the Chair of the Planning Commission and the City Manager must sign the record plat and the Chief of Zoning must record the plat in the Land Records of Montgomery County, Maryland and notify the applicant of the date of recording and the plat book and plat number.

(7) *Revocation.* If the record plat is not recorded in accordance with Sec. 25.12.3.1(e)(6) within two years after record plat approval, due to the failure of the applicant to comply with any conditions, the application is considered withdrawn, and any previous approval is revoked. For good cause shown, not more than two extensions not exceeding one year each may be granted by the Planning Commission; except that the Commission may extend the time for recording the record plat to the expiration date of any existing Site Plan or Project Plan approval.

(8) *Establishing addresses.* Following recordation of the plat, the Chief of Zoning will assign addresses to any new lots.

Division 12.4. Ownership Plats

Sec. 25.12.4.1. Ownership plats.

(a) *Applicability.* A site must meet the following criteria to be eligible for an ownership plat:

(1) More than one building or building component exists, or is proposed to be located, on the site;

(2) The site is located in a zone other than the R-400, R-200, R-150, R-90, R-75, R-60, and R-40 zones, except that an ownership plat is permitted in the previously mentioned zones if the site contains a use other than single-unit detached residential or such use is shown on an approved Site Plan or equivalent approval;

(3) The site does not include and is not proposed to include single-unit detached dwellings or townhouses; and

(4) The site is a single record lot and is the subject of an approved Project Plan or Site Plan or equivalent approval that covers the entire site.

(b) *Approving Authority.* The Planning Commission is the Approving Authority for ownership plats.

(c) *Application process*.

(1) *Application*. An applicant for an ownership plat must file the application in accordance with Sec. 25.3.2.2.

(2) *Notice*. The applicant must provide notice of the application as required by Article 3, Division 3.3.

(d) *Planning Commission action.* The Planning Commission must hold a public hearing on the application and approve or disapprove the application. The grounds for disapproval of any

ownership plat must be stated in the records of the Planning Commission and a copy furnished to the applicant.

(e) *Findings*. The Planning Commission may approve an ownership plat if it finds that:

(1) The site of the application meets the criteria in Sec. 25.12.4.1(a);

(2) The ownership plat is reasonably necessary to accommodate the financing, phasing, or separate ownership of a building or group of buildings or building components on a recorded lot; and

(3) It is not feasible to subdivide each building or building component on the site into individual record lots because:

A. Setback, open space, or lot size requirements or other development standards of the zone reasonably preclude such subdivision;

B. Amenity features required in the zone or by an approved Site Plan or equivalent approval for the site are designed to serve the various buildings or building components, or other design features of the development are integrated among the buildings or components;

C. Density calculations or bonus densities allowed in the zone and approved in a Site Plan or equivalent approval are based on the area of the entire site; or

D. The creation of ownership lines or financing lines is intended principally to accommodate the separate ownership or financing of the site, rather than its formal subdivision.

(f) *Approval conditions*. The Planning Commission may condition approval of an ownership plat on any conditions the Planning Commission determines necessary to make the findings in Sec. 25.12.4.1(e).

(g) *Signature and recordation*. After all conditions associated with ownership plat approval are satisfied, the Chair of the Planning Commission and City Manager must sign the ownership plat and the Chief of Zoning must record the plat in the Land Records of Montgomery County, Maryland, and notify the applicant of the date of recording and the plat book and plat number.

(h) *Approval required for recordation or sale*. No person can record an ownership plat among the Land Records of Montgomery County, Maryland, or sell any property with reference to an ownership plat, until such ownership plat has first been approved by the Planning Commission.

(i) *Expiration*. In the event that the ownership plat is not recorded within two years after receiving approval due to the failure of the applicant to comply with any conditions, the application is considered withdrawn, and any previous approval is revoked.

(j) *Establishing addresses.* Following recordation of the ownership plat, the Chief of Zoning will assign addresses to any new lots.

Division 12.5. Subdivision Standards

Sec. 25.12.5.1. Applicability.

(a) Plats of correction are exempt from this Division.

(b) The following minor subdivisions must only comply with Secs. 25.12.5.2 and 25.12.5.10 of this Division:

(1) Adjustment of a common property line between two or more existing record lots;

(2) Replatting a parcel to incorporate land dedicated to public use that has been abandoned or otherwise disposed of, including public right-of-way; and

(3) Platting of a qualifying undersize lot under Sec. 25.7.1.2.

Sec. 25.12.5.2. Lot standards.

(a) *Generally.* Lot size, width, depth, shape, orientation, and minimum building setback line must be in accordance with the provisions of this Chapter and all other applicable laws.

(b) *Townhouses.* Each record lot for a townhouse, if provided, must front on a public street, private street, or a common open space.

(c) *Multiplexes.* Lots for individual dwelling units in a multiplex may be created if at least one of the dwellings fronts a public street. Frontage provided must be adequate to provide access and an ingress/egress and utility easement ensuring that every lot has access to the street.

(d) *Pipe stem lots.* The following provisions apply only to platting of pipe stem lots:

(1) It must be noted on the record plat that for pipe stem lots, municipal refuse collection, snow removal, and street maintenance are provided to the junction of the pipe stem lot driveway and public street.

(2) The pipe stem must be a minimum of 20 feet wide.

(e) *Qualifying undersized lots.* In the R-400, R-200, R-150, R-90, R-75, R-60, and R-40 zones, a lot that does not meet the area or dimensional standards of the underlying zone may be recorded as a record lot when the following conditions are met:

(1) The lot was created by plat or deed before October 1, 1957, and has existed in the same configuration since that time;

(2) Is a minimum of 4,000 square feet in area; and

(3) Has frontage as required in the zone or access to a public street.

(f) A lot created by plat or deed before October 1, 1957, in a single dwelling unit residential zone that does not meet the conditions of Sec. 25.12.5.2(e) considered to be unbuildable.

(g) *Nonconformity through public acquisition.* A lot that no longer conforms to the standards of this Section as a result of acquisition through eminent domain or other government action

and that conformed to this Section before the government acquisition may be recorded as a record lot, notwithstanding the nonconformity.

Sec. 25.12.5.3. Streets and public infrastructure.

(a) *Conformance with the transportation element of the Plan.* Whenever a site to be subdivided includes any part of a street or highway indicated on the Plan, such parts must be suitably incorporated by the applicant in the preliminary plan of subdivision and record plat.

(b) *Compliance with Chapter 21.* All streets and public improvements must be constructed in accordance with the specifications and requirements of Chapter 21. In addition, the applicant must comply with the following criteria for such improvements in connection with the subdivision.

(1) If adjoining property is not subdivided, provision must be made for the projection of proposed streets by continuing the full widths of rights-of-way laid out for the streets to the boundaries of the subdivision. This provision does not prevent the establishment of culs-de-sac within the subdivision.

(2) Where the preliminary plan and record plat submitted include only part of the site owned by the applicant, the Approving Authority may require a sketch of the tentative street system for all or any part of the unsubdivided contiguous land, supported by such other data as the Approving Authority may reasonably determine to be necessary.

(3) No street names can be used which will duplicate or be confused with the names of existing streets in the County. Street names will be established by the Planning Commission.

(4) Property lines at street intersections must be the long chord length of a curve with a minimum radius of 25 feet. The Approving Authority may require a radius greater than 25 feet when necessary and may permit rounded corners.

(c) *Public utility and street improvements.* An applicant must provide the following public utility and street improvements in connection with a subdivision, except those improvements provided by the City and paid for on an assessment basis. All such improvements must be constructed in accordance with the specifications and requirements of the applicable codes, ordinances or regulations of the City.

(1) Streets, including such related improvements as are required by Chapter 21.

(2) Stormwater drainage as required by Chapters 19 and 21.

(3) Every portion of a subdivision must be supplied with public water and sanitary sewerage facilities in accordance with Chapter 24 or WSSC standards, as applicable.

(4) Direct pedestrian and bicycle connections, when required by the Planning Commission in accordance with this Division.

(5) Streetlights, in accordance with plans and specifications approved by the appropriate public utility and the Director of Public Works.

Sec. 25.12.5.4. Direct pedestrian and bicycle connections.

(a) Where sufficient connectivity is not provided within the public right-of-way as determined by the Director of Public Works, the applicant must provide off-street pedestrian and bicycle facilities connecting the subdivision to existing pedestrian and bicycle facilities, and other public facilities along the most direct route, as well as provide for potential connections to adjacent properties as appropriate. The proposed pedestrian and bicycle facilities must meet City standards and be provided within a public use easement.

Sec. 25.12.5.5. Public utility easements.

(a) *Width*. When crossing lots, public utility easements or public utility rights-of-way for dry utilities must not be less than ten feet in width, or as may reasonably be required and approved by the applicable dry utility company and the Director of Public Works.

(b) *Gas transmission main*. Where a residential subdivision includes or adjoins an easement or right-of-way for an underground high volume and pressure gas transmission main, the applicant must provide lots of sufficient size to allow a 50-foot minimum distance between the easement or right-of-way and any proposed dwelling units on the lots.

(c) *Construction requirements.* The public utility improvements (water, sewer, and storm drains) must comply with the Department of Public Works Design Standards and Specifications for Construction or other applicable Washington Suburban Sanitary Commission (WSSC) and Montgomery County standards.

Sec. 25.12.5.6. Public sites and open spaces.

(a) Where a proposed park, playground, or other public use shown in the Plan is located in whole or in part within a subdivision, the applicant must dedicate or reserve, at the option of the Mayor and Council, adequate space for such purpose in such area within the subdivision when the Mayor and Council finds the requirements to be reasonably necessary to the public health, aesthetics, safety, or welfare.

Sec. 25.12.5.7. Floodplains, dam inundation, and sediment control.

(a) *Floodplains.* No lot may be platted within the limits of the 100-year floodplain of any stream or other drainageway, the limits of which are defined as provided in Chapter 10 using generally accepted engineering methods approved by the Floodplain Administrator as defined in Chapter 10 and conducted by or at the expense of the applicant.

(b) *Dam inundation.* No lot may be platted within the limits of the inundation area of any upstream dam.

(c) *Sediment control.* The approval of major and minor subdivisions must include provisions for stormwater management and erosion and sediment control in compliance with the provisions of Chapter 19.

Sec. 25.12.5.8. Tree planting.

(a) *Street trees*. An applicant must plant at least one street tree per 40 feet of lot frontage within the public right-of-way or, if approved by the Approving Authority, adjacent to the public right-of-way. The species, location, and method of planting must be approved by the administrator of Chapter 10.5 or designee of the Director of Community Planning and Development Services.

(b) *Lot trees.* An applicant must provide at least one tree on each residential lot per 2,000 square feet or fraction thereof of lot area. Notwithstanding the foregoing, an applicant must not be required to plant more than three trees under this Section. Existing trees on a lot, if properly preserved, count towards this requirement. The Approving Authority may approve a lot with fewer than the minimum required number of trees if it finds that:

(1) The lot does not contain sufficient unencumbered area to provide a planting area consistent with best industry practices established by the International Society of Arboriculture for each required tree;

(2) For each required tree that is not provided on the lot, two replacement trees are provided on a common area or other lot within the proposed subdivision; and

(3) Reduction of the required trees on the lot and provision of the replacement trees will provide equal or greater aesthetic value to the subdivision and are compatible with the character of the surrounding neighborhood.

(c) *Planting requirements.* The species, location, and method of planting of trees required by Sec. 25.12.5.8(b) must be consistent with a landscaping detail submitted by the applicant and approved by the designated staff member. The landscaping detail must demonstrate the following:

(1) Each lot must provide a minimum planting area for each required tree consistent with best industry practices established by the International Society of Arboriculture;

(2) The planting area must not be encumbered by utilities or easements;

(3) Trees must be planted in locations and configurations following proper planting practices. When feasible, trees should be located within the public viewshed;

(4) Each lot must be supplemented with shrub plantings, to be approved by the designated staff;

(5) All new plantings must be native species; and

(6) For lots within an existing residential neighborhood, or lots that are adjacent to or confronting properties with existing dwellings, trees should be planted in locations and configurations compatible with the location and configuration of existing trees within the residential neighborhood or adjacent or confronting properties, as applicable.

(d) *Additional tree planting.* Tree planting must be done in accordance with the provisions of Chapter 10.5. Trees planted under this Section are in addition to trees planted in fulfillment of the requirements in Chapter 10.5 or as otherwise required by this Chapter.

Sec. 25.12.5.9. Monuments.

(a) Two stone or concrete reference monuments of a size and type approved by the City Manager must be set within each block or portion thereof and the location of each must be established on the record plat.

(b) Metal monuments of a size and type approved by the City Manager must be located in the ground at all intersections of streets and alleys with plat boundary lines where there is a change in direction or curvature.

(c) All monuments must be clearly visible upon the completion of all improvements and must be flush with the ground.

Sec. 25.12.5.10. Burial sites.

(a) Subdivision of any site that includes a burial site must provide for an easement, approved by the City Attorney, that ensures entry to and exit from the burial site by an individual related by blood or marriage or a person in interest, as defined in Sec. 14-121 of the Real Property Article of the Maryland Annotated Code.

Division 12.6. Performance Guarantees

Sec. 25.12.6.1. Performance bond.

(a) Before recordation of a record plat, an applicant must deliver to the City a performance bond issued by a surety company authorized to do business in Maryland and satisfactory to the City Manager and the City Attorney in such amount as is estimated by the City Manager to be the total cost of the construction and installation of the public facilities required by the subdivision. The bond must run to the City and be conditioned as follows:

(1) That the applicant and the applicant's agents and assigns will faithfully complete the construction and installation of the required public facilities within three months after substantial completion of any building or structure which the facilities are designed to serve, or within two years of the date of approval of the record plat;

(2) That the applicant and the applicant's agents and assigns will comply with all applicable ordinances and requirements of the City; and

(3) That the applicant and the applicant's agents and assigns will save harmless the City from any expense incurred through the failure of the applicant and the applicant's agents and assigns to complete the required public facilities, or from any damages growing out of the negligence of the applicant and the applicant's agents or assigns.

(4) That the applicant and the applicant's agents and assigns will forfeit any and all portions of its bond or other securities to satisfy unpaid fines or penalties owed for violations of this Chapter and to reimburse costs incurred by the City to correct

violations if reasonable efforts to correct the violation or to remit the fine have not been undertaken.

Sec. 25.12.6.2. Alternative to bond.

(a) In lieu of a performance bond, the applicant may deliver to the City cash, a certified check, or other security satisfactory to the City Manager and the City Attorney, in such amount as is estimated by the City Manager to be the total cost of the construction and installation of the required public facilities. The cash, certified check, or other security will be accepted at the sole discretion of the City Manager or the City Manager's designee and under the terms and conditions in Sec. 25.12.6.1.

Sec. 25.12.6.3. Release of bond.

(a) All applicants and their agents and assigns must comply with all applicable ordinances and regulations of the City and remain liable for all public facilities until they are accepted for maintenance by the City. After completion and final inspection of the public facilities, the City Manager must either accept the facilities upon finding that the construction of the facilities has complied with all applicable ordinances and regulations, and release the bond or other security, or reject the facilities or any unsatisfactory part by written notification to the applicant. The written notification must specify the reasons for such rejection by reference to the particular ordinance or regulation which has been violated and allow a reasonable time, to be specified therein, for the applicant to comply. If the applicant does not, within the time specified, complete the construction according to the provisions of the applicable ordinance or regulation then the City Manager may proceed to do whatever is necessary to cause the construction to comply with the ordinance or regulation and the applicant is liable for any expenses incurred by the City. Any acceptance of the facilities by the City Manager must be on behalf of the City by written order, fully identifying the facilities.

Sec. 25.12.6.4. Effect of bond.

(a) No bond or other security delivered under the provisions of this Division relieves the applicant or the applicant's agents or assigns from full compliance with all other applicable ordinances of the City, including the security requirements of Chapter 21. Delivery of security under the provisions of Chapter 21, does, however, to the extent of the facilities guaranteed thereby, entitle an applicant to an exemption from the requirements of this Division.

Division 12.7. Waivers

Sec. 25.12.7.1. Waivers.

(a) *Application.* Where an applicant desires a waiver from any provision of Division 12.5 of this Article, an application must be submitted to the Planning Commission with a statement of reasons for such request and such information as may reasonably be required by the Planning Commission or Division 12.5 of this Article.

(b) *Exceptions.* The Planning Commission may not grant a waiver to the following Sections:

(1) Sec. 25.12.5.3;

(2) Sec. 25.12.5.5;

(3) Sec. 25.12.5.7;

(4) Sec. 25.12.5.9; and

(5) Sec. 25.12.5.10.

(c) *Findings.* The Planning Commission may grant a waiver from such requirement if it finds that the waiver will not be contrary to the intent and purpose of the Plan or this Chapter and undue hardship will result from strict compliance with the requirement.

(d) *Conditions.* In granting waivers to the requirements of this Article, the Planning Commission may impose any conditions the Planning Commission determines necessary to make the findings in Sec. 25.12.7.1(c).

Article 13. Enforcement

Division 13.1. Violations

Sec. 25.13.1.1. Responsible persons.

(a) The owner, developer, tenant, and occupant of a property are jointly and severally responsible for ensuring compliance with all applicable provisions of this Chapter.

Sec. 25.13.1.2. Enforcement authority.

(a) The City Manager is responsible for the enforcement of the provisions of this Chapter.

(b) The City Manager is authorized to make such inspections as are reasonable and necessary to determine compliance with this Chapter.

Sec. 25.13.1.3. Violations.

(a) *Violations generally*. A violation of this Chapter occurs when a person fails to comply with:

(1) Any provision of this Chapter; or

(2) The terms or conditions of any permit, plan, or other approval granted under this Chapter.

(b) *Municipal infraction*. A violation of this Chapter is a municipal infraction for which a citation may be issued.

(c) *Separate violations*. Each day a violation continues is a separate and distinct violation for which separate enforcement action may be taken.

(d) *Enforcement actions*. When there is reason to believe that a violation of this Chapter has occurred, the City Manager may pursue one or more of the remedies in this Article, subject to the notice provisions in Sec. 25.13.1.4.

Sec. 25.13.1.4. Notice of violation.

(a) The City Manager must issue a notice of violation in accordance with this Section before pursuing any remedies for violations of this Chapter in Division 13.2 of this Article, except where the City Manager determines that the violation warrants an immediate enforcement remedy.

(b) If the City Manager has reason to believe that a violation of this Chapter has occurred, the City Manager must give notice to the owner of, and other persons responsible for, the property to which the suspected violation pertains. Notice must be provided in writing by first class mail as well as either personal delivery or posting of the property in a manner reasonably calculated to inform the responsible person of the alleged violations.

(c) A notice of violation must contain the following information:

(1) The nature of the violation;

(2) The location of the property where the violation is occurring or to which the violation pertains;

(3) The specific relief sought;

(4) The name and telephone number of the City employee to contact for additional information;

(5) An order that the violation be abated within a specified time frame; and

(6) The manner in which the responsible person may dispute the existence of a violation.

(d) Upon a showing of good cause, the City Manager may grant additional time to abate a violation. The City Manager must establish procedures for requesting and granting additional time.

(e) If a violation is not abated within the time provided in the notice, the City Manager or designee may pursue any of those remedies authorized by Division 13.2 of this Article or elsewhere in the City Code.

Division 13.2. Enforcement Remedies

Sec. 25.13.2.1. Municipal infraction citation.

(a) The City Manager or designee may issue a municipal infraction citation for each violation of this Chapter and impose applicable fines in accordance with Section 1-9 of Chapter 1.

Sec. 25.13.2.2. Stop work order.

(a) When the condition or activity on a property is believed to be in violation of this Chapter, the City Manager may issue a written order requiring some or all development activity on the property to stop until specified corrective measures are taken to bring the property into compliance with the requirements of this Chapter.

(b) The City Manager must provide the following information with a stop work order:

(1) The nature of the violation;

(2) The actions necessary to correct or abate the violation, or the conditions under which work may be resumed;

(3) The name and telephone number of the City employee to contact for additional information; and

(4) The manner in which the existence of a violation may be disputed.

(c) The stop work order must be served upon:

(1) The site supervisor of the property on which work is being performed by:

A. Personal delivery; or

B. Posting the property in a manner reasonably calculated to give notice to the person responsible for the property and persons working on the property; and

(2) The responsible person for the property in the same manner as a notice of violation is served under Sec. 25.13.1.4(b) and (c).

(d) Upon service of a stop work order, the activity cited must cease immediately.

(e) Any person who performs, or allows the performance of, an activity on a property in violation of a stop work order is guilty of a separate and distinct violation of this Chapter for which the City Manager may issue a municipal infraction citation.

Sec. 25.13.2.3. Suspension and revocation of development approvals.

(a) Upon determining that a responsible person for a property has failed to abate a violation or has violated a stop work order, the Chief of Zoning may send written notice directing the responsible person to appear before the applicable Approving Authority and show cause as to why the development approvals for the property to which the violation pertains should not be suspended or revoked.

(b) The show cause order and notice of the show cause hearing must be served upon the responsible persons in the same manner as a notice of violation is served under Sec. 25.13.1.4(b) and (c). Notice of the show cause hearing must also be given in accordance with the provisions of Sec. 25.3.3.3.

(c) A decision on the suspension or revocation of a development approval under this Section must be made by the Approving Authority in the same manner that it makes other decisions.

(d) If a development approval is revoked under this Section, any structure, improvement, or use of the property constructed or implemented under the revoked development approval is not entitled to the benefit of any provision of Article 9.

Sec. 25.13.2.4. Withholding other development approvals.

(a) When a court of law has found a property to be in violation of any provision of this Chapter or a fine imposed by a municipal infraction citation has not been paid, an Approving Authority may defer action on any pending application for a development approval related to the same property or development project until the violation is abated or corrected.

Sec. 25.13.2.5. Additional remedies.

(a) In addition to any other enforcement actions, the City at any time has the right to seek injunctive relief or any other appropriate legal or equitable remedy to prevent, enjoin, abate, or remove a violation of this Chapter.

Sec. 25.13.2.6. Remedies cumulative, not alternative.

(a) The remedies available to the City under this Division are cumulative and not alternative. The decision to pursue one remedy does not preclude the pursuit of any other remedy.

(b) The remedies available to the City under this Division are not exclusive. The City may pursue additional remedies as needed.

(c) The imposition of any remedy under this Division does not preclude any aggrieved person from exercising any legal remedy otherwise available to such person.

MAYOR AND COUNCIL Meeting Date: June 29, 2026
Agenda Item Type: ACTION ITEM
Department: CPDS - ZONING REVIEW & OTHER
Responsible Staff: HOLLY SIMMONS

Subject

Adoption of Ordinance to Approve Map Amendment Application MAP2026-00126, a Comprehensive Map Amendment to Implement the Zoning Ordinance Rewrite (ZOR), Including Zoning Recommendations in the Rockville 2040 Comprehensive Plan and the Town Center Master Plan; Mayor and Council of Rockville, Applicants

Department

CPDS - Zoning Review & Other

Recommendation

Staff recommend that the Mayor and Council adopt the Comprehensive Map Amendment application to implement the changes to the Zoning Map recommended in the Rockville 2040 Comprehensive Plan and Town Center Master Plan.

The Mayor and Council must first introduce the ordinance, and if a motion to waive the layover period is adopted by a supermajority of the Mayor and Council, the Mayor and Council may proceed to adoption.

Change in Law or Policy

Upon adoption, the draft Zoning Ordinance and Zoning Map will significantly modify the laws that govern land use in the city, in fulfillment of the Rockville 2040 Comprehensive Plan's and Town Center Master Plan's zoning text and rezoning recommendations.

Discussion

Background

An overview of the project history and information on the adoption process are contained in the staff report for the associated Zoning Text Amendment action item.

Written public comments received through June 9 are linked here: CMA Public Comment Digest, June 9, 2026.

The following materials can be accessed via the project webpage, engagerockville.com/zoningrewrite:

- Original Staff Drafts, Authorized for Filing on December 1, 2025
    - *Highlights: Staff Draft Zoning Ordinance*
    - Staff Draft Zoning Ordinance Table of Contents
    - Staff Draft Zoning Ordinance (full text)
    - Staff Draft Zoning Map
- Revised Staff Draft published to Engage Rockville on April 20, 2026
    - *Changes in the Revised Staff Draft Zoning Ordinance*
    - Revised Staff Draft Zoning Ordinance Table of Contents
    - Revised Staff Draft Zoning Ordinance ("Clean" Version)
    - Revised Staff Draft Zoning Ordinance ("Redline" Version)
    - Revised Staff Draft zoning map
- Final Staff Draft published to Engage Rockville on June 15, 2026
    - *Changes in the Final Staff Draft Zoning Ordinance*
    - Final Staff Draft Zoning Ordinance Table of Contents
    - Final Staff Draft Zoning Ordinance ("Clean" Version)
    - Final Staff Draft Zoning Ordinance ("Redline" Version)
    - Final Staff Draft zoning map

The draft ordinance (see Attachment 1 – Draft Comprehensive Map Amendment Ordinance) and new zoning map (see Attachment 2- Draft Zoning Map) incorporate the direction given by the Mayor and Council at work sessions in April through June 2026.

Mayor and Council History

Information related to the Mayor and Council history for the project is contained in the staff report for the associated Zoning Text Amendment action item.

Public Notification and Engagement

Information related to public notification and engagement for the project is contained in the staff report for the associated Zoning Text Amendment action item.

Boards and Commissions Review

Information related to board and commission review is contained in the staff report for the associated Zoning Text Amendment action item.

Next Steps

Next steps are contained in the staff report for the associated Zoning Text Amendment action item.

Attachments

Attachment 1 - Draft Comprehensive Map Amendment Ordinance, Attachment 2 - Draft Zoning Map, Attachment 3 - Descriptions of Existing and Proposed Zones

ORDINANCE NO._____

ORDINANCE: To grant Comprehensive Map Amendment Application No. MAP2026-00126, as amended

BE IT ORDAINED BY THE MAYOR AND COUNCIL OF ROCKVILLE, MARYLAND that Map Amendment Application No. MAP2026-00126 is hereby granted, as follows:

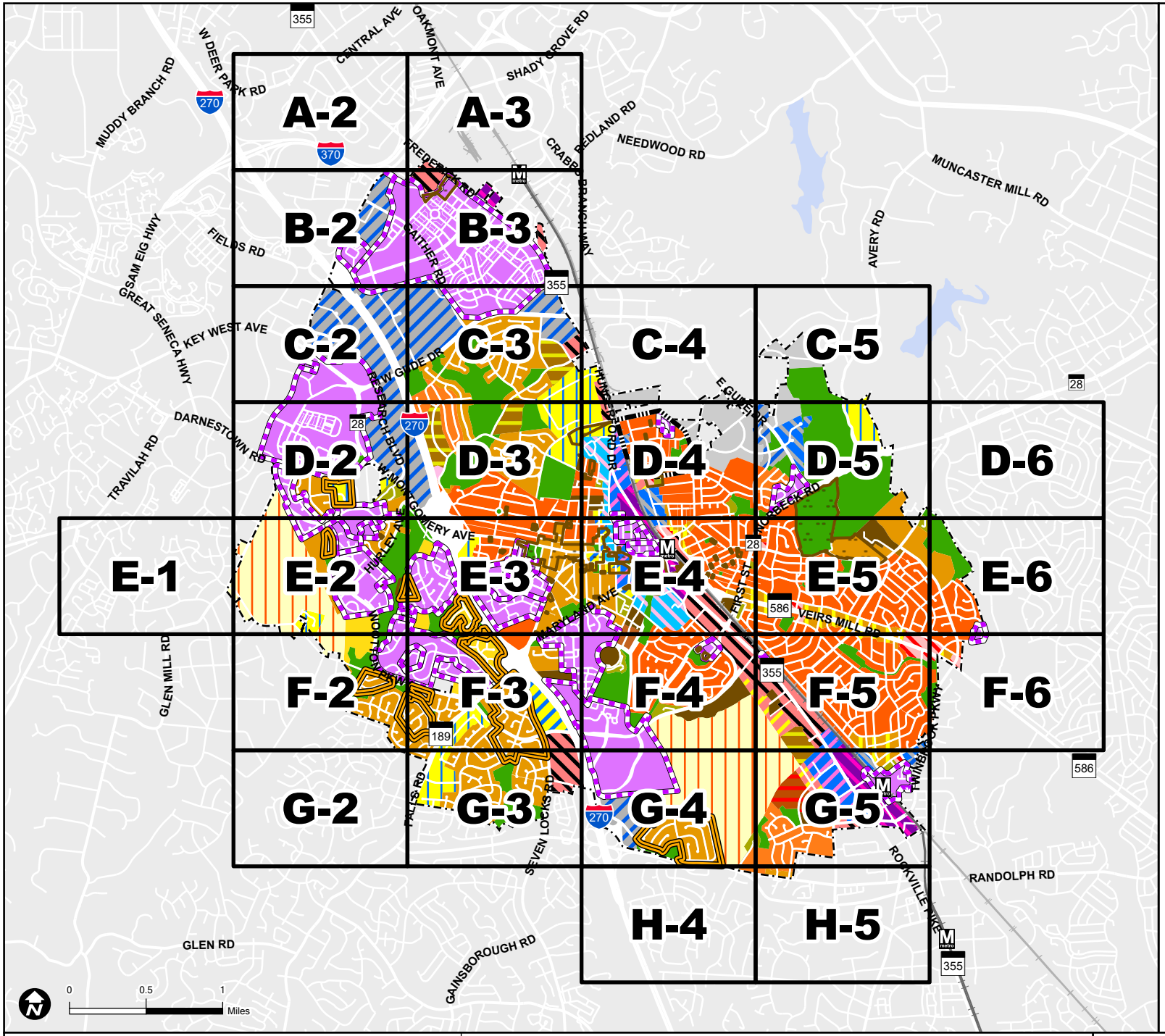
1. Map Amendment Application No. MAP2025-00126 is hereby granted, as amended, as set forth in the attached map titled "Zoning Map of the City of Rockville, adopted June 29, 2026, by Ordinance No. __-26"; and
2. The attached map titled "Zoning Map of the City of Rockville, adopted June 29, 2026, by Ordinance No. __-26" is hereby adopted as the Zoning Map for the City of Rockville, and shall supersede all Zoning Maps bearing an earlier date; and
3. The effective date of this ordinance is August 1, 2026.

