Mayor and Council
Work Session and Executive Session
August 4, 2026
Agenda

"The City of Hagerstown will inspire an inclusive, business-friendly, and sustainable community with clean, safe, and vibrant neighborhoods."
"The City of Hagerstown shall be a community focused municipality"

The agenda and meeting packet is available at www.hagerstownmd.org/government/agenda

“The greatness of a community is most accurately measured by the compassionate actions of its members” – Coretta Scott King

2:00 PM WORK SESSION

2:00 PM 1. ENOUGH Community Parks Initiative – *Keith Fanjoy, Bester Community of Hope*

2:30 PM 2. Heart of the Civil War Heritage Area – *Liz Schatto, Executive Director*

2:40 PM 3. Sister City: Hagerstown Indiana Update – *Mike Keifer*

2:50 PM 4. Public Square Christmas Tree – *Brittany Arizmendi, Director of Community Engagement*

3:00 PM 5. CDBG FY27 Subrecipient Agreements - *Letizia Turner, Planning & Outreach Coordinator and Margi Joe, Community Development Manager*

3:10 PM 6. 2026 Land Management Code Amendment Proposals ZT-2026-02 - *Stephen R. Bockmiller, Deputy Director for Planning and Zoning Administration*

CITY ADMINISTRATOR'S COMMENTS

MAYOR AND COUNCIL COMMENTS

EXECUTIVE SESSION

3:45 PM 1. **EXECUTIVE SESSION**

ADJOURN

REQUIRED MOTION
MAYOR AND CITY COUNCIL
HAGERSTOWN, MARYLAND

Topic:
ENOUGH Community Parks Initiative – *Keith Fanjoy, Bester Community of Hope*

Mayor and City Council Action Required:

Discussion:

Financial Impact:

Recommendation:

Motion:

Action Dates:

REQUIRED MOTION
MAYOR AND CITY COUNCIL
HAGERSTOWN, MARYLAND

Topic:
Heart of the Civil War Heritage Area – *Liz Schatto, Executive Director*

Mayor and City Council Action Required:

Discussion:

Financial Impact:

Recommendation:

Motion:

Action Dates:

REQUIRED MOTION
MAYOR AND CITY COUNCIL
HAGERSTOWN, MARYLAND

Topic:
Sister City: Hagerstown Indiana Update – *Mike Keifer*

Mayor and City Council Action Required:

Discussion:

Financial Impact:

Recommendation:

Motion:

Action Dates:

REQUIRED MOTION
MAYOR AND CITY COUNCIL
HAGERSTOWN, MARYLAND

Topic:
Public Square Christmas Tree – *Brittany Arizmendi, Director of Community Engagement*

Mayor and City Council Action Required:

Discussion:

Financial Impact:

Recommendation:

Motion:

Action Dates:

ATTACHMENTS:

File Name	Description
2026_Christmas_Tree_-_Public_Square.pdf	2026 Christmas Tree in Public Square

CITY OF HAGERSTOWN, MARYLAND

Department of Community Engagement
1 E Franklin Street, Suite 210A, Hagerstown, MD 21740

TO: Scott Nicewarner

FROM: Brittany Arizmendi, Director of Community Engagement

DATE: July 30, 2026

SUBJECT: Seeking Input on Artificial Christmas Tree in Public Square

The Department of Community Engagement is seeking feedback and direction from the Mayor and Council regarding the potential purchase of an artificial Christmas tree for Public Square to serve as the City's primary holiday tree in future years.

Background

For many years, the City of Hagerstown has displayed a live Christmas tree in Public Square as the centerpiece of the holiday season. While this tradition remains an important part of our community's celebrations, recent years have highlighted increasing logistical and safety challenges associated with sourcing and transporting a large live tree into the downtown area.

Over the past two holiday seasons, the Hagerstown Light Department has encountered significant difficulties safely transporting the selected tree from its original location to Public Square. The department does not have the specialized equipment necessary to safely transport a tree of this size on public roadways. As a result, moving the tree has become increasingly complex, requiring careful planning and presenting additional operational and safety concerns.

As suitable trees continue to become more difficult to source and transport, staff believes it is appropriate to evaluate long-term alternatives that ensure the City can continue providing a high-quality holiday display while reducing risk and logistical challenges.

Consideration of an Artificial Tree

One option for Council's consideration is the purchase of a commercial-grade artificial Christmas tree for Public Square. Modern artificial trees are designed specifically for municipal and public spaces and typically have an expected service life of approximately **10 to 15 years** when properly maintained.

Potential benefits include:

- Eliminating the annual challenge of locating and transporting a suitable live tree.
- Reducing safety concerns associated with transporting oversized trees through public streets.
- Providing a consistent, high-quality holiday display each year.
- Reducing annual labor associated with sourcing and transporting a live tree.
- Allowing for predictable long-term planning and budgeting for the City's holiday decorations.

Long-Term Planning

Should the City move forward with an artificial tree, staff recommends pairing this investment with a long-term tree succession plan.

Specifically, the City could identify one or more suitable locations on City-owned property to plant evergreen trees intended for future holiday use. These trees would be allowed to mature over the next **10 to 15 years**, with the goal of providing a naturally grown replacement once the artificial tree reaches the end of its useful life.

This approach would preserve the tradition of utilizing a live Christmas tree in the future while providing a practical interim solution that addresses current operational and safety concerns.

Requested Direction

Staff is requesting feedback from the Mayor and City Council regarding whether to pursue the purchase of a commercial-grade artificial Christmas tree for Public Square and, if supported, to begin researching available options, costs, and funding opportunities for future consideration.

REQUIRED MOTION
MAYOR AND CITY COUNCIL
HAGERSTOWN, MARYLAND

Topic:
CDBG FY27 Subrecipient Agreements - *Letizia Turner, Planning & Outreach Coordinator and Margi Joe, Community Development Manager*

Mayor and City Council Action Required:

Discussion:

Financial Impact:

Recommendation:

Motion:

Action Dates:

ATTACHMENTS:

File Name	Description
080426_WS_Packet_CDBG_PS_Subrec_Agrmts.pdf	FY27 CDBG Subrecipient Agreements

City of Hagerstown, Maryland

Department of Housing & Community Development
One East Franklin Street • Hagerstown, MD 21740
E-mail: codecompliance@hagerstownmd.org
Telephone: 301-739-8577, ext. 103 • Website: www.hagerstownmd.org

To: Scott Nicewarner, City Administrator

From: Margi Joe, Community Development Manager
Letizia Turner, Planning and Outreach Coordinator

Date: July 31, 2026

RE: Approval of Community Development Block Grant (CDBG) Public Service Subrecipient Agreements

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Staff will attend the August 4, 2026 Work Session to seek approval for the execution of subrecipient agreements for the organizations that will receive CDBG Public Service Grant funding.

Background

As presented in May 2026, the Citizen Advisory Committee recommended ten applicants for funding under the Public Service Grant Program. In addition, two housing-based service organizations were also approved to receive funding as subrecipients, as well as one capital project grant. The list of organizations and their recommended award amounts is attached. These awards are included in the FY27 CDBG Annual Action Plan, which was approved by the Mayor and City Council on June 9, 2026, and received HUD approval on July 27, 2026.

HUD permits Entitlement Communities to allocate up to fifteen percent (15%) of the City's annual funding for non-housing public service organizations that support community development activities such as neighborhood revitalization, economic development, and community facilities and services.

Staff were provided a total not to exceed $126,000 for the non-housing public service grant program, and as reviewed during the May 5, 2026 Work Session the Citizen Advisory Committee allocated this funding accordingly to the recommended awardees.

Staff requests a vote of approval for the resolution authorizing execution of the subrecipient agreements at the Special Session on August 11, 2026.

Attachments: Public Service Grant Recommended Allocations
Draft Motion and Resolution
FY27 Subrecipient Grant Agreements

c. Amanda Gregg, Chief Housing & Community Development Officer
Michelle Hepburn, Chief Financial Officer
Brooke Garver, Accounting & Budget Manager

CDBG Public Service Grant Subrecipients:		
Girls' Inc.		$12,500
REACH		$19,500
United Way		$10,000
HARC		$14,000
Eliza's House		$10,000
Community Free Clinic		$20,000
America's Hauling for Hope		$12,000
Good News Hagerstown		$8,000
TruNorth Company		$10,000
Senior Living Alternatives		$10,000
	Total	$126,000

CDBG Subrecipients - Housing:		
Habitat for Humanity		$20,000
Hagerstown Neighborhood Development Partnership		$20,000
	Total	$40,000

CDBG Capital Project Grant - Demolition:		
Doleman Black Heritage Museum		$25,000
	Total	$25,000

REQUIRED MOTION

MAYOR AND CITY COUNCIL
HAGERSTOWN, MARYLAND

Date: August 11, 2026

TOPIC: **RESOLUTION: Approval of City FY2027 Community Development Block Grant (CDBG) Subrecipient Agreements**

Charter Amendment	____
Code Amendment	____
Ordinance	____
Resolution	__X_
Other	____

MOTION: I hereby move for adoption of a Resolution authorizing the execution of thirteen subrecipient agreements for the following nonprofit organizations:

Public Service Grants:	
Girls' Inc.	$ 12,500
REACH	$ 19,500
United Way	$ 10,000
HARC	$ 14,000
Eliza's House	$ 10,000
Community Free Clinic	$ 20,000
America's Hauling for Hope	$ 12,000
Good News Hagerstown	$ 8,000
TruNorth Company	$ 10,000
Senior Living Alternatives	$ 10,000
Total	$ 126,000
Subrecipients - Housing:	
Habitat for Humanity	$ 20,000
Hagerstown Neighborhood Development Partnership	$ 20,000
Total	$ 40,000
Capital Project Grant - Demolition:	
Doleman Black Heritage Museum	$ 25,000
Total	$ 25,000

Adoption of the resolution includes $126,000 in public service grant funding; $40,000 in housing-based services; and $25,000 in capital project grant funding.
The time of performance for all subrecipients is through June 30, 2027 or the date that all approved funds have been reimbursed, whichever occurs sooner.

DATE OF INTRODUCTION: 08/11/2026
DATE OF PASSAGE: 08/11/2026
EFFECTIVE DATE: 08/11/2026

RESOLUTION OF THE CITY COUNCIL
OF THE
CITY OF HAGERSTOWN

AUTHORIZING THE EXECUTION AND DELIVERY OF SUBRECIPIENT GRANT AGREEMENTS FOR THE SUPPORT OF ELIGIBLE PROGRAMS BETWEEN THE CITY OF HAGERSTOWN AND VARIOUS NON-PROFIT ENTITIES ENUMERATED WITHIN

WHEREAS, **the City of Hagerstown is an Entitlement Community under the U.S. Department of Housing and Urban Development's Community Development Block Grant (CDBG) Program; and**

WHEREAS, **the City receives annual CDBG funding to support eligible community development activities the benefit low- and moderate-income residents; and**

WHEREAS, **the Mayor and City Council approved the Fiscal Year 2027 CDBG Annual Action Plan on June 9, 2026, which was subsequently approved by HUD on July 27, 2026; and**

WHEREAS, **each of the below enumerated Subrecipients has been recommended to carry out eligible public service and housing activities consistent with federal CDBG regulations and local community development priorities:**

1. **Hagerstown Area Religious Council (HARC);**
2. **Girls' Inc.;**
3. **Eliza's House;**
4. **Good News Hagerstown;**
5. **Religious Efforts to Assist and Care for the Homeless (REACH);**
6. **America's Hauling for Hope;**
7. **TruNorth Company;**
8. **United Way of Washington County;**
9. **Community Free Clinic;**
10. **Senior Living Alternatives/Holly Place;**
11. **Hagerstown Neighborhood Development Partnership;**
12. **Washington County Habitat for Humanity;**
13. **Doleman Black Heritage Museum**

WHEREAS, **it is necessary for the City to execute and deliver grant agreements with these Subrecipient organizations in order to implement the approved programs; and**

WHEREAS, **each Subrecipient shall be responsible for operating in the Program in a manner satisfactory to the City and consistent with any standards required as a condition of the allocation of CDBG funds;**

WHEREAS, **the CDBG Grant Agreement funds may be passed through to each Subrecipient, which is located in Hagerstown, Maryland or in the immediate vicinity and which serves citizens in Hagerstown, Maryland, and which is eligible for CDBG grant funds; and**

WHEREAS, **the City shall pass through grant funds to Subrecipient subject to the terms and conditions of**

the City's receipt of CDBG funding and all other applicable federal law and regulations; and

WHEREAS, **as to each Subrecipient, attached hereto and incorporated herein is a Subrecipient Grant Agreement between the City and each Subrecipient to pass through funds for Program activities by Subrecipient; and**

WHEREAS, **the Mayor and City Council have determined that it is in the best interest of the City and citizenry to enter into each of the attached Subrecipient Grant Agreements, as may be amended as necessitated by any requirements of the State of Maryland or U.S. Federal Government for the Program.**

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND CITY COUNCIL OF THE CITY OF HAGERSTOWN AS ITS DULY CONSTITUTED LEGISLATIVE BODY AS FOLLOWS:

1. **That the aforegoing recitals are incorporated herein as if fully set forth.**

2. **That the City of Hagerstown be and is hereby authorized to execute the Subrecipient Grant Agreements (as may be amended as necessitated by any requirements of the State of Maryland or U.S. Federal Government for the Program) with the above-named eligible subrecipients, copies of which are attached hereto as to each Subrecipient, and City staff be an are hereby authorized to execute such other documents as are necessary to effectuate the same.**

BE IT FURTHER RESOLVED, that this Resolution shall become effective immediately upon its approval.

WITNESS AND ATTEST
AS TO CORPORATE SEAL

MAYOR AND COUNCIL OF THE CITY
OF HAGERSTOWN, MARYLAND

____
Donna K. Spickler, City Clerk

By:__________________________
William B. McIntire, Mayor

Date of Introduction:	August 11, 2026
Date of Passage:	August 11, 2026
Effective Date:	August 11, 2026

PREPARED BY:
SALVATORE & MORTON, LLC
CITY ATTORNEYS

SUBRECIPIENT AGREEMENT
BETWEEN THE CITY OF HAGERSTOWN
AND
AMERICA'S HAULING FOR HOPE, INC

This Agreement is entered into as of ___, August 2026, by and between the CITY OF HAGERSTOWN, a body corporate and political subdivision of the State of Maryland, acting by and through the DEPARTMENT OF HOUSING & COMMUNITY DEVELOPMENT (herein called the "CITY"), and **America's Hauling for Hope, Inc** ("herein called the "SUBRECIPIENT").

WHEREAS, Congress in passing the Housing and Community Development Act of 1974, as amended, has placed an emphasis on the development of viable urban communities by providing decent housing and a suitable living environment and expanding economic opportunities, principally for persons of low- and moderate-income and has developed a system of block grants to aid in such purposes; and

WHEREAS, the CITY has applied for and received such a block grant, desires to conduct a program to benefit low- to moderate- income residents within the City by providing funds **to support a program which provides nutritious meals for hungry seniors through monthly food orders, complimented with financial literacy training**; and

WHEREAS, the SUBRECIPIENT is a private non-profit corporation incorporated in the State of Maryland whose mission is to **assist the people of our community in need to overcome food insecurity for seniors**; and

WHEREAS, the SUBRECIPIENT has been selected by the CITY to receive CDBG funds and administer the **Helping Hands Senior Outreach Program** (hereinafter referred to as the "Program") **to provide nutritious meals for seniors to bridge the food insecurity gap**; and

WHEREAS, the services provided by the SUBRECIPIENT are consistent with the Community Development Block Grant Program (hereinafter referred to as "CDBG") Eligible Activity of "Public Service"; and

WHEREAS, the SUBRECIPIENT further agrees to develop and retain sufficient documentation, as described herein below, to clearly support the CDBG eligible **Public Service** activity for each instance of assistance provided by the SUBRECIPIENT; and

WHEREAS, the parties hereto have duly executed this SUBRECIPIENT Agreement for the expenditure of CDBG funds.

NOW, THEREFORE, it is agreed between the parties hereto that:

1. SCOPE OF SERVICE

The Subrecipient will be responsible for administering a CDBG-funded **Helping Hands Senior Outreach Program** in a manner satisfactory to the City and consistent with any standards required as a condition of receiving CDBG funds. Such program shall include the following activities eligible under the CDBG Program:

a. Operate the above referenced program which will distribute meals to senior residents of the City of Hagerstown. Specifically, approximately one hundred forty-five (145) seniors will be served by the program.

b. During the program year, operate the program and serve one hundred forty-five (145) seniors. Please note that each person should be counted only once.

c. Identify potential qualified clients. Collect and maintain data on household income in order to determine a client's eligibility for assistance under the Program.

d. The Subrecipient will ensure that its use of the funds will meet the U. S. Department of Housing and Urban Development's (HUD's) national objective for the use of CDBG funds by benefitting low and moderate (L/M) income persons through a limited clientele activity. An L/M income limited clientele activity is one which provides benefits to a specific group of persons rather than everyone in an area. 100% of the beneficiaries of the activity must be L/M income people.

   To document that America's Hauling for Hope clientele, meet HUD's national objective, the Subrecipient agrees to use the funding to serve seniors within the City of Hagerstown Corporate Boundaries, and to complete forms in Appendix C, Part 1 which have been organized to facilitate collection of race and ethnicity data for each participant.

2. NATIONAL OBJECTIVE

All activities funded with CDBG funds must meet one of the CDBG program's National Objectives: benefit low- and moderate-income persons; or aid in the prevention or elimination of slums or blight; or meet community development needs having a particular urgency, as defined in 24 CFR 570.208

The CITY has determined that the Program carried out under this Agreement will meet the **Benefit Low- and Moderate-Income Persons** national objective.

The program beneficiaries qualify as L/M Income Limited Clientele as defined in 24 CFR 570.208(a)(2)(i)(A).

3. TIME OF PERFORMANCE

The time of performance shall be 12-months beginning on the 1st day of July, 2026 and ending on 30th day of June, 2027.

4. BUDGET

The City shall reimburse the Subrecipient its allowable costs for the services identified in this Agreement not to exceed **$12,000.00** in CDBG funds for eligible incurred costs upon presentation of properly executed reimbursement forms as provided and approved by the City. Funding under this Agreement shall cover the Program costs.

PROGRAM BUDGET LINE ITEM	**BUDGETED AMOUNT**
Salaries	$0
Fringe	$0
Office Space	$0
Utilities	$0
Communications	$0
Printing	$1,000
Supplies and Materials	$1,000
Gasoline & Maintenance	$1,000
Audit	$0
Other (Specify: Food)	$9,000
TOTAL CDBG	$12,000

Such reimbursement shall constitute full and complete payment by the City under this Agreement. Allowable costs shall mean those necessary and proper costs identified in the Subrecipient's application and budget and approved by the City unless any or all such costs are disallowed by the City or HUD.

Any reimbursement made under this Agreement must comply with the applicable requirements or 24 CFR Part 85. The Subrecipient may not request disbursement of funds under this Agreement until the funds are needed for payment of allowable costs.

The City may require a more detailed budget breakdown, and the Subrecipient will provide such supplementary budget information in a timely fashion in the form and content prescribed by the City. Any amendments to this Agreement's Budget must first be determined by the City as consistent with its CDBG contract and then approved in writing by the City.

5. PAYMENT

It is expressly understood that the total amount to be paid by the CITY under this Agreement shall not exceed **$12,000.00.** Drawdowns for the payment of eligible expenses shall be made against the line item budget specified in Section 4 herein and in accordance with performance. **Expenses for general administration shall not be paid under this Agreement**. Claims for reimbursement will not be submitted in excess of actual, immediate cash requirements necessary to carry out the purposes of this Agreement. Funds available under this Agreement will be utilized to supplement rather than supplant funds otherwise available.

Reimbursement request must be mailed to: Margi Joe, Community Development Manager, Community Development Department, 14 N Potomac Street – Suite 200a,

Hagerstown, Maryland, 21740 or e-mailed to mjoe@hagerstownmd.org. Payments shall be made within thirty **(30)** business days.

6. PERFORMANCE MONITORING
The City will monitor the performance of the Subrecipient by tracking program progress, reviewing payment requests for applicable costs, overseeing compliance with CDBG requirements, and ensuring recordkeeping and audit requirements are met. Substandard performance as determined by the City will constitute noncompliance with this Agreement.

If action to correct such substandard performance is not taken by the Subrecipient within a reasonable period of time after being notified by the City, contract suspension or termination procedures will be initiated.

7. NOTICES
Notices required by this Agreement shall be in writing and delivered via mail or personal delivery or sent by facsimile or other electronic means. Any notice delivered or sent as aforesaid shall be effective on the date of delivery or sending. All notices and other written communications under this Agreement shall be addressed to the individual in the capacities indicated below, unless otherwise modified by subsequent written notice.

Communications and details concerning this Agreement shall be directed to the following contract representatives:

CITY

Margi Joe
Community Development Manager
City of Hagerstown

14 N. Potomac Street
Address

Hagerstown, Maryland, 21740
City, State and Zip

Telephone: 301-739-8577 ext. 134

Fax Number: 301-739-3117

SUBRECIPIENT

Clint Rawlings
Executive Director
America's Hauling for Hope

10703 Bower Avenue
Address

Williamsport, Maryland 21795
City, State and Zip

Telephone: 240-527-8075

Fax Number: 240-527-8075

8. GENERAL CONDITIONS

A. General Compliance

The Subrecipient agrees to comply with the requirements of Title 24 of the Code of Federal regulations, Part 570 (the HUD regulations concerning CDBG) including subpart K of these regulations, except that the Subrecipient does not assume the City's environmental responsibilities described in 24 CFR 570.604 and the Subrecipient does not assume the City's responsibility for initiating the review process under the provisions of 24 CFR Part 52.

B. Independent Contractor

Nothing contained in this Agreement is intended to, or will be construed in any manner, as creating or establishing the relationship of employer/employee between the parties. The Subrecipient will at all times remain an "independent contractor" with respect to the services to be performed under this Agreement. The City will be exempt from payment of all Unemployment Compensation, FICA, retirement, life and/or medical insurance and Workers' Compensation Insurance, as the Subrecipient is an independent contractor.

C. Hold Harmless

The Subrecipient will hold harmless, defend and indemnify the City from any and all claims, actions, suits, charges and judgments whatsoever that arise out of the Subrecipient's performance or nonperformance of the services or subject matter called for in this Agreement.

D. Workers' Compensation

The Subrecipient will provide Workers' Compensation Insurance Coverage for all of its employees involved in the performance of this Agreement.

E. Insurance and Bonding

The Subrecipient shall carry sufficient insurance coverage to protect contract assets from loss due to theft, fraud and/or undue physical damage, and as a minimum will purchase a blanket fidelity bond covering all employees in an amount equal to cash advances from the City.

F. Funding Source Recognition

The Subrecipient will insure recognition of the roles of the City in providing services through this Agreement. All activities, facilities and items utilized pursuant to this Agreement will be prominently labeled as to funding source. In addition, the Subrecipient will include a reference to the support provided herein in all publications made possible with funds made available under this Agreement.

G. Amendments

The City or Subrecipient may amend this Agreement at any time provided that such amendments make specific reference to this Agreement, and are executed in writing, signed by a duly authorized representative of each organization, and approved by the

City's governing body. Such amendments will not invalidate this Agreement, nor relieve or release the City or Subrecipient from its obligations under this Agreement.

The City may, in its discretion, amend this Agreement to conform with Federal, state or local governmental guidelines, policies and available funding amount, or for other reasons. If such amendments result in a change in the funding, scope of services, or schedule of the activities to be undertaken as part of this Agreement, such modifications will be incorporated only by written amendment signed by both the City and Subrecipient.

Notwithstanding the prior two subparagraphs, the parties may agree to minor amendments to this Agreement, which are executed in writing, signed by a duly authorized representative of each organization, and approved by the Grantee's staff.

H. Suspension or Termination

In accordance with 24 CFR 85.43, the City may suspend or terminate this Agreement if the Subrecipient materially fails to comply with any terms of this Agreement, which include (but are not limited to) the following:

1. Failure to comply with any of the rules, regulations or provisions referred to herein, or such statues, regulations, executive orders, and HUD guidelines, policies or directives as may become applicable at any time;

2. Failure, for any reason, of the Subrecipient to fulfill in a timely and proper manner its obligations under this Agreement;

3. Ineffective of improper use of funds provided under this Agreement; or

4. Submission by the Subrecipient to the City of reports that are incorrect or incomplete in any material respect.

In accordance with 24 CFR 85.44, this Agreement may also be terminated for convenience by either the City or the Subrecipient, in whole or in part, by setting forth the reasons for such termination, the effective date, and, in the case of partial termination, the portion to be terminated. However, if in the case of a partial termination, the City determines that the remaining portion of the award will not accomplish the purpose for which the award was made, the City may terminate the award in its entirety.

9. ADMINISTRATIVE REQUIREMENTS

A. Financial Management

1. Accounting Standards

The Subrecipient agrees to comply with 24 CFR 84.21-28 and agrees to adhere to the accounting principles and procedures required therein, utilize adequate

internal controls, and maintain necessary source documentation for all costs incurred.

2. Cost Principles
The Subrecipient will administer its program in conformance with 2 CFR Part 200, Subpart E, "(Uniform Guidance"). These principles will be applied for all costs incurred whether charged on a direct or indirect basis.

B. Documentation and Record Keeping

1. Records to Be Maintained
The Subrecipient will maintain all records required by the Federal regulations specified in 24 CFR 570.506 that are pertinent to the activities to be funded under this Agreement. Such records will include but not be limited to:

a. Records providing a full description of each activity undertaken;
b. Records demonstrating that each activity undertaken meets one of the National Objectives of the CDBG program;
c. Records required to determine the eligibility of activities;
d. Records required to document the acquisition, improvement, use or disposition of real property acquired or improved with CDBG assistance;
e. Records documenting compliance with the civil rights components of the CDBG program;
f. Financial records as required by 24 CFR 570.502, and 24 CFR 84.21-28;
g. Labor standards records required to document compliance with the Davis Bacon Act, the provisions of the Contract Work Hours and Safety Standards Act, and all other applicable Federal, state and local laws and regulations applicable to CDBG-funded construction projects; and
h. Other records necessary to document compliance with Subpart K of 24 CFR Part 570.

2. Access to Records and Retention
All such records and all other records pertinent to this Agreement and work undertaken under this Agreement will be retained by the Subrecipient for a period of four years. The retention period begins on the date of the submission of the City's annual performance and evaluation report to HUD in which the activities assisted under the Agreement are reported on for the final time. Notwithstanding the above, if there is litigation, claims, audits, negotiations or other actions that involve any of the records cited and that have started before the expiration of the four-year period, then such records must be retained until completion of the actions and resolution of all issues or the expiration of the four-year period, whichever occurs later.

3. Client Data

The Subrecipient shall maintain client data demonstrating client eligibility for services provided. Such data shall include, but not be limited to, client name, address income level or other basis for determining eligibility and description of services provided. Such information shall be made available to City monitors or their designees, HUD or other authorized representatives for review upon request.

4. Disclosure
   The Subrecipient understands that client information collected under this Agreement is private and the use or disclosure of such information, when not directly connected with the administration of the City's or Subrecipient's responsibilities with respect to services provided under this Agreement, is prohibited by **State or Federal law** unless written consent is obtained from such person receiving service and, in the case of a minor, that of a responsible parent/guardian.

5. Closeouts
   The Subrecipient's obligation to the City shall not end until all closeout requirements are completed. Activities during the closeout period shall include, but are not limited to, making final payments, disposing of program assets (including the return of all unused materials, equipment, program income balances and accounts receivable to the City), and determining the custodian ship of records. Notwithstanding the foregoing, the terms of this Agreement shall remain in effect during any period that the Subrecipient has control over CDBG funds, including program income,

6. Audits and Inspections
   If Subrecipient expends $1,000,000 or more in a year in Federal awards, Subrecipient shall have a single or program-specific audit conducted for that year in accordance with the requirements of 2 CFR 200, Subpart F ("Audit Requirements"). Subrecipient must send a copy of the final report to the City within the earlier of 30 days of the report's issuance or nine months after the end of the audit period. The City also reserves the right to engage an independent auditor to examine the Subrecipient's compliance with the requirements of 2 CFR Part 200 and this Agreement. Furthermore, the City must approve any independent auditor engaged to assure that the auditor is qualified and meets Government Accounting Office Standards and evaluate the scope of the audit to ensure compliance with Code of Federal Regulation requirements. This grant is made pursuant to and is identified as follows:

   1. Federal Grant Title: Community Development Block Grant
   2. Catalog of Federal Domestic Assistance Number (CFDA): 14.218
   3. Federal and/or State Identification Numbers: B-**26**-MC-24-0012

   All Subrecipient records with respect to any matters covered by this Agreement shall be made available to the City, HUD, and duly authorized officials of the State and federal government, at any time during normal business hours, as often

as deemed necessary, to audit, examine, and make excerpts or transcripts of all relevant data. Any deficiencies noted in audit reports must be fully cleared by the Subrecipient within 30 days after receipt by the Subrecipient.

Failure of the Subrecipient to comply with the above audit requirements will constitute a violation of this Agreement and may result in the withholding of future payments.

C. Reporting

1. Program Income
The Subrecipient will report annually all program income [as defined at 24 CFR 570.500(a)] generated by activities carried out with CDBG funds made available under this Agreement. The use of program income by the Subrecipient will comply with the requirements set forth at 24 CFR 570.504. The Subrecipient may use such income during the contract period for activities permitted under this Agreement and shall reduce request for additional funds by the amount of any such program income balances on hand. All unexpended program income shall be returned to the City at the end of the contract period. Any interest earned on cash advances from the U.S Treasure and from funds held in a revolving fund account is not program income and shall be remitted promptly to the City.

2. Progress Reports
At such times and in such forms as HUD or the City may require, there shall be furnished to HUD or the City such statements, records, reports, data and information as HUD or the City may request pertaining to matters covered by this Agreement. Specifically, the City shall require Subrecipient to submit quarterly reports which shall include a narrative of program activities, a description of the services provided, number of clients that have applied for, participated in or benefited from the services and relevant characteristics of the client population (age, gender, income, race, ethnicity and gender of single-headed households), performance standard outcomes, equal employment opportunity reports, applicable MBE/WBE requirements and applicable reporting forms attached hereto as **Appendix C, Part I** and incorporated herein by reference.

Said quarterly reports shall be submitted in a timely fashion (within 15 days of the end of each calendar quarter) and subject to the approval of the City prior to reimbursement of Subrecipient as set forth hereinabove. The City and Subrecipient reserve the mutual right to publish and/or make public, with the consent of both parties, the reports or other results of services under this Agreement.

D. Procurement

1. Compliance

The Subrecipient shall comply with current City policy concerning the purchase of equipment and shall maintain inventory records of all non-expendable personal property as defined by such policy as my be procured with funds provided herein, All program assets (unexpended program income, property, equipment, etc.) shall revert to the City upon termination of this Agreement.

2. OMB Standards
   Unless specified otherwise within this Agreement, the Subrecipient shall procure all materials, property or services in accordance with the requirements of 24 CFR 84.40-48.
3. Travel
   The Subrecipient shall request written approval from the City for any travel outside the metropolitan area with funds provided under this Agreement.

E. Use and Reversion of Assets
The use and disposition of real property and equipment under this Agreement will be in compliance with the requirements of 24 CFR Part 84 and 24 CFR 570.502, 570.503, 570.504, as applicable, which include but are not limited to the following:

1. The Subrecipient will transfer to the City any CDBG funds on hand and any accounts receivable attributable to the use of funds under this Agreement at the time of expiration, cancellation, or termination.

2. Real property under the Subrecipient's control that was acquired or improved, in whole or in part, with funds under this Agreement in excess of $25,000 will be used to meet one of the CDBG National Objectives pursuant to 24 CFR 570.208 until ten (10) years after the contract between Subrecipient and the CITY is closed. If the Subrecipient fails to use CDBG-assisted real property in a manner that meets a CDBG National Objective for this 10-year period of time, the Subrecipient will pay the City an amount equal to the current fair market value of the property less any portion of the value attributable to expenditures of non-CDBG funds for acquisition of, or improvement to, the property after the CDBG program's approval. Such payment will constitute program income to the City. The Subrecipient may retain real property acquired or improved under this Agreement after the expiration of the ten-year period.

3. In cases in which equipment acquired, in whole or in part, with funds under this Agreement is sold, the proceeds will be program income (prorated to reflect the extent to which funds received under this Agreement were used to acquire the equipment). Equipment not needed by the Subrecipient for activities under this Agreement will be (a) transferred to the City for the CDBG program or (b) retained after compensating the City [an amount equal to the current fair market value of the equipment less the percentage of non-CDBG funds used to acquire the equipment].

4. Equipment acquired with CDBG funds may be retained by the Subrecipient so long as it continues to be used for the same or similar eligible public purpose for which it was acquired. If the equipment is sold or is no longer needed for such purposes, disposition shall be made in accordance with this section.

10. RELOCATION, REAL PROPERTY ACQUISITION AND ONE-FOR-ONE HOUSING REPLACEMENT

The Subrecipient agrees to comply with (a) the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (URA), and implementing regulations at 49 CFR Part 24 and 24 CFR 570.606(b); (b) the requirements of 24 CFR 570.606(c) governing the Residential Anti-Displacement and Relocation Assistance Plan under section 104(d) of the HCD Act; and (c) the requirements in 24 CFR 570.606(d) governing optional relocation policies. The Subrecipient shall provide relocation assistance to displaced persons as defined by 24 CFR 570.606(b)(2) that are displaced as a direct result of acquisition, rehabilitation, demolition or conversion for a CDBG-assisted project. The Subrecipient also agrees to comply with applicable City ordinance, resolutions and policies concerning the displacement of persons from their residences.

11. PERSONNEL AND PARTICIPANT CONDITIONS

A. Civil Rights

1. Compliance

The Subrecipient agrees to comply with **local and state civil rights ordinances** and with Title VI of the Civil Rights Act of 1964 as amended, and Title VII of the Civil Rights Act of 1968 as amended, Section 104(b) and Section 109 of title I of the Housing and Community Development Act of 1974 as amended, Section 504 of the Rehabilitation Act of 1973, the American and Disabilities Act of 1990, the Age Discrimination act of 1975, Executive Order 11063, and Executive Order 11246 as amended by Executive Orders 11375, 11478, 12107 and 12086.

2. Nondiscrimination

The Subrecipient agrees to comply with the nondiscrimination in employment and contracting opportunities laws, regulation and executive orders referenced in 24 CFR 570.607, as revised by Executive Order 13279. The applicable nondiscrimination provisions in Section 109 of the HCDA are still applicable.

B. Section 3 of the Housing and Community Development Act of 1968

Compliance in the Provision of Training, Employment, and Business Opportunities:

1. The work to be performed under this agreement is on a project assisted under a program providing direct federal financial assistance from HUD and is subject to the requirements of Section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701u. Section 3 requires that to the greatest extent feasible opportunities for training and employment be given lower-income residents of the project area; and contracts for work in connection with the project

be awarded to business concerns which are located in, or owned in substantial part, by persons residing in the area of the project.

2. The parties to this contract will comply with the provisions of said Section 3 and the regulations set forth in 24 CFR 135, and all applicable rules and orders of HUD and the City issued thereunder prior to the execution of this contract. The parties to this contract certify and agree that they are under no contractual or other disability that would prevent them from complying with these provisions.

3. The Subrecipient will send to each labor organization or representative of workers with which he has a collective bargaining agreement or other contract or understanding, if any, a notice advising the said labor organization or workers' representative of his commitments under this Section 3 clause and will post copies of the notice in conspicuous places available to employees and applicants for employment or training.

4. The Subrecipient will include this Section 3 clause in every subcontract for work in connection with the project and will, at the direction of the applicant, or recipient of federal financial assistance, take appropriate action pursuant to the subcontract upon a finding that the subcontractor is in violation of regulations issued by the Secretary of HUD, 24 CFR Part 135. The Subrecipient will not subcontract with any subcontractor where it has notice or knowledge that the latter has been found in violation of regulations under 24 CFR Part 135 and will not let any subcontract, unless the subcontractor has first provided it with a preliminary statement of ability to comply with the requirements of these regulations.

5. Compliance with the provisions of Section 3, the regulations set forth in 24 CFR Part 135, and all applicable rules and orders of HUD and the City issued hereunder prior to the execution of the contract, will be a condition of the federal financial assistance provided to the project, binding upon the applicant or recipient for such assistance, its successors, and assigns. Failure to fulfill these requirements will subject the applicant, or recipient, its consultants and subcontractors, its successors and assigned to those sanctions specified by the grant or loan agreement or contract through which federal assistance is provided, and to such sanctions as are specified by 24 CFR Part 135.

C. Conduct

1. Assignability
The Subrecipient will not assign or transfer any interest in this Agreement without the prior written consent of the City thereto; provided, however, that claims for money due or to become due to the Subrecipient from the City under this contract may be assigned to a bank, trust company, or other financial institution without such approval. Notice of any such assignment or transfer will be furnished promptly to the City.

2. Conflict of Interest
   No member of the City's governing body and no other public official of such locality, who exercises any functions or responsibilities in connection with the planning or carrying out of the Program, will have any personal financial interest, direct or indirect, in this agreement; and the Subrecipient will take appropriate steps to assure compliance.

   The Subrecipient agrees to abide by the provisions of 24 CFR 84.42 and 570.611, which includes maintaining a written code or standards of conduct that will govern the performance of its officers, employees or agents engaged in the award and administration of contracts supported by Federal funds.

   The Subrecipient covenants that its employees have no interest and will not acquire interest, direct or indirect, in the study area or any parcels therein or any other interest which would conflict in any manner or degree with the performance of services hereunder. The Subrecipient further covenants that in the performance of this Agreement, no person having such interest will be employed.

3. Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion - Lower Tier Covered Transactions

   a. The lower tier contractor certifies, by signing this contract that neither it nor its principals is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any Federal department or agency.
   b. Where the lower tier contractor is unable to certify to any of the statements in this contract, such contractor will attach an explanation to this contract.
   c. The contractor further agrees by signing this contract that it will not knowingly enter into any lower tier covered transaction with a person who is debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction.