* * * * * * * * * *

I hereby certify that the foregoing is a true and correct copy of an ordinance adopted by the Mayor and Council at its meeting of June 29, 2026.

_____

Sara Taylor-Ferrell
City Clerk/Director of Council Operations



Zones

Residential zones

- R-400
- R-200
- R-150
- R-90
- R-75
- R-60
- R-40
- RMD-Infill
- RMD-10
- RMD-15
- RMD-25
- RHD

Industrial zones

- I-L

Mixed-use zones

- MXTD-235
- MXTD-200
- MXTD-85
- MXCD
- MXCT
- MXNC
- MXT
- MXC
- MXE
- MXB

Special zones

- PARK
- Planned Development zones

Overlay Zones

- Cluster Development overlay zone
- Historic District overlay zone
- Lincoln Park Neighborhood Conservation District overlay zone

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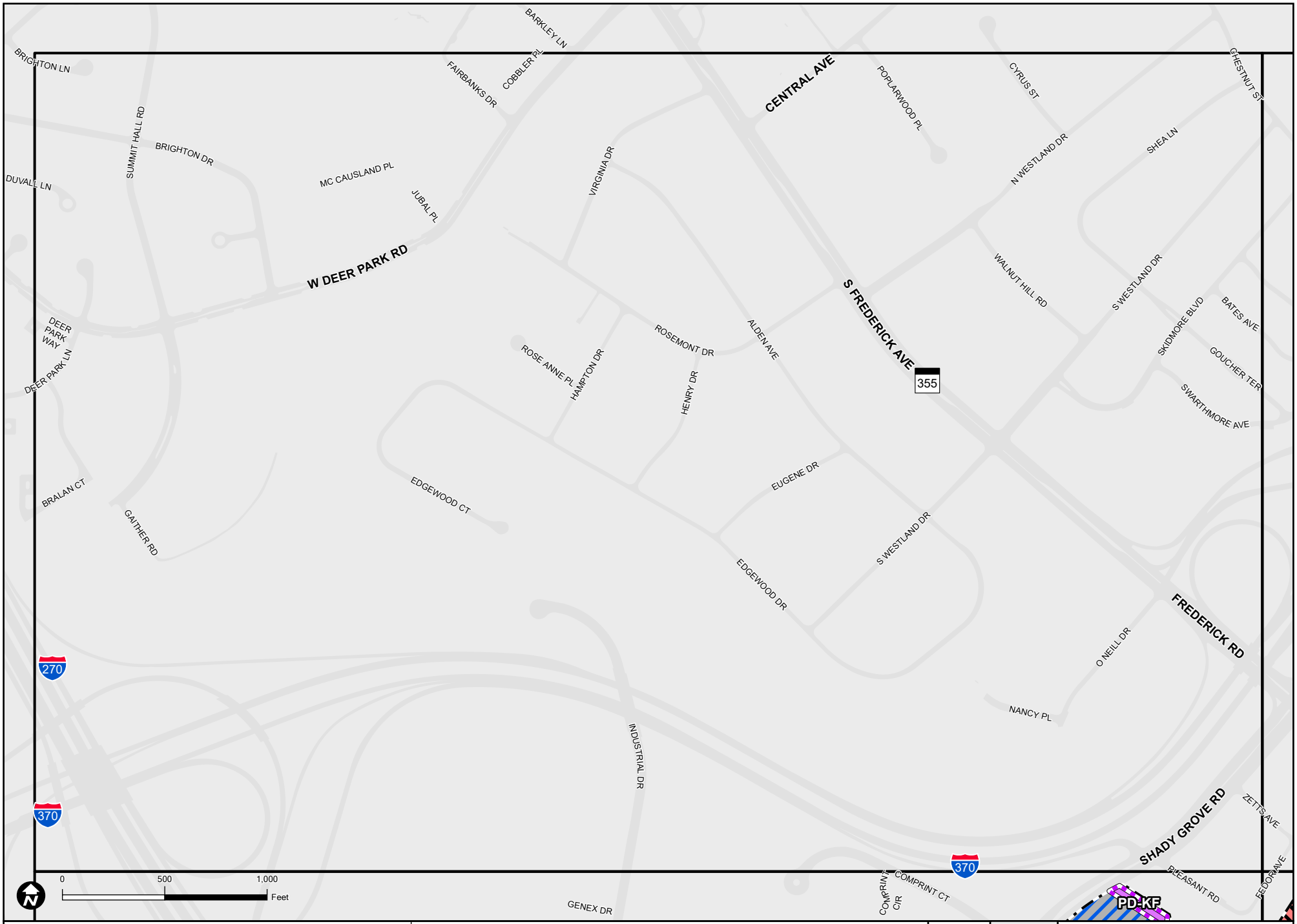
Zoning Map of the City of Rockville

Adoption [date of adoption] by Ordinance No. XX

INDEX MAP

This drawing is intended to be used for reference and illustrative purposes only. This drawing is not a legally recorded plan, survey, or engineering schematic and it is not intended to be used as such. This drawing is a compilation of records, information and data developed and maintained in various City offices. Map layers were created from different sources at different scales, and the actual or relative geographic position of any feature is only as accurate as the source in

DATE: June 4, 2026 AUTHOR: M



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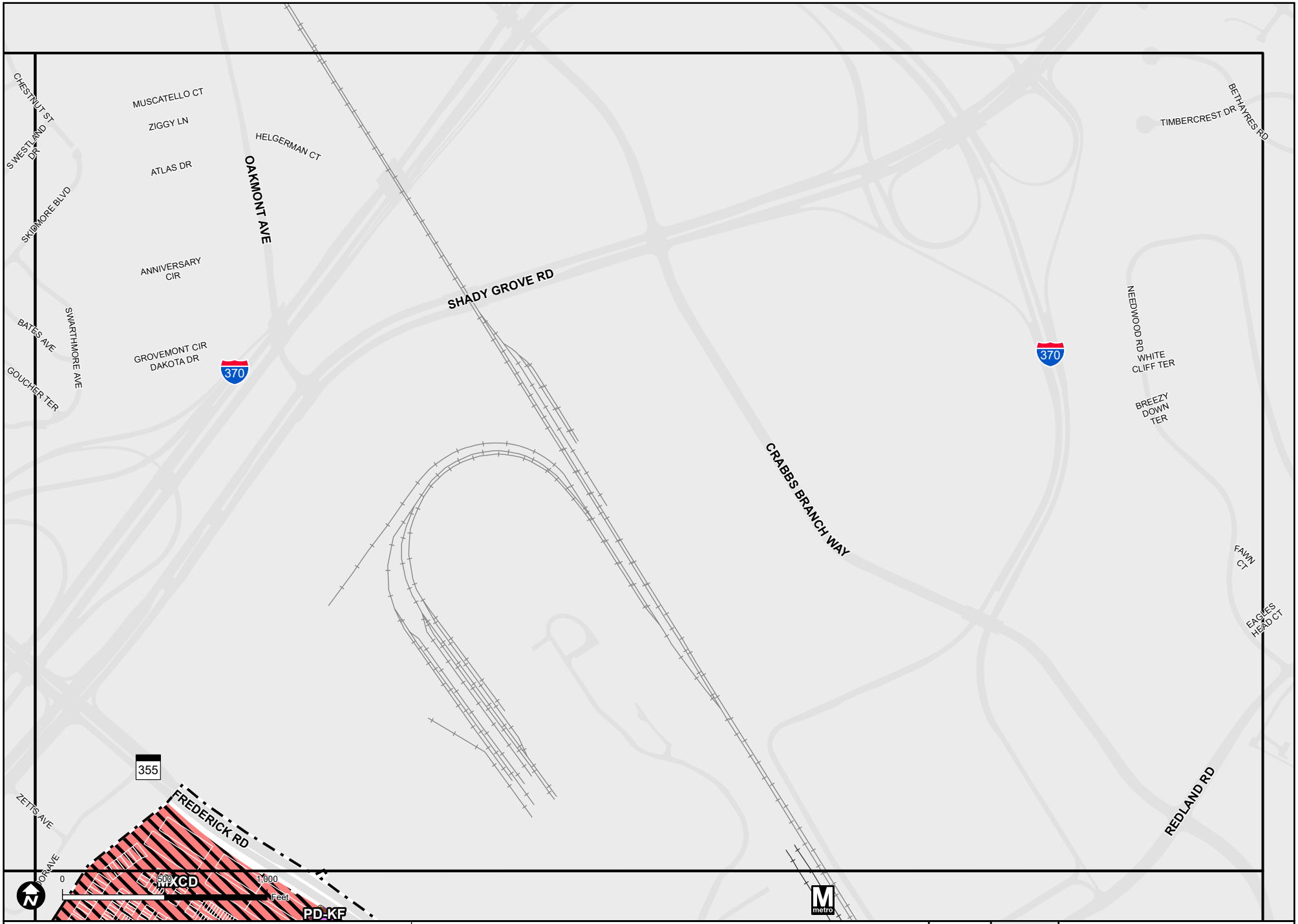
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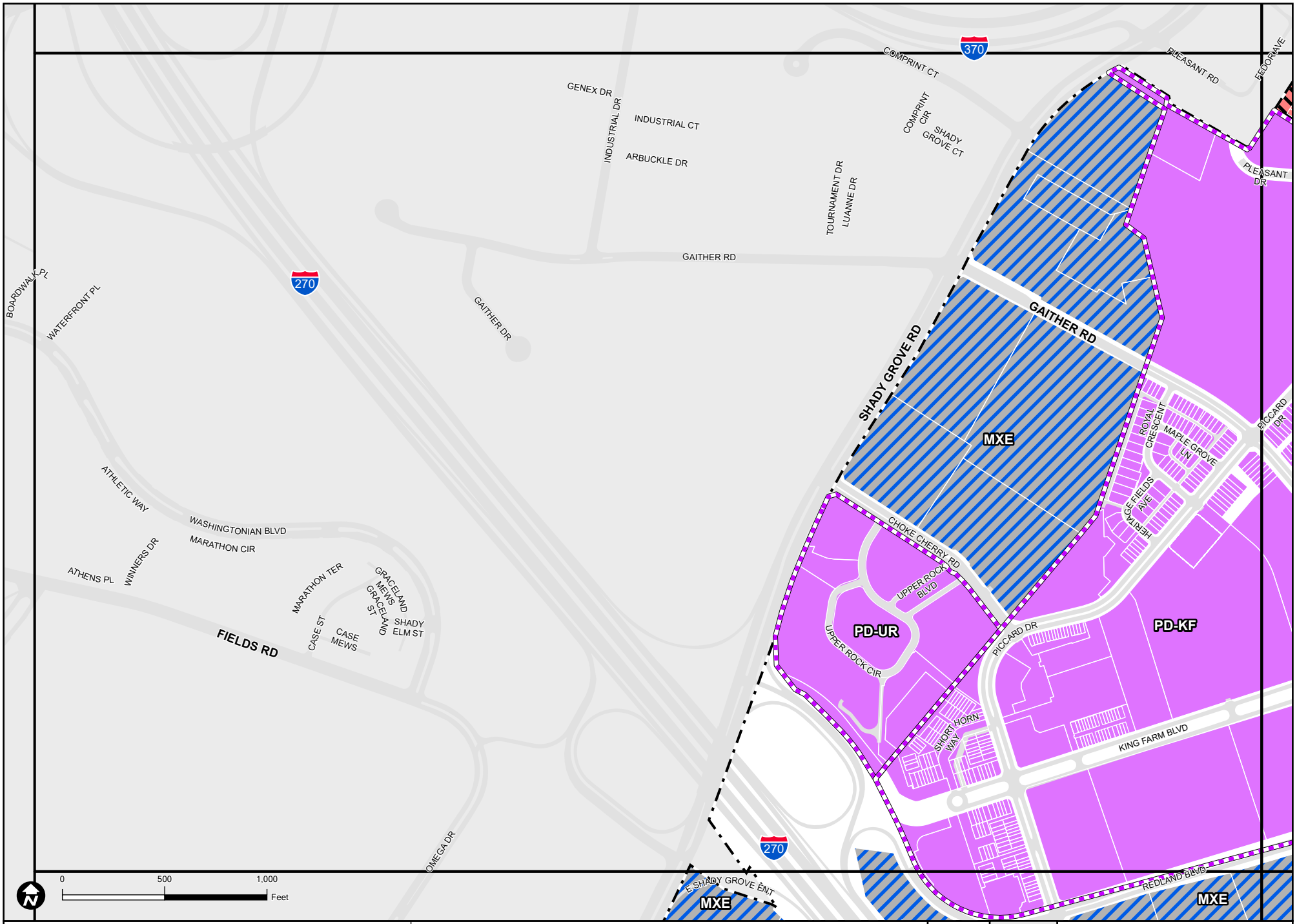
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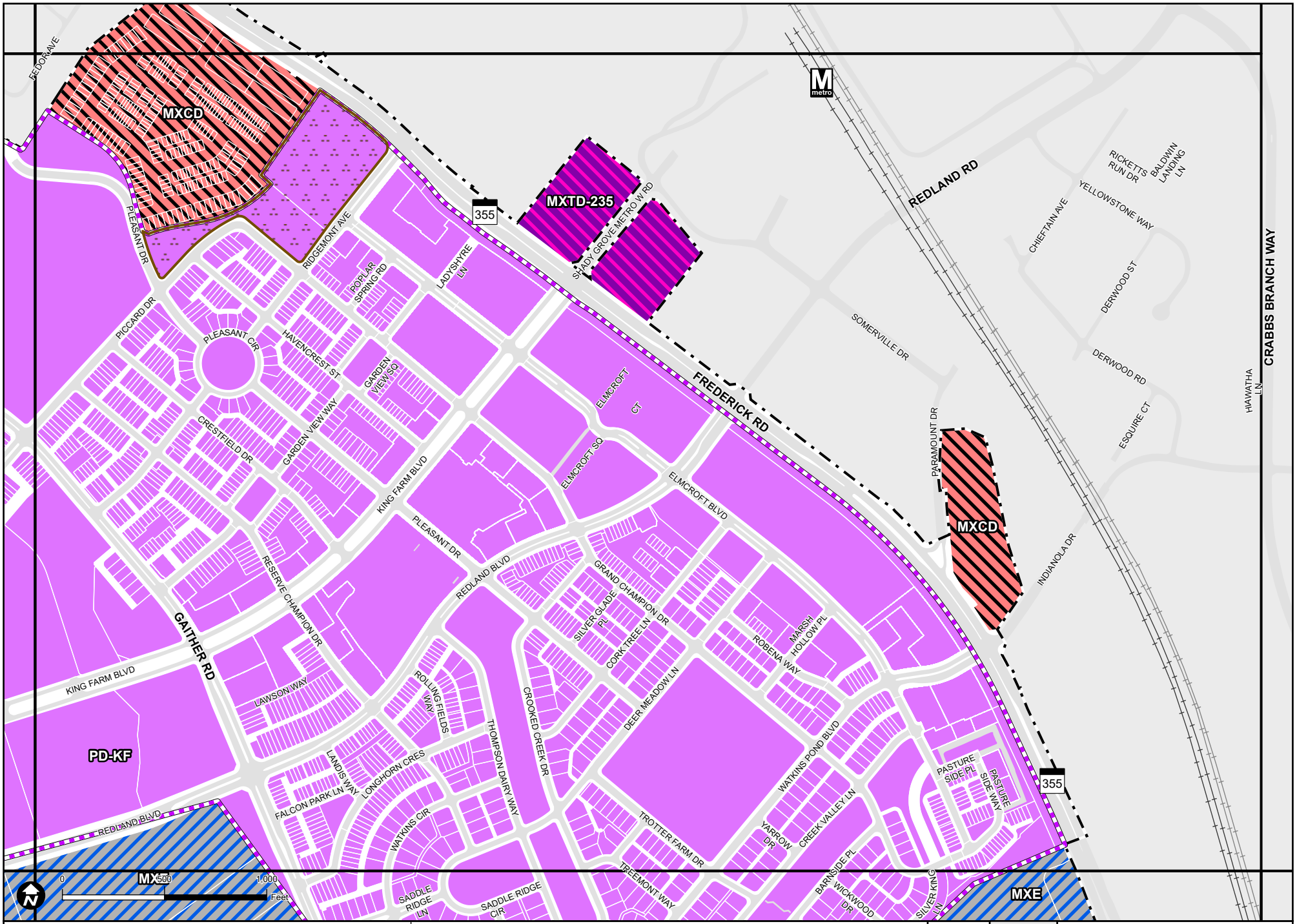
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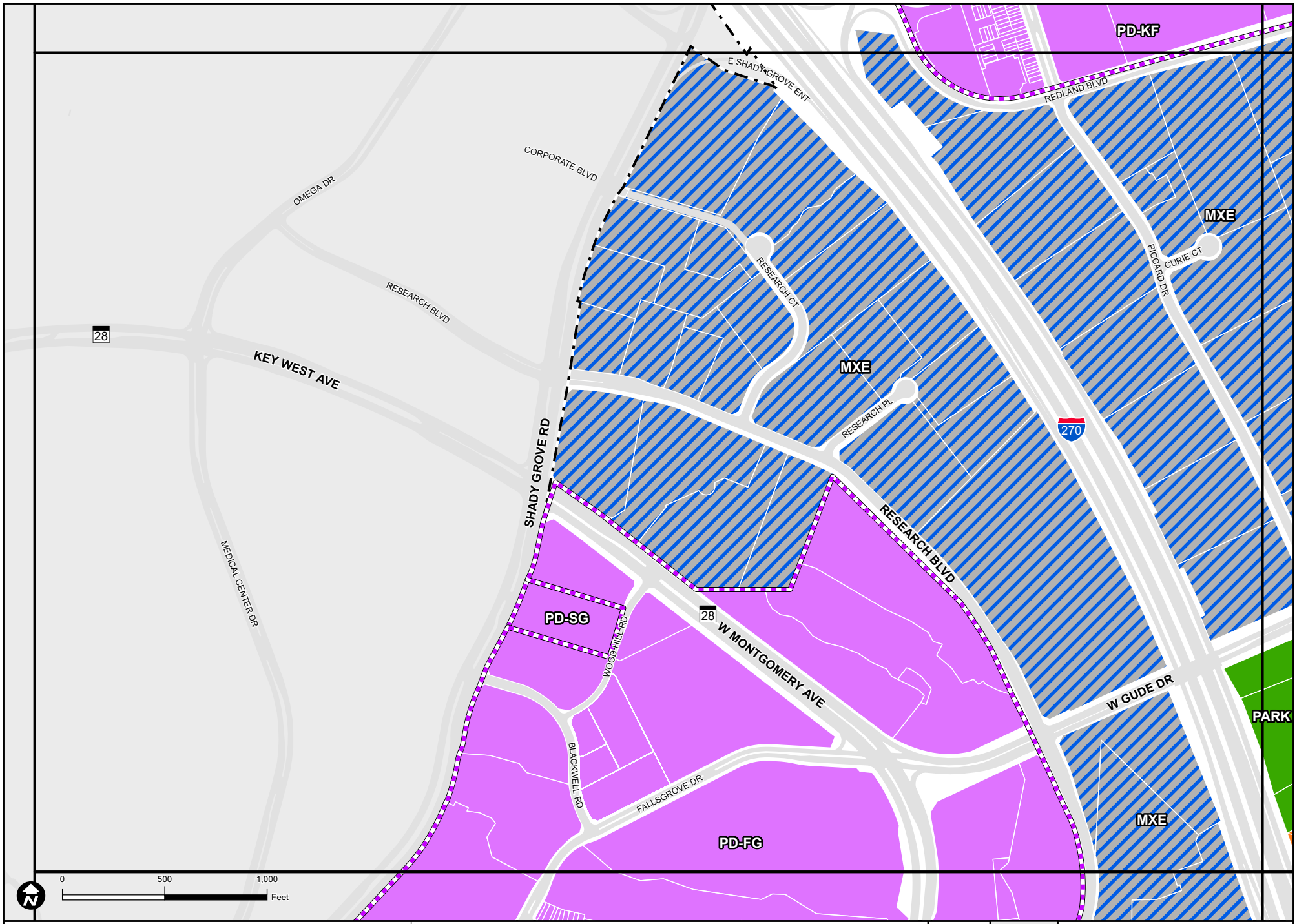
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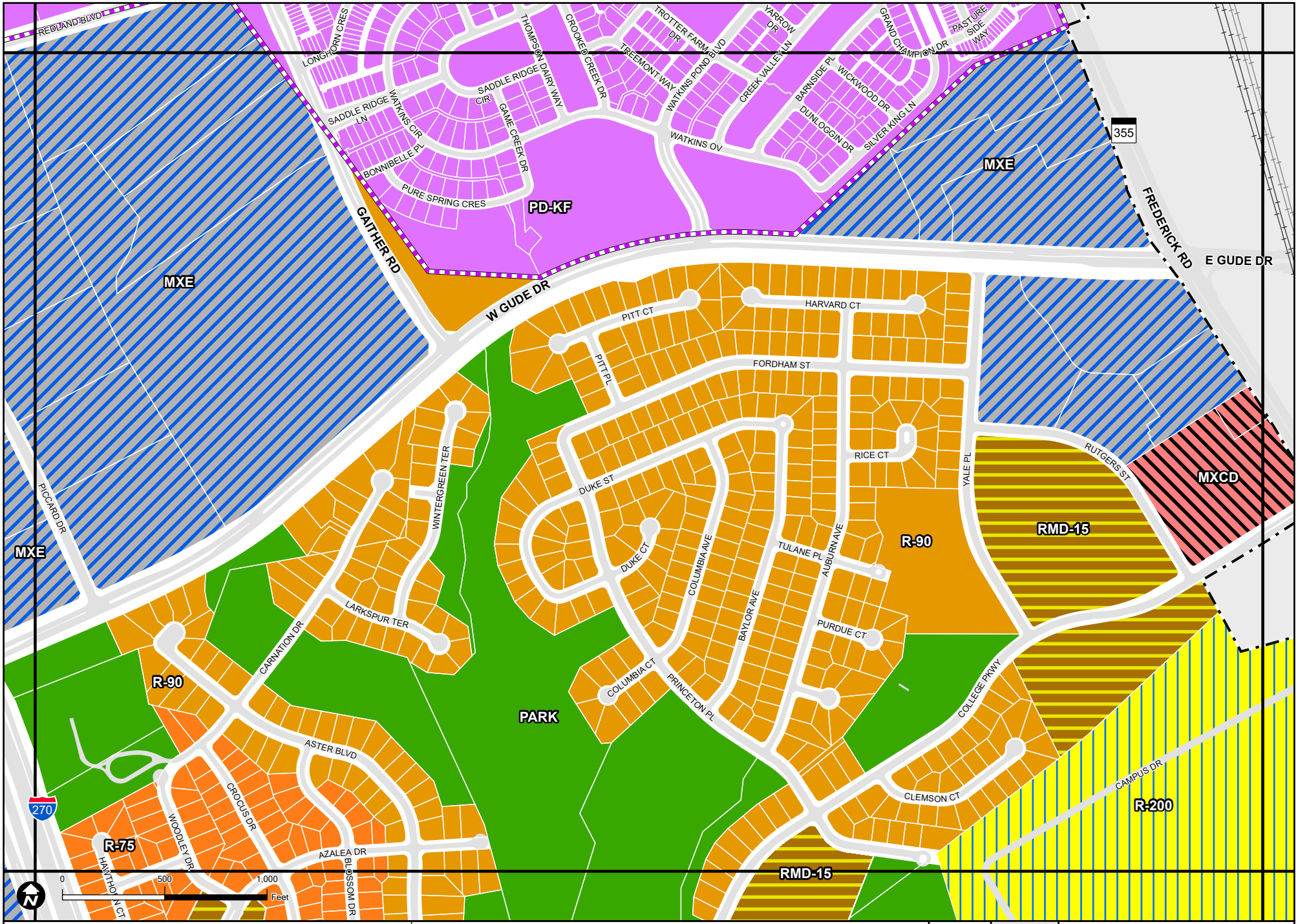
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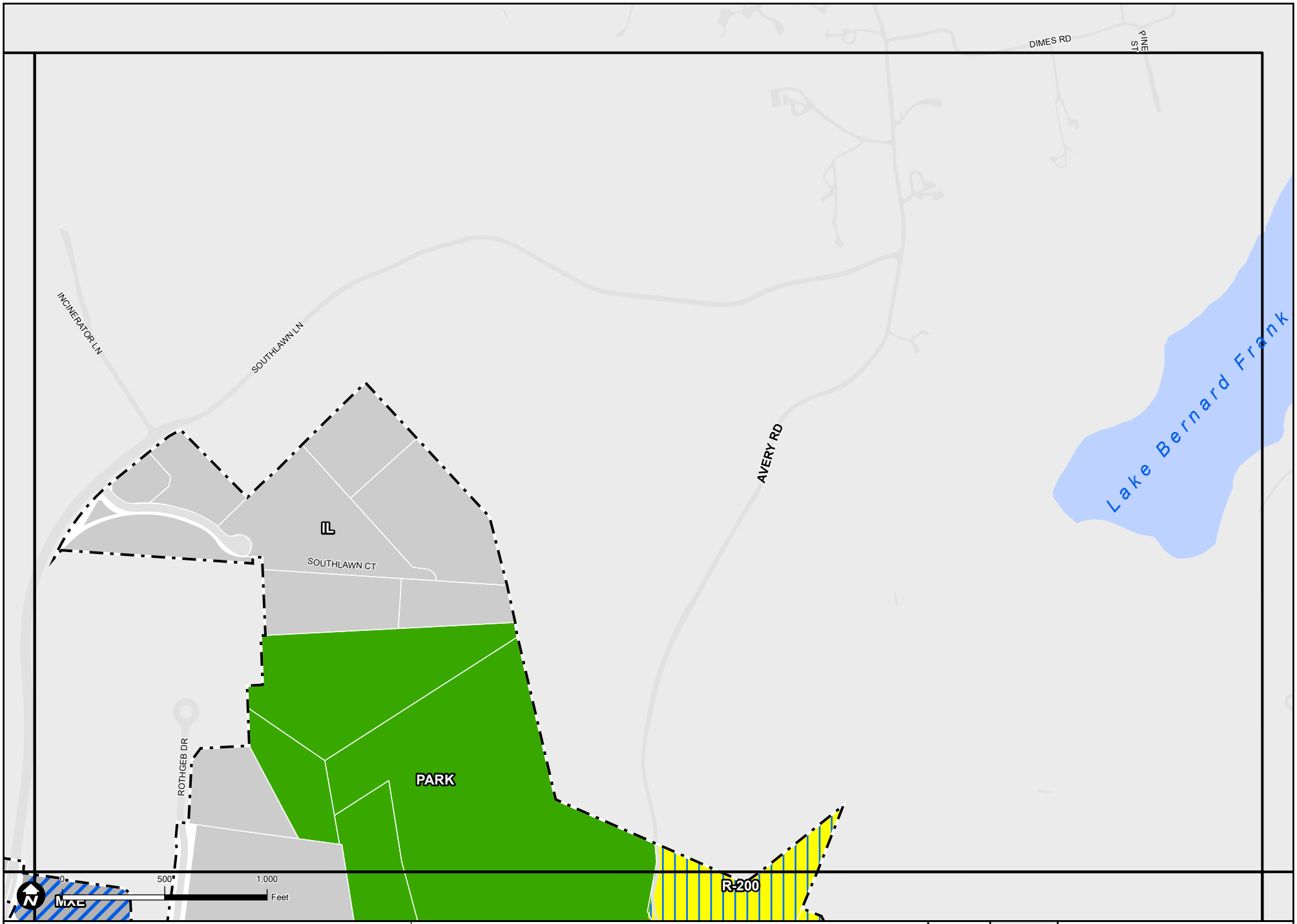
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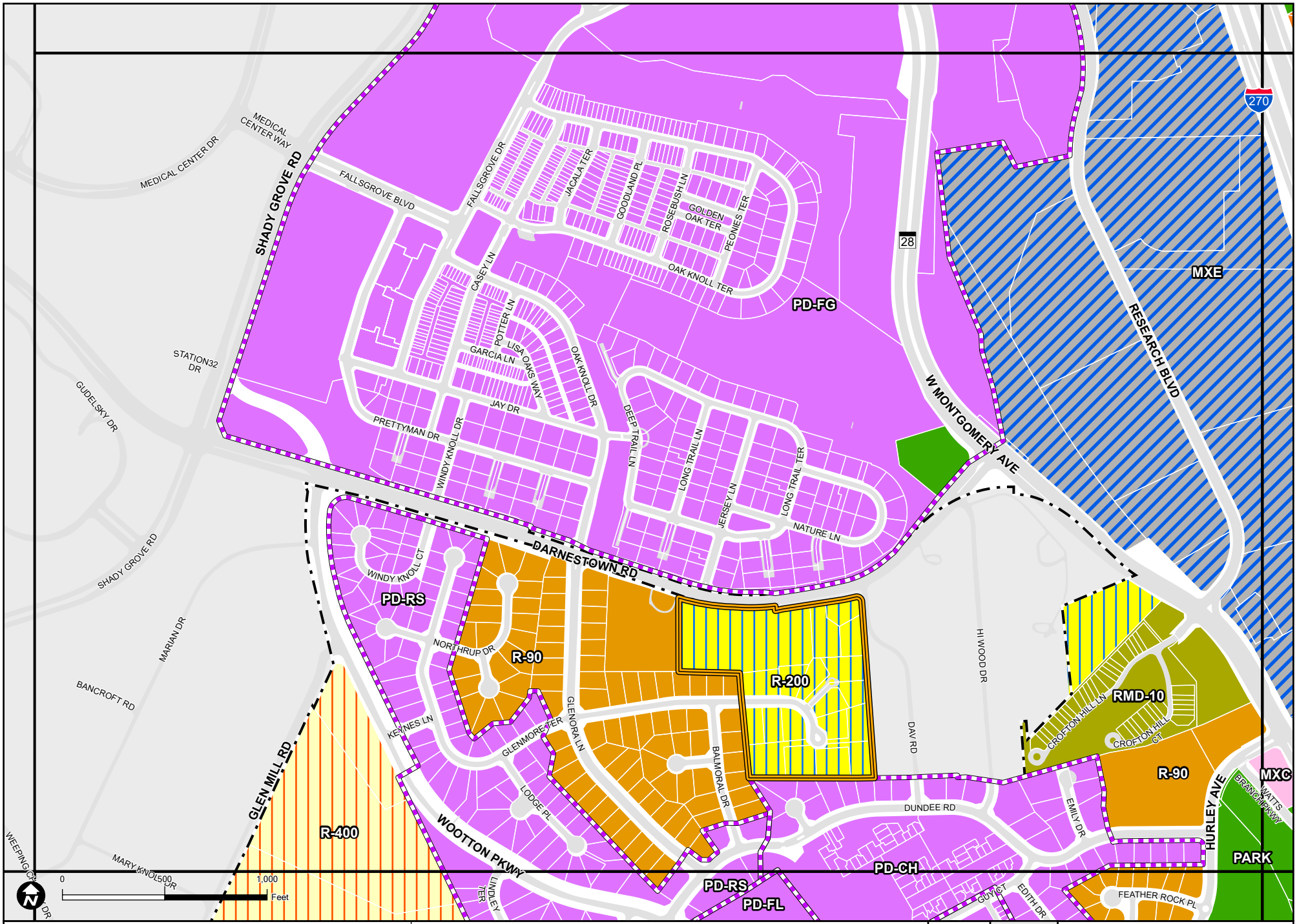
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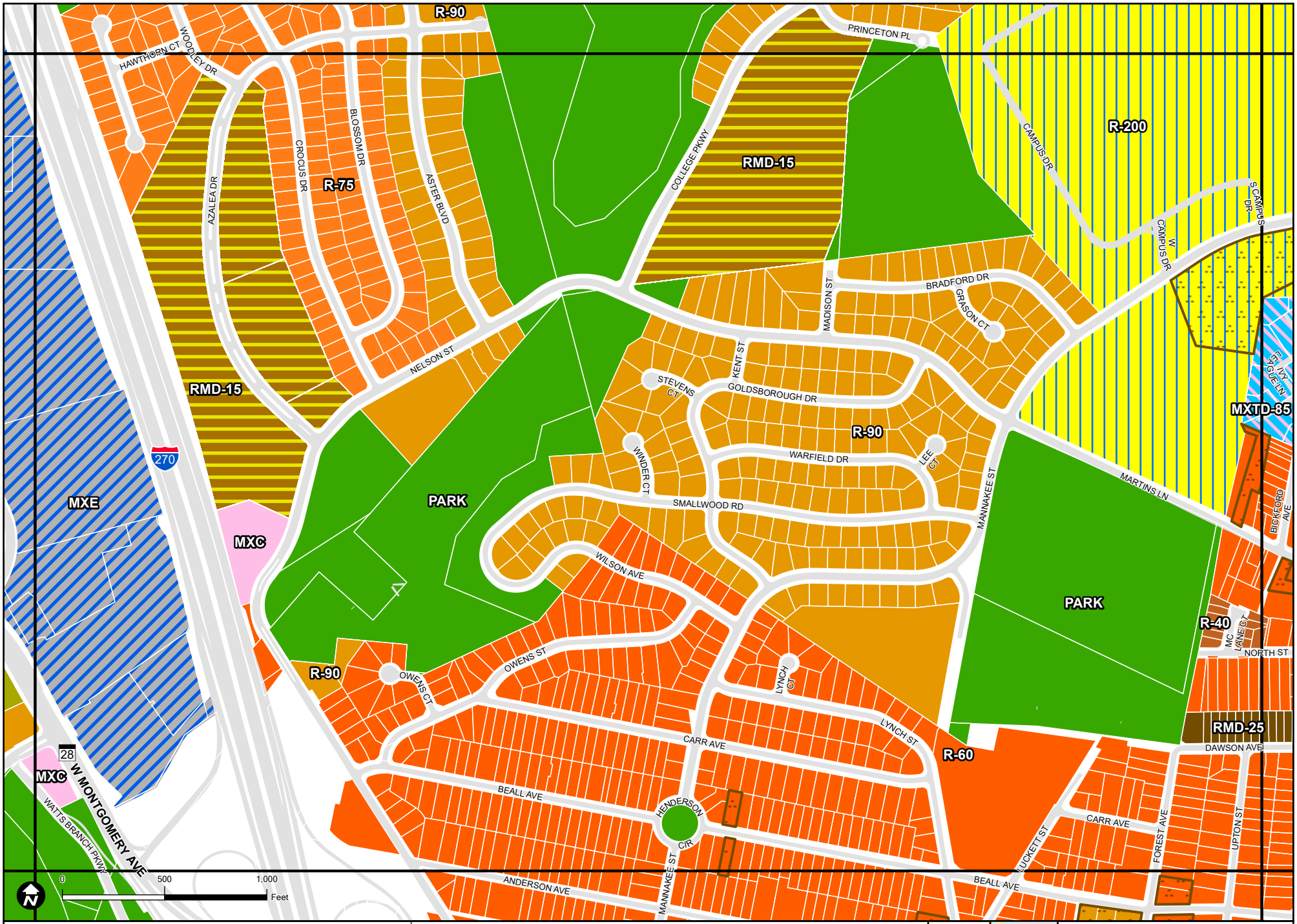
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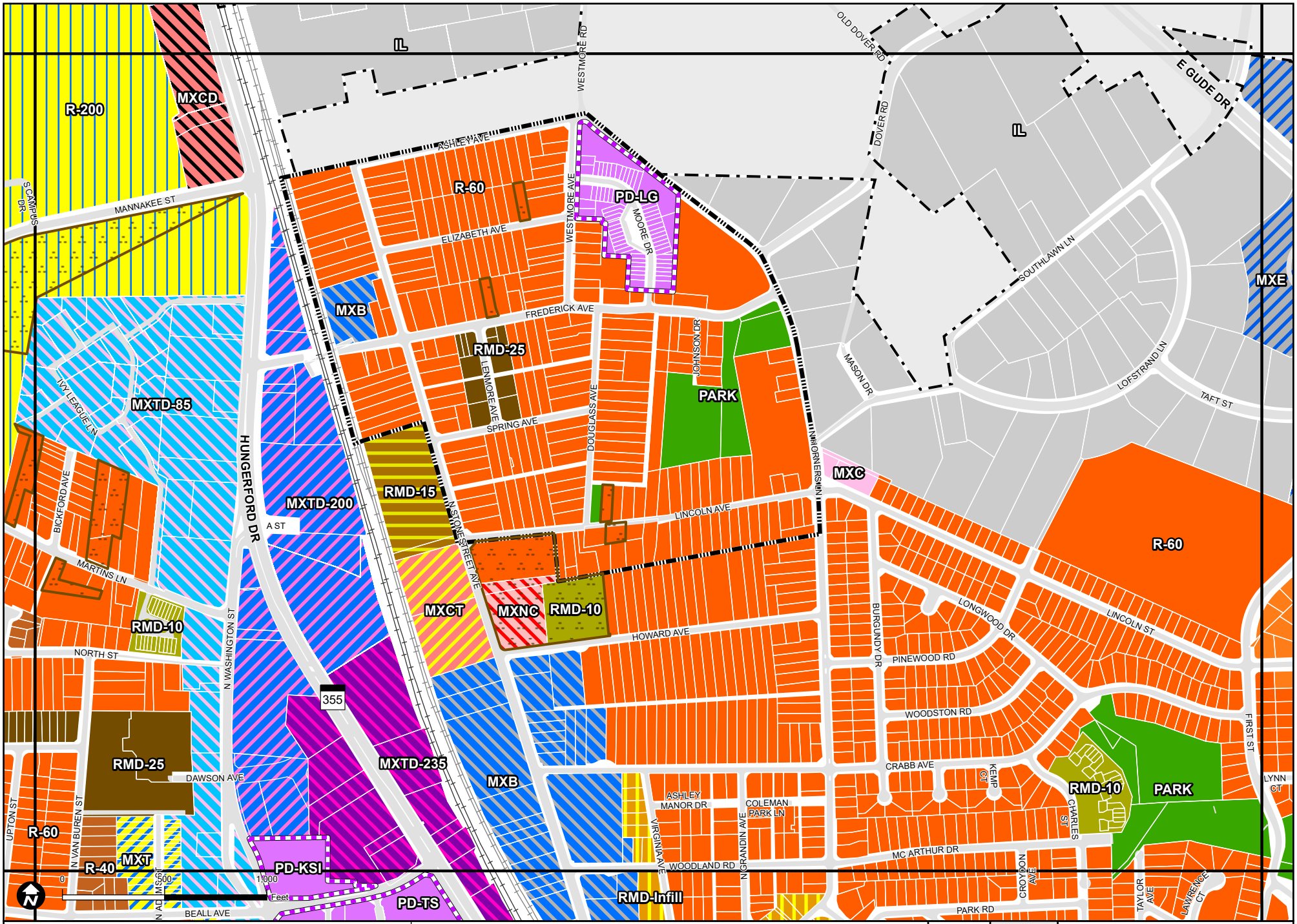
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SHEET D-3

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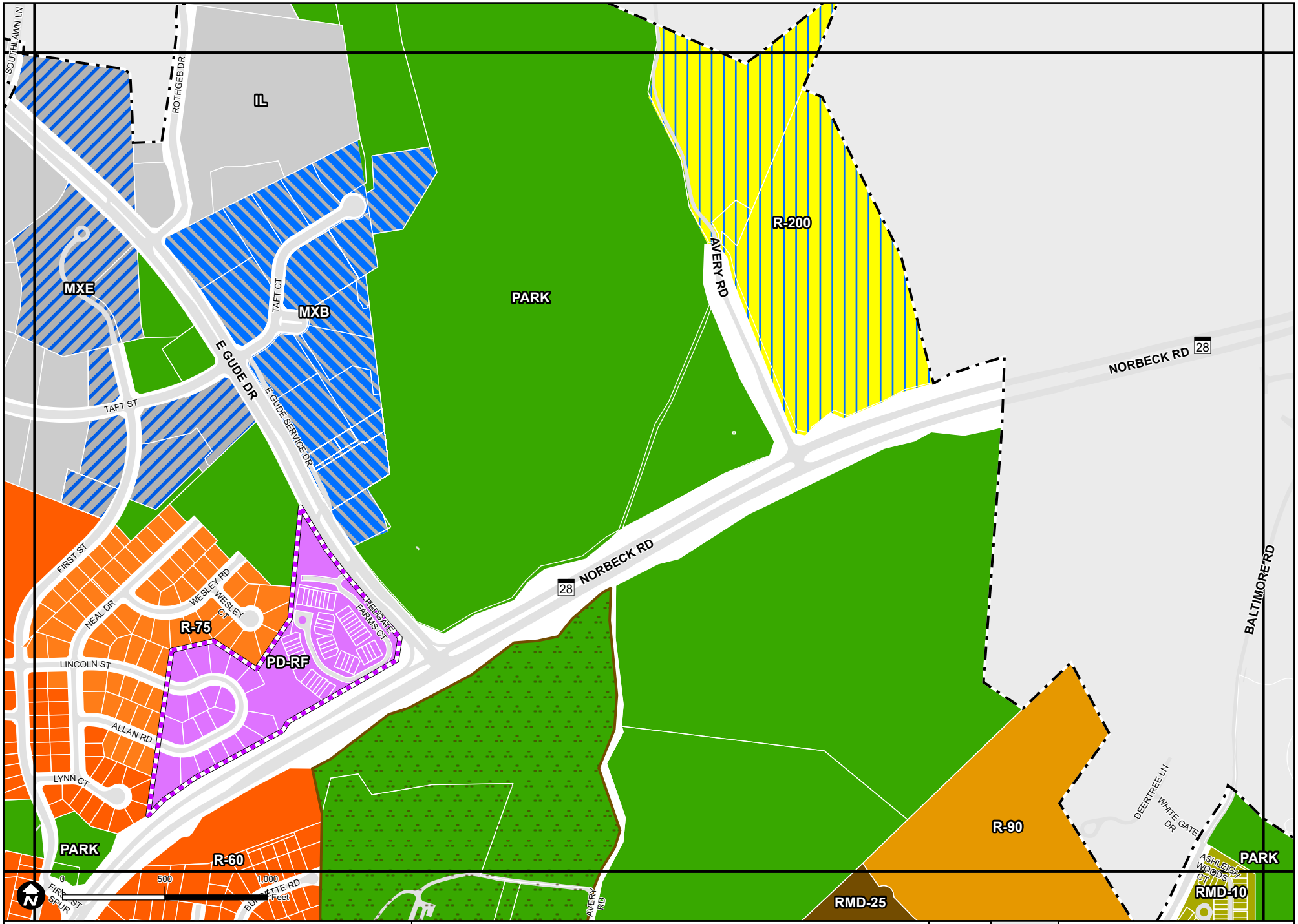
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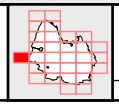
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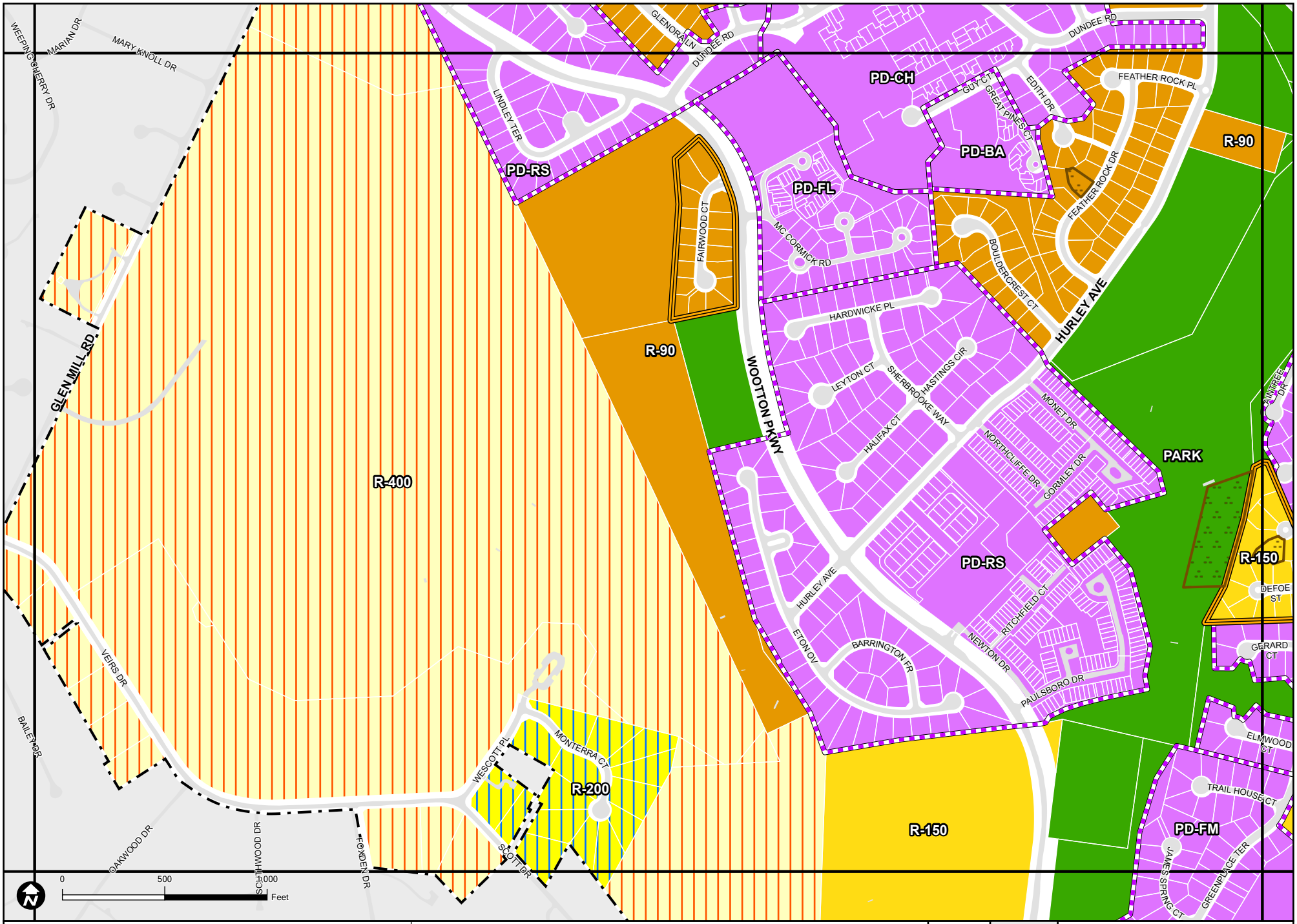
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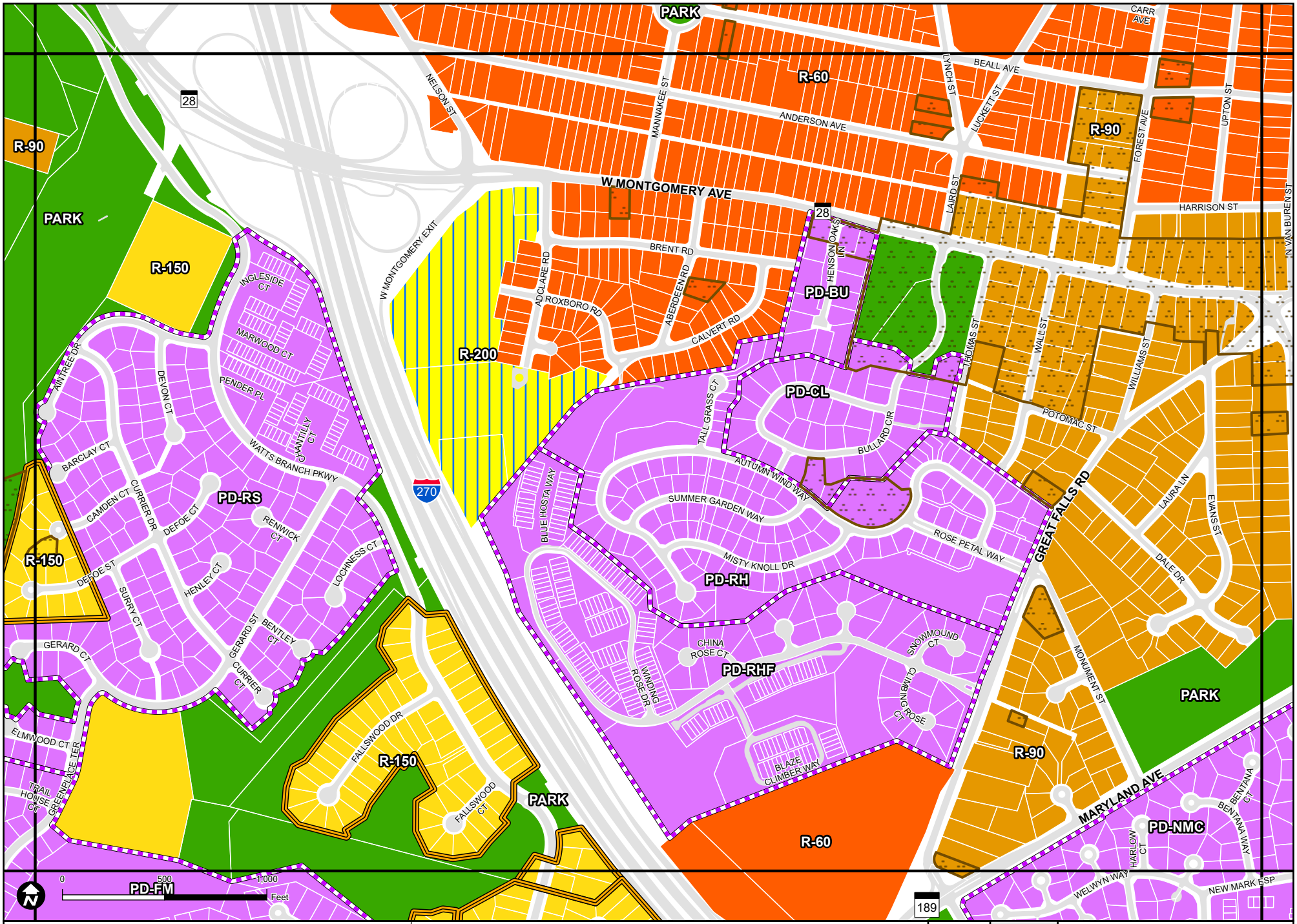
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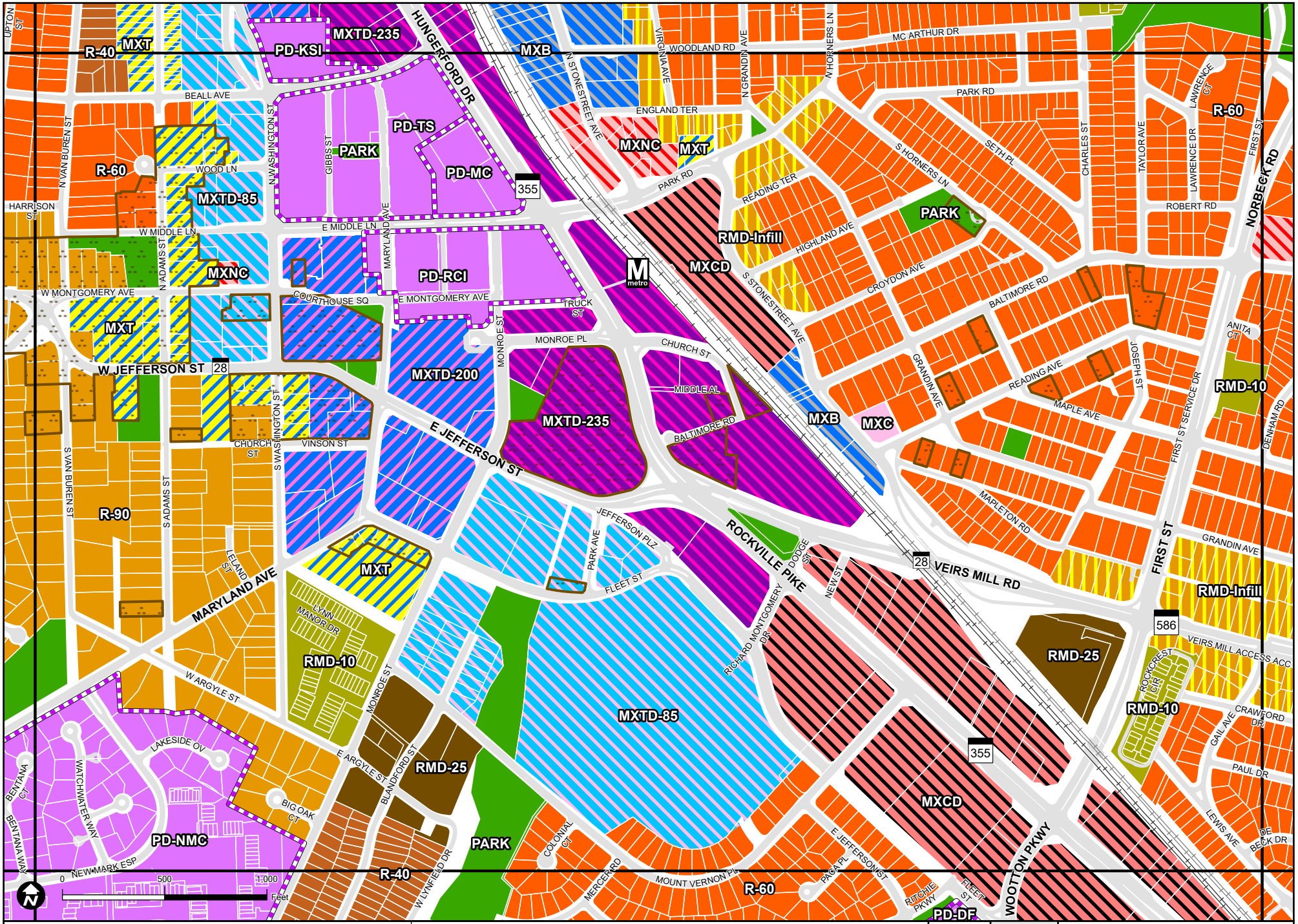
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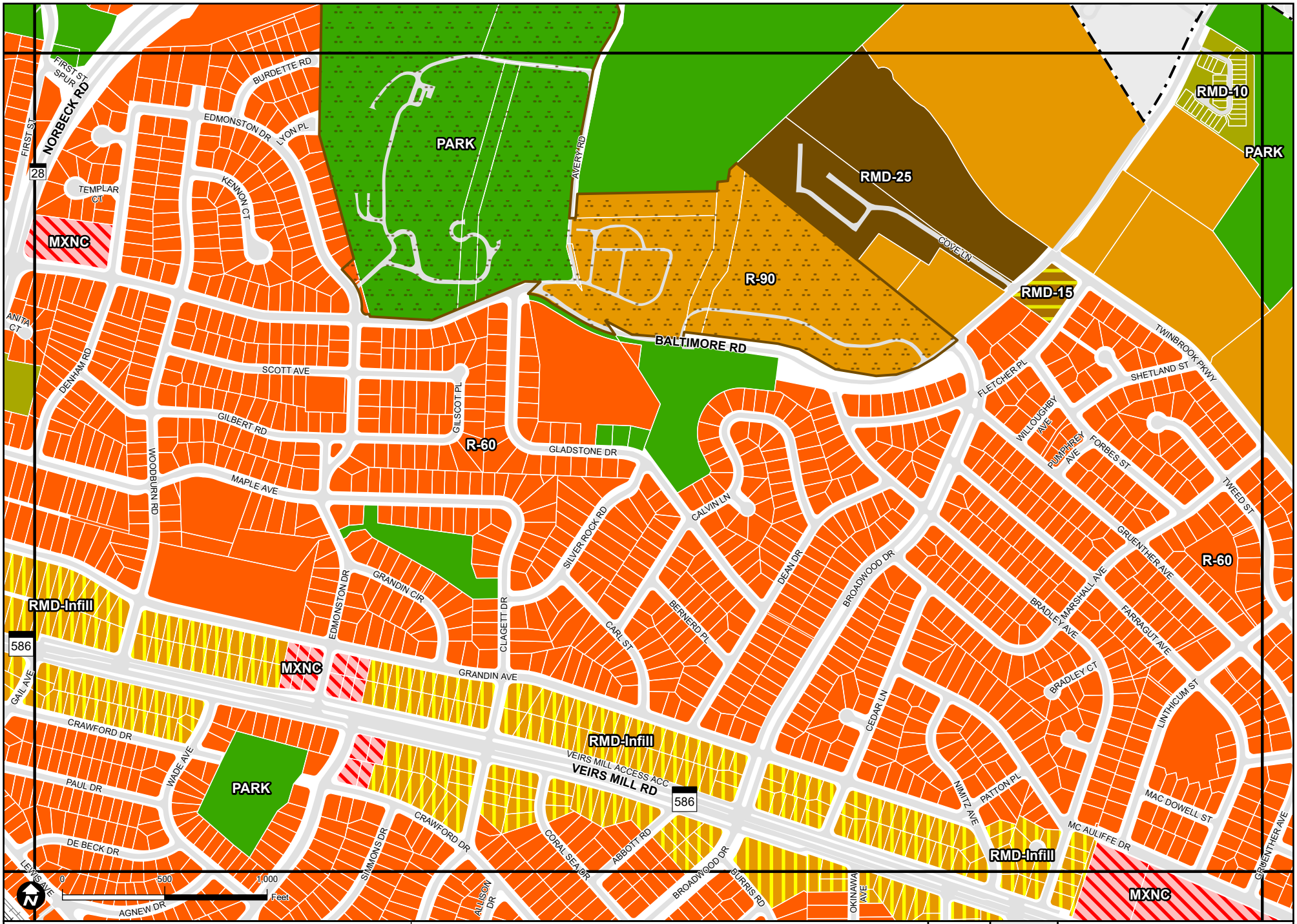
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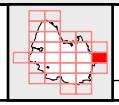
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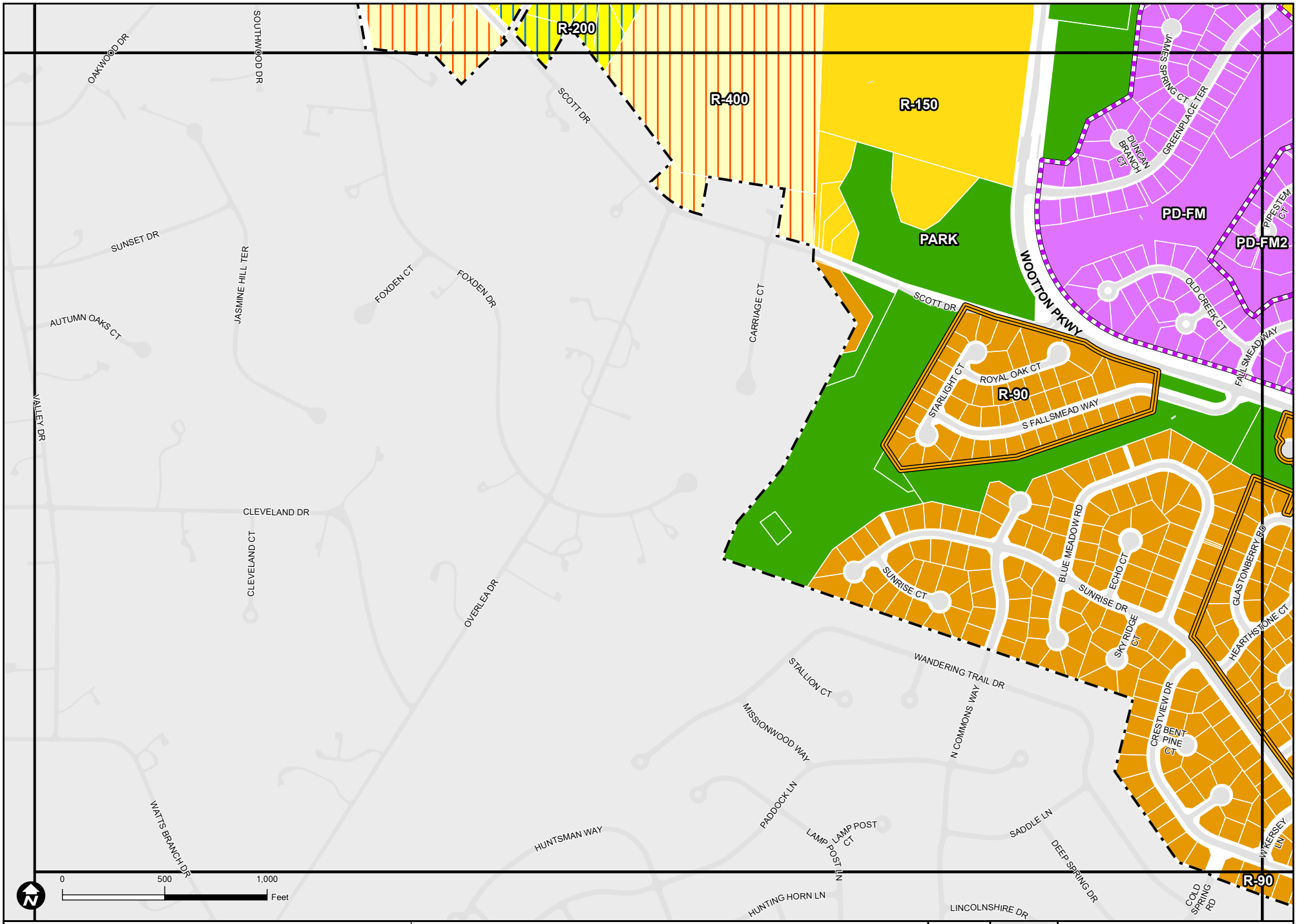
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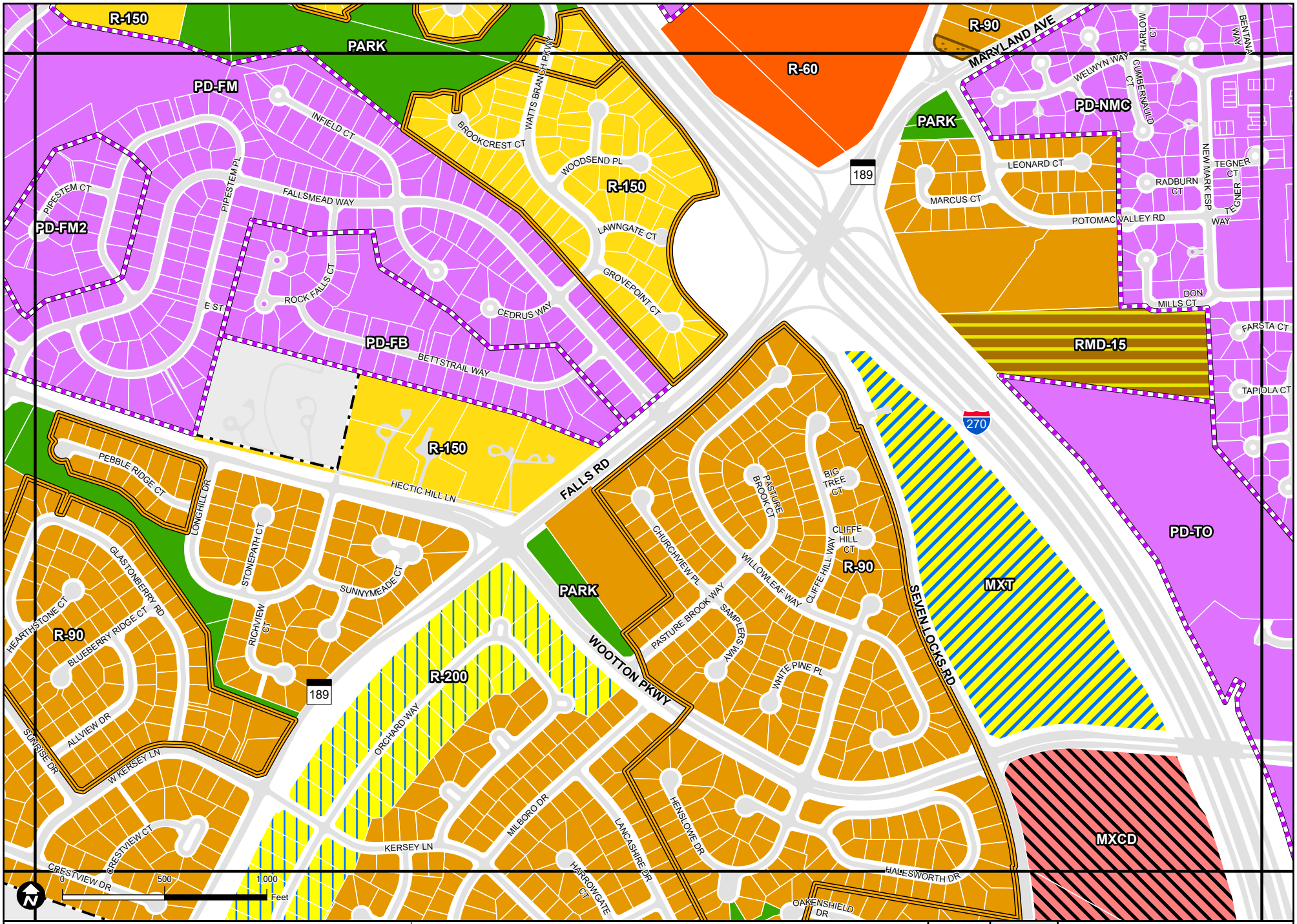
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SHEET F-2