D. Copyright
If this Agreement results in any copyrightable material or inventions, the City reserves the right to royalty-free, non-exclusive and irrevocable license to reproduce, publish or otherwise use and to authorize others to use, the work or materials for governmental purposes.

E. Religious Activities
The Subrecipient agrees that funds provided under this Agreement will not be utilized for inherently religious activities prohibited by 24 CFR 570.200(j), such as worship, religious instruction, or proselytization.

12. LEAD-BASED PAINT

The Subrecipient agrees that any acquisition, construction or rehabilitation of residential structures with assistance provided under this Agreement shall be subject to HUD Lead-Based Paint Regulations at 24 CFR 570.608 and 24 CFR Part 35, Subpart B. Such regulations pertain to all CDBG-assisted housing and require that all owners, prospective owners, and tenants of properties constructed prior to 1978 be properly notified that such properties may include lead-based paint, Such notification shall point out the hazards of lead-based paint and explain the symptoms, treatment and precautions that should be taken when dealing with lead-based paint poisoning and the advisability and availability of blood lead level screening for children under seven. The notice should also point out that if lead-based paint is found on the property, abatement measures may be undertaken. The regulations further require that, depending on the amount of Federal funds applies to a property, paint testing, risk assessment, treatment and/or abatement may be conducted.

13. SEVERABILITY

If any provision of this Agreement is held invalid, the remainder of the Agreement will not be affected thereby and all other parts of this Agreement will nevertheless be in full force and effect.

14. PERFORMANCE WAIVER

The City's failure to act with respect to a breach by the Subrecipient does not waive its right to act with respect to subsequent or similar breaches. The failure of the City to exercise or enforce any right or provision will not constitute a waiver of such right or provision.

15. ENTIRE AGREEMENT

This Agreement constitutes the entire agreement between the City and the Subrecipient for the use of funds received under this Agreement and it supersedes all prior communications and proposals, whether electronic, oral, or written between the City and the Subrecipient with respect to this Agreement.

IN WITNESS WHEREOF, the CITY and the SUBRECIPIENT have executed this agreement as of the date and year last written below.

MAYOR AND CITY COUNCIL OF HAGERSTOWN BY AND THROUGH THE DEPARTMENT OF HOUSING & COMMUNITY DEVELOPMENT	AMERICA'S HAULING FOR HOPE
By: ______________________________	By: ______________________________
Title: _Mayor ______________________	Title: ______________________________
Date: ______________________________	Date: ______________________________

APPROVED AS TO FORM AND LEGAL SUFFICIENCY:

SALVATORE & MORTON, LLC

CITY ATTORNEY

By: ______________________________

Jason Morton, Sole Member

Date: ______________________________

SUBRECIPIENT AGREEMENT
BETWEEN THE CITY OF HAGERSTOWN
AND THE
COMMUNITY FREE CLINIC, INC.

This Agreement is entered into as of ___, August 2026, by and between the CITY OF HAGERSTOWN, a body corporate and political subdivision of the State of Maryland, acting by and through the DEPARTMENT OF HOUSING & COMMUNITY DEVELOPMENT (herein called the "CITY"), and the **Community Free Clinic, Inc. (CFC)** ("herein called the "SUBRECIPIENT").

WHEREAS, Congress in passing the Housing and Community Development Act of 1974, as amended, has placed an emphasis on the development of viable urban communities by providing decent housing and a suitable living environment and expanding economic opportunities, principally for persons of low- and moderate-income and has developed a system of block grants to aid in such purposes; and

WHEREAS, the CITY has applied for and received such a block grant, desires to conduct a program to benefit low- to moderate- income residents within the City by providing funds **to assist low-and-moderate income people by providing access to healthcare for those without insurance**; and

WHEREAS, the SUBRECIPIENT is a private non-profit corporation incorporated in the State of Maryland whose mission is to **provide free medical care to the uninsured citizens of Washington County, MD in order to build a healthier and more productive community**; and

WHEREAS, the SUBRECIPIENT has been selected by the CITY to receive CDBG funds and administer the **Clinical Services – General Operation Program** (hereinafter referred to as the "Program") **to provide the highest level of medical care following evidenced based practice models including laboratory studies to low-to-moderate income residents;** and

WHEREAS, the services provided by the SUBRECIPIENT are consistent with the Community Development Block Grant Program (hereinafter referred to as "CDBG") Eligible Activity of "Public Service"; and

WHEREAS, the SUBRECIPIENT further agrees to develop and retain sufficient documentation, as described herein below, to clearly support the CDBG eligible **Public Service** activity for each instance of assistance provided by the SUBRECIPIENT; and

WHEREAS, the parties hereto have duly executed this SUBRECIPIENT Agreement for the expenditure of CDBG funds.

NOW, THEREFORE, it is agreed between the parties hereto that:

1. SCOPE OF SERVICE

The Subrecipient will be responsible for administering a CDBG-funded **Clinical Services - General Operation Program** in a manner satisfactory to the City and consistent with any standards required as a condition of receiving CDBG funds. Such program shall include the following activities eligible under the CDBG Program:

a. Purchase essential laboratory studies as part of evidenced based practice models for patients from Hagerstown Medical Laboratory, Inc. During the program year CFC will operate the program and serve approximately seven hundred sixty-eight (768) individuals.

b. Identify potential qualified clients. Collect and maintain data on household income in order to determine a client's eligibility for assistance under the Program.

c. CFC will ensure that its use of the funds will meet the U. S. Department of Housing and Urban Development's (HUD's) national objective for the use of CDBG funds by benefitting low and moderate (L/M) income persons through a limited clientele activity. An L/M income limited clientele activity is one which provides benefits to a specific group of persons rather than everyone in an area. At least 51% of the beneficiaries of the activity must be L/M income people. To the greatest extent feasible, all persons benefitting from this CDBG funded activity must be residents of the City of Hagerstown (i.e. the primary residence of the client is located within the City of Hagerstown corporation limits).

   In order to document that clientele meet HUD's national objective, CFC agrees to have clientele complete CDBG Self Certification Forms. The forms have been organized so as to facilitate collection of income statistics which are consistent with HUD's definition of L/M household income adjusted for family size.

2. NATIONAL OBJECTIVE

All activities funded with CDBG funds must met one of the CDBG program's National Objectives: benefit low- and moderate-income persons; or aid in the prevention or elimination of slums or blight; or meet community development needs having a particular urgency, as defined in 24 CFR 570.208

The CITY has determined that the Program carried out under this Agreement will meet the **Benefit Low- and Moderate-Income Persons** national objective.

3. TIME OF PERFORMANCE

The time of performance shall be 12 months beginning on the 1st day of July, 2026 and ending on 30th day of June, 2027.

4. BUDGET
The City shall reimburse the Subrecipient its allowable costs for the services identified in this Agreement not to exceed **$20,000.00** in CDBG funds for eligible costs incurred upon presentation of properly executed reimbursement forms as provided and approved by the City. Funding under this Agreement shall cover the Program costs.

PROGRAM BUDGET LINE ITEM	**BUDGETED AMOUNT**
Salaries	$14,000
Fringe	$0
Professional Services	$2,000
Utilities	$0
Gas and Electric	$0
Telephone	$0
Supplies and Materials	$2,000
Mileage	$0
Audit	$0
Other (Specify: Core operating support)	$2,000
TOTAL CDBG	$20,000

Such reimbursement shall constitute full and complete payment by the City under this Agreement. Allowable costs shall mean those necessary and proper costs identified in the Subrecipient's application and budget and approved by the City unless any or all such costs are disallowed by the City or HUD.

Any reimbursement made under this Agreement must comply with the applicable requirements or 24 CFR Part 85. The Subrecipient may not request disbursement of funds under this Agreement until the funds are needed for payment of allowable costs.

The City may require a more detailed budget breakdown, and the Subrecipient will provide such supplementary budget information in a timely fashion in the form and content prescribed by the City. Any amendments to this Agreement's Budget must first be determined by the City as consistent with its CDBG contract and then approved in writing by the City.

5. PAYMENT
It is expressly understood that the total amount to be paid by the CITY under this Agreement shall not exceed **$20,000.00.** Drawdowns for the payment of eligible expenses shall be made against the line-item budget specified in Section 4 herein and in accordance with performance. **Expenses for general administration shall not be paid under this Agreement**. Claims for reimbursement will not be submitted in excess of actual, immediate cash requirements necessary to carry out the purposes of this Agreement. Funds available under this Agreement will be utilized to supplement rather than supplant funds otherwise available.

Reimbursement request must be mailed to: Margi Joe, Community Development Manager, Community Development Department, 14 N Potomac Street – Suite 200a, Hagerstown, Maryland, 21740 or e-mailed to mjoe@hagerstownmd.org. Payments shall be made within **thirty (30)** business days.

6. PERFORMANCE MONITORING

The City will monitor the performance of the Subrecipient by tracking program progress, reviewing payment requests for applicable costs, overseeing compliance with CDBG requirements, and ensuring recordkeeping and audit requirements are met. Substandard performance as determined by the City will constitute noncompliance with this Agreement.

If action to correct such substandard performance is not taken by the Subrecipient within a reasonable period of time after being notified by the City, contract suspension or termination procedures will be initiated.

7. NOTICES

Notices required by this Agreement shall be in writing and delivered via mail or personal delivery or sent by facsimile or other electronic means. Any notice delivered or sent as aforesaid shall be effective on the date of delivery or sending. All notices and other written communications under this Agreement shall be addressed to the individual in the capacities indicated below, unless otherwise modified by subsequent written notice.

Communications and details concerning this Agreement shall be directed to the following contract representatives:

CITY

Margi Joe
Community Development Manager
City of Hagerstown

14 N. Potomac Street
Address

Hagerstown, Maryland, 21740
City, State and Zip

Telephone: 301-739-8577 ext. 131

Fax Number: 301-739-3117

SUBRECIPIENT

Jeremy Cantner
Executive Director
Community Free Clinic, Inc.

249 Mill Street
Address

Hagerstown, Maryland 21740
City, State and Zip

Telephone: 301-733-9234

Fax Number: 301-733-9205

8. GENERAL CONDITIONS

A. General Compliance

The Subrecipient agrees to comply with the requirements of Title 24 of the Code of Federal regulations, Part 570 (the HUD regulations concerning CDBG) including subpart K of these regulations, except that the Subrecipient does not assume the City's environmental responsibilities described in 24 CFR 570.604 and the Subrecipient does not assume the City's responsibility for initiating the review process under the provisions of 24 CFR Part 52.

B. Independent Contractor

Nothing contained in this Agreement is intended to, or will be construed in any manner, as creating or establishing the relationship of employer/employee between the parties. The Subrecipient will at all times remain an "independent contractor" with respect to the services to be performed under this Agreement. The City will be exempt from payment of all Unemployment Compensation, FICA, retirement, life and/or medical insurance and Workers' Compensation Insurance, as the Subrecipient is an independent contractor.

C. Hold Harmless

The Subrecipient will hold harmless, defend and indemnify the City from any and all claims, actions, suits, charges and judgments whatsoever that arise out of the Subrecipient's performance or nonperformance of the services or subject matter called for in this Agreement.

D. Workers' Compensation

The Subrecipient will provide Workers' Compensation Insurance Coverage for all of its employees involved in the performance of this Agreement.

E. Insurance and Bonding

The Subrecipient shall carry sufficient insurance coverage to protect contract assets from loss due to theft, fraud and/or undue physical damage, and as a minimum will purchase a blanket fidelity bond covering all employees in an amount equal to cash advances from the City.

F. Funding Source Recognition

The Subrecipient will insure recognition of the roles of the City in providing services through this Agreement. All activities, facilities and items utilized pursuant to this Agreement will be prominently labeled as to funding source. In addition, the Subrecipient will include a reference to the support provided herein in all publications made possible with funds made available under this Agreement.

G. Amendments

The City or Subrecipient may amend this Agreement at any time provided that such amendments make specific reference to this Agreement, and are executed in writing, signed by a duly authorized representative of each organization, and approved by the City's governing body. Such amendments will not invalidate this Agreement, nor relieve or release the City or Subrecipient from its obligations under this Agreement.

The City may, in its discretion, amend this Agreement to conform with Federal, state or local governmental guidelines, policies and available funding amount, or for other reasons. If such amendments result in a change in the funding, scope of services, or schedule of the activities to be undertaken as part of this Agreement, such modifications will be incorporated only by written amendment signed by both the City and Subrecipient.

Notwithstanding the prior two subparagraphs, the parties may agree to minor amendments to this Agreement, which are executed in writing, signed by a duly authorized representative of each organization, and approved by the Grantee's staff.

H. Suspension or Termination

In accordance with 24 CFR 85.43, the City may suspend or terminate this Agreement if the Subrecipient materially fails to comply with any terms of this Agreement, which include (but are not limited to) the following:

1. Failure to comply with any of the rules, regulations or provisions referred to herein, or such statues, regulations, executive orders, and HUD guidelines, policies or directives as may become applicable at any time;

2. Failure, for any reason, of the Subrecipient to fulfill in a timely and proper manner its obligations under this Agreement;

3. Ineffective of improper use of funds provided under this Agreement; or

4. Submission by the Subrecipient to the City of reports that are incorrect or incomplete in any material respect.

In accordance with 24 CFR 85.44, this Agreement may also be terminated for convenience by either the City or the Subrecipient, in whole or in part, by setting forth the reasons for such termination, the effective date, and, in the case of partial termination, the portion to be terminated. However, if in the case of a partial termination, the City determines that the remaining portion of the award will not accomplish the purpose for which the award was made, the City may terminate the award in its entirety.

9. ADMINISTRATIVE REQUIREMENTS

A. Financial Management

1. Accounting Standards

The Subrecipient agrees to comply with 24 CFR 84.21-28 and agrees to adhere to the accounting principles and procedures required therein, utilize adequate internal controls, and maintain necessary source documentation for all costs incurred.

2. Cost Principles
The Subrecipient will administer its program in conformance with 2 CFR Part 200, Subpart E, "(Uniform Guidance"). These principles will be applied for all costs incurred whether charged on a direct or indirect basis.

B. Documentation and Record Keeping

1. Records to Be Maintained
The Subrecipient will maintain all records required by the Federal regulations specified in 24 CFR 570.506 that are pertinent to the activities to be funded under this Agreement. Such records will include but not be limited to:

a. Records providing a full description of each activity undertaken;
b. Records demonstrating that each activity undertaken meets one of the National Objectives of the CDBG program;
c. Records required to determine the eligibility of activities;
d. Records required to document the acquisition, improvement, use or disposition of real property acquired or improved with CDBG assistance;
e. Records documenting compliance with the civil rights components of the CDBG program;
f. Financial records as required by 24 CFR 570.502, and 24 CFR 84.21-28;
g. Labor standards records required to document compliance with the Davis Bacon Act, the provisions of the Contract Work Hours and Safety Standards Act, and all other applicable Federal, state and local laws and regulations applicable to CDBG-funded construction projects; and
h. Other records necessary to document compliance with Subpart K of 24 CFR Part 570.

2. Access to Records and Retention
All such records and all other records pertinent to this Agreement and work undertaken under this Agreement will be retained by the Subrecipient for a period of four years. The retention period begins on the date of the submission of the City's annual performance and evaluation report to HUD in which the activities assisted under the Agreement are reported on for the final time. Notwithstanding the above, if there is litigation, claims, audits, negotiations or other actions that involve any of the records cited and that have started before the expiration of the four-year period, then such records must be retained until completion of the actions and resolution of all issues or the expiration of the four-year period, whichever occurs later.

3. Client Data

The Subrecipient shall maintain client data demonstrating client eligibility for services provided. Such data shall include, but not be limited to, client name, address income level or other basis for determining eligibility and description of services provided. Such information shall be made available to City monitors or their designees, HUD or other authorized representatives for review upon request.

4. Disclosure
   The Subrecipient understands that client information collected under this Agreement is private and the use or disclosure of such information, when not directly connected with the administration of the City's or Subrecipient's responsibilities with respect to services provided under this Agreement, is prohibited by **State or Federal law** unless written consent is obtained from such person receiving service and, in the case of a minor, that of a responsible parent/guardian.

5. Closeouts
   The Subrecipient's obligation to the City shall not end until all closeout requirements are completed. Activities during the closeout period shall include, but are not limited to, making final payments, disposing of program assets (including the return of all unused materials, equipment, program income balances and accounts receivable to the City), and determining the custodian ship of records. Notwithstanding the foregoing, the terms of this Agreement shall remain in effect during any period that the Subrecipient has control over CDBG funds, including program income,

6. Audits and Inspections
   If Subrecipient expends $1,000,000 or more in a year in Federal awards, Subrecipient shall have a single or program-specific audit conducted for that year in accordance with the requirements of 2 CFR 200, Subpart F ("Audit Requirements"). Subrecipient must send a copy of the final report to the City within the earlier of 30 days of the report's issuance or nine months after the end of the audit period. The City also reserves the right to engage an independent auditor to examine the Subrecipient's compliance with the requirements of 2 CFR Part 200 and this Agreement. Furthermore, the City must approve any independent auditor engaged to assure that the auditor is qualified and meets Government Accounting Office Standards and evaluate the scope of the audit to ensure compliance with Code of Federal Regulation requirements. This grant is made pursuant to and is identified as follows:

   1. Federal Grant Title: Community Development Block Grant
   2. Catalog of Federal Domestic Assistance Number (CFDA): 14.218
   3. Federal and/or State Identification Numbers: B-**26**-MC-24-0012

   All Subrecipient records with respect to any matters covered by this Agreement shall be made available to the City, HUD, and duly authorized officials of the State and federal government, at any time during normal business hours, as often as deemed necessary, to audit, examine, and make excerpts or transcripts of all relevant data. Any deficiencies noted in audit reports must be fully cleared by the Subrecipient within thirty (30) days after receipt by the Subrecipient.

Failure of the Subrecipient to comply with the above audit requirements will constitute a violation of this Agreement and may result in the withholding of future payments.

C. Reporting

1. Program Income
The Subrecipient will report annually all program income [as defined at 24 CFR 570.500(a)] generated by activities carried out with CDBG funds made available under this Agreement. The use of program income by the Subrecipient will comply with the requirements set forth at 24 CFR 570.504. The Subrecipient may use such income during the contract period for activities permitted under this Agreement and shall reduce request for additional funds by the amount of any such program income balances on hand. All unexpended program income shall be returned to the City at the end of the contract period. Any interest earned on cash advances from the U.S Treasure and from funds held in a revolving fund account is not program income and shall be remitted promptly to the City.

2. Progress Reports
At such times and in such forms as HUD or the City may require, there shall be furnished to HUD or the City such statements, records, reports, data and information as HUD or the City may request pertaining to matters covered by this Agreement. Specifically, the City shall require Subrecipient to submit quarterly reports which shall include a narrative of program activities, a description of the services provided, number of clients that have applied for, participated in or benefited from the services and relevant characteristics of the client population (age, gender, income, race, ethnicity and gender of single-headed households), performance standard outcomes, equal employment opportunity reports, applicable MBE/WBE requirements and applicable reporting forms attached hereto as **Appendix C, Part I** and incorporated herein by reference.

Said quarterly reports shall be submitted in a timely fashion (within 15 days of the end of each calendar quarter) and subject to the approval of the City prior to reimbursement of Subrecipient as set forth hereinabove. The City and Subrecipient reserve the mutual right to publish and/or make public, with the consent of each party, the reports or other results of services under this Agreement.

D. Procurement

1. Compliance
The Subrecipient shall comply with current City policy concerning the purchase of equipment and shall maintain inventory records of all non-expendable personal property as defined by such policy as my be procured with funds provided herein, All program assets (unexpended program income, property, equipment, etc.) shall revert to the City upon termination of this Agreement.

2. OMB Standards
   Unless specified otherwise within this Agreement, the Subrecipient shall procure all materials, property or services in accordance with the requirements of 24 CFR 84.40-48.

3. Travel
   The Subrecipient shall request written approval from the City for any travel outside the metropolitan area with funds provided under this Agreement.

E. Use and Reversion of Assets
   The use and disposition of real property and equipment under this Agreement will be in compliance with the requirements of 24 CFR Part 84 and 24 CFR 570.502, 570.503, 570.504, as applicable, which include but are not limited to the following:

1. The Subrecipient will transfer to the City any CDBG funds on hand and any accounts receivable attributable to the use of funds under this Agreement at the time of expiration, cancellation, or termination.

2. Real property under the Subrecipient's control that was acquired or improved, in whole or in part, with funds under this Agreement in excess of $25,000 will be used to meet one of the CDBG National Objectives pursuant to 24 CFR 570.208 until ten (10) years after the contract between Subrecipient and the CITY is closed. If the Subrecipient fails to use CDBG-assisted real property in a manner that meets a CDBG National Objective for this 10-year period of time, the Subrecipient will pay the City an amount equal to the current fair market value of the property less any portion of the value attributable to expenditures of non-CDBG funds for acquisition of, or improvement to, the property after the CDBG program's approval. Such payment will constitute program income to the City. The Subrecipient may retain real property acquired or improved under this Agreement after the expiration of the ten-year period.

3. In cases in which equipment acquired, in whole or in part, with funds under this Agreement is sold, the proceeds will be program income (prorated to reflect the extent to which funds received under this Agreement were used to acquire the equipment). Equipment not needed by the Subrecipient for activities under this Agreement will be (a) transferred to the City for the CDBG program or (b) retained after compensating the City [an amount equal to the current fair market value of the equipment less the percentage of non-CDBG funds used to acquire the equipment].

4. Equipment acquired with CDBG funds may be retained by the Subrecipient so long as it continues to be used for the same or similar eligible public purpose for which it was acquired. If the equipment is sold or is no longer needed for such purposes, disposition shall be made in accordance with this section.

10. RELOCATION, REAL PROPERTY ACQUISITION AND ONE-FOR-ONE HOUSING REPLACEMENT

The Subrecipient agrees to comply with (a) the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (URA), and implementing regulations at 49 CFR Part 24 and 24 CFR 570.606(b); (b) the requirements of 24 CFR 570.606(c) governing the Residential Anti-Displacement and Relocation Assistance Plan under section 104(d) of the HCD Act; and (c) the requirements in 24 CFR 570.606(d) governing optional relocation policies. The Subrecipient shall provide relocation assistance to displaced persons as defined by 24 CFR 570.606(b)(2) that are displaced as a direct result of acquisition, rehabilitation, demolition or conversion for a CDBG-assisted project. The Subrecipient also agrees to comply with applicable City ordinance, resolutions and policies concerning the displacement of persons from their residences.

11. PERSONNEL AND PARTICIPANT CONDITIONS

A. Civil Rights

1. Compliance
The Subrecipient agrees to comply with **local and state civil rights ordinances** and with Title VI of the Civil Rights Act of 1964 as amended, and Title VII of the Civil Rights Act of 1968 as amended, Section 104(b) and Section 109 of title I of the Housing and Community Development Act of 1974 as amended, Section 504 of the Rehabilitation Act of 1973, the American and Disabilities Act of 1990, the Age Discrimination act of 1975, Executive Order 11063, and Executive Order 11246 as amended by Executive Orders 11375, 11478, 12107 and 12086.

2. Nondiscrimination
The Subrecipient agrees to comply with the nondiscrimination in employment and contracting opportunities laws, regulation and executive orders referenced in 24 CFR 570.607, as revised by Executive Order 13279. The applicable nondiscrimination provisions in Section 109 of the HCDA are still applicable.

B. Section 3 of the Housing and Community Development Act of 1968
Compliance in the Provision of Training, Employment, and Business Opportunities:

1. The work to be performed under this agreement is on a project assisted under a program providing direct federal financial assistance from HUD and is subject to the requirements of Section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701u. Section 3 requires that to the greatest extent feasible opportunities for training and employment be given lower-income residents of the project area; and contracts for work in connection with the project be awarded to business concerns which are located in, or owned in substantial part, by persons residing in the area of the project.

2. The parties to this contract will comply with the provisions of said Section 3 and the regulations set forth in 24 CFR 135, and all applicable rules and orders of HUD and the City issued thereunder prior to the execution of this contract. The parties to this

contract certify and agree that they are under no contractual or other disability that would prevent them from complying with these provisions.

3. The Subrecipient will send to each labor organization or representative of workers with which he has a collective bargaining agreement or other contract or understanding, if any, a notice advising the said labor organization or workers' representative of his commitments under this Section 3 clause and will post copies of the notice in conspicuous places available to employees and applicants for employment or training.

4. The Subrecipient will include this Section 3 clause in every subcontract for work in connection with the project and will, at the direction of the applicant, or recipient of federal financial assistance, take appropriate action pursuant to the subcontract upon a finding that the subcontractor is in violation of regulations issued by the Secretary of HUD, 24 CFR Part 135. The Subrecipient will not subcontract with any subcontractor where it has notice or knowledge that the latter has been found in violation of regulations under 24 CFR Part 135 and will not let any subcontract, unless the subcontractor has first provided it with a preliminary statement of ability to comply with the requirements of these regulations.

5. Compliance with the provisions of Section 3, the regulations set forth in 24 CFR Part 135, and all applicable rules and orders of HUD and the City issued hereunder prior to the execution of the contract, will be a condition of the federal financial assistance provided to the project, binding upon the applicant or recipient for such assistance, its successors, and assigns. Failure to fulfill these requirements will subject the applicant, or recipient, its consultants and subcontractors, its successors and assigned to those sanctions specified by the grant or loan agreement or contract through which federal assistance is provided, and to such sanctions as are specified by 24 CFR Part 135.

C. Conduct

1. Assignability
   The Subrecipient will not assign or transfer any interest in this Agreement without the prior written consent of the City thereto; provided, however, that claims for money due or to become due to the Subrecipient from the City under this contract may be assigned to a bank, trust company, or other financial institution without such approval. Notice of any such assignment or transfer will be furnished promptly to the City.

2. Conflict of Interest
   No member of the City's governing body and no other public official of such locality, who exercises any functions or responsibilities in connection with the planning or carrying out of the Program, will have any personal financial interest, direct or indirect, in this agreement; and the Subrecipient will take appropriate steps to assure compliance.

   The Subrecipient agrees to abide by the provisions of 24 CFR 84.42 and 570.611, which includes maintaining a written code or standards of conduct that will govern the performance of its officers, employees or agents engaged in the award and administration of contracts supported by Federal funds.

The Subrecipient covenants that its employees have no interest and will not acquire interest, direct or indirect, in the study area or any parcels therein or any other interest which would conflict in any manner or degree with the performance of services hereunder. The Subrecipient further covenants that in the performance of this Agreement, no person having such interest will be employed.

3. Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion - Lower Tier Covered Transactions

   a. The lower tier contractor certifies, by signing this contract that neither it nor its principals is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any Federal department or agency.
   b. Where the lower tier contractor is unable to certify to any of the statements in this contract, such contractor will attach an explanation to this contract.
   c. The contractor further agrees by signing this contract that it will not knowingly enter into any lower tier covered transaction with a person who is debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction.

D. Copyright
If this Agreement results in any copyrightable material or inventions, the City reserves the right to royalty-free, non-exclusive and irrevocable license to reproduce, publish or otherwise use and to authorize others to use, the work or materials for governmental purposes.

E. Religious Activities
The Subrecipient agrees that funds provided under this Agreement will not be utilized for inherently religious activities prohibited by 24 CFR 570.200(j), such as worship, religious instruction, or proselytization.

12. LEAD-BASED PAINT
The Subrecipient agrees that any acquisition, construction or rehabilitation of residential structures with assistance provided under this Agreement shall be subject to HUD Lead-Based Paint Regulations at 24 CFR 570.608 and 24 CFR Part 35, Subpart B. Such regulations pertain to all CDBG-assisted housing and require that all owners, prospective owners, and tenants of properties constructed prior to 1978 be properly notified that such properties may include lead-based paint, Such notification shall point out the hazards of lead-based paint and explain the symptoms, treatment and precautions that should be taken when dealing with lead-based paint poisoning and the advisability and availability of blood lead level screening for children under seven. The notice should also point out that if lead-based paint is found on the property, abatement measures may be undertaken. The regulations further require that, depending on the

amount of Federal funds applies to a property, paint testing, risk assessment, treatment and/or abatement may be conducted.

13. SEVERABILITY
If any provision of this Agreement is held invalid, the remainder of the Agreement will not be affected thereby and all other parts of this Agreement will nevertheless be in full force and effect.

14. PERFORMANCE WAIVER
The City's failure to act with respect to a breach by the Subrecipient does not waive its right to act with respect to subsequent or similar breaches. The failure of the City to exercise or enforce any right or provision will not constitute a waiver of such right or provision.

15. ENTIRE AGREEMENT
This Agreement constitutes the entire agreement between the City and the Subrecipient for the use of funds received under this Agreement and it supersedes all prior communications and proposals, whether electronic, oral, or written between the City and the Subrecipient with respect to this Agreement.

IN WITNESS WHEREOF, the CITY and the SUBRECIPIENT have executed this agreement as of the date and year last written below.

MAYOR AND CITY COUNCIL OF HAGERSTOWN BY AND THROUGH THE DEPARTMENT OF HOUSING & COMMUNITY DEVELOPMENT	COMMUNITY FREE CLINIC, INC.
By: ______________________	By: ______________________
Title: Mayor______________	Title: ______________________
Date:______________________	Date: ______________________

APPROVED AS TO FORM AND LEGAL SUFFICIENCY:

SALVATORE & MORTON, LLC
CITY ATTORNEY

By: ______________________
Jason Morton, Sole Member

Date: ______________________

SUBRECIPIENT AGREEMENT
BETWEEN THE CITY OF HAGERSTOWN
AND
ELIZA'S HOUSE

This Agreement is entered into as of ___, August 2026, by and between the CITY OF HAGERSTOWN, a body corporate and political subdivision of the State of Maryland, acting by and through the DEPARTMENT OF HOUSING & COMMUNITY DEVELOPMENT (herein called the "CITY"), and **Eliza's House** ("herein called the "SUBRECIPIENT").

WHEREAS, Congress in passing the Housing and Community Development Act of 1974, as amended, has placed an emphasis on the development of viable urban communities by providing decent housing and a suitable living environment and expanding economic opportunities, principally for persons of low- and moderate-income and has developed a system of block grants to aid in such purposes; and

WHEREAS, the CITY has applied for and received such a block grant, and desires to conduct a program to benefit low- to moderate- income residents within the City by providing funds **to provide low- and moderate-income residents with increased access to fresh, healthy foods;** and

WHEREAS, the SUBRECIPIENT is a private non-profit corporation incorporated in the State of Maryland whose mission is to **provide consistent, dignified access to healthy, high-quality food directly in high-need neighborhoods**; and

WHEREAS, the SUBRECIPIENT has been selected by the CITY to receive CDBG funds and administer the **Eliza's House Mobile Community Pantry** (hereinafter referred to as the "Program") **to promote the healing experience of marginalized individuals, and close the gaps between oppressive systems and vulnerable populations**; and

WHEREAS, the services provided by the SUBRECIPIENT are consistent with the Community Development Block Grant Program (hereinafter referred to as "CDBG") Eligible Activity of "Public Service"; and

WHEREAS, the SUBRECIPIENT further agrees to develop and retain sufficient documentation, as described herein below, to clearly support the CDBG eligible **Public Service** activity for each instance of assistance provided by the SUBRECIPIENT; and

WHEREAS, the parties hereto have duly executed this SUBRECIPIENT Agreement for the expenditure of CDBG funds.

NOW, THEREFORE, it is agreed between the parties hereto that:

1. SCOPE OF SERVICE
The Subrecipient will be responsible for administering a CDBG-funded **Mobile Community Pantry** in a manner satisfactory to the City and consistent with any standards required as a condition of receiving CDBG funds. Such program shall include the following activities eligible under the CDBG Program:

a. Plan mobile routes for census tracts identified as Low-Mod Area, setting up in easily-accessible community sites to serve residents.

b. Purchase of food and distribution of the same to eligible residents.

c. During the program year, operate the program and assist at least one hudnred (100) households. Please note that each household should be counted only once.

d. Identify potential qualified clients. Collect and maintain data on household income in order to determine a client's eligibility for assistance under the Program.

a. Ensure that the U.S. Department of Housing and Urban Development's (HUD's) eligibility activity of Public Services/Youth Services 570.201(e) meets national objective standard of low- and moderate-income limited clientele 570.208(a)(2)(i) for the use of CDBG funds by benefitting low- and moderate-income persons [Reference: 570.208(a)(2)(i)(D)] because of the nature and location of the program.

The Subrecipient agrees to complete forms in Appendix C, Part 1 which have been organized to facilitate collection of race and ethnicity data for each participant.

2. NATIONAL OBJECTIVE
All activities funded with CDBG funds must met one of the CDBG program's National Objectives: benefit low- and moderate-income persons; or aid in the prevention or elimination of slums or blight; or meet community development needs having a particular urgency, as defined in 24 CFR 570.208

The CITY has determined that the Program carried out under this Agreement will meet the **Benefit Low-and-Moderate Income Persons** national objective.

3. TIME OF PERFORMANCE
The time of performance shall be 12 months beginning on the 1st day of July, 2026 and ending on 30th day of June, 2027.

4. BUDGET
The City shall reimburse the Subrecipient its allowable costs for the services identified in this Agreement not to exceed **$10,000.00** in CDBG funds for eligible incurred costs upon presentation of properly executed reimbursement forms as provided and approved by the City. Funding under this Agreement shall cover the Program costs.

PROGRAM BUDGET LINE ITEM	**BUDGETED AMOUNT**
Salaries	$0
Fringe	$0
Office Space	$0
Utilities	$0
Communications	$0
Printing	$0
Supplies and Materials	$0
Mileage	$0
Audit	$0
Other (Specify: Inventory)	$10,000
Indirect Costs	$0
TOTAL CDBG	$10,000.00

Such reimbursement shall constitute full and complete payment by the City under this Agreement. Allowable costs shall mean those necessary and proper costs identified in the Subrecipient's application and budget and approved by the City unless any or all such costs are disallowed by the City or HUD.

Any reimbursement made under this Agreement must comply with the applicable requirements or 24 CFR Part 85. The Subrecipient may not request disbursement of funds under this Agreement until the funds are needed for payment of allowable costs.

The City may require a more detailed budget breakdown, and the Subrecipient will provide such supplementary budget information in a timely fashion in the form and content prescribed by the City. Any amendments to this Agreement's Budget must first be determined by the City as consistent with its CDBG contract and then approved in writing by the City.

5. PAYMENT

It is expressly understood that the total amount to be paid by the CITY under this Agreement shall not exceed **$10,000.00.** Drawdowns for the payment of eligible expenses shall be made against the line item budget specified in Section 4 herein and in accordance with performance. **Expenses for general administration shall not be paid under this Agreement**. Claims for reimbursement will not be submitted in excess of actual, immediate cash requirements necessary to carry out the purposes of this Agreement. Funds available under this Agreement will be utilized to supplement rather than supplant funds otherwise available.

Reimbursement request must be mailed to: Margi Joe, Community Development Manager, Community Development Department, 14 N Potomac Street – Suite 200a, Hagerstown, Maryland, 21740 or e-mailed to mjoe@hagerstownmd.org. Payments shall be made within **thirty (30)** business days.

6. PERFORMANCE MONITORING

The City will monitor the performance of the Subrecipient by tracking program progress, reviewing payment requests for applicable costs, overseeing compliance with CDBG requirements, and ensuring recordkeeping and audit requirements are met. Substandard performance as determined by the City will constitute noncompliance with this Agreement.

If action to correct such substandard performance is not taken by the Subrecipient within a reasonable period of time after being notified by the City, contract suspension or termination procedures will be initiated.

7. NOTICES

Notices required by this Agreement shall be in writing and delivered via mail or personal delivery or sent by facsimile or other electronic means. Any notice delivered or sent as aforesaid shall be effective on the date of delivery or sending. All notices and other written communications under this Agreement shall be addressed to the individual in the capacities indicated below, unless otherwise modified by subsequent written notice.

Communications and details concerning this Agreement shall be directed to the following contract representatives:

CITY	SUBRECIPIENT
Margi Joe Community Development Manager **City of Hagerstown**	Jason McGill__ Executive Director **Eliza's House**
14 N. Potomac Street Address	35 N. Potomac Street_ Address
Hagerstown, Maryland, 21740 City, State and Zip	Hagerstown, Maryland 21740 City, State and Zip
Telephone: 301-739-8577 ext. 134	Telephone: 240-347-1213
Fax Number: 301-739-3117	Fax Number: ________

8. GENERAL CONDITIONS

A. General Compliance
The Subrecipient agrees to comply with the requirements of Title 24 of the Code of Federal regulations, Part 570 (the HUD regulations concerning CDBG) including subpart K of these regulations, except that the Subrecipient does not assume the City's environmental responsibilities described in 24 CFR 570.604 and the Subrecipient does not assume the City's responsibility for initiating the review process under the provisions of 24 CFR Part 52.

B. Independent Contractor
Nothing contained in this Agreement is intended to, or will be construed in any manner, as creating or establishing the relationship of employer/employee between the parties. The Subrecipient will at all times remain an "independent contractor" with respect to the services to be performed under this Agreement. The City will be exempt from payment of all Unemployment Compensation, FICA, retirement, life and/or medical insurance and Workers' Compensation Insurance, as the Subrecipient is an independent contractor.

C. Hold Harmless
The Subrecipient will hold harmless, defend and indemnify the City from any and all claims, actions, suits, charges and judgments whatsoever that arise out of the Subrecipient's performance or nonperformance of the services or subject matter called for in this Agreement.

D. Workers' Compensation
The Subrecipient will provide Workers' Compensation Insurance Coverage for all of its employees involved in the performance of this Agreement.

E. Insurance and Bonding
The Subrecipient shall carry sufficient insurance coverage to protect contract assets from loss due to theft, fraud and/or undue physical damage, and as a minimum will purchase a blanket fidelity bond covering all employees in an amount equal to cash advances from the City.

F. Funding Source Recognition
The Subrecipient will insure recognition of the roles of the City in providing services through this Agreement. All activities, facilities and items utilized pursuant to this Agreement will be prominently labeled as to funding source. In addition, the Subrecipient will include a reference to the support provided herein in all publications made possible with funds made available under this Agreement.