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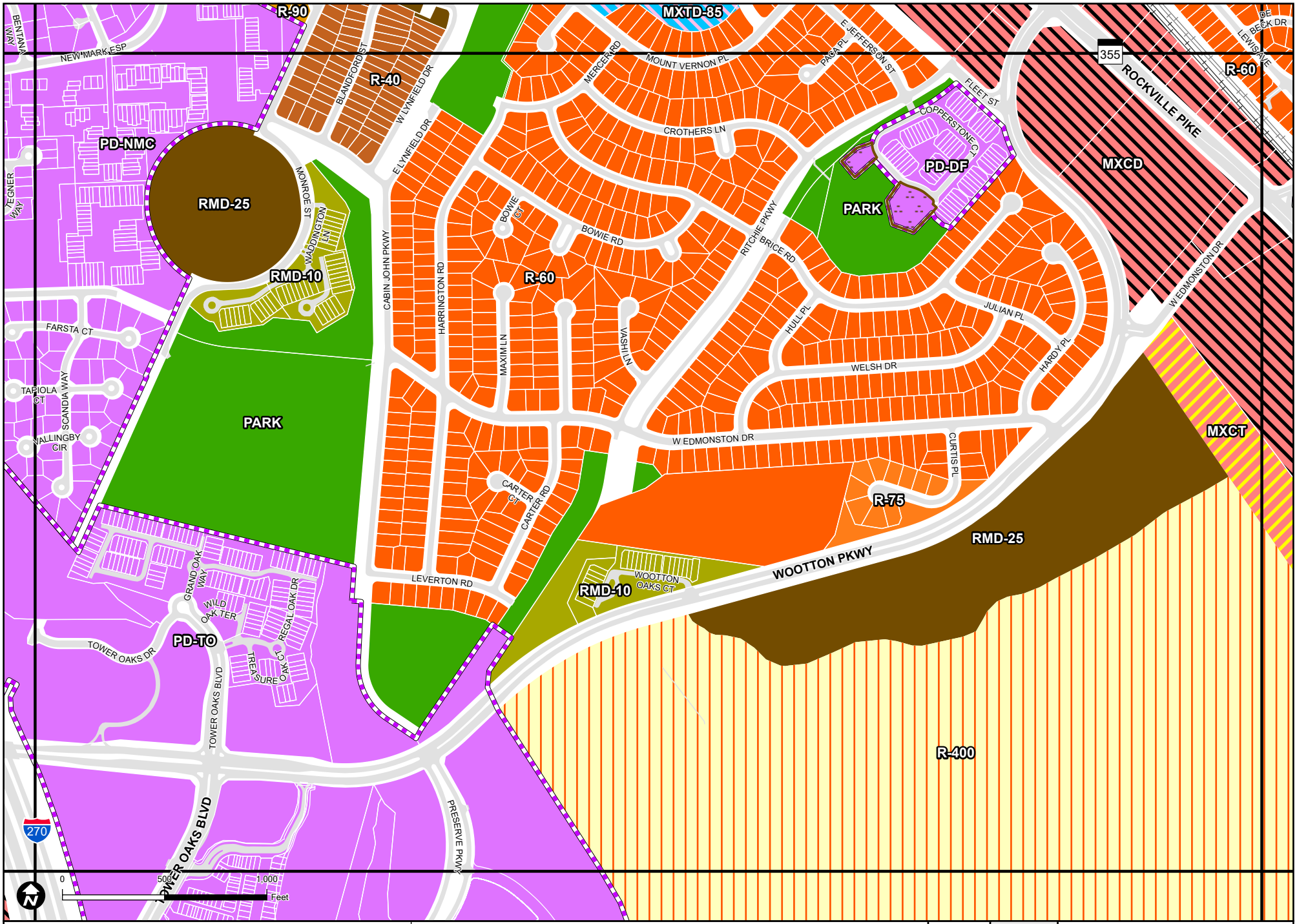
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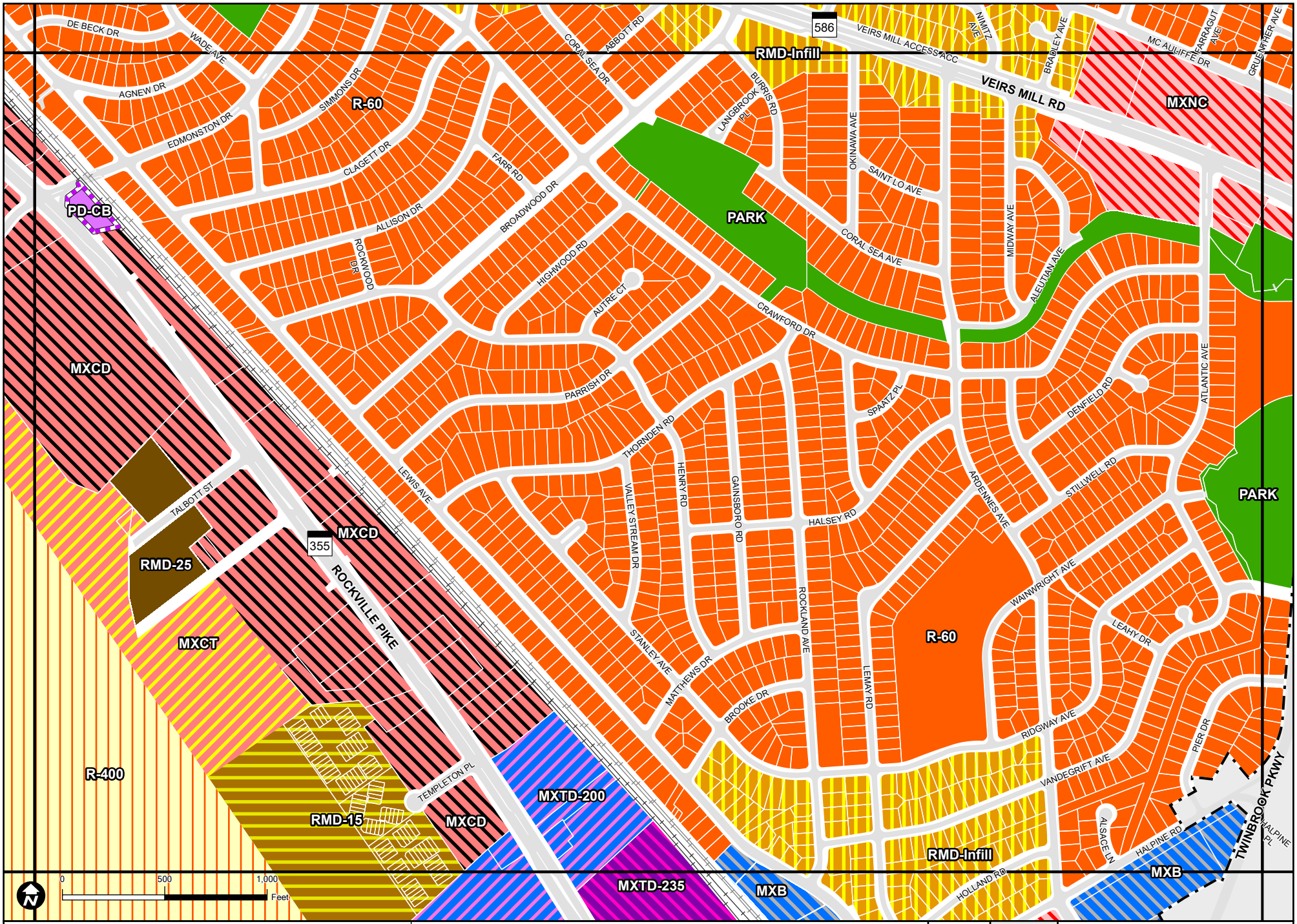
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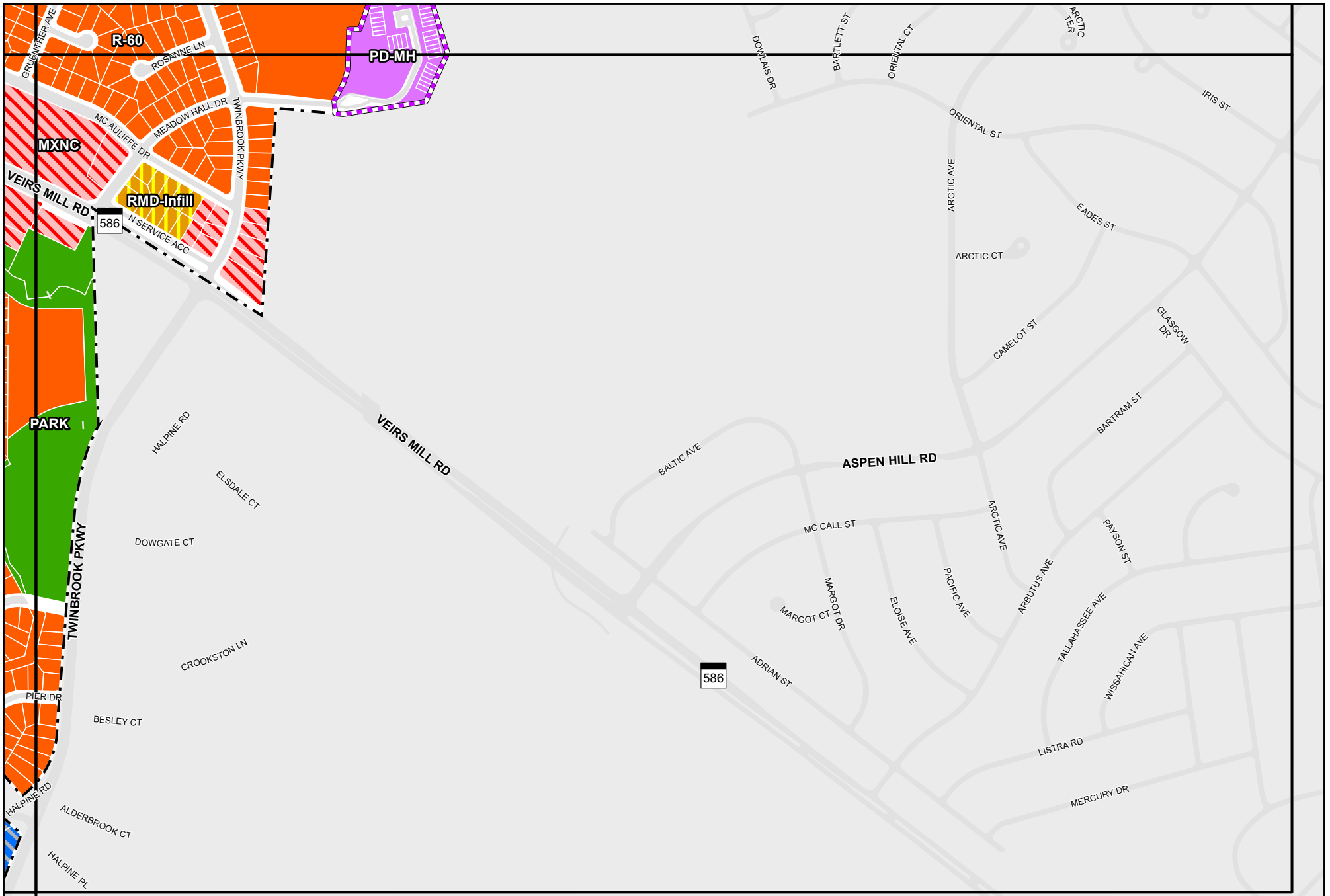
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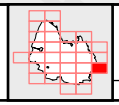
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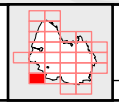
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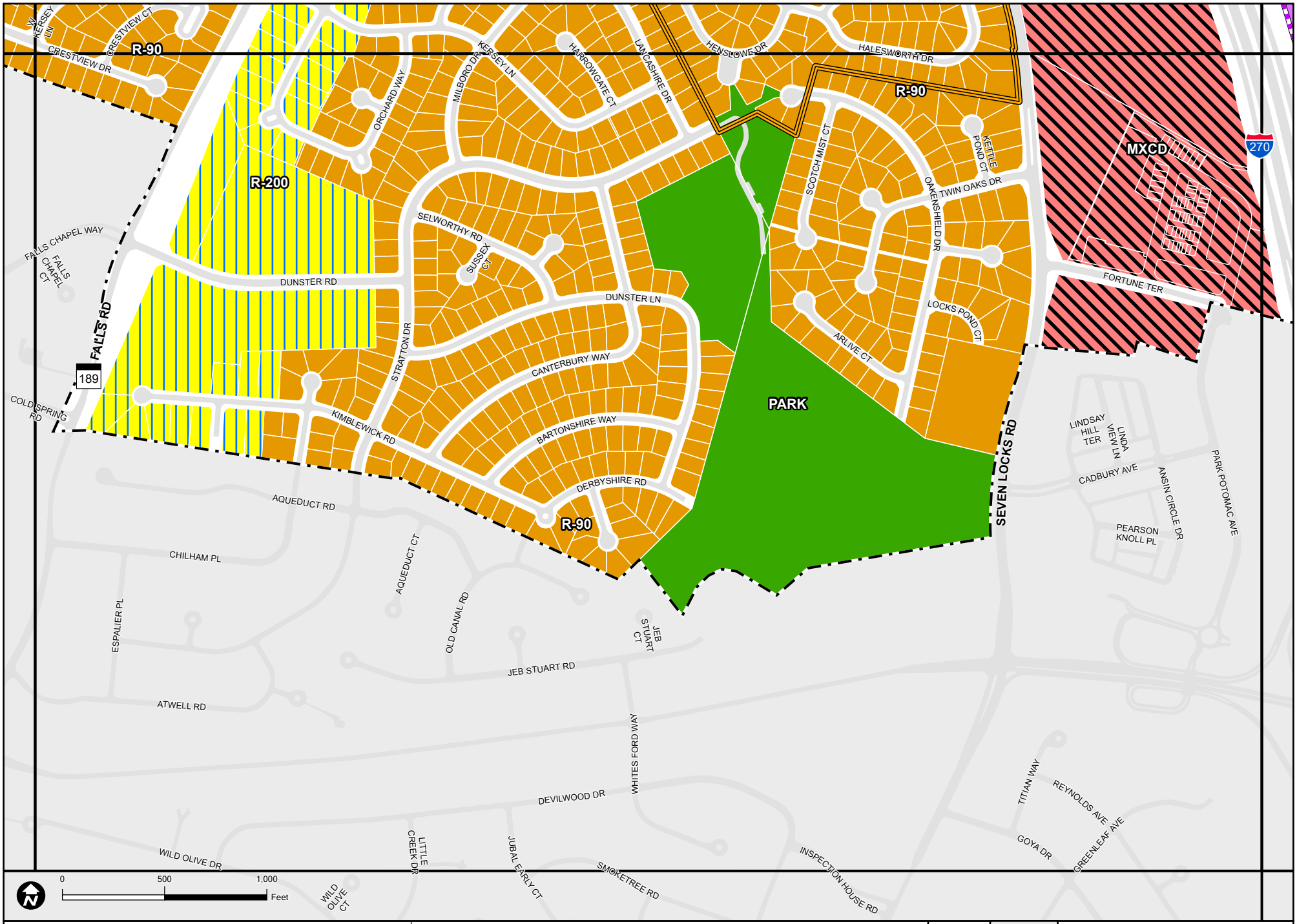
SHEET G-2



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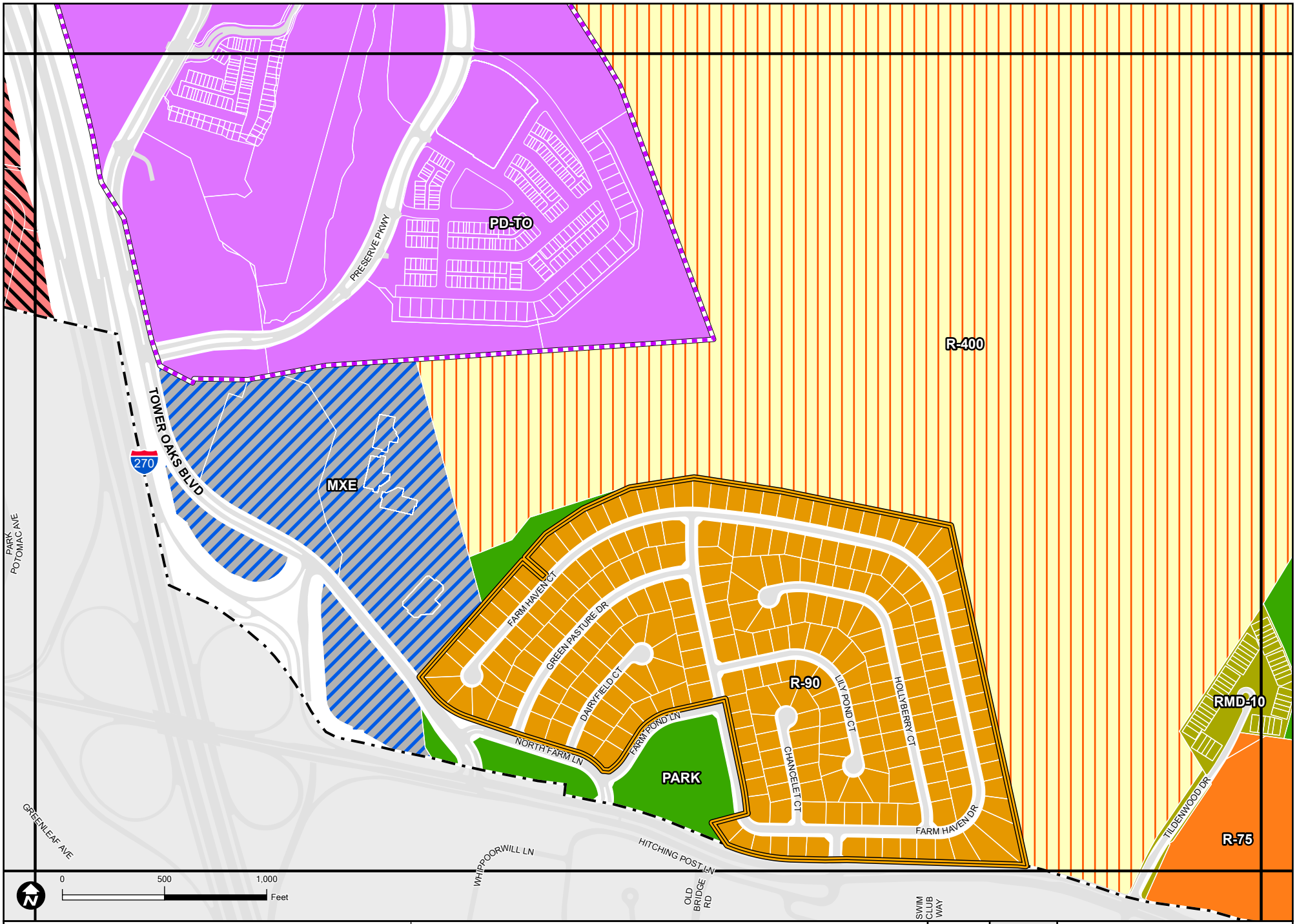
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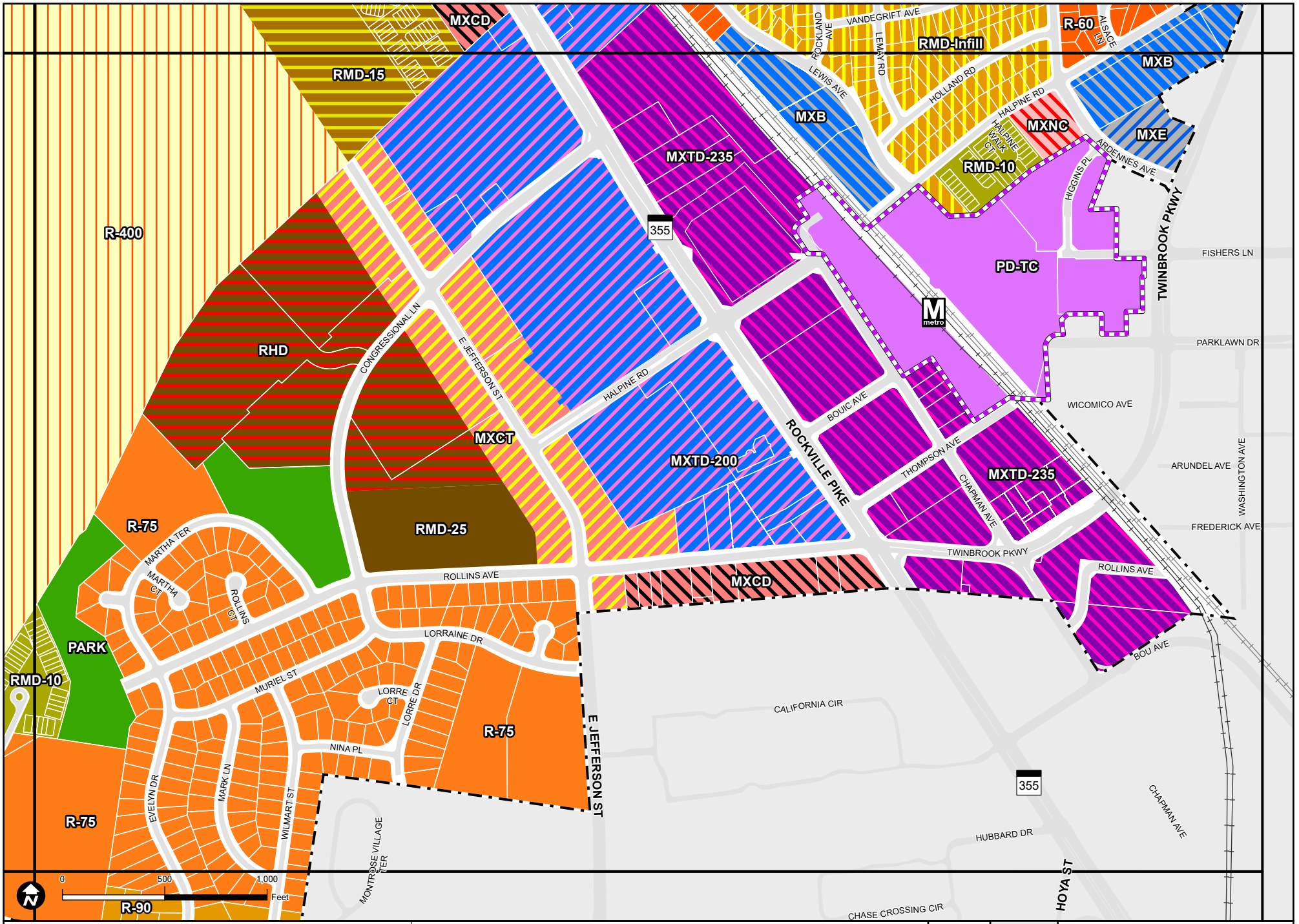
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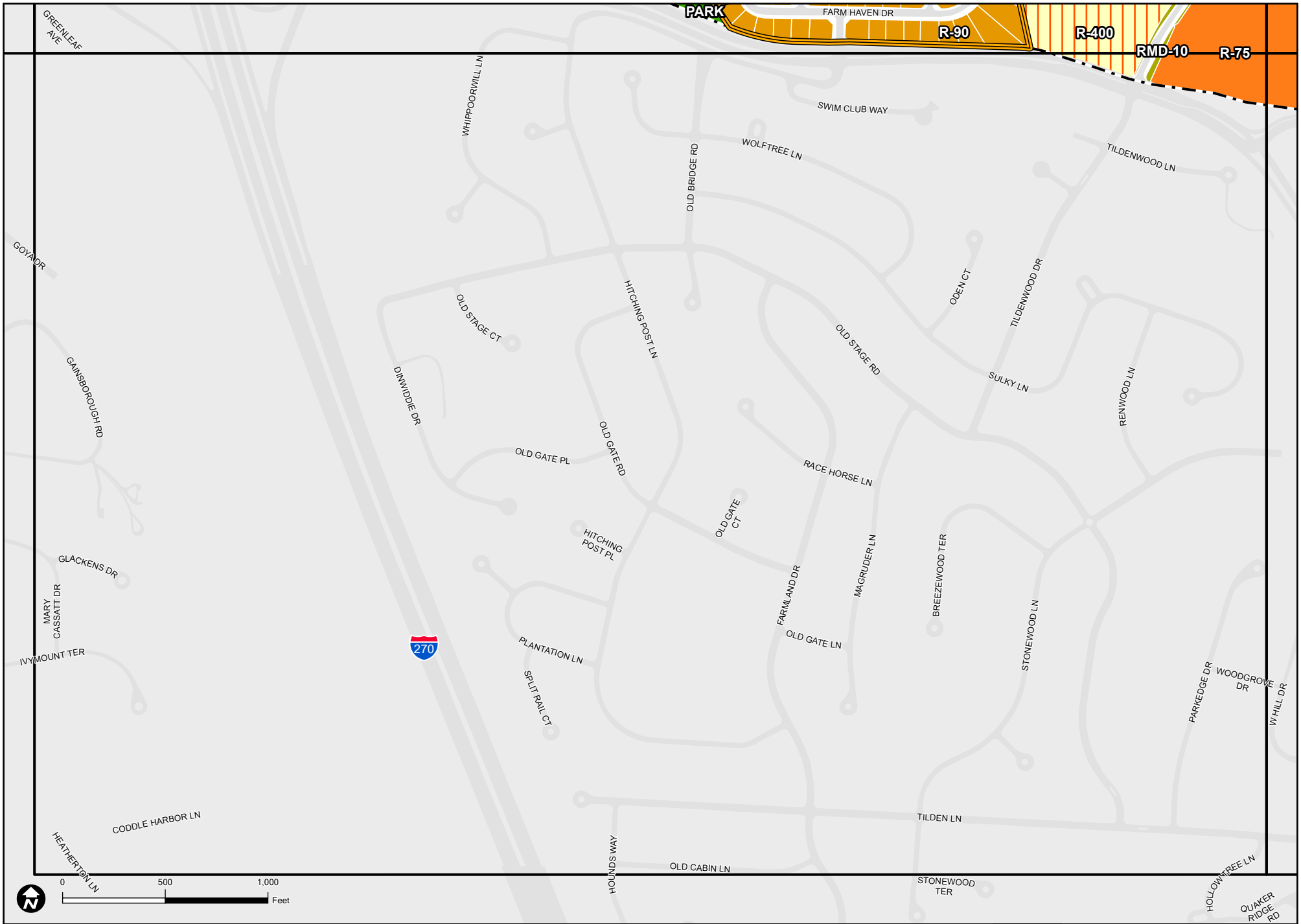
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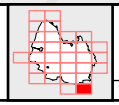
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Descriptions of Existing and Proposed Zones