G. Amendments

The City or Subrecipient may amend this Agreement at any time provided that such amendments make specific reference to this Agreement, and are executed in writing, signed by a duly authorized representative of each organization, and approved by the City's governing body. Such amendments will not invalidate this Agreement, nor relieve or release the City or Subrecipient from its obligations under this Agreement.

The City may, in its discretion, amend this Agreement to conform with Federal, state or local governmental guidelines, policies and available funding amount, or for other reasons. If such amendments result in a change in the funding, scope of services, or schedule of the activities to be undertaken as part of this Agreement, such modifications will be incorporated only by written amendment signed by both the City and Subrecipient.

Notwithstanding the prior two subparagraphs, the parties may agree to minor amendments to this Agreement, which are executed in writing, signed by a duly authorized representative of each organization, and approved by the Grantee's staff.

H. Suspension or Termination

In accordance with 24 CFR 85.43, the City may suspend or terminate this Agreement if the Subrecipient materially fails to comply with any terms of this Agreement, which include (but are not limited to) the following:

1. Failure to comply with any of the rules, regulations or provisions referred to herein, or such statues, regulations, executive orders, and HUD guidelines, policies or directives as may become applicable at any time;

2. Failure, for any reason, of the Subrecipient to fulfill in a timely and proper manner its obligations under this Agreement;

3. Ineffective of improper use of funds provided under this Agreement; or

4. Submission by the Subrecipient to the City of reports that are incorrect or incomplete in any material respect.

In accordance with 24 CFR 85.44, this Agreement may also be terminated for convenience by either the City or the Subrecipient, in whole or in part, by setting forth the reasons for such termination, the effective date, and, in the case of partial termination, the portion to be terminated. However, if in the case of a partial termination, the City determines that the remaining portion of the award will not accomplish the purpose for which the award was made, the City may terminate the award in its entirety.

9. ADMINISTRATIVE REQUIREMENTS

A. Financial Management

1. Accounting Standards
The Subrecipient agrees to comply with 24 CFR 84.21-28 and agrees to adhere to the accounting principles and procedures required therein, utilize adequate internal controls, and maintain necessary source documentation for all costs incurred.

2. Cost Principles
The Subrecipient will administer its program in conformance with 2 CFR Part 200, Subpart E, "(Uniform Guidance"). These principles will be applied for all costs incurred whether charged on a direct or indirect basis.

B. Documentation and Record Keeping

1. Records to Be Maintained
The Subrecipient will maintain all records required by the Federal regulations specified in 24 CFR 570.506 that are pertinent to the activities to be funded under this Agreement. Such records will include but not be limited to:

a. Records providing a full description of each activity undertaken;
b. Records demonstrating that each activity undertaken meets one of the National Objectives of the CDBG program;
c. Records required to determine the eligibility of activities;
d. Records required to document the acquisition, improvement, use or disposition of real property acquired or improved with CDBG assistance;
e. Records documenting compliance with the civil rights components of the CDBG program;
f. Financial records as required by 24 CFR 570.502, and 24 CFR 84.21-28;
g. Labor standards records required to document compliance with the Davis Bacon Act, the provisions of the Contract Work Hours and Safety Standards Act, and all other applicable Federal, state and local laws and regulations applicable to CDBG-funded construction projects; and
h. Other records necessary to document compliance with Subpart K of 24 CFR Part 570.

2. Access to Records and Retention
All such records and all other records pertinent to this Agreement and work undertaken under this Agreement will be retained by the Subrecipient for a period of four years. The retention period begins on the date of the submission of the City's annual performance and evaluation report to HUD in which the activities assisted under the Agreement are reported on for the final time. Notwithstanding the above, if there is litigation, claims, audits, negotiations or other actions that involve any of the records cited and that have started before the expiration of the

four-year period, then such records must be retained until completion of the actions and resolution of all issues or the expiration of the four-year period, whichever occurs later.

3. Client Data
The Subrecipient shall maintain client data demonstrating client eligibility for services provided. Such data shall include, but not be limited to, client name, address income level or other basis for determining eligibility and description of services provided. Such information shall be made available to City monitors or their designees, HUD or other authorized representatives for review upon request.

4. Disclosure
The Subrecipient understands that client information collected under this Agreement is private and the use or disclosure of such information, when not directly connected with the administration of the City's or Subrecipient's responsibilities with respect to services provided under this Agreement, is prohibited by **State or Federal law** unless written consent is obtained from such person receiving service and, in the case of a minor, that of a responsible parent/guardian.

5. Closeouts
The Subrecipient's obligation to the City shall not end until all closeout requirements are completed. Activities during the closeout period shall include, but are not limited to, making final payments, disposing of program assets (including the return of all unused materials, equipment, program income balances and accounts receivable to the City), and determining the custodian ship of records. Notwithstanding the foregoing, the terms of this Agreement shall remain in effect during any period that the Subrecipient has control over CDBG funds, including program income,

6. Audits and Inspections
If Subrecipient expends $1,000,000 or more in a year in Federal awards, the Subrecipient shall have a single or program-specific audit conducted for that year in accordance with the requirements of 2 CFR 200, Subpart F ("Audit Requirements"). Subrecipient must send a copy of the final report to the City within the earlier of 30 days of the report's issuance or nine months after the end of the audit period. The City also reserves the right to engage an independent auditor to examine the Subrecipient's compliance with the requirements of 2 CFR Part 200 and this Agreement. Furthermore, the City must approve any independent auditor engaged to assure that the auditor is qualified and meets Government Accounting Office Standards and evaluate the scope of the audit to ensure compliance with Code of Federal Regulation requirements. This grant is made pursuant to and is identified as follows:

1. Federal Grant Title: Community Development Block Grant
2. Catalog of Federal Domestic Assistance Number (CFDA): 14.218
3. Federal and/or State Identification Numbers: B-**26**-MC-24-0012

All Subrecipient records with respect to any matters covered by this Agreement shall be made available to the City, HUD, and duly authorized officials of the State and federal government, at any time during normal business hours, as often as deemed necessary, to audit, examine, and make excerpts or transcripts of all relevant data. Any deficiencies noted in audit reports must be fully cleared by the Subrecipient within 30 days after receipt by the Subrecipient.

Failure of the Subrecipient to comply with the above audit requirements will constitute a violation of this Agreement and may result in the withholding of future payments.

C. Reporting

1. Program Income
The Subrecipient will report annually all program income [as defined at 24 CFR 570.500(a)] generated by activities carried out with CDBG funds made available under this Agreement. The use of program income by the Subrecipient will comply with the requirements set forth at 24 CFR 570.504. The Subrecipient may use such income during the contract period for activities permitted under this Agreement and shall reduce request for additional funds by the amount of any such program income balances on hand. All unexpended program income shall be returned to the City at the end of the contract period. Any interest earned on cash advances from the U.S Treasure and from funds held in a revolving fund account is not program income and shall be remitted promptly to the City.

2. Progress Reports
At such times and in such forms as HUD or the City may require, there shall be furnished to HUD or the City such statements, records, reports, data and information as HUD or the City may request pertaining to matters covered by this Agreement. Specifically, the City shall require Subrecipient to submit quarterly reports which shall include a narrative of program activities, a description of the services provided, number of clients that have applied for, participated in or benefited from the services and relevant characteristics of the client population (age, gender, income, race, ethnicity and gender of single-headed households), performance standard outcomes, equal employment opportunity reports, applicable MBE/WBE requirements and applicable reporting forms attached hereto as **Appendix C, Part I** and incorporated herein by reference.

Said quarterly reports shall be submitted in a timely fashion (within 15 days of the end of each calendar quarter) and subject to the approval of the City prior to reimbursement of Subrecipient as set forth hereinabove. The City and Subrecipient reserve the mutual right to publish and/or make public, with the consent of both parties, the reports or other results of services under this Agreement.

D. Procurement

1. Compliance
The Subrecipient shall comply with current City policy concerning the purchase of equipment and shall maintain inventory records of all non-expendable personal property as defined by such policy as my be procured with funds provided herein, All program assets (unexpended program income, property, equipment, etc.) shall revert to the City upon termination of this Agreement.

2. OMB Standards
Unless specified otherwise within this Agreement, the Subrecipient shall procure all materials, property or services in accordance with the requirements of 24 CFR 84.40-48.

3. Travel
The Subrecipient shall request written approval from the City for any travel outside the metropolitan area with funds provided under this Agreement.

E. Use and Reversion of Assets
The use and disposition of real property and equipment under this Agreement will be in compliance with the requirements of 24 CFR Part 84 and 24 CFR 570.502, 570.503, 570.504, as applicable, which include but are not limited to the following:

1. The Subrecipient will transfer to the City any CDBG funds on hand and any accounts receivable attributable to the use of funds under this Agreement at the time of expiration, cancellation, or termination.

2. Real property under the Subrecipient's control that was acquired or improved, in whole or in part, with funds under this Agreement in excess of $25,000 will be used to meet one of the CDBG National Objectives pursuant to 24 CFR 570.208 until ten (10) years after the contract between Subrecipient and the CITY is closed. If the Subrecipient fails to use CDBG-assisted real property in a manner that meets a CDBG National Objective for this 10-year period of time, the Subrecipient will pay the City an amount equal to the current fair market value of the property less any portion of the value attributable to expenditures of non-CDBG funds for acquisition of, or improvement to, the property after the CDBG program's approval. Such payment will constitute program income to the City. The Subrecipient may retain real property acquired or improved under this Agreement after the expiration of the ten-year period.

3. In cases in which equipment acquired, in whole or in part, with funds under this Agreement is sold, the proceeds will be program income (prorated to reflect the extent to which funds received under this Agreement were used to acquire the

equipment). Equipment not needed by the Subrecipient for activities under this Agreement will be (a) transferred to the City for the CDBG program or (b) retained after compensating the City [an amount equal to the current fair market value of the equipment less the percentage of non-CDBG funds used to acquire the equipment].

4. Equipment acquired with CDBG funds may be retained by the Subrecipient so long as it continues to be used for the same or similar eligible public purpose for which it was acquired. If the equipment is sold or is no longer needed for such purposes, disposition shall be made in accordance with this section.

10. RELOCATION, REAL PROPERTY ACQUISITION AND ONE-FOR-ONE HOUSING REPLACEMENT

The Subrecipient agrees to comply with (a) the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (URA), and implementing regulations at 49 CFR Part 24 and 24 CFR 570.606(b); (b) the requirements of 24 CFR 570.606(c) governing the Residential Anti-Displacement and Relocation Assistance Plan under section 104(d) of the HCD Act; and (c) the requirements in 24 CFR 570.606(d) governing optional relocation policies. The Subrecipient shall provide relocation assistance to displaced persons as defined by 24 CFR 570.606(b)(2) that are displaced as a direct result of acquisition, rehabilitation, demolition or conversion for a CDBG-assisted project. The Subrecipient also agrees to comply with applicable City ordinance, resolutions and policies concerning the displacement of persons from their residences.

11. PERSONNEL AND PARTICIPANT CONDITIONS

A. Civil Rights

1. Compliance

The Subrecipient agrees to comply with **local and state civil rights ordinances** and with Title VI of the Civil Rights Act of 1964 as amended, and Title VII of the Civil Rights Act of 1968 as amended, Section 104(b) and Section 109 of title I of the Housing and Community Development Act of 1974 as amended, Section 504 of the Rehabilitation Act of 1973, the American and Disabilities Act of 1990, the Age Discrimination act of 1975, Executive Order 11063, and Executive Order 11246 as amended by Executive Orders 11375, 11478, 12107 and 12086.

2. Nondiscrimination

The Subrecipient agrees to comply with the nondiscrimination in employment and contracting opportunities laws, regulation and executive orders referenced in 24 CFR 570.607, as revised by Executive Order 13279. The applicable nondiscrimination provisions in Section 109 of the HCDA are still applicable.

B. Section 3 of the Housing and Community Development Act of 1968

Compliance in the Provision of Training, Employment, and Business Opportunities:

1. The work to be performed under this agreement is on a project assisted under a program providing direct federal financial assistance from HUD and is subject to the requirements of Section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701u. Section 3 requires that to the greatest extent feasible opportunities for training and employment be given lower-income residents of the project area; and contracts for work in connection with the project be awarded to business concerns which are located in, or owned in substantial part, by persons residing in the area of the project.

2. The parties to this contract will comply with the provisions of said Section 3 and the regulations set forth in 24 CFR 135, and all applicable rules and orders of HUD and the City issued thereunder prior to the execution of this contract. The parties to this contract certify and agree that they are under no contractual or other disability that would prevent them from complying with these provisions.

3. The Subrecipient will send to each labor organization or representative of workers with which he has a collective bargaining agreement or other contract or understanding, if any, a notice advising the said labor organization or workers' representative of his commitments under this Section 3 clause and will post copies of the notice in conspicuous places available to employees and applicants for employment or training.

4. The Subrecipient will include this Section 3 clause in every subcontract for work in connection with the project and will, at the direction of the applicant, or recipient of federal financial assistance, take appropriate action pursuant to the subcontract upon a finding that the subcontractor is in violation of regulations issued by the Secretary of HUD, 24 CFR Part 135. The Subrecipient will not subcontract with any subcontractor where it has notice or knowledge that the latter has been found in violation of regulations under 24 CFR Part 135 and will not let any subcontract, unless the subcontractor has first provided it with a preliminary statement of ability to comply with the requirements of these regulations.

5. Compliance with the provisions of Section 3, the regulations set forth in 24 CFR Part 135, and all applicable rules and orders of HUD and the City issued hereunder prior to the execution of the contract, will be a condition of the federal financial assistance provided to the project, binding upon the applicant or recipient for such assistance, its successors, and assigns. Failure to fulfill these requirements will subject the applicant, or recipient, its consultants and subcontractors, its successors and assigned to those sanctions specified by the grant or loan agreement or contract through which federal assistance is provided, and to such sanctions as are specified by 24 CFR Part 135.

C. Conduct

1. Assignability

The Subrecipient will not assign or transfer any interest in this Agreement without the prior written consent of the City thereto; provided, however, that claims for money due or to become due to the Subrecipient from the City under this contract may be assigned to a bank, trust company, or other financial institution without such approval. Notice of any such assignment or transfer will be furnished promptly to the City.

2. Conflict of Interest

No member of the City's governing body and no other public official of such locality, who exercises any functions or responsibilities in connection with the planning or carrying out of the Program, will have any personal financial interest, direct or indirect, in this agreement; and the Subrecipient will take appropriate steps to assure compliance.

The Subrecipient agrees to abide by the provisions of 24 CFR 84.42 and 570.611, which includes maintaining a written code or standards of conduct that will govern the performance of its officers, employees or agents engaged in the award and administration of contracts supported by Federal funds.

The Subrecipient covenants that its employees have no interest and will not acquire interest, direct or indirect, in the study area or any parcels therein or any other interest which would conflict in any manner or degree with the performance of services hereunder. The Subrecipient further covenants that in the performance of this Agreement, no person having such interest will be employed.

3. Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion - Lower Tier Covered Transactions

a. The lower tier contractor certifies, by signing this contract that neither it nor its principals is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any Federal department or agency.
b. Where the lower tier contractor is unable to certify to any of the statements in this contract, such contractor will attach an explanation to this contract.
c. The contractor further agrees by signing this contract that it will not knowingly enter into any lower tier covered transaction with a person who is debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction.

D. Copyright

If this Agreement results in any copyrightable material or inventions, the City reserves the right to royalty-free, non-exclusive and irrevocable license to reproduce, publish or otherwise use and to authorize others to use, the work or materials for governmental purposes.

E. Religious Activities

The Subrecipient agrees that funds provided under this Agreement will not be utilized for inherently religious activities prohibited by 24 CFR 570.200(j), such as worship, religious instruction, or proselytization.

12. LEAD-BASED PAINT

The Subrecipient agrees that any acquisition, construction or rehabilitation of residential structures with assistance provided under this Agreement shall be subject to HUD Lead-Based Paint Regulations at 24 CFR 570.608 and 24 CFR Part 35, Subpart B. Such regulations pertain to all CDBG-assisted housing and require that all owners, prospective owners, and tenants of properties constructed prior to 1978 be properly notified that such properties may include lead-based paint, Such notification shall point out the hazards of lead-based paint and explain the symptoms, treatment and precautions that should be taken when dealing with lead-based paint poisoning and the advisability and availability of blood lead level screening for children under seven. The notice should also point out that if lead-based paint is found on the property, abatement measures may be undertaken. The regulations further require that, depending on the amount of Federal funds applies to a property, paint testing, risk assessment, treatment and/or abatement may be conducted.

13. SEVERABILITY

If any provision of this Agreement is held invalid, the remainder of the Agreement will not be affected thereby and all other parts of this Agreement will nevertheless be in full force and effect.

14. PERFORMANCE WAIVER

The City's failure to act with respect to a breach by the Subrecipient does not waive its right to act with respect to subsequent or similar breaches. The failure of the City to exercise or enforce any right or provision will not constitute a waiver of such right or provision.

15. ENTIRE AGREEMENT

This Agreement constitutes the entire agreement between the City and the Subrecipient for the use of funds received under this Agreement and it supersedes all prior communications and proposals, whether electronic, oral, or written between the City and the Subrecipient with respect to this Agreement.

IN WITNESS WHEREOF, the CITY and the SUBRECIPIENT have executed this agreement as of the date and year last written below.

MAYOR AND CITY COUNCIL OF HAGERSTOWN BY AND THROUGH THE DEPARTMENT OF HOUSING & COMMUNITY DEVELOPMENT	ELIZA'S HOUSE
By: ______________________________	By: ______________________________
Title: Mayor______________________	Title: ____________________________
Date: _____________________________	Date: _____________________________

APPROVED AS TO FORM AND LEGAL SUFFICIENCY:

SALVATORE & MORTON, LLC
CITY ATTORNEY

By: ______________________________
Jason Morton, Sole Member

Date: ______________________________

SUBRECIPIENT AGREEMENT
BETWEEN THE CITY OF HAGERSTOWN
AND THE
GIRLS INCORPORATED OF WASHINGTON COUNTY

This Agreement is entered into as of ___, August 2026, by and between the CITY OF HAGERSTOWN, a body corporate and political subdivision of the State of Maryland, acting by and through the DEPARTMENT OF HOUSING & COMMUNITY DEVELOPMENT (herein called the "CITY"), and the **Girls Incorporated of Washington County.** ("herein called the "SUBRECIPIENT").

WHEREAS, Congress in passing the Housing and Community Development Act of 1974, as amended, has placed an emphasis on the development of viable urban communities by providing decent housing and a suitable living environment and expanding economic opportunities, principally for persons of low- and moderate-income and has developed a system of block grants to aid in such purposes; and

WHEREAS, the CITY has applied for and received such a block grant, desires to conduct a program to benefit low- to moderate- income residents within the City by providing funds **to provide low- and moderate-income students enrolled in the program with a nutritious meal**; and

WHEREAS, the SUBRECIPIENT is a private non-profit corporation incorporated in the State of Maryland whose mission is to **inspire all girls to be strong, smart and bold**; and

WHEREAS, the SUBRECIPIENT has been selected by the CITY to receive CDBG funds and administer the **Girls Incorporated, Kids' Cafe Program** (hereinafter referred to as the "Program") **to provide a nutritional dinner Monday to Thursday from September through May to program participants to promote healthy development and ensure food access**; and

WHEREAS, the services provided by the SUBRECIPIENT are consistent with the Community Development Block Grant Program (hereinafter referred to as "CDBG") Eligible Activity of "Public Service"; and

WHEREAS, the SUBRECIPIENT further agrees to develop and retain sufficient documentation, as described herein below, to clearly support the CDBG eligible **Public Service** activity for each instance of assistance provided by the SUBRECIPIENT; and

WHEREAS, the parties hereto have duly executed this SUBRECIPIENT Agreement for the expenditure of CDBG funds.

NOW, THEREFORE, it is agreed between the parties hereto that:

1. <u>SCOPE OF SERVICE</u>
The Subrecipient will be responsible for administering a CDBG-funded **Kids' Café Program** in a manner satisfactory to the City and consistent with any standards required as a condition of receiving CDBG funds. Such program shall include the following activities eligible under the CDBG Program:

a. Provide staffing during the Monday through Thursday dinner hours

b. Purchase of food and healthy snacks for its clientele.

c. During the program year, Girls Inc. will operate the program for 40 weeks and serve 200 individuals during that 40-week period. Please note that each person should be counted only once.

d. Identify potential qualified clients. Collect and maintain data on household income in order to determine a client's eligibility for assistance under the Program.

a. Ensure that the U.S. Department of Housing and Urban Development's (HUD's) eligibility activity of Public Services/Youth Services 570.201(e) meets national objective standard of low- and moderate-income limited clientele 570.208(a)(2)(i) for the use of CDBG funds by benefitting low- and moderate-income persons [Reference: 570.208(a)(2)(i)(D)] because of the nature and location of the program.

The Subrecipient agrees to complete forms in Appendix C, Part 1 which have been organized to facilitate collection of race and ethnicity data for each participant.

2. <u>NATIONAL OBJECTIVE</u>
All activities funded with CDBG funds must met one of the CDBG program's National Objectives: benefit low- and moderate-income persons; or aid in the prevention or elimination of slums or blight; or meet community development needs having a particular urgency, as defined in 24 CFR 570.208

The CITY has determined that the Program carried out under this Agreement will meet the **Benefit Low-and-Moderate Income Persons** national objective.

3. <u>TIME OF PERFORMANCE</u>
The time of performance shall be 12 months beginning on the 1st day of July, 2026 and ending on 30th day of June, 2027.

4. <u>BUDGET</u>
The City shall reimburse the Subrecipient its allowable costs for the services identified in this Agreement not to exceed **$12,500.00** in CDBG funds for eligible incurred costs upon presentation of properly executed reimbursement forms as provided and approved by the City. Funding under this Agreement shall cover the Program costs.

PROGRAM BUDGET LINE ITEM	**BUDGETED AMOUNT**
Salaries	$7,820
Fringe	$680
Office Space	$0
Utilities	$0
Communications	$0
Printing	$0
Supplies and Materials	$4,000
Mileage	$0
Audit	$0
Other (Specify:)	$0
Indirect Costs	$0
Down Payment and Costing Cost Assistance	$0
TOTAL CDBG	$12,500.00

Such reimbursement shall constitute full and complete payment by the City under this Agreement. Allowable costs shall mean those necessary and proper costs identified in the Subrecipient's application and budget and approved by the City unless any or all such costs are disallowed by the City or HUD.

Any reimbursement made under this Agreement must comply with the applicable requirements or 24 CFR Part 85. The Subrecipient may not request disbursement of funds under this Agreement until the funds are needed for payment of allowable costs.

The City may require a more detailed budget breakdown, and the Subrecipient will provide such supplementary budget information in a timely fashion in the form and content prescribed by the City. Any amendments to this Agreement's Budget must first be determined by the City as consistent with its CDBG contract and then approved in writing by the City.

5. PAYMENT

It is expressly understood that the total amount to be paid by the CITY under this Agreement shall not exceed **$12,500.00.** Drawdowns for the payment of eligible expenses shall be made against the line item budget specified in Section 4 herein and in accordance with performance. **Expenses for general administration shall not be paid under this Agreement**. Claims for reimbursement will not be submitted in excess of actual, immediate cash requirements necessary to carry out the purposes of this Agreement. Funds available under this Agreement will be utilized to supplement rather than supplant funds otherwise available.

Reimbursement request must be mailed to: Margi Joe, Community Development Manager, Community Development Department, 14 N Potomac Street – Suite 200a, Hagerstown, Maryland, 21740 or e-mailed to mjoe@hagerstownmd.org. Payments shall be made within **thirty (30)** business days.

6. PERFORMANCE MONITORING

The City will monitor the performance of the Subrecipient by tracking **program** progress, reviewing payment requests for applicable costs, overseeing compliance with CDBG requirements, and ensuring recordkeeping and audit requirements are met. Substandard performance as determined by the City will constitute noncompliance with this Agreement.

If action to correct such substandard performance is not taken by the Subrecipient within a reasonable period of time after being notified by the City, contract suspension or termination procedures will be initiated.

7. NOTICES

Notices required by this Agreement shall be in writing and delivered via mail or personal delivery or sent by facsimile or other electronic means. Any notice delivered or sent as aforesaid shall be effective on the date of delivery or sending. All notices and other written communications under this Agreement shall be addressed to the individual in the capacities indicated below, unless otherwise modified by subsequent written notice.

Communications and details concerning this Agreement shall be directed to the following contract representatives:

CITY	SUBRECIPIENT
Margi Joe Community Development Manager **City of Hagerstown**	Maureen Grove Executive Director **Girls Incorporated of Washington County**
14 N. Potomac Street Address	626 Washington Avenue Address
Hagerstown, Maryland, 21740 City, State and Zip	Hagerstown, Maryland 21740 City, State and Zip
Telephone: 301-739-8577 ext. 134	Telephone: 301-733-5340
Fax Number: 301-739-3117	Fax Number: 301-733-5430

8. GENERAL CONDITIONS

A. General Compliance

The Subrecipient agrees to comply with the requirements of Title 24 of the Code of Federal regulations, Part 570 (the HUD regulations concerning CDBG) including subpart K of these regulations, except that the Subrecipient does not assume the City's environmental responsibilities described in 24 CFR 570.604 and the Subrecipient does not assume the City's responsibility for initiating the review process under the provisions of 24 CFR Part 52.

B. Independent Contractor

Nothing contained in this Agreement is intended to, or will be construed in any manner, as creating or establishing the relationship of employer/employee between the parties. The Subrecipient will at all times remain an "independent contractor" with respect to the services to be performed under this Agreement. The City will be exempt from payment of all Unemployment Compensation, FICA, retirement, life and/or medical insurance and Workers' Compensation Insurance, as the Subrecipient is an independent contractor.

C. Hold Harmless

The Subrecipient will hold harmless, defend and indemnify the City from any and all claims, actions, suits, charges and judgments whatsoever that arise out of the Subrecipient's performance or nonperformance of the services or subject matter called for in this Agreement.

D. Workers' Compensation

The Subrecipient will provide Workers' Compensation Insurance Coverage for all of its employees involved in the performance of this Agreement.

E. Insurance and Bonding

The Subrecipient shall carry sufficient insurance coverage to protect contract assets from loss due to theft, fraud and/or undue physical damage, and as a minimum will purchase a blanket fidelity bond covering all employees in an amount equal to cash advances from the City.

F. Funding Source Recognition

The Subrecipient will insure recognition of the roles of the City in providing services through this Agreement. All activities, facilities and items utilized pursuant to this Agreement will be prominently labeled as to funding source. In addition, the Subrecipient will include a reference to the support provided herein in all publications made possible with funds made available under this Agreement.

G. Amendments

The City or Subrecipient may amend this Agreement at any time provided that such amendments make specific reference to this Agreement, and are executed in writing, signed by a duly authorized representative of each organization, and approved by the City's governing body. Such amendments will not invalidate this Agreement, nor relieve or release the City or Subrecipient from its obligations under this Agreement.

The City may, in its discretion, amend this Agreement to conform with Federal, state or local governmental guidelines, policies and available funding amount, or for other reasons. If such amendments result in a change in the funding, scope of services, or schedule of the activities to be undertaken as part of this Agreement, such modifications will be incorporated only by written amendment signed by both the City and Subrecipient.

Notwithstanding the prior two subparagraphs, the parties may agree to minor amendments to this Agreement, which are executed in writing, signed by a duly authorized representative of each organization, and approved by the Grantee's staff.

H. Suspension or Termination

In accordance with 24 CFR 85.43, the City may suspend or terminate this Agreement if the Subrecipient materially fails to comply with any terms of this Agreement, which include (but are not limited to) the following:

1. Failure to comply with any of the rules, regulations or provisions referred to herein, or such statues, regulations, executive orders, and HUD guidelines, policies or directives as may become applicable at any time;

2. Failure, for any reason, of the Subrecipient to fulfill in a timely and proper manner its obligations under this Agreement;

3. Ineffective of improper use of funds provided under this Agreement; or

4. Submission by the Subrecipient to the City of reports that are incorrect or incomplete in any material respect.

In accordance with 24 CFR 85.44, this Agreement may also be terminated for convenience by either the City or the Subrecipient, in whole or in part, by setting forth the reasons for such termination, the effective date, and, in the case of partial termination, the portion to be terminated. However, if in the case of a partial termination, the City determines that the remaining portion of the award will not accomplish the purpose for which the award was made, the City may terminate the award in its entirety.

9. ADMINISTRATIVE REQUIREMENTS

A. Financial Management

1. Accounting Standards
The Subrecipient agrees to comply with 24 CFR 84.21-28 and agrees to adhere to the accounting principles and procedures required therein, utilize adequate internal controls, and maintain necessary source documentation for all costs incurred.

2. Cost Principles
The Subrecipient will administer its program in conformance with 2 CFR Part 200, Subpart E, "(Uniform Guidance"). These principles will be applied for all costs incurred whether charged on a direct or indirect basis.

B. Documentation and Record Keeping

1. Records to Be Maintained
The Subrecipient will maintain all records required by the Federal regulations specified in 24 CFR 570.506 that are pertinent to the activities to be funded under this Agreement. Such records will include but not be limited to:

a. Records providing a full description of each activity undertaken;
b. Records demonstrating that each activity undertaken meets one of the National Objectives of the CDBG program;
c. Records required to determine the eligibility of activities;
d. Records required to document the acquisition, improvement, use or disposition of real property acquired or improved with CDBG assistance;
e. Records documenting compliance with the civil rights components of the CDBG program;
f. Financial records as required by 24 CFR 570.502, and 24 CFR 84.21-28;
g. Labor standards records required to document compliance with the Davis Bacon Act, the provisions of the Contract Work Hours and Safety Standards Act, and all other applicable Federal, state and local laws and regulations applicable to CDBG-funded construction projects; and
h. Other records necessary to document compliance with Subpart K of 24 CFR Part 570.

2. Access to Records and Retention
All such records and all other records pertinent to this Agreement and work undertaken under this Agreement will be retained by the Subrecipient for a period of four years. The retention period begins on the date of the submission of the City's annual performance and evaluation report to HUD in which the activities assisted under the Agreement are reported on for the final time. Notwithstanding the above, if there is litigation, claims, audits, negotiations or other actions that involve any of the records cited and that have started before the expiration of the

four-year period, then such records must be retained until completion of the actions and resolution of all issues or the expiration of the four-year period, whichever occurs later.

3. Client Data
   The Subrecipient shall maintain client data demonstrating client eligibility for services provided. Such data shall include, but not be limited to, client name, address income level or other basis for determining eligibility and description of services provided. Such information shall be made available to City monitors or their designees, HUD or other authorized representatives for review upon request.

4. Disclosure
   The Subrecipient understands that client information collected under this Agreement is private and the use or disclosure of such information, when not directly connected with the administration of the City's or Subrecipient's responsibilities with respect to services provided under this Agreement, is prohibited by **State or Federal law** unless written consent is obtained from such person receiving service and, in the case of a minor, that of a responsible parent/guardian.

5. Closeouts
   The Subrecipient's obligation to the City shall not end until all closeout requirements are completed. Activities during the closeout period shall include, but are not limited to, making final payments, disposing of program assets (including the return of all unused materials, equipment, program income balances and accounts receivable to the City), and determining the custodian ship of records. Notwithstanding the foregoing, the terms of this Agreement shall remain in effect during any period that the Subrecipient has control over CDBG funds, including program income,

6. Audits and Inspections
   If Subrecipient expends $1,000,000 or more in a year in Federal awards, the Subrecipient shall have a single or program-specific audit conducted for that year in accordance with the requirements of 2 CFR 200, Subpart F ("Audit Requirements"). Subrecipient must send a copy of the final report to the City within the earlier of 30 days of the report's issuance or nine months after the end of the audit period. The City also reserves the right to engage an independent auditor to examine the Subrecipient's compliance with the requirements of 2 CFR Part 200 and this Agreement. Furthermore, the City must approve any independent auditor engaged to assure that the auditor is qualified and meets Government Accounting Office Standards and evaluate the scope of the audit to ensure compliance with Code of Federal Regulation requirements. This grant is made pursuant to and is identified as follows:

1. Federal Grant Title: Community Development Block Grant
2. Catalog of Federal Domestic Assistance Number (CFDA): 14.218
3. Federal and/or State Identification Numbers: B-**26**-MC-24-0012

All Subrecipient records with respect to any matters covered by this Agreement shall be made available to the City, HUD, and duly authorized officials of the State and federal government, at any time during normal business hours, as often as deemed necessary, to audit, examine, and make excerpts or transcripts of all relevant data. Any deficiencies noted in audit reports must be fully cleared by the Subrecipient within 30 days after receipt by the Subrecipient.

Failure of the Subrecipient to comply with the above audit requirements will constitute a violation of this Agreement and may result in the withholding of future payments.

C. Reporting

1. Program Income
The Subrecipient will report annually all program income [as defined at 24 CFR 570.500(a)] generated by activities carried out with CDBG funds made available under this Agreement. The use of program income by the Subrecipient will comply with the requirements set forth at 24 CFR 570.504. The Subrecipient may use such income during the contract period for activities permitted under this Agreement and shall reduce request for additional funds by the amount of any such program income balances on hand. All unexpended program income shall be returned to the City at the end of the contract period. Any interest earned on cash advances from the U.S Treasure and from funds held in a revolving fund account is not program income and shall be remitted promptly to the City.

2. Progress Reports
At such times and in such forms as HUD or the City may require, there shall be furnished to HUD or the City such statements, records, reports, data and information as HUD or the City may request pertaining to matters covered by this Agreement. Specifically, the City shall require Subrecipient to submit quarterly reports which shall include a narrative of program activities, a description of the services provided, number of clients that have applied for, participated in or benefited from the services and relevant characteristics of the client population (age, gender, income, race, ethnicity and gender of single-headed households), performance standard outcomes, equal employment opportunity reports, applicable MBE/WBE requirements and applicable reporting forms attached hereto as **Appendix C, Part I** and incorporated herein by reference.

Said quarterly reports shall be submitted in a timely fashion (within 15 days of the end of each calendar quarter) and subject to the approval of the City prior to reimbursement of Subrecipient as set forth hereinabove. The City and Subrecipient reserve the mutual right to publish and/or make public, with the consent of both parties, the reports or other results of services under this Agreement.

D. Procurement

1. Compliance
The Subrecipient shall comply with current City policy concerning the purchase of equipment and shall maintain inventory records of all non-expendable personal property as defined by such policy as my be procured with funds provided herein, All program assets (unexpended program income, property, equipment, etc.) shall revert to the City upon termination of this Agreement.

2. OMB Standards
Unless specified otherwise within this Agreement, the Subrecipient shall procure all materials, property or services in accordance with the requirements of 24 CFR 84.40-48.

3. Travel
The Subrecipient shall request written approval from the City for any travel outside the metropolitan area with funds provided under this Agreement.

E. Use and Reversion of Assets
The use and disposition of real property and equipment under this Agreement will be in compliance with the requirements of 24 CFR Part 84 and 24 CFR 570.502, 570.503, 570.504, as applicable, which include but are not limited to the following:

1. The Subrecipient will transfer to the City any CDBG funds on hand and any accounts receivable attributable to the use of funds under this Agreement at the time of expiration, cancellation, or termination.

2. Real property under the Subrecipient's control that was acquired or improved, in whole or in part, with funds under this Agreement in excess of $25,000 will be used to meet one of the CDBG National Objectives pursuant to 24 CFR 570.208 until ten (10) years after the contract between Subrecipient and the CITY is closed. If the Subrecipient fails to use CDBG-assisted real property in a manner that meets a CDBG National Objective for this 10-year period of time, the Subrecipient will pay the City an amount equal to the current fair market value of the property less any portion of the value attributable to expenditures of non-CDBG funds for acquisition of, or improvement to, the property after the CDBG program's approval. Such payment will constitute program income to the City. The Subrecipient may retain real property acquired or improved under this Agreement after the expiration of the ten-year period.

3. In cases in which equipment acquired, in whole or in part, with funds under this Agreement is sold, the proceeds will be program income (prorated to reflect the extent to which funds received under this Agreement were used to acquire the

equipment). Equipment not needed by the Subrecipient for activities under this Agreement will be (a) transferred to the City for the CDBG program or (b) retained after compensating the City [an amount equal to the current fair market value of the equipment less the percentage of non-CDBG funds used to acquire the equipment].

4. Equipment acquired with CDBG funds may be retained by the Subrecipient so long as it continues to be used for the same or similar eligible public purpose for which it was acquired. If the equipment is sold or is no longer needed for such purposes, disposition shall be made in accordance with this section.

10. RELOCATION, REAL PROPERTY ACQUISITION AND ONE-FOR-ONE HOUSING REPLACEMENT

The Subrecipient agrees to comply with (a) the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (URA), and implementing regulations at 49 CFR Part 24 and 24 CFR 570.606(b); (b) the requirements of 24 CFR 570.606(c) governing the Residential Anti-Displacement and Relocation Assistance Plan under section 104(d) of the HCD Act; and (c) the requirements in 24 CFR 570.606(d) governing optional relocation policies. The Subrecipient shall provide relocation assistance to displaced persons as defined by 24 CFR 570.606(b)(2) that are displaced as a direct result of acquisition, rehabilitation, demolition or conversion for a CDBG-assisted project. The Subrecipient also agrees to comply with applicable City ordinance, resolutions and policies concerning the displacement of persons from their residences.

11. PERSONNEL AND PARTICIPANT CONDITIONS

A. Civil Rights

1. Compliance

The Subrecipient agrees to comply with **local and state civil rights ordinances** and with Title VI of the Civil Rights Act of 1964 as amended, and Title VII of the Civil Rights Act of 1968 as amended, Section 104(b) and Section 109 of title I of the Housing and Community Development Act of 1974 as amended, Section 504 of the Rehabilitation Act of 1973, the American and Disabilities Act of 1990, the Age Discrimination act of 1975, Executive Order 11063, and Executive Order 11246 as amended by Executive Orders 11375, 11478, 12107 and 12086.

2. Nondiscrimination

The Subrecipient agrees to comply with the nondiscrimination in employment and contracting opportunities laws, regulation and executive orders referenced in 24 CFR 570.607, as revised by Executive Order 13279. The applicable nondiscrimination provisions in Section 109 of the HCDA are still applicable.