This document provides brief descriptions of Rockville's existing and proposed Euclidean zoning districts. Additional information for zones as they currently exist can be found in the city's Zoning Ordinance at library.municode.com/md/Rockville.

Existing Zones

Industrial, Heavy (IH): Higher impact industrial zone. Max. base height of 70'.

Industrial, Light (IL): Lower impact industrial zone allowing live-work units. Max. base height of 40'.

Mixed-Use Transit District (MXTD): Intended for use in areas near Metro stations, it allows for high-density development of retail, office, and residential uses consistent with the recommendations of the Plan. Max. base heights of 120'. *To be replaced by the MXTD-235, MXTD-200 and MXTD-85 zones*.

Mixed-Use Employment (MXE): Intended for areas that are either currently developed or are recommended for development primarily for office, light industrial, industrial park, and similar employment-generating uses, this zone also allows for medium to high density development of office, retail, and residential uses. A mix of office and residential uses, including live/work units, is encouraged. Max. base height of 120'.

Mixed-Use Corridor District (MXCD): Intended for areas along major highway corridors outside of the Mixed-Use Transit District Zone areas, it allows for medium density development of retail, office, and residential uses. Because of the nature of highway corridor areas, the zone provides flexibility in the siting of buildings relative to major roadways and other site requirements to accommodate service drives and required parking. Max. base height of 75'.

Mixed-Use Corridor Transition (MXCT): Intended for areas that are located between areas currently developed or recommended for development as medium to high-intensity development and areas developed or recommended for residential development or parks within residentially zoned areas. This zone allows for medium density development of residential and office uses, as well as neighborhood-serving retail and service uses. Max. base height of 75'.

Mixed-Use Business (MXB): Intended for areas that are either currently developed or recommended for development primarily for retail sales, neighborhood services, home improvement services, and compatible residential development in areas convenient to both higher-density commercial zones and single-unit detached residential uses. This zone allows for a range of densities as determined by the applicable master plan and permits retail, service, office, and residential uses. Max. base height of 55'.

Mixed-Use Neighborhood Commercial (MXNC): Intended for sites that are either currently developed or recommended for development primarily for local retail and service uses in areas either within or in close proximity to single unit detached residential uses. This zone allows for low to moderate density development of retail, service, office, and residential uses. This zone is not intended to provide for major employment, so office uses are limited. Max. base height of 45' to 65'.

Mixed-Use Transition (MXT): Intended for areas that are located between moderate or high-density development and single-unit detached residential neighborhoods. This zone allows for development of low-density multi-unit, attached and townhouse residential development, and may include other neighborhood-serving uses. Max. base height of 35'.

Mixed-Use Commercial (MXC): Intended for sites that are either currently developed or recommended for development primarily for local retail and service uses in areas either within or near single-unit detached residential uses. This zone allows for low density development of retail, service, office, and residential uses. This zone is not intended to provide for major employment, so office uses are limited. Max. base height of 30'.

Park (PARK): A zone placed on all city parks and recreation areas to provide for open space, recreational, and other compatible uses.

Residential-400 (R-400): Allows single unit detached dwellings with a 40,000 square feet minimum lot area. Max. base height of 40'.

Residential-200 (R-200): Allows single unit detached dwellings with a 20,000 square feet minimum lot area. Max. base height of 40'.

Residential-150 (R-150): Allows single unit detached dwellings with a 15,000 square feet minimum lot area. Max. base height of 40'.

Residential-90 (R-90): Allows single unit detached dwellings with a 9,000 square feet minimum lot area. Max. base height of 35'.

Residential-75 (R-75): Allows single unit detached dwellings with a 7,500 square feet minimum lot area. Max. base height of 35'.

Residential-60 (R-60): Allows single unit detached dwellings with a 6,000 (or 5,000) square feet minimum lot area. Max. base height of 35'.

Residential-40 (R-40): Allows single unit detached and duplex dwellings with a 4,000 square feet minimum lot area. Max. base height of 35'.

Residential Medium Density-Infill (RMD-Infill): Allow a diverse range of housing types, including duplexes, multiplexes (up to four units), and townhouses, in addition to single-unit detached dwellings. Proposed to allow cottage courts. Max. base height proposed to be 30' for cottage court dwellings, 35' for duplexes and triplexes, and 40' for fourplexes.

Residential Medium Density-10 (RMD-10): 20,000 square feet minimum tract area; Allows single-unit detached, semi-detached, townhouses, two-unit, and multiple-unit residential dwellings up to 10 dwelling units/acre. Max. base height of 35'.

Residential Medium Density-15 (RMD-15): 1-acre minimum tract area; Allows detached, attached, two-unit, and multiple-unit residential dwellings up to 15 dwelling units/acre. Max. base height of 40'.

Residential Medium Density-25 (RMD-25): 2-acre minimum tract area; Allows detached, attached, two-unit, and multiple-unit residential dwellings up to 25 dwelling units/acre. Max. base height of 75'.

New Zones

Residential High Density (RHD): A new, high-density residential zone, limited to residential uses, is appropriate for the remainder of the site to permit new investment and upgrades, though it should not result in resident displacement. Max. base height proposed to be 75'.

Mixed Use Transit District (MXTD-235, MXTD-200 and MXTD-85): A family of MXTD zones (see description above), to be called the MXTD-85, MXTD-200, and MXTD-235. Max. base heights proposed to be 85', 200', and 235', respectively.

MAYOR AND COUNCIL Meeting Date: June 29, 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. Additionally, safe, decent housing was previously identified as a top need in the Human Services Needs Assessment, completed in 2024.

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.

Changes to Draft Ordinance

Based on Mayor and Council feedback at the May 18, 2026 meeting, the following changes have been made to the draft ordinance:

- Sec. 18-1: Added definitions for "written notice" and "tenant organization."

- Sec. 18-21(5): Clarified baseline of the Enhanced Inspections Program.

- Sec. 18-80: Clarified that (b)(1)(a) is only applicable unless there is a valid exception as described in Maryland state law. This part of the code iterates that, as permitted by Maryland state law, the Landlord-Tenant Affairs Commission to award up to three times the extra amount charged, plus reasonable attorney fees, if a landlord imposes a security deposit in excess of the equivalent of one month rent per dwelling unit.

- Sec. 18-115(e): Clarified that tenants are required to provide access to city inspectors to conduct properly noticed inspections.

- Sec. 18-126(3): Changed the number of chairs required in a hotel room from two chairs to one chair.

- Sec. 18-146(1): Changed language to allow landlords to increase rents during a two-year lease, but clarified that the rent increase must be disclosed in the lease prior to entering into the lease.

- Sec. 18-148: Added a definition for "non-public competitor data," in relation to price coordination and algorithmic devices.

- Sec. 18-149(a): Changed that a landlord must provide a tenant the tenant's entire rental payment history within seven days of the tenant's written request to seven business days.

- Sec. 18-149(c): Expanded the allowance for a landlord to terminate a lease when a tenant no longer meets the income requirement to also include other income-restricted

units. Including this provision will allow residents in income-restricted units to have the option of a lease term longer than one year.

- Sec. 18-163(a)(1): Added a provision stating that landlords may not charge a fee for payment of rent, with the exception of a credit card processing fee and check bounce fee.

- Sec. 18-163(a)(2): Added an exemption for introducing utility cost recovery structures or ratio utility billing.

- Sec. 18-163(a)(4): Increased the number of days from 45 days to 120 days for landlords being prohibited from charging a fee for any charge for which the landlord failed to request from the tenant.

- Sec. 18-163(a)(5): Added language to allow fees for valet trash service, if valet trash service is permitted by law and regular trash service is provided as an option to the tenant.

- Sec. 18-163(c)(10): Altered language regarding the ability to charge a fee for certain storage units: "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. A landlord is permitted to assess or collect a fee for storage units generally accessible for use by all tenants and as additional storage."

- Sec. 18-178(b)(3)(d): Deleted language "which meets the criteria set forth by the City" to improve clarity as to what standards a landlord and tenant must meet when creating an alternative temporary relocation assistance agreement.

- Sec. 18-178(b)(7)(b): Changed "formal eviction" to "execution of a warrant of restitution" to improve clarity.

- Sec. 18-178(c)(2): Added "the tenant's failure to uphold their responsibilities under the lease has led to the property becoming not fit for occupancy" to situations where a landlord is not required to provide permanent relocation assistance. Both temporary and permanent relocation assistance sections now include this language.

- Sec. 18-180(b): Added an exemption for third-party websites to the disclosure of all mandatory fees whenever a price is advertised or disclosed.

- Sec. 18-180(c): Added that the landlord must disclose estimated utility costs "to the best of their ability," recognizing that in situations where the tenant paid the utility directly, getting that information may not be feasible for the landlord.

- Article V: Changed “Department of Housing and Community Development” to “City Manager” throughout the article to be consistent with the rest of the chapter.

The Mayor and Councilmembers asked questions that staff was unable to provide complete answers to during the meeting, as well as comments that staff wanted to provide more thorough responses to, provided below:

- Sec. 18-1: Councilmember Van Grack commented that the Definitions section is not enumerated. However, this is consistent with other chapters of the city code, and thus no changes were made.

- Sec. 18-115(e): The city has discretion regarding enforcement, so if a landlord were attempting to enforce the tenant’s breach of lease for not providing entry, the city takes that into consideration.

- Sec. 18-115(g): Councilmember Van Grack commented that it may be useful to clarify the “specified period of time” that landlords are provided to correct a code violation. To clarify, a Notice of Violation already includes that specified period of time.

- Sec. 18-117(a): Mayor Ashton asked whether a landlord who stops renting but still has an active rental license would still have to notify the City Manager when selling the property. Staff would like to clarify that even if the landlord does not notify the City Manager, the city would still learn about the sale during the rental license renewal process.

- Sec. 18-126(1-2): Mayor Ashton asked that the code require fresh linens to be provided, but not every day. Staff would like to clarify that the reason Sec. 18-126(1) and (2) are recommended for deletion is because it is very difficult to enforce.

- Sec. 18-146(16): Both Councilmembers Jackson and Van Grack asked for clarification the definition of “unreasonably withheld” in reference to permission to sublease. “Unreasonably withheld” is defined by case law and, for example, “valid objections include concerns about the subtenant’s ability to pay rent or intended use of the premises.”[1] This is a standard consistent with state, county, and other local laws.

- Sec. 18-146(16): Mayor Ashton asked for more information about how screening tenants works in subleasing situations. Per current city code, tenants must receive written permission from the landlord to sublease. As a part of this process, the landlord may request a subtenant screening before approving the sublease arrangement. The original tenant remains responsible to the landlord.

[1] https://www.peoples-law.org/subleases-subtenants-and-roomers

- Sec. 18-146(18): Mayor Ashton asked for clarification as to what reasons for early lease termination are not already provided for in state law. Below is a list of all the reasons in the proposed ordinance, the only ones in the current code being the first and last, and their relationship with state law. Note that city code would allow the lease to provide that in the event of termination for such causes, the tenant could still be liable to pay a reasonable termination charge not to exceed one month's rent.
    - "An involuntary change of employment from the Washington metropolitan area."
        - State law does not already provide for this reason. However, state law similarly allows early lease termination if an active service member receives a change of assignment. The active service member can either be the tenant or the tenant's spouse.[2]
    - "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."
        - State law does not already provide for this reason.
    - "The landlord's rental license has been suspended or revoked for reasons related to the tenant's unit within the previous 60 days."
        - State law does not already provide for this reason.
    - "The landlord has failed to make certain repairs required to correct a violation that affects the health and safety of the tenant."
        - State law does not already provide for this reason.
    - "Domestic violence against the tenant or the tenant's dependent."
        - State law allows victims of abuse to end their lease early. To do so, the tenant must give the landlord written notice by first-class mail or hand delivery. The notice must include documentation that the tenant is a victim of abuse and the date the tenant intends to leave. The tenant has up to 30 days to vacate the leased premises from the date provided in the written notice. Documented proof of abuse may include a protective order; peace order; or a report by a qualified third party, such as a physician, psychologist, social or caseworker, or and advocate from a domestic violence program. Tenants are only responsible for rent only for the time following the tenant providing notice of an intent to vacate until the tenant vacates the leased premises, up to a maximum of 30 days.[3]
    - "Death of a primary wage earner."
        - State law does not already provide for this reason.
    - "Change in disability status" and "entry into an inpatient substance abuse or mental health treatment program."

[2] Maryland Real Property §8–212.1(b) https://mgaleg.maryland.gov/mgawebsite/Laws/StatuteText?article=grp&section=8-212.1

[3] https://www.peoples-law.org/housing-protections-and-options-domestic-violence-victims

        - State law does not already provide for this reason. However, state law allows early lease termination with a maximum liability not to exceed two months' rent for tenants who can provide certification from a physician or psychologist that the tenant is no longer able to live at the leased premised because the patient has a medical condition that 1) substantially restricts the physical mobility of the patient within, or from entering and exiting, the leased premises; 2) requires the patient to move to a home, facility, or institution to obtain a higher level of care than can be provided at the leased premises; or 3) is a mental disorder that: i) causes the continued habitation of the leased premises to be unfeasible or unsustainable for the patient; or ii) requires the patient to move to a home, facility, or institution to obtain a higher level of care than can be provided at the leased premises.
    - "For other reasonable cause beyond tenant's control."
        - State law does not already provide for this reason.

- Sec. 18-148: Councilmember Van Grack asked staff to look further into the lawsuits brought over algorithmic rent pricing restrictions. Staff can share that all cases they have reviewed have been settled outside of court or are still pending. All lawsuits suing localities have been brought by RealPage, and the city has a testimony from RealPage with their input on the draft ordinance. Staff have addressed their comments by adding a definition for "non-public competitor data."

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 small 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.[4]

[4] https://ajph.aphapublications.org/doi/full/10.2105/AJPH.2011.300139

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.[5]

Table 1. Percent of All Households and Renter-Occupied Households by Race and Ethnicity, City of Rockville (2024)

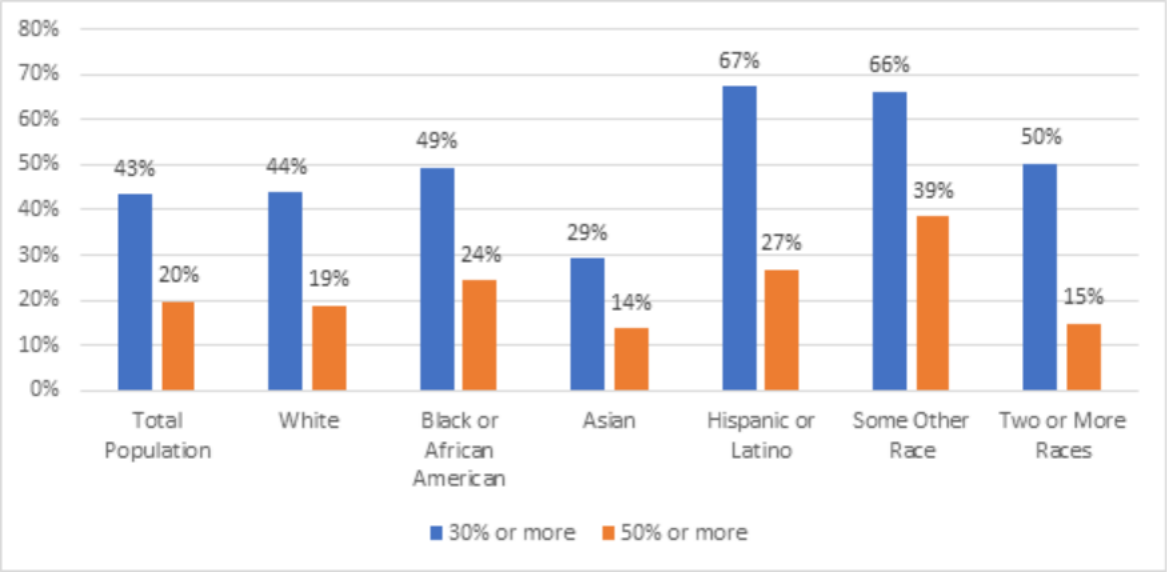
Race or Ethnicity	*All Households*	*Renter-Occupied Households*
Total	100%	45.1%
Asian	24.7%	27.8%
Black or African American	11.4%	19.8%
Hispanic or Latino	9.0%	12.0%
White	52.9%	39.4%
Some Other Race	3.5%	5.3%
Two or More Races	7.2%	6.9%

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.[6] 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.[7] 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.

Figure 1. Gross Rent as a Percentage of Household Income, By Race (2021)

[5] U.S. Census 2024 ACS 1-Year Estimates S2502
[6] U.S. Census 2024 ACS 1-Year Estimates B25119
[7] U.S. Census 2024 ACS 1-Year Estimates B25070



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.
- May 18, 2026 – Mayor and Council reviewed the initial draft of the Chapter 18 ordinance, asked questions, and provided feedback.

Feedback from previous work sessions is reflected in the proposed ordinance, 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 ordinance, 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 - Chapter 18 Ordinance, Attachment B - Chapter 18 Community Engagement Report, Attachment C – Public Comments and Correspondence, Attachment D – Impact Statements for Montgomery County Bill 8-26 (1), Attachment E - Chapter 18 Redline, 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.

* * *

Tenant organization means an association of three or more tenants of a rental facility, formed for the purpose of representing the interests of tenants, which is independent of property management, landlords, or landlord's agent.

Written notice, when required under this Chapter, means a notice that is delivered to the City Manager, landlord, tenant, or other necessary party in person, by regular mail, or by electronic means as mutually agreed by the landlord and tenant, unless certified mail is specified.

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 of multi-unit buildings 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), with a minimum expanded inspection sample of an additional 25% of the dwelling units being inspected for the renewal of an existing rental license;

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 ~~shal~~l 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~~ Chairperson ~~of the Commission~~ or the ~~chairperson's~~

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~~ 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~~ will designate one ~~(1)~~ panel member to serve as panel chairperson. Depending upon the extent to which panels are used, the ~~chairperson~~ 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 of the determination 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~~ 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 ~~fifteen (~~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, unless an exception under Real Property Article of the Annotated Code of Maryland § 8-203(b)(2) exists.

(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. A tenant is required to provide access to a City inspector to conduct an inspection that has been properly noticed under this Section.

(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~~ One ~~(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;

c. If a landlord desires to increase the rent prior to the end of the two-year lease term, the rent increase must be disclosed in the lease prior to entering into the lease.

(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 is 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.~~

(~~c~~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.

Non-public competitor data means information that is not available to the general public concerning actual rent prices, occupancy rates, lease start and end dates, and other similar data regarding a property other than a property that is owned or managed by the landlord who is the recipient or user of the generated recommendation, when such data is less than 90 days old.

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 business days of the tenant's written request.

(b) Landlord is prohibited from including a question on eviction history on the rental unit application. Landlord is not prohibited from considering eviction history as otherwise permitted by law.

(c) If a dwelling unit is a moderately priced dwelling unit regulated under City Code Chapter 13.5 or other similarly regulated income-restricted unit, 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, excepting a credit card processing fee or a fee if a check fails to process due to insufficient funds;

(2) Services and amenities previously included in the rent for the dwelling unit or provided to current tenants at no cost, unless a change is made in utility cost recovery structure or ratio utility billing;

(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 120 days; and

(5) Any administrative or processing fees for utilities not expressly allowed by Maryland law, including trash. A landlord may charge a fee for valet trash service if valet trash service is permitted by law and regular trash service is provided as an option to the tenant.

(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 Real Property Article of the Annotated Code of Maryland § 8-213, 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. A landlord is permitted to assess or collect a fee for storage units generally accessible for use by all tenants and as additional storage.

(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. 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 execution of a warrant of restitution.

(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;

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; or

d. 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 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. This disclosure requirement does not apply to postings on websites not controlled by the landlord.

(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. Landlord must disclose estimated utility costs, to the best of their ability.

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 City'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.~~

(~~e~~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~~ City Manager 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

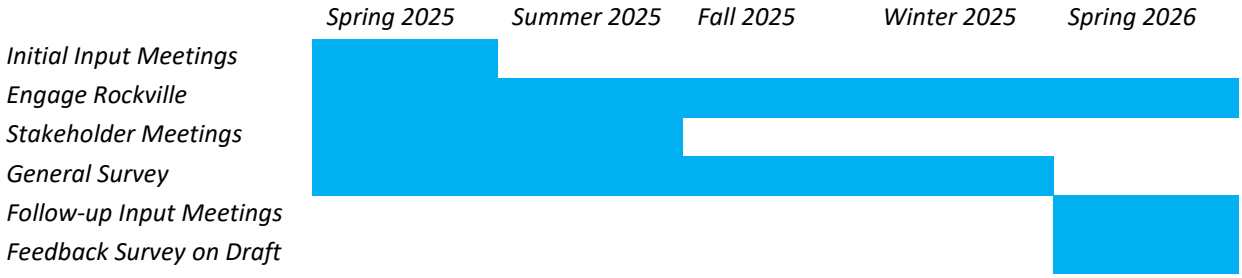
Attachment B - Community Engagement Report

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

5/8/26

Good Afternoon Jane,

I apologize for not sharing feedback on the proposed landlord-tenant code rewrite sooner. I know it's very late in the process. Nonetheless, I wanted to share MHP's input for what it's worth.

Two Year Lease Term – It was unclear to us if rental increases can be offered during those two years. We would just ask for clarification or explicit language that permits increases from year one to year two as part of the two-year lease.

Repair and Deduct – The repair and deduct provision generated the most amount of concern among our real estate and asset management departments. In general, allowing tenants to make their own repairs creates the potential for substandard repairs which then have to be addressed at even greater cost to the landlord. There are also legal liability concerns (e.g. someone is injured as a result of a substandard repair and sues the landlord). And lastly, as you may know, insurance premiums have been increasing at exponential rates for affordable housing providers and in some cases it be difficult to even find a carrier who is willing to insure a property. We have concerns that allowing tenants to facilitate their own repairs could create even more risk in the eyes of our insurance broker/carriers.

Thanks for considering our comments.

Best,
Chris

Chris Gillis | Director, Policy & Neighborhood Development
MHP

From: Nurith Berstein <[redacted]>
Sent: Monday, May 11, 2026 2:06 PM
To: Jane Lyons-Raeder <jlraeder@rockvillemd.gov>
Subject: Re: New Rockville Landlord-Tenant Code to Be Introduced and Approved at May 18 Mayor and Council Meeting

WARNING - External email. Exercise caution.

Can you please provide a summary of protections to small landlords?
Is there a differentiation between large scale and single landlords properties?
Also, we have encountered issues with renters not allowing access for repairs -
should there be penalties for such instances?

It is becoming very onerous for small landlords to meet all new reporting requirements so there are fewer who wish to remain renting their properties.
I think some landlord protections would go a long way to provide assurances that they are welcome here.
Good small landlords should be encouraged to stay and continue to provide excellent housing options to renters.



Nurith Berstein
Principal Broker MD, VA, DC
Next Level Rentals & Realty LLC
[redacted]

5/26/26

Good afternoon,

Thank you for the below. I would like to provide some feedback, narrated as questions:

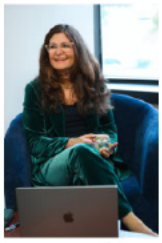
Are there options, including legal assistance and City support, for landlords navigating breach of leases (damage to property, unauthorized occupants, firearm violations, etc)?

Just as landlords provide data, can renters also have a data requirement — for example on-time payments, damage to property, length of lease, etc.

Has an option for early lease termination for owners if they need to re-occupy their property been considered? This of course would apply to "small" landlords who are usually affected by the same issues as renters (job losses, changes in families, illnesses, etc.)

I once again would encourage the City to consider small landlords separately and to ensure rules and requirements are appropriately calibrated to maintain an incentive for people to continue being housing providers.

Best,

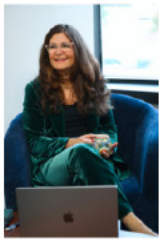


Nurith Berstein-Rosales
Principal Broker MD, VA, DC
Next Level Rentals & Realty LLC
[redacted]

2024
MARQUIS
Who's Who

5/26/26

Thank you — please do see my additional input below in CAPS.



Nurith Berstein-Rosales
Principal Broker MD, VA, DC
Next Level Rentals & Realty LLC
[redacted]

2024 MARQUIS Who's Who

From: Jane Lyons-Raeder <jlraeder@rockvillemd.gov>
Sent: Tuesday, May 26, 2026 11:29 AM
To: Nurith Berstein <[redacted]>
Subject: Re: Updated Landlord-Tenant Code Adoption Schedule and Fair Housing Workshop

Hi Nurith,

Thank you for your questions and feedback. My responses to your questions are below:

- **Are there options, including legal assistance and City support, for landlords navigating breach of leases (damage to property, unauthorized occupants, firearm violations, etc)?** The city will continue to operate its Landlord-Tenant Affairs Program, which provides conciliation services, and offer the Landlord-Tenant Affairs Commission as an alternative to court for certain cases that cannot be conciliated. However, to a pursue an eviction for breach of lease, landlords will still need to go through the formal court process. INDEED — BUT IT APPEARS THE ASSISTANCE TO RENTERS IS SIGNIFICANTLY HIGHER THAN FOR LANDLORDS. FOR EXAMPLE, IF A LANDLORD FAILS TO DO REPAIRS TO A PROPERTY, ETC, THE RENTER HAS ACCESS TO MULTIPLE LINES OF ASSISTANCE WHICH WILL BE FREE TO THEM AND WILL RESULT IN INSPECTIONS, CITATIONS, ETC.
    - HOWEVER FOR LANDLORDS, IF A RENTER IS DAMAGING A PROPERTY, ADDING UNAUTHORIZED OCCUPANTS (WE HAVE ONE SUCH CASE WITH A POLICE REPORT GIVEN THREATS OF BODILY INJURY TO NEIGHBORS), ETC, EVEN WITH POLICE REPORTS, LANDLORDS ONLY HAVE COURT OPTIONS, WHICH ARE LENGTHY AND COSTLY. IN MY VIEW THERE IS A GREAT OPPORTUNITY FOR LANDLORDS TO FEEL CARED FOR AND

WELCOMED IF THE CITY PROVIDED SOME SUPPORT. I SERVE IN COLTA (MONTGOMERY COUNTY) AND DO SEE THE OPPORTUNITY.

- **Just as landlords provide data, can renters also have a data requirement — for example on-time payments, damage to property, length of lease, etc.** Landlords are able to evaluate renters through the rental application process. INDEED THAT IS THE CASE, BUT I DID NOTICE IN THE LIST PROVIDED BELOW THERE MAY BE RESTRICTIONS ABOUT REQUESTING EVICTIONS HISTORY. THIS MEANS LANDLORDS CANNOT GATHER FULL DATA FROM APPLICANTS. PERHAPS I DO NOT UNDERSTAND THE LIMITATIONS AND GIVEN THE ADDITIONAL RESTRICTION OF ONLY 1-MONTH SECURITY DEPOSIT, SMALL LANDLORDS MAY HAVE EVEN FEWER PROTECTIONS AND AS SUCH WILL BE EVEN MORE RISK-AVERSE. AGAIN THIS IS A GREAT OPPORTUNITY TO HELP SMALL LANDLORDS SO THEY CONTINUE TO PROVIDE HOUSING AND DO SO IN A WAY THAT THEY FEEL PROTECTED AND CAN PROVIDE GREAT OPPORTUNITIES TO APPLICANTS WHOSE HISTORY IS LESS-THAN-PERFECT.

- **Has an option for early lease termination for owners if they need to re-occupy their property been considered? This of course would apply to "small" landlords who are usually affected by the same issues as renters (job losses, changes in families, illnesses, etc.)** This would need to be evaluated for whether it is allowed under state law. Based on some initial research, state law only allows landlords to repossess prior to the expiration of the stated term if the tenant breaches the lease. SHOULD THIS NOT BE EQUAL BETWEEN THE PARTIES? THAT IS, I ASSUME THE ADDITIONAL OPTIONS FOR EARLY LEASE TERMINATION HAVE TO DO WITH ISSUES OUTSIDE OF RENTER'S CONTROL (NOT ISSUES, FOR EXAMPLE, TIED TO BUYING A HOUSE, ETC). ALONG THE SAME LINES, I HAVE WITNESSED OWNERS BEING IN TERRIBLE SITUATIONS WITH FEW (IF ANY) OPTIONS WHEN A PROPERTY IS OCCUPIED (IN THIS REGION IN PARTICULAR, OWNERS THAT WERE EMPLOYED BY USAID, STATE DEPARTMENT, ANY DEI-RELATED PROGRAM HAVE BEEN TERRIBLY AFFECTED). THERE IS AGAIN, AN OPPORTUNITY TO SUPPORT THE ENTIRE COMMUNITY, FROM THOSE OCCUPYING HOUSING TO THOSE PROVIDING IT.

I SEE THIS AS A "TEAM SPORT" — WITH HOUSING OCCUPANTS AND PROVIDERS NEEDING TO PLAY TOGETHER, PER CERTAIN RULES THAT CREATE THE RIGHT ATMOSPHERE AND SUPPORT SO THE TEAM CAN WIN.

Have a great week,
Jane

Jane Lyons-Raeder
HOUSING PROGRAMS MANAGER
Department of Housing and Community Development
P. 240-314-8319
www.rockvillemd.gov

6/16/26

KMB [redacted]

Also, just some feedback on the recent changes that I have hesitated to share - I don't feel like it really helps renters move forward towards home ownership. I think it just makes them more comfortable renting until they are forced into rental subscriptions and prevents them from growing equity. **Instead, is it possible for your team to spend more time focusing on helping renters and first time home owners buy by lowering rates https://mmp.maryland.gov/rates or increasing the household income that is eligible so that more people can qualify.**

Like you sending the above link to my renter doesn't really help their situation right now. I would LOVE to sell to them - in fact I told their son that one day I hoped to sell to him in the future, but I know with the rates that are published on the Maryland website, they won't be able to do that if I sold in the near future. Not even with a 3% down payment.

I do agree with you that it's both the landlord and renters responsibility to maintain and ensure safe living areas and I understand the feelings of wanting to ensure safe living. A lot of what you're asking for, I already do, but some of your new requirements don't really make sense.

For example, some of your changes are just hurting small family renters and enabling big corporations to buy out Maryland so then everyone under a certain income is forced into rental subscription, while small family renters like myself who are offering people a lifeline and taking hits due to the Maryland high property tax and losing on the rental situation overall are going to have to sell because overtime your restrictions make it too difficult to rent - for example why force two year lease terms - that is silly. My family will do anything from one to five year so why waste time on this.

For context, I bought this house originally to move from VA to MD so that my child could go to school in this area. I have a lot of families who live in Rockville who are working class or low income, and I'd like to think that overtime Rockville continues to support those income levels to have the ability to have home ownership in Rockville vs forcing them into rental subscriptions with big corporate companies. Anyways food for thought or you can ignore it.

KENNETH L. MacRITCHIE

[redacted]

July 3, 2025

Mayor Monique Ashton
Rockville City Hall
111 Maryland Avenue
Rockville, MD 20850

Re: Rockville Landlord-Tenant Code

Dear Mayor Ashton:

On May 27 I wrote to you with comments about the Rockville Landlord-Tenant Code. This letter contains an additional comment.

I'm a member of the Landlord-Tenant Affairs Commission. Earlier today I attended a hearing, with an insignificant amount of money in dispute. The landlord was very disruptive, so the Chairman terminated the hearing.

I recommend that, for disputes regarding insignificant amounts (such as under $5,000), no hearings should be held, but the disputes should be resolved on the basis of written submissions. This method is used in FINRA arbitration for small-amount securities industry disputes.

Sincerely,

Kenneth L. MacRitchie

cc: Barry Jackson and Trevor Stephens

KENNETH L. MacRITCHIE

[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

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.

Comments on the City of Rockville's Chapter 18 – Landlord-Tenant Code Update

May 18, 2026

The Apartment and Office Building Association (AOBA) of Metropolitan Washington submits these comments on behalf of its members on the proposed update to Chapter 18 of the Rockville City Code – Rental and Landlord-Tenant Relations. AOBA represents the owners and managers of tens of thousands of apartments throughout the region, including properties operating within the City of Rockville.

AOBA supports the City's goal of promoting safe housing conditions and fair landlord-tenant relations. However, the proposed ordinance represents a substantial overhaul of existing law and incorporates numerous policy changes that need careful consideration. In Montgomery County, each of these sections was a standalone bill that the Council enacted only after separate bill hearings and multiple work sessions.

The City should seek to maintain consistency with county and state law wherever possible and avoid creating standards that are more restrictive or materially different from neighboring jurisdictions. Layering federal, state, county, and municipal requirements creates compliance burdens and a regulatory environment that discourages continued housing investment.

AOBA respectfully urges the City to slow the process and evaluate each substantive proposal independently. The following are AOBA's recommended revisions to the code update.

Section 18-80. Violation or Defective Tenancy Found.

The proposed language limits all security deposits to one month's rent. Maryland law, however, expressly authorizes landlords to collect a security deposit of up to two months' rent under certain circumstances. Section 8-203(b)(2) of the Maryland Real Property Article allows a security deposit of up to two months' rent where:

- the tenant qualifies for utility assistance through the Department of Human Services;
- the lease requires utility payments directly to the landlord; and
- the tenant and landlord agree in writing to the amount.

The proposed language appears inconsistent with state law and may inadvertently prohibit circumstances expressly authorized under Maryland statute. The ordinance should be revised to incorporate these statutory exceptions and avoid conflict with state law. Limiting security deposits to one month's rent may lead to more application denials and stricter tenant screening, particularly for applicants with a history of late or missed utility payments.

Section 18-96. Occupancy Limits.

The proposed code limits rental unit occupancy to a single "household," but does not provide a definition of household. Many renters, including younger individuals, workforce households, and individuals facing housing affordability challenges, rely upon shared housing arrangements. Without additional clarification, this provision could create confusion over whether unrelated individuals sharing a dwelling are permissible occupants.

The City should consider using the following definition of household:

> (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.

Section 18-115. Rental Facility Inspections.

The proposed ordinance allows the City Manager to authorize the tenant to repair-and-deduct housing code violations that cost up to two month's rent. However, the ordinance lacks important safeguards. First, the ordinance does not establish clear timelines for repairs. Montgomery County, for example, distinguishes between life-safety and non-life-safety violations and establishes differing correction periods for each. Under COMCOR 29.22.01.03, landlords are given 24 to 48 hours to correct life-safety violations and 15 to 30 days for non-life-safety violations.

Second, the County places limitations on repair-and-deduct authority by excluding major capital replacements, cosmetic matters, and tenant-caused damage. Third, the proposal allows tenants to deduct up to two months' rent, while the County limits deductions to one month's rent.

AOBA recommends:

- establishing defined correction timelines for different classes of violations;
- excluding HVAC replacement, cosmetic repairs, and tenant-caused damages;
- limiting repair-and-deduct authority to one month's rent; and
- clarifying eligible repairs.

Without these guardrails, the proposal could create uncertainty and operational disputes regarding repair responsibilities.

Section 18-127. Rental Multiple-Unit Dwellings.

The proposed ordinance requires on-site personnel for properties containing 100 or more units. AOBA is concerned that this threshold creates an unnecessary operational burden and appears arbitrary. Advances in property management technology, centralized staffing, and professional management practices increasingly allow property managers to provide responsive service without requiring an employee to physically reside on site.

The City should only require a responsible contact capable of responding promptly to tenant emergencies. AOBA recommends revising this provision to mirror the approach in subsection (2)(b), which allows properties to provide contact information for a designated representative.

Section 18-146. Lease Contents.

Subsection (15) Notice of entry.

The ordinance requires 24-hour written notice in advance of any inspections or repairs, including situations where tenants request repairs. In many instances, property management staff may be able to respond to a tenant repair request within 24 hours. Requiring this notice period for tenant requested repairs would only delay response times. The City should clarify that advance notice requirements do not apply where the tenant requests repairs.

Subsection (16) Subleasing

Under the proposed ordinance, landlords can require written permission to sublease, but the permission cannot be “unreasonably withheld.” The code does not define what constitutes unreasonably withholding permission for subleasing. Responsible property management requires thorough tenant screening to ensure the safety and stability of the community. That includes screening prospective tenants and sublessees for creditworthiness and criminal background.

Without clarification, the provision could create uncertainty regarding subleasing to roommates or short-term rentals. Landlords must retain the ability to conduct lawful screening, prohibit short-term rentals, and hold the lessee responsible during sublease periods. Many multifamily communities operate under loan documents and financing agreements that restrict short-term occupancy arrangements. Violations of these agreements can create portfolio-wide financial consequences. The ordinance must explicitly allow landlords to deny subleasing arrangements

involving short-term rentals or prospective subtenants that do not meet lawful screening standards.

Section 18-148. Price Coordination and Algorithmic Devices.

AOBA appreciates the City's interest in ensuring a competitive housing market, but members are concerned with both the underlying premise and the lack of several key definitions. Algorithmic devices are a revenue management tool that help landlords keep up with rising operating expenses and shifting market dynamics.

The proposed ordinance, on the other hand, appears premised on the assumption that algorithmic devices are exacerbating the affordability crisis. This premise is flawed because this software does recommend rent decreases when the market conditions dictate it. Housing supply, not analytical software, remains the primary determinant of rent. In fact, markets with substantial housing production have some of the highest reported usage of algorithmic devices, yet they have also experienced the sharpest decreases in rent. Renters in Austin, TX, for example, saw rent decreases of 6% from 2023 to 2024,[1] despite nearly half of the landlords in the city reportedly using algorithmic devices.[2]

AOBA recommends a more balance approach that includes definitions of "non-competitor data" and "coordinated pricing." Several states and municipalities have enacted ordinances that include definitions of these terms. The City of Berkeley, California, for example, defines those terms as follows:[3]

> A. "Coordinated pricing algorithm" means any analytical or computation process that uses Competitor Data to calculate and recommend rent prices, fees, occupancy rates or other rental contract terms for future leases in coordination between one City of Berkeley landlord and one or more of such landlord's competitors, including through a third-party vendor. A "coordinated pricing algorithm" includes a product that incorporates a coordinated pricing algorithm, but does not include
>
> > (a) a product or process that generates or presents any report, study, or presentation that publishes rental data in an aggregated and anonymous manner but does not recommend rent prices, fees, or occupancy rates or other rental contract terms for future leases;

[1] https://www.bizjournals.com/houston/news/2024/01/28/houston-apartment-rents-are-down-in-2023.html

[2] https://www.washingtonpost.com/business/interactive/2025/realpage-lawsuit-rent-map/

[3] https://berkeleyca.gov/sites/default/files/documents/2025-06-24%20Item%2001%20Amendments%20to%20Ordinance%20Prohibiting%20the%20Sale.pdf

(b) a product used for the purpose of establishing rent or income limits in accordance with the affordable housing guidelines of a local government, the state, the federal government, or other political subdivision; or

(c) a product or process that provides or uses, or the provision or use of, information for the purpose of

(i) conducting market research for project financing,

(ii) conducting an appraisal, or

(iii) conducting research, testing, or training for software development. For clarity, "research, testing, or training for software development" includes without limitation the use or processing of Competitor Data in the development, training, or testing of predictive or machine learning models so long as any such data is not used as an input in the operation of the model at the time a recommendation is calculated for publication or provision to a City of Berkeley landlord.

B. "Competitor Data" means information that is not available to the general public concerning actual rent prices, occupancy rates, lease start and end dates, and similar data regarding a property other than a property that is owned or managed by the landlord who is the recipient or user of the generated recommendation, when such data is less than 90 days old.

These definitions also align with the U.S. Department of Justice (DOJ) 2025 settlement with RealPage.[4] In that settlement, the DOJ determined that real-time non-public competitor data is the most competitively sensitive, but that algorithmic device models can be trained on backward looking or sufficiently aged data. This approach protects renters while allowing landlords to conduct comprehensive market analysis. AOBA recommends that Rockville adopt the Berkeley definitions of coordinated pricing algorithm and competitor data.

Section 18-149. Miscellaneous.

The proposal prohibits landlords from including eviction history questions on rental applications. AOBA recommends clarifying that landlords may still consider eviction history during screening after an application is submitted and where otherwise permitted by law. Without clarification, the proposal could create ambiguity regarding lawful tenant screening practices.

Section 18-161. Tenant Organizations.

[4] https://www.justice.gov/opa/media/1419406/dl

AOBA supports tenant engagement but cautions that County landlords have struggled with unverified groups claiming to represent tenants. The City ordinance should establish objective criteria for access rights, such as requiring incorporation, official documentation, or resident signatures. Without these guardrails, landlords would be forced to determine organizational legitimacy without guidance, likely resulting in disputes, misuse of common spaces, and an increase in complaints to the City.

Section 18-163. Regulation of Fees.

Subsection (a)(1) Rent payment fees.

Many AOBA members collect electronic rent payments through third-party providers. While these providers typically do not charge fees for ACH withdrawals, they do charge processing fees for tenants using debit or credit cards to pay rent. These fees range from a flat rate to a percentage of the transaction amount. AOBA recommends that the fee restriction be limited to non-electronic rent payments and ACH withdrawals.

Subsection (a)(2) Services or amenities previously included in the rent.

As drafted, this language could permanently prohibit landlords from introducing utility cost recovery structures, such as water submetering, or modern utility billing methods such as ratio utility billing systems (RUBS). Both practices are governed by state law and should be expressly exempt from the fee section.

Subsection (a)(4). Recovery of charges limited to 45 days.

This subsection only allows landlords to recover charges within 45 days. However, many charges may be billed in longer intervals. Water bills, for example, may be billed in 90-day increments, and the bill may be due 120 days from when the charges were first incurred. AOBA recommends increasing this to 120 days.

Subsection (a)(5) Utility & trash administrative or processing fees.

State law already governs utility processing fee amounts. This year, for example, the General Assembly passed House Bill 220[5] and Senate Bill 130,[6] which establish procedures for landlords to submeter master-metered buildings and recover submetered water charges. This law caps the administrative processing fee for water submetering to $1 per unit per month, which is also the cap for energy utility billing. The City should not prohibit a fee expressly allowed by state law.

[5] https://mgaleg.maryland.gov/mgawebsite/Legislation/Details/hb0220/?ys=2026rs

[6] https://mgaleg.maryland.gov/mgawebsite/Legislation/Details/SB0130?ys=2026RS

This section should also include an exemption for valet trash service. This service allows tenants to place their garbage in fire-retardant cannisters outside of their unit where it is collected by a valet trash company. Many AOBA members and tenants value this service for its convenience and its ability to keep trash areas clean.

Subsection (c)(10). Storage.

The ordinance permits storage fees except those "within or associated with a dwelling unit." AOBA does not object to restrictions on charging fees for storage within a unit, but the language for storage associated with a unit should be stricken. Many multifamily buildings have storage spaces available to all tenants for rent. When tenants opt to use those storage spaces, it is often added to the lease and, therefore, becomes associated with the unit.

Subsection (e) Implementation.

This section requires landlords to disclose fees to tenants prior to signing the lease. Under RUBS, however, utility charges vary based on usage and cannot always be predetermined. AOBA recommends excluding utilities from disclosure and limiting the restriction to services included during the immediately preceding lease term.

Section 18-178. Relocation Assistance

While well-intentioned, tenant relocation assistance that is overly broad or lacks sufficient guardrails will only raise housing costs for all renters. The proposed ordinance requires additional clarity concerning displacement standards and financial obligations. First, the City should make an affirmative finding regarding the cause of displacement before assistance is triggered. Otherwise, the provision may create disputes between tenants and landlords over whether a displacement was "beyond the control" of the landlord or not.

Second, subsection b (6) requires landlords to cover the cost of alternate housing for temporarily displaced tenants more than the amounts covered by the tenant's renters insurance. Renters insurance policies are private transactions and landlords cannot be held responsible for tenants that fail to purchase adequate coverage. This requirement will only lead to disputes between landlords and tenants over insurance benefits. Lastly, subsection (b)7(b) states that "temporary relocation assistance obligations cease upon termination of the tenancy due to a formal eviction," but the term formal eviction is not defined. AOBA recommends changing formal eviction to "the execution of a warrant of restitution."

Section 18-180. Requirements prior to lease signing or renewal.

Subsection (b) requires a landlord to disclose mandatory fees to a tenant whenever a price is displayed or advertised including online. The online disclosure should only apply to websites controlled by the landlord not third-party rental listing websites. Third-party sites often scrape

landlord websites for their information, but landlords should not be held liable for incorrect or missing information on a third-party website.

Section 18-195. Mandatory reporting requirements.

Multifamily ownership structures frequently involve partnerships, investment entities, and layered ownership arrangements. Requiring broad ownership disclosure requirements may prove difficult and unnecessary because Maryland already requires disclosure of resident agents and many properties maintain on-site management personnel. AOBA recommends relying on existing state disclosure frameworks and local contact requirements rather than imposing duplicative ownership reporting obligations.

Conclusion

AOBA appreciates the City of Rockville's efforts to modernize Chapter 18 and promote safe housing conditions and fair landlord-tenant practices. However, many of the proposed revisions represent significant policy changes that would impose new operational requirements, create inconsistencies with state and county law, or introduce uncertainty into existing housing practices.

The City should prioritize consistency with established legal frameworks and avoid adopting provisions that create unnecessary compliance burdens or discourage housing investment. Where policy changes are contemplated, AOBA respectfully recommends a more deliberate and targeted approach that evaluates each proposal independently and incorporates clear standards, definitions, and implementation safeguards.

AOBA looks forward to continuing to work collaboratively with the City and stakeholders to develop policies that protect residents while supporting the long-term stability and affordability of Rockville's housing market.

For more information, please contact Brian Anleu at [redacted]

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 [redacted]

May 18, 2026

Office of the City Clerk/Director of Council Operations
Rockville City Hall
111 Maryland Avenue
Rockville, MD 20850

Dear Mayor Ashton and Members of the Rockville City Council:

I write to respectfully oppose the proposed ordinance that would prohibit the use of non-public competitor data in algorithmic pricing software for residential rental housing. While I appreciate the Council's commitment to housing affordability, the ordinance rests on a flawed premise and would ultimately harm the very renters and housing providers it is intended to protect.

Modern revenue management software provides substantial benefits across the apartment ecosystem. For property owners and operators, these tools replace guesswork with data-driven pricing that helps stabilize revenue, improve operational efficiency, and support ongoing investment in property maintenance and capital improvements. For residents, the benefits are equally tangible: pricing technology enables operators to offer a wider range of lease terms and unit configurations, match supply with demand more efficiently, and reduce costly vacancies — costs that would otherwise be passed on to renters. The multifamily housing industry operates on narrow operating margins, and the efficiencies created by analytical pricing tools help keep rents more competitive than they otherwise would be.

It is also important to recognize the true driver of rent inflation: a persistent shortage of housing supply. Rockville and the broader Washington metropolitan region continue to face significant housing constraints driven by rising demand, limited supply, regulatory barriers, and high development costs. When demand substantially exceeds supply, rents rise — with or without the assistance of pricing software. Targeting analytical tools as a cause of rent inflation misdiagnoses the problem and risks diverting policymaking attention away from the meaningful solutions that will actually improve affordability: zoning reform, streamlined permitting, and policies that encourage new multifamily housing development.

The experience of Sun Belt markets further demonstrates that housing supply — not pricing software — is the primary determinant of rent growth. In many Sun Belt metropolitan areas, where revenue management software is used more frequently than in the mid-Atlantic or northeast, rents have remained flat or have declined in recent years, in some cases by double-digit percentages. These markets have been able to moderate rent growth because they have added substantial new housing supply at a rapid pace. Where local policies make it easier to build new multifamily housing, increased supply places downward pressure on rents regardless of whether housing providers use market analysis software. This real-world market experience strongly undercuts the claim that pricing software itself is responsible for rising rents.

The ordinance specifically targets the use of "non-public competitor data," yet notably fails to define that critical term. This omission creates substantial ambiguity for housing providers, software companies, the marketplace, generally, and even the City of Rockville. Regulated parties should not be left to speculate about what information may or may not be prohibited, particularly where violations

could carry significant legal or financial consequences. The absence of a clear definition raises serious concerns regarding enforceability, consistency, and due process.

Moreover, in practice, the ordinance appears directed at the use of actual lease transaction data — the rents achieved in executed leases. When combined with publicly available asking rents and broader market information, this data provides housing providers with a more accurate understanding of prevailing market conditions. Actual lease transaction data allows operators to make more rational and calibrated pricing decisions based on real market performance rather than incomplete or outdated information.

Importantly, the use of market data to inform pricing decisions is common and lawful across virtually every sector of the economy. Similar analytical tools are widely used in industries ranging from hospitality and airlines to retail and commercial real estate. Prohibiting the use of certain categories of market information in housing operations would create an inconsistent regulatory framework that singles out one industry without evidence that such restrictions would improve affordability outcomes.

I respectfully urge the City Council to reject the proposed ordinance as it unintentionally limits tools that improve market transparency and efficiency, while failing to address the underlying drivers of high housing costs, such as limited supply. I welcome the opportunity to discuss these issues further and would be happy to provide additional information at the Council's request.

Respectfully submitted,

Mike Semko
Senior Vice President
RealPage, Inc.

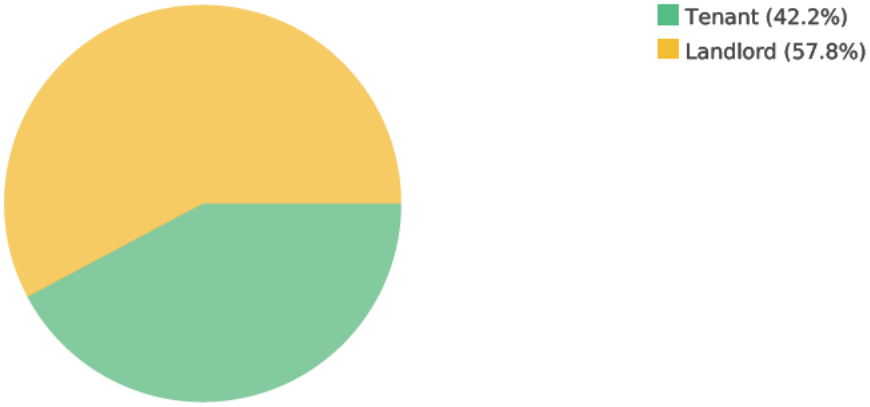
Landlord-Tenant Feedback Survey

SURVEY RESPONSE REPORT
22 March 2021 - 15 June 2026

PROJECT NAME:
Landlord-Tenant Code Rewrite

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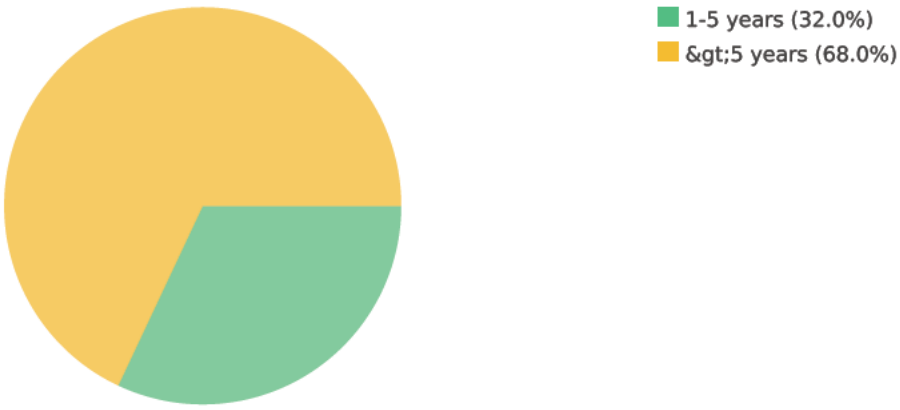
Q1. Are you a landlord or tenant?



Question options	responses	%
Tenant	19	42.2
Landlord	26	57.8

45 responses · 0 skipped
Question type : Radio Button Question

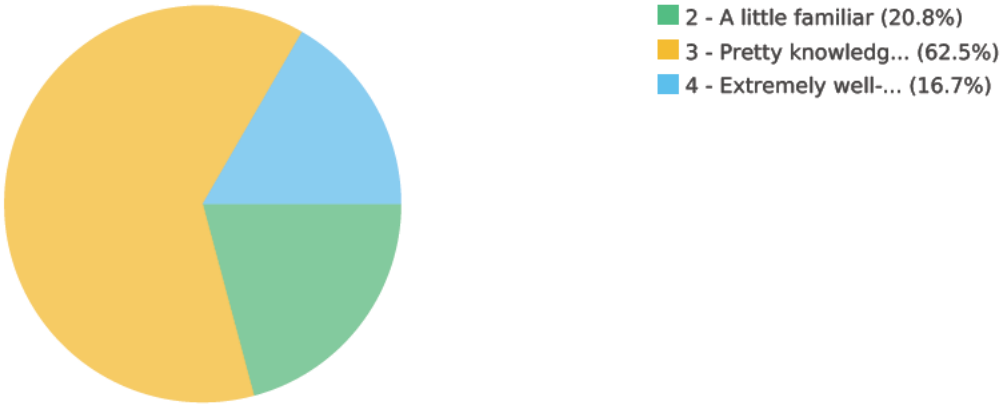
Q2. How long have you been a landlord in the City of Rockville?



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

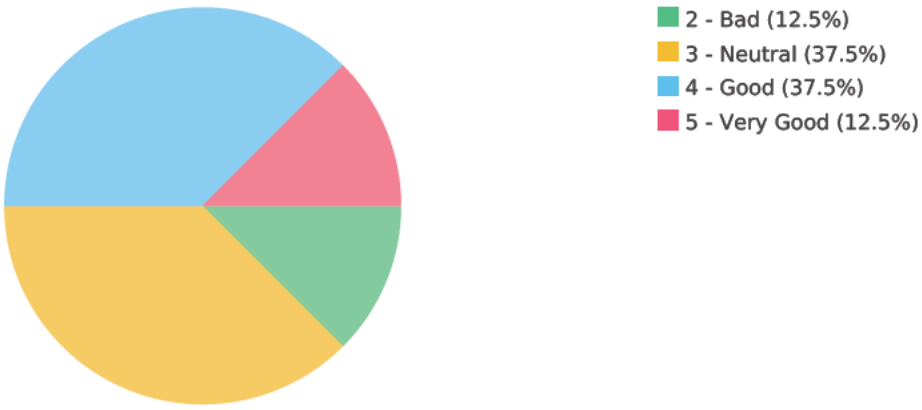
Q3. How would you rate your familiarity with your rights and responsibilities as a landlord, per city code?