B. Section 3 of the Housing and Community Development Act of 1968

Compliance in the Provision of Training, Employment, and Business Opportunities:

1. The work to be performed under this agreement is on a project assisted under a program providing direct federal financial assistance from HUD and is subject to the requirements of Section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701u. Section 3 requires that to the greatest extent feasible opportunities for training and employment be given lower-income residents of the project area; and contracts for work in connection with the project be awarded to business concerns which are located in, or owned in substantial part, by persons residing in the area of the project.

2. The parties to this contract will comply with the provisions of said Section 3 and the regulations set forth in 24 CFR 135, and all applicable rules and orders of HUD and the City issued thereunder prior to the execution of this contract. The parties to this contract certify and agree that they are under no contractual or other disability that would prevent them from complying with these provisions.

3. The Subrecipient will send to each labor organization or representative of workers with which he has a collective bargaining agreement or other contract or understanding, if any, a notice advising the said labor organization or workers' representative of his commitments under this Section 3 clause and will post copies of the notice in conspicuous places available to employees and applicants for employment or training.

4. The Subrecipient will include this Section 3 clause in every subcontract for work in connection with the project and will, at the direction of the applicant, or recipient of federal financial assistance, take appropriate action pursuant to the subcontract upon a finding that the subcontractor is in violation of regulations issued by the Secretary of HUD, 24 CFR Part 135. The Subrecipient will not subcontract with any subcontractor where it has notice or knowledge that the latter has been found in violation of regulations under 24 CFR Part 135 and will not let any subcontract, unless the subcontractor has first provided it with a preliminary statement of ability to comply with the requirements of these regulations.

5. Compliance with the provisions of Section 3, the regulations set forth in 24 CFR Part 135, and all applicable rules and orders of HUD and the City issued hereunder prior to the execution of the contract, will be a condition of the federal financial assistance provided to the project, binding upon the applicant or recipient for such assistance, its successors, and assigns. Failure to fulfill these requirements will subject the applicant, or recipient, its consultants and subcontractors, its successors and assigned to those sanctions specified by the grant or loan agreement or contract through which federal assistance is provided, and to such sanctions as are specified by 24 CFR Part 135.

C. <u>Conduct</u>

1. <u>Assignability</u>

The Subrecipient will not assign or transfer any interest in this Agreement without the prior written consent of the City thereto; provided, however, that claims for money due or to become due to the Subrecipient from the City under this contract may be assigned to a bank, trust company, or other financial institution without such approval. Notice of any such assignment or transfer will be furnished promptly to the City.

2. Conflict of Interest

   No member of the City's governing body and no other public official of such locality, who exercises any functions or responsibilities in connection with the planning or carrying out of the Program, will have any personal financial interest, direct or indirect, in this agreement; and the Subrecipient will take appropriate steps to assure compliance.

   The Subrecipient agrees to abide by the provisions of 24 CFR 84.42 and 570.611, which includes maintaining a written code or standards of conduct that will govern the performance of its officers, employees or agents engaged in the award and administration of contracts supported by Federal funds.

   The Subrecipient covenants that its employees have no interest and will not acquire interest, direct or indirect, in the study area or any parcels therein or any other interest which would conflict in any manner or degree with the performance of services hereunder. The Subrecipient further covenants that in the performance of this Agreement, no person having such interest will be employed.

3. Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion - Lower Tier Covered Transactions

   a. The lower tier contractor certifies, by signing this contract that neither it nor its principals is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any Federal department or agency.
   b. Where the lower tier contractor is unable to certify to any of the statements in this contract, such contractor will attach an explanation to this contract.
   c. The contractor further agrees by signing this contract that it will not knowingly enter into any lower tier covered transaction with a person who is debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction.

D. Copyright

If this Agreement results in any copyrightable material or inventions, the City reserves the right to royalty-free, non-exclusive and irrevocable license to reproduce, publish or otherwise use and to authorize others to use, the work or materials for governmental purposes.

E. Religious Activities
The Subrecipient agrees that funds provided under this Agreement will not be utilized for inherently religious activities prohibited by 24 CFR 570.200(j), such as worship, religious instruction, or proselytization.

12. LEAD-BASED PAINT
The Subrecipient agrees that any acquisition, construction or rehabilitation of residential structures with assistance provided under this Agreement shall be subject to HUD Lead-Based Paint Regulations at 24 CFR 570.608 and 24 CFR Part 35, Subpart B. Such regulations pertain to all CDBG-assisted housing and require that all owners, prospective owners, and tenants of properties constructed prior to 1978 be properly notified that such properties may include lead-based paint, Such notification shall point out the hazards of lead-based paint and explain the symptoms, treatment and precautions that should be taken when dealing with lead-based paint poisoning and the advisability and availability of blood lead level screening for children under seven. The notice should also point out that if lead-based paint is found on the property, abatement measures may be undertaken. The regulations further require that, depending on the amount of Federal funds applies to a property, paint testing, risk assessment, treatment and/or abatement may be conducted.

13. SEVERABILITY
If any provision of this Agreement is held invalid, the remainder of the Agreement will not be affected thereby and all other parts of this Agreement will nevertheless be in full force and effect.

14. PERFORMANCE WAIVER
The City's failure to act with respect to a breach by the Subrecipient does not waive its right to act with respect to subsequent or similar breaches. The failure of the City to exercise or enforce any right or provision will not constitute a waiver of such right or provision.

15. ENTIRE AGREEMENT
This Agreement constitutes the entire agreement between the City and the Subrecipient for the use of funds received under this Agreement and it supersedes all prior communications and proposals, whether electronic, oral, or written between the City and the Subrecipient with respect to this Agreement.

IN WITNESS WHEREOF, the CITY and the SUBRECIPIENT have executed this agreement as of the date and year last written below.

MAYOR AND CITY COUNCIL OF HAGERSTOWN BY AND THROUGH THE DEPARTMENT OF HOUSING & COMMUNITY DEVELOPMENT	GIRLS INC, OF WASHINGTON COUNTY
By: ______________________________	By: ______________________________
Title: Mayor______ ________________________	Title: ______________________________
Date: ______________________________	Date: ______________________________

APPROVED AS TO FORM AND LEGAL SUFFICIENCY:

SALVATORE & MORTON, LLC
CITY ATTORNEY

By: ______________________________
Jason Morton, Sole Member

Date: ______________________________

SUBRECIPIENT AGREEMENT
BETWEEN THE CITY OF HAGERSTOWN
AND
GOOD NEWS HAGERSTOWN, INC

This Agreement is entered into as of ___, August 2026, by and between the CITY OF HAGERSTOWN, a body corporate and political subdivision of the State of Maryland, acting by and through the DEPARTMENT OF HOUSING & COMMUNITY DEVELOPMENT (herein called the "CITY"), and **Good News Hagerstown, Inc.** ("herein called the "SUBRECIPIENT").

WHEREAS, Congress in passing the Housing and Community Development Act of 1974, as amended, has placed an emphasis on the development of viable urban communities by providing decent housing and a suitable living environment and expanding economic opportunities, principally for persons of low- and moderate-income and has developed a system of block grants to aid in such purposes; and

WHEREAS, the CITY has applied for and received such a block grant, desires to conduct a program to benefit low- to moderate- income residents within the City by providing funds **to support a program which provides neighborhood beautification in the form of planters and gardens; engages youth and families in outdoor learning; and connects low-income and homeless participants to environmental wellness and public service**; and

WHEREAS, the SUBRECIPIENT is a private non-profit corporation incorporated in the State of Maryland whose mission is to **uplift underserved neighborhoods through community service, beautification, and youth/family engagement**; and

WHEREAS, the SUBRECIPIENT has been selected by the CITY to receive CDBG funds and administer the **Downtown Green Families Initiative** (hereinafter referred to as the "Program") **to support physical improvements to public-facing areas and to coordinate with local community service partners for youth/family engagement activities**; and

WHEREAS, the services provided by the SUBRECIPIENT are consistent with the Community Development Block Grant Program (hereinafter referred to as "CDBG") Eligible Activity of "Public Service"; and

WHEREAS, the SUBRECIPIENT further agrees to develop and retain sufficient documentation, as described herein below, to clearly support the CDBG eligible **Public Service** activity for each instance of assistance provided by the SUBRECIPIENT; and

WHEREAS, the parties hereto have duly executed this SUBRECIPIENT Agreement for the expenditure of CDBG funds.

NOW, THEREFORE, it is agreed between the parties hereto that:

1. SCOPE OF SERVICE
The Subrecipient will be responsible for administering a CDBG-funded **Downtown Green Families Initiative** in a manner satisfactory to the City and consistent with any standards required as a condition of receiving CDBG funds. Such program shall include the following activities eligible under the CDBG Program:

a. Operate the above referenced program which will beautify public spaces and engage youth and families in the City of Hagerstown. Specifically, approximately one hundred twenty (120) residents will be served by the program.

b. During the program year, operate the program and serve one hundred twenty (120) residents. Please note that each person should be counted only once.

c. Identify potential qualified clients. Collect and maintain data on household income in order to determine a client's eligibility for assistance under the Program.

d. The Subrecipient will ensure that its use of the funds will meet the U. S. Department of Housing and Urban Development's (HUD's) national objective for the use of CDBG funds by benefitting low and moderate (L/M) income persons through a limited clientele activity. An L/M income limited clientele activity is one which provides benefits to a specific group of persons rather than everyone in an area. 100% of the beneficiaries of the activity must be L/M income people.

To document that Downtown Green Families Initiative clientele meet HUD's national objective, the Subrecipient agrees to use the funding to serve reisdents within the City of Hagerstown Corporate Boundaries, and to complete forms in Appendix C, Part 1 which have been organized to facilitate collection of race and ethnicity data for each participant.

2. NATIONAL OBJECTIVE
All activities funded with CDBG funds must met one of the CDBG program's National Objectives: benefit low- and moderate-income persons; or aid in the prevention or elimination of slums or blight; or meet community development needs having a particular urgency, as defined in 24 CFR 570.208

The CITY has determined that the Program carried out under this Agreement will meet the **Benefit Low- and Moderate-Income Persons** national objective.

The program beneficiaries qualify as L/M Income Limited Clientele as defined in 24 CFR 570.208(a)(2)(i)(A).

3. TIME OF PERFORMANCE
The time of performance shall be 12-months beginning on the 1st day of July, 2026 and ending on 30th day of June, 2027.

4. BUDGET

The City shall reimburse the Subrecipient its allowable costs for the services identified in this Agreement not to exceed **$8,000.00** in CDBG funds for eligible incurred costs upon presentation of properly executed reimbursement forms as provided and approved by the City. Funding under this Agreement shall cover the Program costs.

PROGRAM BUDGET LINE ITEM	**BUDGETED AMOUNT**
Salaries	$0
Fringe	$0
Office Space	$0
Utilities	$0
Communications	$0
Printing	$0
Supplies and Materials	$6,500
Office Expenses	$500
Audit	$0
Other (Specify: Planters)	$1,500
TOTAL CDBG	$8,000

Such reimbursement shall constitute full and complete payment by the City under this Agreement. Allowable costs shall mean those necessary and proper costs identified in the Subrecipient's application and budget and approved by the City unless any or all such costs are disallowed by the City or HUD.

Any reimbursement made under this Agreement must comply with the applicable requirements or 24 CFR Part 85. The Subrecipient may not request disbursement of funds under this Agreement until the funds are needed for payment of allowable costs.

The City may require a more detailed budget breakdown, and the Subrecipient will provide such supplementary budget information in a timely fashion in the form and content prescribed by the City. Any amendments to this Agreement's Budget must first be determined by the City as consistent with its CDBG contract and then approved in writing by the City.

5. PAYMENT

It is expressly understood that the total amount to be paid by the CITY under this Agreement shall not exceed **$8,000.00.** Drawdowns for the payment of eligible expenses shall be made against the line item budget specified in Section 4 herein and in accordance with performance. **Expenses for general administration shall not be paid under this Agreement**. Claims for reimbursement will not be submitted in excess of actual, immediate cash requirements necessary to carry out the purposes of this Agreement. Funds available under this Agreement will be utilized to supplement rather than supplant funds otherwise available.

Reimbursement request must be mailed to: Margi Joe, Community Development Manager, Community Development Department, 14 N Potomac Street – Suite 200a,

Hagerstown, Maryland, 21740 or e-mailed to mjoe@hagerstownmd.org. Payments shall be made within thirty **(30)** business days.

6. PERFORMANCE MONITORING
The City will monitor the performance of the Subrecipient by tracking program progress, reviewing payment requests for applicable costs, overseeing compliance with CDBG requirements, and ensuring recordkeeping and audit requirements are met. Substandard performance as determined by the City will constitute noncompliance with this Agreement.

If action to correct such substandard performance is not taken by the Subrecipient within a reasonable period of time after being notified by the City, contract suspension or termination procedures will be initiated.

7. NOTICES
Notices required by this Agreement shall be in writing and delivered via mail or personal delivery or sent by facsimile or other electronic means. Any notice delivered or sent as aforesaid shall be effective on the date of delivery or sending. All notices and other written communications under this Agreement shall be addressed to the individual in the capacities indicated below, unless otherwise modified by subsequent written notice.

Communications and details concerning this Agreement shall be directed to the following contract representatives:

CITY

Margi Joe
Community Development Manager
City of Hagerstown

14 N. Potomac Street
Address

Hagerstown, Maryland, 21740
City, State and Zip

Telephone: 301-739-8577 ext. 134

Fax Number: 301-739-3117

SUBRECIPIENT

Shawn Boward
Vice President
Good News Hagerstown

5 Public Square, Ste 301
Address

Hagerstown, Maryland 21740
City, State and Zip

Telephone: 240-310-4487

Fax Number: ______________

8. GENERAL CONDITIONS

A. General Compliance

The Subrecipient agrees to comply with the requirements of Title 24 of the Code of Federal regulations, Part 570 (the HUD regulations concerning CDBG) including subpart K of these regulations, except that the Subrecipient does not assume the City's environmental responsibilities described in 24 CFR 570.604 and the Subrecipient does not assume the City's responsibility for initiating the review process under the provisions of 24 CFR Part 52.

B. Independent Contractor

Nothing contained in this Agreement is intended to, or will be construed in any manner, as creating or establishing the relationship of employer/employee between the parties. The Subrecipient will at all times remain an "independent contractor" with respect to the services to be performed under this Agreement. The City will be exempt from payment of all Unemployment Compensation, FICA, retirement, life and/or medical insurance and Workers' Compensation Insurance, as the Subrecipient is an independent contractor.

C. Hold Harmless

The Subrecipient will hold harmless, defend and indemnify the City from any and all claims, actions, suits, charges and judgments whatsoever that arise out of the Subrecipient's performance or nonperformance of the services or subject matter called for in this Agreement.

D. Workers' Compensation

The Subrecipient will provide Workers' Compensation Insurance Coverage for all of its employees involved in the performance of this Agreement.

E. Insurance and Bonding

The Subrecipient shall carry sufficient insurance coverage to protect contract assets from loss due to theft, fraud and/or undue physical damage, and as a minimum will purchase a blanket fidelity bond covering all employees in an amount equal to cash advances from the City.

F. Funding Source Recognition

The Subrecipient will insure recognition of the roles of the City in providing services through this Agreement. All activities, facilities and items utilized pursuant to this Agreement will be prominently labeled as to funding source. In addition, the Subrecipient will include a reference to the support provided herein in all publications made possible with funds made available under this Agreement.

G. Amendments

The City or Subrecipient may amend this Agreement at any time provided that such amendments make specific reference to this Agreement, and are executed in writing, signed by a duly authorized representative of each organization, and approved by the

City's governing body. Such amendments will not invalidate this Agreement, nor relieve or release the City or Subrecipient from its obligations under this Agreement.

The City may, in its discretion, amend this Agreement to conform with Federal, state or local governmental guidelines, policies and available funding amount, or for other reasons. If such amendments result in a change in the funding, scope of services, or schedule of the activities to be undertaken as part of this Agreement, such modifications will be incorporated only by written amendment signed by both the City and Subrecipient.

Notwithstanding the prior two subparagraphs, the parties may agree to minor amendments to this Agreement, which are executed in writing, signed by a duly authorized representative of each organization, and approved by the Grantee's staff.

H. Suspension or Termination

In accordance with 24 CFR 85.43, the City may suspend or terminate this Agreement if the Subrecipient materially fails to comply with any terms of this Agreement, which include (but are not limited to) the following:

1. Failure to comply with any of the rules, regulations or provisions referred to herein, or such statues, regulations, executive orders, and HUD guidelines, policies or directives as may become applicable at any time;

2. Failure, for any reason, of the Subrecipient to fulfill in a timely and proper manner its obligations under this Agreement;

3. Ineffective of improper use of funds provided under this Agreement; or

4. Submission by the Subrecipient to the City of reports that are incorrect or incomplete in any material respect.

In accordance with 24 CFR 85.44, this Agreement may also be terminated for convenience by either the City or the Subrecipient, in whole or in part, by setting forth the reasons for such termination, the effective date, and, in the case of partial termination, the portion to be terminated. However, if in the case of a partial termination, the City determines that the remaining portion of the award will not accomplish the purpose for which the award was made, the City may terminate the award in its entirety.

9. ADMINISTRATIVE REQUIREMENTS

A. Financial Management

1. Accounting Standards

The Subrecipient agrees to comply with 24 CFR 84.21-28 and agrees to adhere to the accounting principles and procedures required therein, utilize adequate

internal controls, and maintain necessary source documentation for all costs incurred.

2. Cost Principles
   The Subrecipient will administer its program in conformance with 2 CFR Part 200, Subpart E, "(Uniform Guidance"). These principles will be applied for all costs incurred whether charged on a direct or indirect basis.

B. Documentation and Record Keeping

1. Records to Be Maintained
   The Subrecipient will maintain all records required by the Federal regulations specified in 24 CFR 570.506 that are pertinent to the activities to be funded under this Agreement. Such records will include but not be limited to:

   a. Records providing a full description of each activity undertaken;
   b. Records demonstrating that each activity undertaken meets one of the National Objectives of the CDBG program;
   c. Records required to determine the eligibility of activities;
   d. Records required to document the acquisition, improvement, use or disposition of real property acquired or improved with CDBG assistance;
   e. Records documenting compliance with the civil rights components of the CDBG program;
   f. Financial records as required by 24 CFR 570.502, and 24 CFR 84.21-28;
   g. Labor standards records required to document compliance with the Davis Bacon Act, the provisions of the Contract Work Hours and Safety Standards Act, and all other applicable Federal, state and local laws and regulations applicable to CDBG-funded construction projects; and
   h. Other records necessary to document compliance with Subpart K of 24 CFR Part 570.

2. Access to Records and Retention
   All such records and all other records pertinent to this Agreement and work undertaken under this Agreement will be retained by the Subrecipient for a period of four years. The retention period begins on the date of the submission of the City's annual performance and evaluation report to HUD in which the activities assisted under the Agreement are reported on for the final time. Notwithstanding the above, if there is litigation, claims, audits, negotiations or other actions that involve any of the records cited and that have started before the expiration of the four-year period, then such records must be retained until completion of the actions and resolution of all issues or the expiration of the four-year period, whichever occurs later.