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?

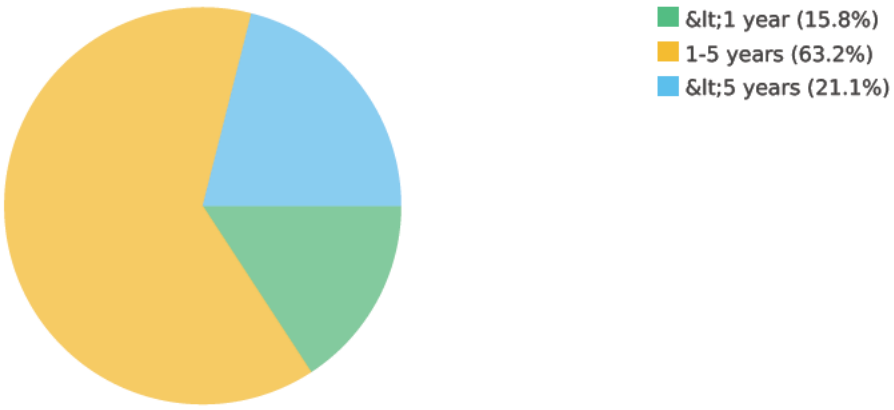
Kstowell 5/20/2025 10:19 AM	
Tmason3 5/20/2025 10:25 AM	Not sure yet
Thepank25 5/20/2025 10:31 AM	
Cticocroft 5/21/2025 11:27 AM	
Rjandreoli89 5/26/2025 08:37 PM	
Cmadden 5/27/2025 03:33 PM	
Keahlello 5/28/2025 11:11 AM	
DickSt 5/30/2025 01:36 PM	Continue with Clear, and easy to find listing of landlord 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?

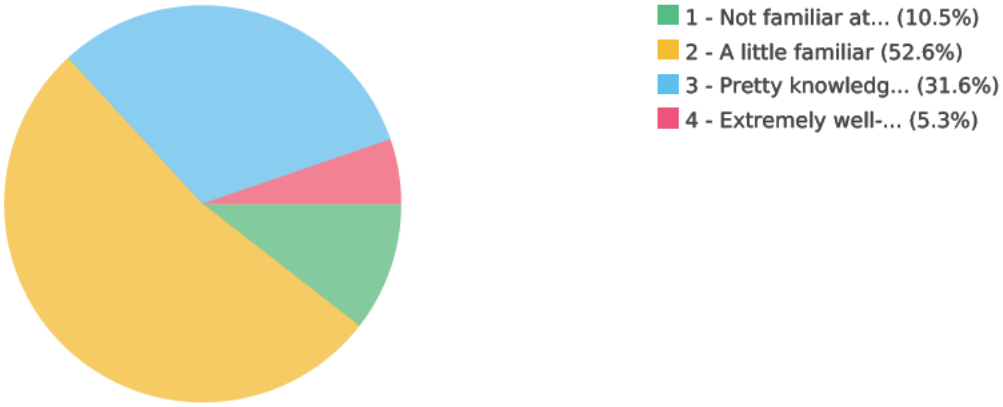
Kstowell 5/20/2025 10:19 AM	
Tmason3 5/20/2025 10:25 AM	
Thepank25 5/20/2025 10:31 AM	
Cticocroft 5/21/2025 11:27 AM	Yearly Rent Increases as a 75 year old senior living on a fixed income
Rjandreoli89 5/26/2025 08:37 PM	Affordability, power during lease renewals/negotiations, flexibility with corporate 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

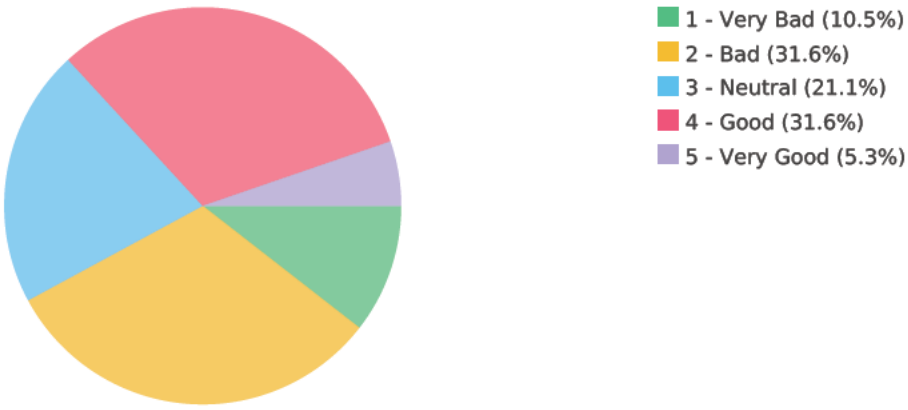
Q11. How would you rate your familiarity with your rights and responsibilities as a tenant, per city code?



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?

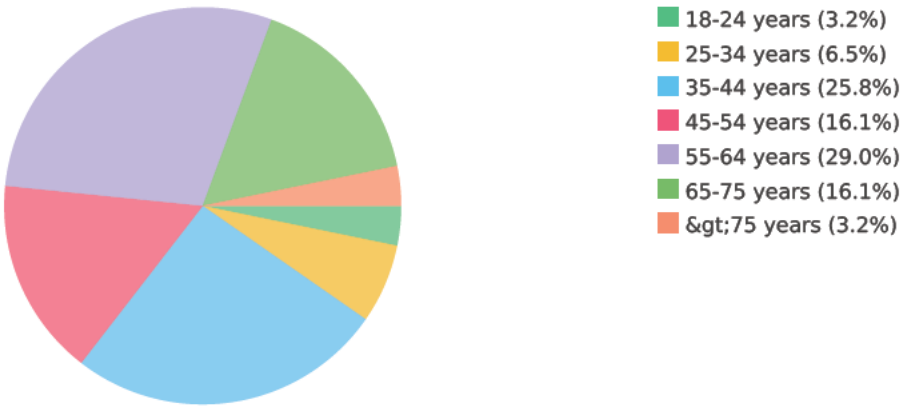
Kstowell 5/20/2025 10:19 AM	
Tmason3 5/20/2025 10:25 AM	
Thepank25 5/20/2025 10:31 AM	
Cticocroft 5/21/2025 11:27 AM	Nothing
Rjandreoli89 5/26/2025 08:37 PM	List of items unreasonable to charge tenants at move out. Requirement to offer shorter than one year term lease renewal options if the month-to-month 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

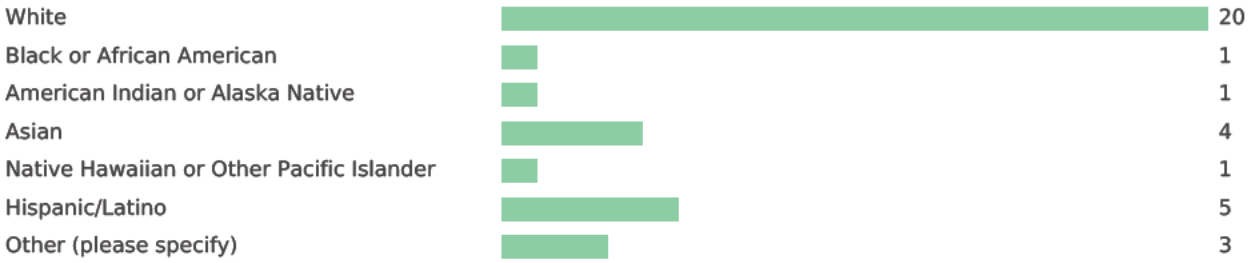
Q17. What is your age?



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

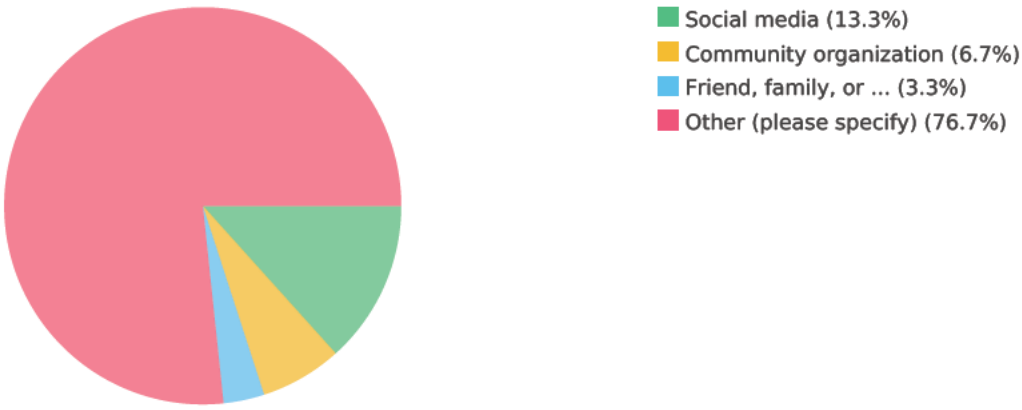
Q18. What is your race? (Select all that apply)



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

Q20. Name

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	Paul Graham
Anonymous 7/09/2025 06:32 AM	
Anonymous 7/10/2025 07:57 AM	
Anonymous 7/10/2025 05:34 PM	Emily Proffitt
Anonymous 7/17/2025 11:01 AM	Chris Satterfield
Anonymous 7/19/2025 04:13 AM	
Anonymous 8/24/2025 03:10 PM	Megan Melon
Anonymous 8/25/2025 02:24 PM	German Marquez
Anonymous 11/03/2025 03:40 AM	
Anonymous 11/29/2025 06:39 AM	Jack
Anonymous 12/07/2025 02:55 PM	

Anonymous 2/17/2026 04:35 PM	Dick Stoner
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	
Anonymous 3/26/2026 02:42 PM	
Anonymous 3/26/2026 02:47 PM	Keith Spillane
Anonymous 3/26/2026 03:02 PM	Nazre Adum
Anonymous 3/26/2026 06:15 PM	Antoinette Papinchak
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	Felix Diaz
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 · 11 responses · 34 skipped

Question type : Single Line Question

Q21. What is your email address?

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	Paulgraham0533@gmail.com
Anonymous 7/09/2025 06:32 AM	
Anonymous 7/10/2025 07:57 AM	
Anonymous 7/10/2025 05:34 PM	Iluv2pekes@gmail.com
Anonymous 7/17/2025 11:01 AM	
Anonymous 7/19/2025 04:13 AM	
Anonymous 8/24/2025 03:10 PM	Meganmelon123@gmail.com
Anonymous 8/25/2025 02:24 PM	Gdmarquez21@gmail.com
Anonymous 11/03/2025 03:40 AM	
Anonymous 11/29/2025 06:39 AM	Jack.a.mcb@gmail.com
Anonymous 12/07/2025 02:55 PM	

Anonymous 2/17/2026 04:35 PM	Dick.stoner@outlook.com
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	
Anonymous 3/26/2026 02:42 PM	
Anonymous 3/26/2026 02:47 PM	Kspillane@verizon.net
Anonymous 3/26/2026 03:02 PM	Ngadum@yahoo.com
Anonymous 3/26/2026 06:15 PM	Antoinettep44@verizon.net
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	G35felix@yahoo.com
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 · 10 responses · 35 skipped

Question type : Email Question

Q22. Street Address

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	
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	655 Elmcroft Boulevard
Anonymous 7/19/2025 04:13 AM	
Anonymous 8/24/2025 03:10 PM	9300 Corporate Blvd Rockville MD
Anonymous 8/25/2025 02:24 PM	25 Elmcroft Ct Apt F306 Rockville MD 20850-5655
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	2891 Balmoral Drive, Rockville, MD 20850
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	
Anonymous 3/26/2026 02:42 PM	
Anonymous 3/26/2026 02:47 PM	716 Hurley Ave
Anonymous 3/26/2026 03:02 PM	847- F Quince Orchard Blvd. Gaithersburg, MD 20878
Anonymous 3/26/2026 06:15 PM	11 Halifax Ct., Rockville, md 20850
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 · 7 responses · 38 skipped

Question type : Single Line Question

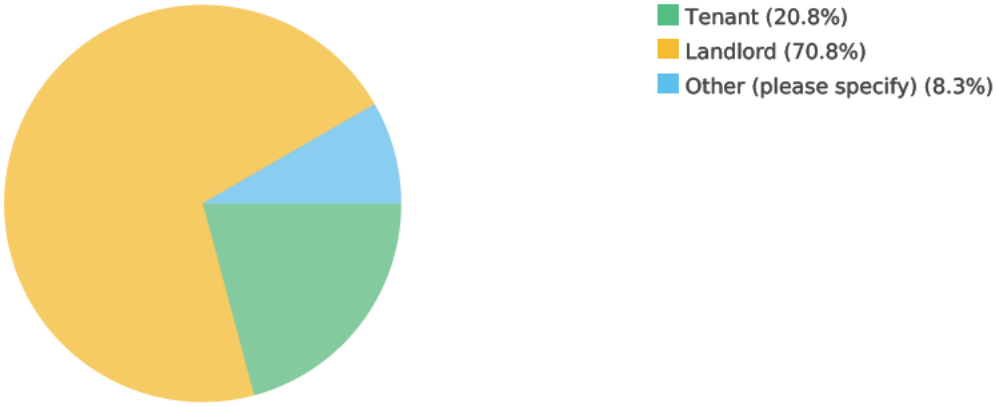
Provide feedback on proposed changes

SURVEY RESPONSE REPORT
22 March 2021 - 15 June 2026

PROJECT NAME:
Landlord-Tenant Code Rewrite

GRANICUS

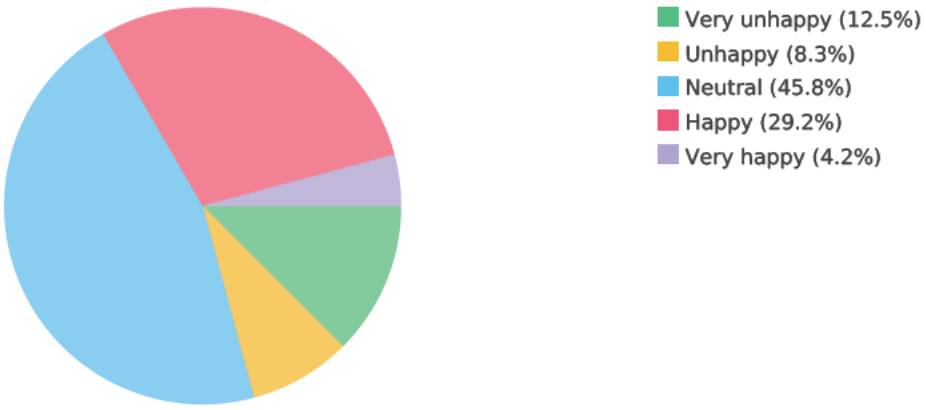
Q1. Are you a landlord or tenant?



Question options	responses	%
Tenant	5	20.8
Landlord	17	70.8
Other (please specify)	2	8.3

24 responses · 0 skipped
Question type : Radio Button Question

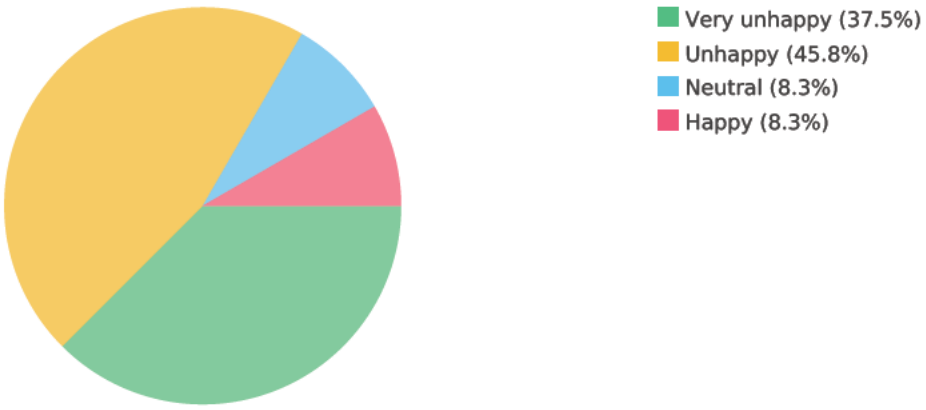
Q2. How do you feel about the current Rockville landlord-tenant code?



Question options	responses	%
Very unhappy	3	12.5
Unhappy	2	8.3
Neutral	11	45.8
Happy	7	29.2
Very happy	1	4.2

Optional question · 24 responses · 0 skipped
Question type : Emoji Question

Q3. How do you feel about the proposed Rockville landlord-tenant code?



Question options	responses	%
Very unhappy	9	37.5
Unhappy	11	45.8
Neutral	2	8.3
Happy	2	8.3
Very happy	0	0.0

Optional question · 24 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,
Anonymous 5/11/2026 09:10 AM	Restrictions on asking about eviction history, charging tenants court costs and legal fees. New requirements for landlords to report data, provide two-lease lease options, provide relocation assistance, and allow tenant organizations to use meeting rooms free of charge.
Anonymous 5/11/2026 10:10 AM	Meaningful protections like reporting rent increases to the City are being taken away. Additionally, allowing tenants to "opt-in" to fees will likely make it easy for a landlord to just include illegal fees on a lease and get away with it.
Anonymous 5/11/2026 10:12 AM	All proposed changes against landlords. I’m selling all rental properties as soon as possible. I cannot afford to continue. Taxes and insurance increases far exceed any allowable increases.
Anonymous 5/11/2026 11:21 AM	Removing the reporting requirement for rent increases is a blatant attempt to subjugate tenants when tenants need MORE protections
Anonymous 5/11/2026 11:55 AM	The ability to charge a modest pet fee is a vital risk-management tool. Pets, while valued members of many households, naturally increase the rate of wear and tear on a property—including impacts on flooring, landscaping, and common areas—that often exceed the limits of a standard security deposit. Removing this fee forces landlords to either subsidize those extra costs themselves or, more likely, reconsider allowing pets altogether to protect their investment. To keep housing "pet-friendly," landlords must have a mechanism to offset the higher maintenance costs associated with animals. Requiring a landlord to pay for a tenant’s relocation is an undue financial burden, especially in "no-fault" scenarios such as necessary major repairs or when a family member needs to move into the home. These payments often

amount to thousands of dollars, which can be devastating for small-scale "mom-and-pop" landlords who operate on thin margins. Such a requirement treats housing providers as an insurance policy for tenants rather than as partners in a business contract. This level of financial risk discourages investment in the local market and makes it harder for small landlords to maintain their properties.

Any new regulations must ensure a "fair return" for the property owner. When the cost of doing business is artificially inflated through the removal of standard fees or the addition of relocation liabilities, the long-term result is a reduction in the rental stock as owners exit the market. I urge the department to seek a balanced approach that protects tenants without placing the entire financial burden of social housing goals onto individual property owners.

When a tenant loses a key or is locked out, it requires an immediate response from a property manager, locksmith, or maintenance staff. This often occurs outside of standard business hours, necessitating overtime pay or the displacement of other scheduled maintenance tasks. A lost key is a security breach. In many cases, it necessitates re-keying the entire unit or replacing electronic fobs to ensure the safety of the current and future residents.

Waiving these fees removes the incentive for tenants to maintain the security of their access points. Covering these costs is a standard professional service fee that ensures the landlord is not forced to bear the financial burden of a tenant's personal oversight.

While I am committed to maintaining a safe and habitable home, allowing tenants to unilaterally decide on repairs and deduct the costs from their rent creates several critical issues:

Quality Control and Liability: Landlords have a vested interest in the long-term integrity of their property. When a tenant hires their own contractor, there is no guarantee the work meets professional standards or local building codes. If a repair—such as plumbing or electrical work—is performed incorrectly by a tenant-selected vendor, it could lead to catastrophic damage (like fires or flooding) for which the landlord is ultimately held liable.

Vetting and Insurance: Professional housing providers use licensed, bonded, and insured contractors to protect both the property and the residents. The "repair and deduct" model bypasses these essential safeguards, potentially bringing uninsured or unvetted individuals onto the premises.

Administrative Chaos and Budgeting: Rent payments are the primary source of funding for property taxes, mortgages, and insurance. Allowing tenants to withhold rent for repairs without a formal, neutral adjudication process creates massive financial instability. It invites disputes over the necessity of the repair and the "reasonableness" of the cost, leading to increased litigation.

Interference with Warranties: Many appliances and systems (like HVAC units) are under manufacturer warranties that require specific authorized service providers. A tenant-initiated repair could inadvertently void these warranties, resulting in thousands of dollars in unnecessary losses for the property owner.

DickSt
5/11/2026 12:26 PM

Several areas: 1) Standard leases are not alway applicable- provisions must be made for properties with unusual circumstances and conditions; 2) the Relocation Expense section -- is meant to only include cases when unusual circumstance exist (we think) ---see "The tenant decides to end their tenancy following a temporary relocation that has lasted/will last more than six months." if this means after six months of relocation, then we understand, but in any regard leaving open any and all moving expenses is impractical, as some poeple will pad costs or select the highest price mover possible to penalize the other side. The moving expense component already has 3 months of rent, as an amount, do you really mean to empower a tenant to inflict a penalty if some unforeseen even occurs which requires relocation?

Anonymous
5/11/2026 03:04 PM

The new rules and regulations provide undue burden on the landlord. There is a lot of bureaucratic Hassel and direct landlord harassment.

1. Data reporting falls into category of bureaucratic burden.
2. 30 days' notice causes hardship in managing the property to its full potential.
3. Eliminate background checks, is pure lunacy. How does the owner of the property suppose to know what kind of tenant he/she getting?

4. Legal fees paid by the landlord. Normally resorting to legal fees are result of tenant failure to pay rent or breach of contract. This is again a lunatic idea.

5. Relocation assistance by the landlord. Why is the landlord to pay for it when the circumstances beyond control?

Whoever is proposing these changes shows ignorance and no idea how business operates. For the landlord real estate is a business with an idea of return on investment. These overwhelming regulations will result in losses to the business with meagre return on investment(which are very low as they are now and will further reduce it) This will cause landlords to sell the properties which are not generating ROI justifying holding it. You will see avalanche of sales and tenants will not be able to find housing. Then, the city will have to find properties for tenants because private ownership will dissipate. Or, worse, people unable to find properties will leave the city all together.

3. Mandatory 2- year lease. Most tenants prefer 1 year lease.
4. Eliminate background checks. How does the landlord supposed to know what kind of tenant he/she getting without background check, or inquiry to prior eviction.

Anonymous 5/11/2026 05:02 PM	Additional complexity. Additional regulation. Areas that are too tenant friendly. I am certainly in favor of limiting extremes in either direction, but completely disallowing certain things and essentially automatically protecting the tenant and automatically injuring the landlord is arbitrary. Going from one extreme to the other is not actually an improvement. Certain limitations being put in place will actually reduce the service provided by landlords to tenants. While the original goal of protecting certain tenants is understandable and an admirable goal, some changes will end up harming many tenants and many landlords.
Anonymous 5/13/2026 08:10 AM	Preventing landlords from asking about eviction history is ludicrous. If a tenant owes rent to someone else who had to go to the trouble to legally evict them in order to get them out of the space (instead of the tenant choosing to vacate the space), they are a high risk for a landlord. Especially if it happened within the last year or two. The state already passed a reasonable law regarding this in 2024. Given how long it takes to evict people in the county, landlords lose at least half a year's rental income when they have to evict someone. For small landlords, that pushes them right into selling or foreclosure. Most of our clients are members of the Foreign Service or military who are renting out their home while they are stationed overseas. They have done the right thing, found a PM company, are following the law, and are invested members of this county. We have gotten messages from multiple clients expressing concern about the changes proposed, and honestly, we can explain and even justify the reasoning behind just about everything else. But not this. We also dislike not being able to prohibit subleasing, as we have a process that allows for a lease takeover instead of a sublease, which is more beneficial to all parties.
Anonymous 5/13/2026 02:07 PM	Portions are asking landlords to provide services for free or work without being compensated. Requiring no-fee non-electronic versions of payment don't just happen. Someone has to collect the funds and physically transfer a check to the bank for deposit. That is time and action the city is telling us we can't charge for.
Anonymous 5/14/2026 07:05 AM	At our development, The Milton at Twinbrook Saul Brothers rarely or never evict smokers. The burden of proof resides with chemically sensitive tenants who must prove cigarette smoke is leaking into their units, a very expensive testing process. In fact, instead of smokers being evicted after they lie to live at The Milton, those who complain about the smokers are often asked to move; a constructive eviction even though as per the leases, the smokers are in violation of their leases!! Saul Brothers stonewalls the City of Rockville by stating that for "privacy reasons" they cannot to enter a unit for inspection after receiving complaints from neighbors of the smokers!!!!! This development is owned by a REIT, meaning that shareholders are much more important than tenants who are viewed merely as profit centers.

Anonymous 5/22/2026 12:55 PM	As a small landlord, the repair and deduct from rent is a real issue. I always fix the issues right away and I do not charge attendance for any of them, but I need to make sure they are done properly and professionally. I always keep a good healthy environment for the tenants and fix anything right away, but this goes too far. Also expanding the car bags for breaking a lease exposes small landlords to more liability that makes it difficult.
Hwoodson 6/14/2026 11:51 AM	Attorney's fees. The court is needed because of the tenant.

Optional question · 24 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.
Anonymous 5/11/2026 09:10 AM	Increased transparency around fees and guarantor requirements.
Anonymous 5/11/2026 10:10 AM	The opportunity for organizing fellow renters around rent stabilization, especially in upcoming elections, as this remains unaddressed despite overwhelming feedback from constituents.
Anonymous 5/11/2026 10:12 AM	Nothing
Anonymous 5/11/2026 11:21 AM	Fee transparency, banning algorithmic pricing
Anonymous 5/11/2026 11:55 AM	Nothing.

DickSt 5/11/2026 12:26 PM	Staff must be ready -- and hopefully will be better prepared than county staff at DHCD was in 2024. An owner/landlord must juggle capital and repair costs constantly. Staff can not act as though they control and dictate what an owner must do with their property just because it has been available for another person to lease for a certain period.
Anonymous 5/11/2026 03:04 PM	The proposed changes are detrimental to the survival of the rental market. Whoever is behind it needs to come to realization. One proposal to remove the requirement to notify the city of rent increases, is the only one which will reduce burden on the landlord.
Anonymous 5/11/2026 05:02 PM	Additional clarity/details.
Anonymous 5/13/2026 08:10 AM	Happy to see more information about how relocation assistance works, banning algorithm pricing.
Anonymous 5/13/2026 02:07 PM	Collecting all the data required at one time, either at license application or renewal - if it isn't collected then, then you don't get it until next time.
Anonymous 5/14/2026 07:05 AM	Landlords having to pay for tenant's legal and moving expenses if tenant prevails in court.
Anonymous 5/22/2026 12:55 PM	
Hwoodson 6/14/2026 11:51 AM	N/A

Optional question · 20 responses · 4 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
Anonymous 5/11/2026 09:10 AM	Specific exemptions for individual landlords (they are not organizations), they might not be able to provide meeting rooms or relocation assistance
Anonymous 5/11/2026 10:10 AM	Rent stabilization, clearly, as well as better enforcement mechanisms for slumlords who allow dangerous conditions to exist on a property.
Anonymous 5/11/2026 10:12 AM	
Anonymous 5/11/2026 11:21 AM	Rent stabilization
Anonymous 5/11/2026 11:55 AM	Additional protections for independent landlords (vs corporate landlords).
DickSt 5/11/2026 12:26 PM	A provision for privacy of data; both for landlord and for tenants; Though property purchase records are public, this should not mean that all repair bids and costs become public information to be requested by FOIA or other means.
Anonymous 5/11/2026 03:04 PM	The city grasp and understanding the issues. To understand that rental is a business and in order to survive its needs to generate income without over due burden.

Anonymous 5/11/2026 05:02 PM	Frequent/common examples. The fact sheet link in the email does not work, so unable to review that.
Anonymous 5/13/2026 08:10 AM	
Anonymous 5/13/2026 02:07 PM	Allowing insurance as a allowed mandatory fee. The tenant can get their own or it will be provided, allowing uninsured tenants in properties is no different then allowing uninsured motorists - in case of a problem, the uninsured is just shifting costs to others
Anonymous 5/14/2026 07:05 AM	A requirement that landlords effectively enforce their own no-smoking policy if inserted into their leases, specifically by requiring in-unit violation inspections. Tenants should be allowed to have private list-serves by and for tenants that are NOT monitored by landlords to encourage participation. There should be a penalty preventing developers from building additional projects until they are in compliance with their own no-smoking policies!
Anonymous 5/22/2026 12:55 PM	
Hwoodson 6/14/2026 11:51 AM	This notice period must correspond to the rent payment cycle.

Optional question · 19 responses · 5 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
Anonymous 5/11/2026 09:10 AM	Practical guidance sheet

Anonymous 5/11/2026 10:10 AM	Actually getting code enforcement authorities to do their job and report inspections accurately and randomly to different units throughout the year, rather than at set times.
Anonymous 5/11/2026 10:12 AM	
Anonymous 5/11/2026 11:21 AM	Aggressive community outreach. Putting city employees in neighborhoods and buildings to talk to residents
Anonymous 5/11/2026 11:55 AM	
DickSt 5/11/2026 12:26 PM	A Sign-up sheet to relinquish a rental property in the City of Rockville, if the code interpretation is such that lease terms are dictated by staff and not by the marketplace. City should encourage ownership, and should advocate for fairness in the rental market, but when mortgage rates change and national economic conditions change, the laws can not be made to prevent landlords from raising prices during inflationary periods. Neither the City, nor owners or tenants can predict inflation and laws should not be put in place to put the burden of the national economy on property owners. Please be sure the annual questionaire is carried out more logically than is done with Montgomery County DHCD process.
Anonymous 5/11/2026 03:04 PM	
Anonymous 5/11/2026 05:02 PM	Examples.
Anonymous 5/13/2026 08:10 AM	Not another document to include in the lease, please. Between federal, state and county requirements, our lease packet for properties built before 1978 is nearly 100 pages long. NO TENANTS READ THAT. Our lease is only 7 of those pages.
Anonymous 5/13/2026 02:07 PM	Complete alignment with MoCo and MD rules so we don't have to worry that a property is in or out of Rockville city limits driving a change in processes.
Anonymous 5/14/2026 07:05 AM	It would be helpful if all developments were required to have community boards under lock and key where the landlord/tenant policies could be PROMINENTLY posted with appropriate email and hone number information by which to report violations.
Anonymous 5/22/2026 12:55 PM	
Hwoodson 6/14/2026 11:51 AM	A clear, plain-language summary of the new code or A comparison chart showing what changed.

Optional question · 18 responses · 6 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

Economic Impact Statement

Montgomery County, Maryland

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

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(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.
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[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.

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 Cchapter, ~~shall~~ have the meanings ascribed to them in this Ssection, except where the context clearly indicates a different meaning. Words or terms not defined in 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~~.

Agent means a person authorized to do the following on behalf of the landlord/owner:

(1) Make, contract for, and authorize necessary repairs to the rental facility;

(2) Comply with the orders, notices and requests of the City Manager and the Commission on Landlord-Tenant Affairs;

(3) Accept all communications, notices, orders and all types of service of process, including, but not limited to, municipal infraction citations relating to the rental facility. The agent may, but need not be, the operator of the rental facility.

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 Cchapter.

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 Cchapter, 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 Cchapter.

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 C~~c~~hapter, 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 C~~c~~hapter.

Landlord means the owner of a rental facility. In the case of a cooperative housing structure, any person having an ownership interest in the legal entity which holds title to the cooperative housing structure and is entitled to exclusive use of the dwelling unit that is rented.

Lease means any agreement that establishes or modifies the terms, conditions, rules, regulations or any other provisions concerning the use and occupancy of a dwelling unit within a rental facility.

~~*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.

Operator means any person who has charge, care or control of a rental facility, who is responsible for the daily management of the facility and who has the authority to make minor and emergency repairs and receive complaints. "Operator" includes but is not limited to any of the following persons who exercise the foregoing authority and responsibility: a landlord, lessee, sublessee and any vendee in possession. "Operator" does not include those persons engaged solely in janitorial functions.

Owner means:

(1) Any person having a legal or equitable interest in the rental facility, including, but not limited to a mortgagee and an assignee of rents;

(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 a tenant owes~~charged~~ 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 basisthe owner or operator thereof provides for a consideration one (1) or more dwelling units. "Rental facility" includes rental multiple unit dwellingmulti-unit buildings, single-unit dwelling units, accessory apartmentsADUs, and inns, 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) aA building containing not more than one (1) dwelling unit plus no more than one (1) accessory apartmentADU approved by special exception pursuant to cChapter 25 (Zoning).

(2) For purposes of this chapter only, "single dwelling unit" also includes attachedA single dwelling unit within a building with multiple dwelling units where each dwelling unit the units are is under separate ownership, including townhouses and cooperative and condominium units within a multiple-unit dwelling; and.

(1)(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.

Tenant means any person who occupies a dwelling unit for living or dwelling purposes with the landlord's consent and upon payment of the required rent.

Tenant organization means an association of three or more tenants of a rental facility, formed for the purpose of representing the interests of tenants, which is independent of property management, landlords, or landlord's agent.

Written notice, when required under this Chapter, means a notice that is delivered to the City Manager, the landlord, tenant, or other necessary party in person, by regular mail, or by electronic means as mutually agreed by the landlord and tenant, unless certified mail is specified.

Sec. 18-2. Purposes and policies.

The underlying purposes and policies of this Cchapter are:

(1) To simplify and clarify the law governing the rental of dwelling units;

(2) To promote health, safety, and wellbeing by encourage encouraging 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 Cchapter 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 Cchapter 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 Cchapter.

Sec. 18-4. Interpretation.

(a) The provisions of this cChapter shall will be liberally interpreted so as to effectuate its underlying purposes and policies.

(b) The provisions and requirements of this cChapter shall will be in addition to any provision or requirement of any other applicable law, rule or regulation and it shallwill 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 Cchapter.

(c) To the extent that the provisions of this cChapter 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 Cchapter 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 shall must give any tenant occupying the premises in questionrental 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. 18-87—18-20. Reserved.

ARTICLE II. ADMINISTRATION

DIVISION 1. GENERALLY

Sec. 18-21. Functions of City Manager.

The City Manager ~~shall~~ will have the authority and duty:

(1) To issue, deny, revoke or suspend licenses required by this C~~c~~hapter, and to conduct any investigation necessary thereto;

(2) To initiate and conduct investigations and conciliations of any alleged or apparent violation of this C~~c~~hapter or any complaint filed ~~hereunder~~pursuant to this Chapter;

(3) To encourage landlords to meet with bona fide tenant associations or organizations upon a good faith request by such association or organization;

(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 ~~c~~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 of multi-unit buildings 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), with a minimum expanded inspection sample of an additional 25% of the dwelling units being inspected for the renewal of an existing rental license;

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.

Secs. 18-22—18-35. Reserved.

DIVISION 2. COMMISSION ON LANDLORD-TENANT AFFAIRS

Sec. 18-36. Established.

There is hereby established a City Commission on Landlord-Tenant Affairs.

Sec. 18-37. Composition and appointment.

(a) ~~(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. The members are to represent three groups as follows:

(1) Two ~~(2)~~ of the members ~~shall~~ must be landlords or operators of rental facilities ~~selected from nominations made by organizations representing landlords.~~;

(2) Two ~~(2)~~ of the members ~~shall~~ must 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~~;~~.~~

(3) Three ~~(3)~~ members ~~shall~~ 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 ~~and/~~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.

~~(a)~~(d)

~~(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.~~

~~(b)~~ ~~(c)~~ Qualification. For the purpose of subsection (a) of this S~~s~~ection, 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 C~~c~~ommission ~~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 C~~c~~hapter, the Commission ~~on Landlord-Tenant Affairs shall~~will:

(1) Be empowered to enforce the provisions of this ~~c~~Chapter through any appropriate means, including but not limited to:

a. The use of the services of any department or other staff of the City;

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 C~~c~~hapter;

c. The ordering of repairs by a landlord or tenant;

d. The investigation and conciliation of any violations of this C~~c~~hapter or any complaints filed ~~hereunder~~ and the investigation of any matter relating to any license to operate a rental facility;

e. The revocation or suspension of any license to operate a rental facility; and

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 C~~c~~hapter;

(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 ~~c~~Chairperson ~~of the Commission~~ or the C~~c~~hairperson'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 C~~c~~hapter or any other applicable law or regulation, as the Commission deems necessary to implement the provisions of this ~~c~~Chapter, including but not limited to provisions for calling and conducting meetings, hearings and appeals held pursuant to this C~~c~~hapter and for issuing findings, opinions and orders, and provisions dealing with the use and function of alternate members; and

(5) Provide such information as may be requested by the Council or the City Manager.

Sec. 18-40. Meetings; quorum; voting.

(a) The C~~c~~hairperson, 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 C~~c~~hairperson ~~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 C~~c~~hairperson ~~shall~~ will designate one ~~(1)~~ panel member to serve as panel chairperson. Depending upon the extent to which panels are used, the C~~c~~hairperson ~~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 ~~c~~Chapter or in rules ~~and/~~or regulations adopted by the Commission, the provisions of this C~~c~~hapter pertaining to the conduct of hearings before the Commission ~~shall~~ apply to hearings conducted by Commission panels.

(d) Decisions of a Commission panel are appealable by an aggrieved party to the full Commission. All such appeals shall be heard on the record established before the panel.

(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.

Secs. 18-42—18-55. Reserved.

DIVISION 3. COMPLAINTS

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.

(c) Any complaint alleging matters which may also be in violation of another ordinance of the City may be referred to the department, agency, or individual primarily responsible for the enforcement of such other ordinance for appropriate action.

Sec. 18-57. Investigation.

Upon the filing of any complaint under this C~~c~~hapter, 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~~ will 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) ~~(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 will inform the complainant of the determination in writing.

(b) If the complainant objects to the determination of the City Manager and requests further review or hearing to appeal the determination:~~,~~ ~~t~~

(1) The City Manager ~~shall~~ will so inform the Commission ~~on Landlord-Tenant Affairs~~, in writing;~~,~~ and

(2) T~~t~~he 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;~~,~~ ~~and o~~

(3) 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~~; and~~.~~

~~(1)~~(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.

(c) ~~(b)~~ If the City Manager, in investigating a complaint, determines that there are reasonable grounds to believe that a defective tenancy exists:~~,~~

(1) T~~t~~he City Manager ~~shall~~ 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.

~~(1)~~(2) Conciliation conferences ~~shall~~ are~~be~~ informal and confidential and nothing said or done during such initial conferences ~~shall~~ will prejudice the rights of the parties.

Sec. 18-59. Conciliated complaints.

(a) If a complaint under this C~~c~~hapter 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~~ is~~be~~ for conciliation purposes only and does not constitute an admission by any party that a violation of this ~~c~~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~~ will 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:

(1) Fails to conciliate a complaint after the parties have, in good faith, attempted such conciliation;

(2) Fails to effect an informal conciliation agreement or formal consent agreement; or

(3) Determines that a complaint is not susceptible to conciliation.

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.

Secs. 18-61—18-75. Reserved.

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 ~~c~~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 C~~c~~ommission ~~shall have~~has the power to summon all witnesses it deems necessary. The summons so issued must be signed by the C~~c~~hairperson ~~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~~ must furnish such party with a copy of the hearing record at such charges as are necessary to meet the costs.

(f) The Commission may extend the time for any hearing and the issuance of any findings, opinions and orders.

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. 18-7~~8~~9. 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 C~~c~~hapter. The order shall also contain a notice that if the Commission determines that the respondent has not, after ~~fifteen (~~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, unless an exception under Real Property Article of the Annotated Code of Maryland § 8-203(b)(2) exists.

(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~~5,000.00~~)~~ 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.

(3) An amount to be paid by the landlord equivalent to a reasonable expenditure adequate to obtain temporary substitute rental housing in the area.

(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:

(1) The landlord may immediately terminate the lease and gain possession in accordance with the provisions of the Real Property Article of the Annotated Code of Maryland;

State law reference(s)—Right to gain possession of premises, Anno. Code of Md., Real Property Article, § 8-402(b).

(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 (~~$52,000.00~~)~~ 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 S~~s~~ection 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. 18-8~~0~~1. 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. 18-8~~2~~1. Appeal to court.

Any person aggrieved by a final action of the Commission ~~on Landlord-Tenant Affairs~~ rendered under this C~~c~~hapter may appeal to the Circuit Court for the County in accordance with the Maryland Rules as set forth in Title 7, Chapter 200.

Secs. 18-8~~2~~3—18-95. Reserved.

ARTICLE III. RENTAL FACILITY REQUIREMENTS

DIVISION 1. GENERALLY

Secs. 18-96. Occupancy limit.

A dwelling unit within a rental facility may not be rented to or occupied by more than one household.

Secs. 18-9~~7~~6—18-110. Reserved.

DIVISION 2. LICENSE

Sec. 18-111. License ~~R~~required.

(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. ~~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.~~

Sec. 18-112. ~~Classes~~Types of rental licenses.

There ~~shall be~~are the following classes of rental ~~facility~~ licenses:

(1) ~~Innkeeper's~~Hotel- ~~l~~License;

(2) ~~Rental multiple-unit dwelling~~Multi-Unit Building ~~(apartment)~~ ~~l~~License;

(3) ADU License; and

(4) Single-Unit D~~d~~welling ~~unit rental~~ L~~l~~icense. ~~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;~~

~~(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.~~

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~~of the District of Columbia, Maryland or Virginia must ~~shall~~ have an agent ~~as defined herein~~, who ~~shall~~ reside~~s~~ in the District of Columbia, Maryland or Virginia~~State~~, 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)~~ The City Manager may only issue or renew a rental license upon finding that: ~~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.~~

(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) 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 ~~facility~~ license, a landlord must also allow the rental facility to be inspected:

(1) Upon a reasonable suspicion of a violation of this ~~c~~Chapter or any other S~~s~~ection of the City Code.

(2) To verify that a violation of this ~~c~~Chapter or any other S~~s~~ection 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 C~~c~~hapter if a City inspector is refused entry to the landlord's rental facility to conduct an inspection that has been properly noticed under this S~~s~~ection. 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. A tenant is required to provide access to a City inspector to conduct an inspection that has been properly noticed under this Section.

(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 month's 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; d~~Display of rental license.

(a) The operator of a hotel or multi-unit building must display a valid rental license ~~The person to whom any rental facility license is issued shall display it~~ 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.

(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.

~~(a)~~(c) ~~A~~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 ~~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~~.

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 must receive approval of~~shall file an application for~~ 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 C~~c~~hapter 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:

(1) ~~T~~the applicant has been cited for three ~~(3) or more~~ violations of this C~~c~~hapter or other ~~s~~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; 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~~applicant ~~for~~ chooses to cease renting the rental facility ~~regulated hereunder~~, ~~he~~ the landlord must~~shall~~ 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 A~~a~~rticle, 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.~~

Secs. 18-120—18-125. Reserved.

DIVISION 3. MINIMUM FACILITIES REQUIREMENTS

Sec. 18-126. ~~Inns~~Hotels.

All persons required under this ~~c~~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~~;

(25) One ~~(1)~~ single bed per occupant ~~person~~ or one ~~(1)~~ double bed per two ~~(2)~~ occupants ~~persons occupying the dwelling unit~~;

(36) ~~Two~~ One ~~(2)~~ chair~~s per dwelling unit~~;

(74) Curtains or venetian blinds on all windows;

(58) Two ~~(2)~~ lamps ~~per dwelling unit~~; and

(69) ~~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~~Multi-unit buildings.

All persons required under this C~~c~~hapter to obtain a ~~rental multiple-unit dwelling~~multi-unit building ~~(apartment house)~~ license ~~shall~~ must provide the following minimum facilities and services:

(1) ~~(1)~~ 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

~~a.~~b. A notice must be posted conspicuously in all public areas within the rental facility ~~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 or operator's representative may~~, in fact,~~ 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~~

(54) Operational kitchen facilities in each 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~~ Single-Unit ~~d~~Dwelling~~s units~~.

All persons required under this ~~c~~Chapter to obtain a single ~~dwelling~~ unit dwelling rental license ~~shall~~ must 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 ~~c~~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~~two ~~(4)~~ 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 must ~~shall~~ 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 must ~~shall~~ contain ~~an~~ electrical smoke detectors ~~which is operable at all times~~as required by City Code Chapter 5.

Secs. 18-130—18-135. Reserved.

ARTICLE IV. LANDLORD-TENANT RIGHTS AND OBLIGATIONS

DIVISION 1. GENERALLY

Secs. 18-136—18-145. Reserved.

DIVISION 2. LEASES[1]

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~~two ~~(1)~~ 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

[1]State law reference(s)—Residential leases, Anno. Code of Md., Real Property Article, § 8-201 et seq.

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 mustshall 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 shallin 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 twoto(1) years' duration as previously described;

c. If a landlord desires to increase the rent prior to the end of the two-year lease term, the rent increase must be disclosed in the lease prior to entering into the lease.

(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;

(3) Contain no waiver of the landlord's liability for damage occasioned by the landlord's negligence or violation of any applicable law;

(4) Contain a provision acknowledging the landlord's responsibility for maintenance of the premises rental facilities and incorporating by reference City Code Cchapters 9 (fire safety code), Chapter 25 (zoning and planning) and chapter Chapter 5 (buildings and building regulations), Aarticles 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 Ssection, contain no provision incorporating a collateral agreement or provision by reference unless a copy thereof is affixed to all copies of the lease;

(6) Contain no authorization for confession of judgment for rent due;

(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;

(87) Contain no waiver of any of the protections afforded under this Cchapter;

(98) 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;

(109) Contain a provision requiring itemization of all charges for repair of damages to the premisesrental facilities, whether claimed by the landlord or by the tenant, and providing that such charges shall must be substantiated upon written request;

(1110) 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;

(1211) 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;

(1312) 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;

(1413) 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 beis 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;

(1514) 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;

(156) 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 weekendsSaturdays, 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 Cchapter;

(167) 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;

(178) Contain no provision for a lien on behalf of the landlord on the tenant's chattelspossessions, except as provided by the Real Property Article of the Annotated Code of Maryland;

(189) Contain a provision permitting the lease to be terminated upon thirty (30) days' written notice to the landlord due to:

a. an involuntary change of employment from the Washington metropolitan area or for other reasonable cause beyond the tenant's control;

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 beis liable for a reasonable termination charge not to exceed one (1) month's rent;

(2019) 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.

(~~2122~~) 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.

(~~2223~~) Comply with S~~s~~ubsection 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 three ~~ten (10)~~ days of its execution.

~~(b) A copy of any type of lease used by any landlord shall be filed with the City Manager.~~

(b~~c~~) ~~After the effective date of the ordinance from which this chapter is derived, all l~~Landlords, including prospective landlords ~~shall~~ must 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.

(c~~d~~) 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.

Non-public competitor data means information that is not available to the general public concerning actual rent prices, occupancy rates, lease start and end dates, and other similar data regarding a property other than a property that is owned or managed by the landlord who is the recipient or user of the generated recommendation, when such data is less than 90 days old.

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 business days of the tenant's written request.

(b) Landlord is prohibited from including a question on eviction history on the rental unit application. Landlord is not prohibited from considering eviction history as otherwise permitted by law.

(c) If a dwelling unit is a moderately priced dwelling unit regulated under City Code Chapter 13.5 or other similarly regulated income-restricted unit, and the tenant no longer meets the income requirements, the landlord may terminate the lease pursuant to that Chapter.

Secs. 18-14850—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

(56) 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 groupsfor 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 Ssection.

(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 Cchapter 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 C~~c~~hapter 5, A~~a~~rticle 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 ~~their~~ tenant's condition permits;

(4) Properly use and operate all electrical fixtures, including smoke detectors, and plumbing fixtures;

(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;

(6) Comply with all covenants, rules, requirements and the like which are brought to the attention of the tenant, which are consented to in writing by the tenant, and which are reasonably necessary for the preservation of the property and persons of the landlord, other tenants or any other person.

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, excepting a credit card processing fee or a fee if a check fails to process due to insufficient funds;

(2) Services and amenities previously included in the rent for the dwelling unit or provided to current or prior tenants at no cost, unless a change is made in utility cost recovery structure or ratio utility billing;

(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 120 days; and

(5) Any administrative or processing fees for utilities not expressly allowed by Maryland law, including trash. A landlord may charge a fee for valet trash service if valet trash service is permitted by law and regular trash service is provided as an option to the tenant.

(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 Real Property Article of the Annotated Code of Maryland § 8-213, 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. A landlord is permitted to assess or collect a fee for storage units generally accessible for use by all tenants and as additional storage.

(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 (d) and fees that fall under the exception in subsection (e) 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. 18-176. Evictions.

(a) A landlord may issue a tenant a written notice to vacate and to institute eviction proceedings in accordance with the provisions of the Real Property Article of the Annotated Code of Maryland.

(b) After a court has issued a warrant of restitution, the landlord shall, at least 14 days before the scheduled date of repossession as set by the Sheriff, provide written notice to the tenant of the date on which the warrant of restitution is scheduled to be executed in accordance with Section 8-407 of the Real Property Article of the Annotated Code of Maryland as may be amended.

State law reference(s)—Repossession for failure to pay rent, Anno. Code of Md., Real Property Article, § 8-401 et seq.

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:

(1) Complying with all application provisions of any Federal, State or City statute, code, regulation or ordinance governing the maintenance, construction, use or appearance of the rental facility;

(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;

(3) Making all repairs and arrangements necessary to put and keep the dwelling unit and the appurtenances thereto in as good condition as they were, or ought by law or agreement to have been, at the commencement of tenancy;

(4) Maintaining all electrical, plumbing and other facilities and conveniences supplied in good working order;

(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 ~~unit~~s;

(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)~~, A~~a~~rticle 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 ~~s~~Section 18-180 (~~r~~Radon testing).

(b) When the duty imposed by paragraph (a)(1) of this ~~s~~Section is incompatible with, or greater than, the duty imposed by any other provisions of this S~~s~~ection, the landlord's duty shall be determined by reference to paragraph (a)(1).

State law reference(s)—Duty of landlord to repair dangerous defects, Anno. Code of Md., Real Property Article, § 8-211.

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. 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 execution of a warrant of restitution.

(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;

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; or

d. 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 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. 18-1798. 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~~:

(1) The posting of a durable notice in an accessible, conspicuous and convenient place in each building to which the notice applies; or

(2) The personal distribution of the notice to all lessees.

(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.

State law reference(s)—Certain information to be posted by landlord, Anno. Code of Md., Real Property Article, § 8-210.

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. This disclosure requirement does not apply to postings on websites not controlled by the landlord.

(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. Landlord must disclose estimated utility costs, to the best of their ability.

Sec. 18-17~~9~~81. 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 C~~c~~hapter for the purposes of avoiding compliance with any provisions of this C~~c~~hapter.

(b) A landlord may not take retaliatory action against any tenant who exercises any rights conferred upon ~~him~~ the tenant by this C~~c~~hapter or any other law, ordinance and regulation, or against any tenant who assists another tenant in exercising those rights. For purposes of this S~~s~~ection "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.

State law reference(s)—Retaliatory evictions, Anno. Code of Md., Real Property Article, §§ 8-206, 8-208.1.

Sec. 18-18~~01~~02. Radon testing.

(a) *Definitions.* In this S~~s~~ection, the following terms have the meanings indicated:

Action level means the level of radon in a building, which, if equal to or above the EPA's recommended action level, triggers mitigation.

EPA means the United States Environmental Protection Agency.

Mitigation means measures designed to permanently reduce indoor radon concentrations.

Radon means a radioactive gas found in the air that comes from the natural breakdown of uranium in soil, rock, and water.

Radon hazard means exposure to indoor radon concentrations at or in excess of the EPA's recommended radon action level.

Radon test means measuring the amount of radon in an indoor space:

(1) With a device made for this purpose;

(2) Approved for use by the Director of the Montgomery County Department of Environmental Protection; and

(3) Performed in accordance with the protocols specified for the device used.

(b) *Applicability.* This S~~s~~ection 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 ~~s~~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:

(1) A copy of the radon test results that indicates any concentration of radon is below the EPA's recommended action level of 4.0 picocuries per liter (pCi/L);

(2) The radon test was performed less than two ~~(2)~~ years before the date of the lease; and

(3) A copy of the EPA's pamphlet on radon guide for tenants or an equivalent pamphlet approved for use by the Montgomery County Department of Environmental Protection. The copy of the pamphlet may be an electronic link to the applicable website, or if requested by the tenant, a hard copy.

(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 S~~s~~ection. If the test results indicate that radon hazard is present at a level of 4.0 pCi/L or higher, the tenant must:

(1) In writing; and

(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 S~~s~~ubsection (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:

a. Mitigate the premises to reduce radon below the action level of 4.0 pCi/L; and

b. Provide the tenant with a final copy of test results performed by a radon professional that indicates radon has been reduced below the action level.

(g) *Cost of testing.* The landlord is responsible for the cost of any follow-up, confirmation, or retesting of radon in a dwelling unit.

(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:

(1) Testing performed in compliance with the EPA-recommended standard, by a for-hire radon professional supersede tests not performed by a radon professional;

(2) If both tests are performed by radon professionals, long-term testing results supersede short-term test results; or

(3) If both tests are equally valid, as specified in S~~s~~ubsections (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 ~~s~~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 ~~s~~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.

Secs. 18-18~~13~~—18-192. Reserved.

ARTICLE V. RENTAL HOUSING DATA COLLECTION AND VOLUNTARY RENT STABILIZATION GUIDELINES

Sec. 18-193. Application and effect.

~~(a)~~ This A~~a~~rticle 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.

(a) Landlords are encouraged to hold rent increases at the lowest level possible and not more than the percentage established annually by resolution of the Mayor and Council.

(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~~:

(1) Old rent;

(2) New rent;

(3) The effective date of the increase;

(4) The percentage of the increase;

(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 City's landlord-tenant affairs program; and

(7) Such other information as the landlord deems useful in explaining the rent increase.

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 S~~s~~ubsection (b), the following information ~~on a monthly basis~~ at the time of rental license issuance or renewal to the City~~to the Director of Housing and Community Development~~:

(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;

(3) The location of the rental facility;

(~~2~~4) The type of structure;

(~~3~~5) The year the structure was built;

(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.

~~(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~~.

This information contains certain confidential, commercial and financial information and, as such, is not subject to disclosure under Section 10-611 et seq. of the State Government Article of the Annotated Code of Maryland.

(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)~~ 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~~City Manager that the information is relevant and necessary to carrying out the purposes of this ~~a~~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~~.

This information contains certain confidential, commercial and financial information and, as such, is not subject to disclosure under Section 10-611 et seq. of the State Government Article of the Annotated Code of Maryland.

(d) Certain data points collected under Sec. 18-195(a) will be made available online and by request.

~~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.~~

Mayor and Council

Introduction and Adoption – Chapter 18 Code Update, Rental Facilities and Landlord-Tenant Relations

June 29, 2026

City of Rockville
Housing & Com Development
1267

Outline

- Background
- Work Session Follow-ups
- Community Engagement Summary
- Highlights of Proposed Changes
- Notable Changes to Draft Ordinance
- 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

Summer 2026 Introduction and Possible Approval



We are here!

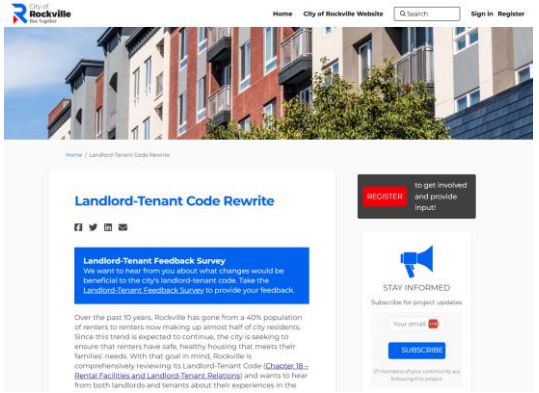
Work Session Follow-ups

- Cooling requirements work session in September
- Pre-eviction financial assistance pilot to launch in July
- Educational materials to be created and shared with landlords and tenants

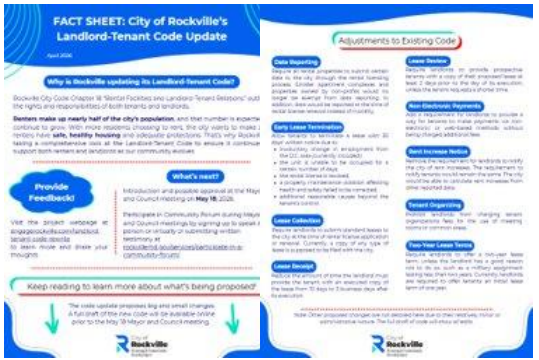
Community Engagement

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

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.

Notable Changes to Draft Ordinance

- Added definitions for “written notice,” “tenant organization,” and “non-public competitor data.”
- Clarified sections related to Enhanced Inspections Program baseline, security deposits, inspectors accessing rental units, secure storage fees, and more.
- Amended language to allow landlords to increase rents during a two-year lease, but rent increase must be disclosed prior to entering into the lease.
- Added exceptions for landlords to charge fees for credit card processing and check bounces, introducing utility cost recovery structures or ratio utility billing, and for third-party websites to the disclosure of all mandatory fees whenever a price is advertised or disclosed.
- Increased number of days landlords are prohibited from charging a fee for any charge for which the landlord failed to request from the tenant from 45 days to 120 days.

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: June 29, 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 comments.

Attachments
July 27 Mock Agenda

MAYOR AND COUNCIL

Meeting No.
Monday, July 27, 2026 - 6:30 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 Van Grack)
The next scheduled Drop-In Session will be held by phone or in-person on Monday, September 28 from 5:30-6:30 pm with Mayor Ashton and Councilmember Van Grack.. 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 - 6:45 PM**
7. **Community Forum 6:50 PM**
8. **Special Presentations - NONE**
9. **Consent Agenda - 7:10 PM**
    - **A.** Approval of Minutes
10. **Public Hearing - NONE**
11. **Action Items - 7:15 PM**
    - **A.** Consider Approval of the JEDI Strategic Plan
12. **Worksession- 8:15 PM**
    - **A.** Worksession on Amendments to Rockville City Code Chapter 21, Streets, Roads,

Rights-of-Way, and Public Improvements, to Incorporate Comprehensive Revisions and Administrative Updates for All Articles

B. Chapter 4 Arts and Cultural Affairs Ordinance Revisions

13. Mock Agenda - 10:15 PM

14. Old / New Business - 10:20 PM

15. Adjournment - 10:30 PM