3. Client Data

The Subrecipient shall maintain client data demonstrating client eligibility for services provided. Such data shall include, but not be limited to, client name, address income level or other basis for determining eligibility and description of services provided. Such information shall be made available to City monitors or their designees, HUD or other authorized representatives for review upon request.

4. Disclosure

   The Subrecipient understands that client information collected under this Agreement is private and the use or disclosure of such information, when not directly connected with the administration of the City's or Subrecipient's responsibilities with respect to services provided under this Agreement, is prohibited by **State or Federal law** unless written consent is obtained from such person receiving service and, in the case of a minor, that of a responsible parent/guardian.

5. Closeouts

   The Subrecipient's obligation to the City shall not end until all closeout requirements are completed. Activities during the closeout period shall include, but are not limited to, making final payments, disposing of program assets (including the return of all unused materials, equipment, program income balances and accounts receivable to the City), and determining the custodian ship of records. Notwithstanding the foregoing, the terms of this Agreement shall remain in effect during any period that the Subrecipient has control over CDBG funds, including program income,

6. Audits and Inspections

   If Subrecipient expends $1,000,000 or more in a year in Federal awards, Subrecipient shall have a single or program-specific audit conducted for that year in accordance with the requirements of 2 CFR 200, Subpart F ("Audit Requirements"). Subrecipient must send a copy of the final report to the City within the earlier of 30 days of the report's issuance or nine months after the end of the audit period. The City also reserves the right to engage an independent auditor to examine the Subrecipient's compliance with the requirements of 2 CFR Part 200 and this Agreement. Furthermore, the City must approve any independent auditor engaged to assure that the auditor is qualified and meets Government Accounting Office Standards and evaluate the scope of the audit to ensure compliance with Code of Federal Regulation requirements. This grant is made pursuant to and is identified as follows:

   1. Federal Grant Title: Community Development Block Grant
   2. Catalog of Federal Domestic Assistance Number (CFDA): 14.218
   3. Federal and/or State Identification Numbers: B-**26**-MC-24-0012

   All Subrecipient records with respect to any matters covered by this Agreement shall be made available to the City, HUD, and duly authorized officials of the State and federal government, at any time during normal business hours, as often

as deemed necessary, to audit, examine, and make excerpts or transcripts of all relevant data. Any deficiencies noted in audit reports must be fully cleared by the Subrecipient within 30 days after receipt by the Subrecipient.

Failure of the Subrecipient to comply with the above audit requirements will constitute a violation of this Agreement and may result in the withholding of future payments.

C. Reporting

1. Program Income
The Subrecipient will report annually all program income [as defined at 24 CFR 570.500(a)] generated by activities carried out with CDBG funds made available under this Agreement. The use of program income by the Subrecipient will comply with the requirements set forth at 24 CFR 570.504. The Subrecipient may use such income during the contract period for activities permitted under this Agreement and shall reduce request for additional funds by the amount of any such program income balances on hand. All unexpended program income shall be returned to the City at the end of the contract period. Any interest earned on cash advances from the U.S Treasure and from funds held in a revolving fund account is not program income and shall be remitted promptly to the City.

2. Progress Reports
At such times and in such forms as HUD or the City may require, there shall be furnished to HUD or the City such statements, records, reports, data and information as HUD or the City may request pertaining to matters covered by this Agreement. Specifically, the City shall require Subrecipient to submit quarterly reports which shall include a narrative of program activities, a description of the services provided, number of clients that have applied for, participated in or benefited from the services and relevant characteristics of the client population (age, gender, income, race, ethnicity and gender of single-headed households), performance standard outcomes, equal employment opportunity reports, applicable MBE/WBE requirements and applicable reporting forms attached hereto as **Appendix C, Part I** and incorporated herein by reference.

Said quarterly reports shall be submitted in a timely fashion (within 15 days of the end of each calendar quarter) and subject to the approval of the City prior to reimbursement of Subrecipient as set forth hereinabove. The City and Subrecipient reserve the mutual right to publish and/or make public, with the consent of both parties, the reports or other results of services under this Agreement.

D. Procurement

1. Compliance
   The Subrecipient shall comply with current City policy concerning the purchase of equipment and shall maintain inventory records of all non-expendable personal property as defined by such policy as my be procured with funds provided herein, All program assets (unexpended program income, property, equipment, etc.) shall revert to the City upon termination of this Agreement.

2. OMB Standards
   Unless specified otherwise within this Agreement, the Subrecipient shall procure all materials, property or services in accordance with the requirements of 24 CFR 84.40-48.
3. Travel
   The Subrecipient shall request written approval from the City for any travel outside the metropolitan area with funds provided under this Agreement.

E. Use and Reversion of Assets
The use and disposition of real property and equipment under this Agreement will be in compliance with the requirements of 24 CFR Part 84 and 24 CFR 570.502, 570.503, 570.504, as applicable, which include but are not limited to the following:

1. The Subrecipient will transfer to the City any CDBG funds on hand and any accounts receivable attributable to the use of funds under this Agreement at the time of expiration, cancellation, or termination.

2. Real property under the Subrecipient's control that was acquired or improved, in whole or in part, with funds under this Agreement in excess of $25,000 will be used to meet one of the CDBG National Objectives pursuant to 24 CFR 570.208 until ten (10) years after the contract between Subrecipient and the CITY is closed. If the Subrecipient fails to use CDBG-assisted real property in a manner that meets a CDBG National Objective for this 10-year period of time, the Subrecipient will pay the City an amount equal to the current fair market value of the property less any portion of the value attributable to expenditures of non-CDBG funds for acquisition of, or improvement to, the property after the CDBG program's approval. Such payment will constitute program income to the City. The Subrecipient may retain real property acquired or improved under this Agreement after the expiration of the ten-year period.

3. In cases in which equipment acquired, in whole or in part, with funds under this Agreement is sold, the proceeds will be program income (prorated to reflect the extent to which funds received under this Agreement were used to acquire the equipment). Equipment not needed by the Subrecipient for activities under this Agreement will be (a) transferred to the City for the CDBG program or (b) retained after compensating the City [an amount equal to the current fair market

value of the equipment less the percentage of non-CDBG funds used to acquire the equipment].

4. Equipment acquired with CDBG funds may be retained by the Subrecipient so long as it continues to be used for the same or similar eligible public purpose for which it was acquired. If the equipment is sold or is no longer needed for such purposes, disposition shall be made in accordance with this section.

10. RELOCATION, REAL PROPERTY ACQUISITION AND ONE-FOR-ONE HOUSING REPLACEMENT

The Subrecipient agrees to comply with (a) the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (URA), and implementing regulations at 49 CFR Part 24 and 24 CFR 570.606(b); (b) the requirements of 24 CFR 570.606(c) governing the Residential Anti-Displacement and Relocation Assistance Plan under section 104(d) of the HCD Act; and (c) the requirements in 24 CFR 570.606(d) governing optional relocation policies. The Subrecipient shall provide relocation assistance to displaced persons as defined by 24 CFR 570.606(b)(2) that are displaced as a direct result of acquisition, rehabilitation, demolition or conversion for a CDBG-assisted project. The Subrecipient also agrees to comply with applicable City ordinance, resolutions and policies concerning the displacement of persons from their residences.

11. PERSONNEL AND PARTICIPANT CONDITIONS

A. Civil Rights

1. Compliance

The Subrecipient agrees to comply with **local and state civil rights ordinances** and with Title VI of the Civil Rights Act of 1964 as amended, and Title VII of the Civil Rights Act of 1968 as amended, Section 104(b) and Section 109 of title I of the Housing and Community Development Act of 1974 as amended, Section 504 of the Rehabilitation Act of 1973, the American and Disabilities Act of 1990, the Age Discrimination act of 1975, Executive Order 11063, and Executive Order 11246 as amended by Executive Orders 11375, 11478, 12107 and 12086.

2. Nondiscrimination

The Subrecipient agrees to comply with the nondiscrimination in employment and contracting opportunities laws, regulation and executive orders referenced in 24 CFR 570.607, as revised by Executive Order 13279. The applicable nondiscrimination provisions in Section 109 of the HCDA are still applicable.

B. Section 3 of the Housing and Community Development Act of 1968

Compliance in the Provision of Training, Employment, and Business Opportunities:

1. The work to be performed under this agreement is on a project assisted under a program providing direct federal financial assistance from HUD and is subject to

the requirements of Section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701u. Section 3 requires that to the greatest extent feasible opportunities for training and employment be given lower-income residents of the project area; and contracts for work in connection with the project be awarded to business concerns which are located in, or owned in substantial part, by persons residing in the area of the project.

2. The parties to this contract will comply with the provisions of said Section 3 and the regulations set forth in 24 CFR 135, and all applicable rules and orders of HUD and the City issued thereunder prior to the execution of this contract. The parties to this contract certify and agree that they are under no contractual or other disability that would prevent them from complying with these provisions.

3. The Subrecipient will send to each labor organization or representative of workers with which he has a collective bargaining agreement or other contract or understanding, if any, a notice advising the said labor organization or workers' representative of his commitments under this Section 3 clause and will post copies of the notice in conspicuous places available to employees and applicants for employment or training.

4. The Subrecipient will include this Section 3 clause in every subcontract for work in connection with the project and will, at the direction of the applicant, or recipient of federal financial assistance, take appropriate action pursuant to the subcontract upon a finding that the subcontractor is in violation of regulations issued by the Secretary of HUD, 24 CFR Part 135. The Subrecipient will not subcontract with any subcontractor where it has notice or knowledge that the latter has been found in violation of regulations under 24 CFR Part 135 and will not let any subcontract, unless the subcontractor has first provided it with a preliminary statement of ability to comply with the requirements of these regulations.

5. Compliance with the provisions of Section 3, the regulations set forth in 24 CFR Part 135, and all applicable rules and orders of HUD and the City issued hereunder prior to the execution of the contract, will be a condition of the federal financial assistance provided to the project, binding upon the applicant or recipient for such assistance, its successors, and assigns. Failure to fulfill these requirements will subject the applicant, or recipient, its consultants and subcontractors, its successors and assigned to those sanctions specified by the grant or loan agreement or contract through which federal assistance is provided, and to such sanctions as are specified by 24 CFR Part 135.

C. <u>Conduct</u>

1. <u>Assignability</u>
The Subrecipient will not assign or transfer any interest in this Agreement without the prior written consent of the City thereto; provided, however, that claims for

money due or to become due to the Subrecipient from the City under this contract may be assigned to a bank, trust company, or other financial institution without such approval. Notice of any such assignment or transfer will be furnished promptly to the City.

2. Conflict of Interest
No member of the City's governing body and no other public official of such locality, who exercises any functions or responsibilities in connection with the planning or carrying out of the Program, will have any personal financial interest, direct or indirect, in this agreement; and the Subrecipient will take appropriate steps to assure compliance.

The Subrecipient agrees to abide by the provisions of 24 CFR 84.42 and 570.611, which includes maintaining a written code or standards of conduct that will govern the performance of its officers, employees or agents engaged in the award and administration of contracts supported by Federal funds.

The Subrecipient covenants that its employees have no interest and will not acquire interest, direct or indirect, in the study area or any parcels therein or any other interest which would conflict in any manner or degree with the performance of services hereunder. The Subrecipient further covenants that in the performance of this Agreement, no person having such interest will be employed.

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a. The lower tier contractor certifies, by signing this contract that neither it nor its principals is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any Federal department or agency.
b. Where the lower tier contractor is unable to certify to any of the statements in this contract, such contractor will attach an explanation to this contract.
c. The contractor further agrees by signing this contract that it will not knowingly enter into any lower tier covered transaction with a person who is debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction.

D. Copyright
If this Agreement results in any copyrightable material or inventions, the City reserves the right to royalty-free, non-exclusive and irrevocable license to reproduce, publish or otherwise use and to authorize others to use, the work or materials for governmental purposes.

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12. LEAD-BASED PAINT

The Subrecipient agrees that any acquisition, construction or rehabilitation of residential structures with assistance provided under this Agreement shall be subject to HUD Lead-Based Paint Regulations at 24 CFR 570.608 and 24 CFR Part 35, Subpart B. Such regulations pertain to all CDBG-assisted housing and require that all owners, prospective owners, and tenants of properties constructed prior to 1978 be properly notified that such properties may include lead-based paint, Such notification shall point out the hazards of lead-based paint and explain the symptoms, treatment and precautions that should be taken when dealing with lead-based paint poisoning and the advisability and availability of blood lead level screening for children under seven. The notice should also point out that if lead-based paint is found on the property, abatement measures may be undertaken. The regulations further require that, depending on the amount of Federal funds applies to a property, paint testing, risk assessment, treatment and/or abatement may be conducted.

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If any provision of this Agreement is held invalid, the remainder of the Agreement will not be affected thereby and all other parts of this Agreement will nevertheless be in full force and effect.

14. PERFORMANCE WAIVER

The City's failure to act with respect to a breach by the Subrecipient does not waive its right to act with respect to subsequent or similar breaches. The failure of the City to exercise or enforce any right or provision will not constitute a waiver of such right or provision.

15. ENTIRE AGREEMENT

This Agreement constitutes the entire agreement between the City and the Subrecipient for the use of funds received under this Agreement and it supersedes all prior communications and proposals, whether electronic, oral, or written between the City and the Subrecipient with respect to this Agreement.

IN WITNESS WHEREOF, the CITY and the SUBRECIPIENT have executed this agreement as of the date and year last written below.

MAYOR AND CITY COUNCIL OF HAGERSTOWN BY AND THROUGH THE DEPARTMENT OF HOUSING & COMMUNITY DEVELOPMENT

By: ___________________________________

Title: _Mayor ____________________________

Date: __________________________________

GOOD NEWS HAGERSTOWN

By: ______________________________

Title: ____________________________

Date: ____________________________

APPROVED AS TO FORM AND LEGAL SUFFICIENCY:

SALVATORE & MORTON, LLC

CITY ATTORNEY

By: ______________________________

Jason Morton, Sole Member

Date: ______________________________

SUBRECIPIENT AGREEMENT
BETWEEN THE CITY OF HAGERSTOWN
AND
WASHINGTON COUNTY COUNCIL OF CHURCHES, DBA HAGERSTOWN AREA RELIGIOUS COUNCIL (HARC)

This Agreement is entered into as of ___, August 2026, by and between the CITY OF HAGERSTOWN, a body corporate and political subdivision of the State of Maryland, acting by and through the DEPARTMENT OF HOUSING & COMMUNITY DEVELOPMENT (herein called the "CITY"), and the **Washington County Council of Churches, dba Hagerstown Area Religious Council (HARC)** ("herein called the "SUBRECIPIENT").

WHEREAS, Congress in passing the Housing and Community Development Act of 1974, as amended, has placed an emphasis on the development of viable urban communities by providing decent housing and a suitable living environment and expanding economic opportunities, principally for persons of low- and moderate-income and has developed a system of block grants to aid in such purposes; and

WHEREAS, the CITY has applied for and received such a block grant, desires to conduct a program to benefit low- to moderate- income residents within the City by providing funds **to support a program which provides nutritious meals for hungry youth on the weekends in partnership with the local school district**; and

WHEREAS, the SUBRECIPIENT is a private non-profit corporation incorporated in the State of Maryland whose mission is to **assist the people of our community in need to overcome food insecurity for youth**; and

WHEREAS, the SUBRECIPIENT has been selected by the CITY to receive CDBG funds and administer the **HARC Micah's Backpack Program** (hereinafter referred to as the "Program") **to provide nutritious meals for school-aged youth to bridge the food insecurity gap on weekends**; and

WHEREAS, the services provided by the SUBRECIPIENT are consistent with the Community Development Block Grant Program (hereinafter referred to as "CDBG") Eligible Activity of "Public Service"; and

WHEREAS, the SUBRECIPIENT further agrees to develop and retain sufficient documentation, as described herein below, to clearly support the CDBG eligible **Public Service** activity for each instance of assistance provided by the SUBRECIPIENT; and

WHEREAS, the parties hereto have duly executed this SUBRECIPIENT Agreement for the expenditure of CDBG funds.

NOW, THEREFORE, it is agreed between the parties hereto that:

1. SCOPE OF SERVICE

The Subrecipient will be responsible for administering a CDBG-funded **HARC Micah's Backpack Program** in a manner satisfactory to the City and consistent with any standards required as a condition of receiving CDBG funds. Such program shall include the following activities eligible under the CDBG Program:

a. Operate the above referenced program which will distribute meals to school-aged youth residents of the City of Hagerstown. Specifically, four hundred individuals will be served by the program (400 individuals aged 5-18).

b. During the program year, operate the program and serve four hundred (400) youth. Please note that each person should be counted only once.

c. Identify potential qualified clients. Collect and maintain data on household income in order to determine a client's eligibility for assistance under the Program.

d. HARC will ensure that its use of the funds will meet the U. S. Department of Housing and Urban Development's (HUD's) national objective for the use of CDBG funds by benefitting low and moderate (L/M) income persons through a limited clientele activity. An L/M income limited clientele activity is one which provides benefits to a specific group of persons rather than everyone in an area. 100% of the beneficiaries of the activity must be L/M income people.

   To document that HARC's clientele meet HUD's national objective, HARC agrees to use the funding to serve students in schools within the City of Hagerstown Corporate Boundaries. The majority of the population served are designated LMI under the State of Maryland Free and Reduced Meal (FARM) benefit designation.

2. NATIONAL OBJECTIVE

All activities funded with CDBG funds must met one of the CDBG program's National Objectives: benefit low- and moderate-income persons; or aid in the prevention or elimination of slums or blight; or meet community development needs having a particular urgency, as defined in 24 CFR 570.208

The CITY has determined that the Program carried out under this Agreement will meet the **Benefit Low- and Moderate-Income Persons** national objective.

3. TIME OF PERFORMANCE

The time of performance shall be 12 months beginning on the 1st day of July, 2026 and ending on 30th day of June, 2027.

4. BUDGET

The City shall reimburse the Subrecipient its allowable costs for the services identified in this Agreement not to exceed **$14,000.00** in CDBG funds for eligible incurred costs upon presentation of properly executed reimbursement forms as provided and approved by the City. Funding under this Agreement shall cover the Program costs.

PROGRAM BUDGET LINE ITEM	**BUDGETED AMOUNT**
Salaries	$500
Fringe	$0
Office Space	$0
Utilities	$0
Communications	$0
Printing	$0
Supplies and Materials	$0
Mileage	$0
Audit	$0
Other (Specify: Food for children)	$13,500
TOTAL CDBG	$14,000

Such reimbursement shall constitute full and complete payment by the City under this Agreement. Allowable costs shall mean those necessary and proper costs identified in the Subrecipient's application and budget and approved by the City unless any or all such costs are disallowed by the City or HUD.

Any reimbursement made under this Agreement must comply with the applicable requirements or 24 CFR Part 85. The Subrecipient may not request disbursement of funds under this Agreement until the funds are needed for payment of allowable costs.

The City may require a more detailed budget breakdown, and the Subrecipient will provide such supplementary budget information in a timely fashion in the form and content prescribed by the City. Any amendments to this Agreement's Budget must first be determined by the City as consistent with its CDBG contract and then approved in writing by the City.

5. PAYMENT

It is expressly understood that the total amount to be paid by the CITY under this Agreement shall not exceed **$14,000.00.** Drawdowns for the payment of eligible expenses shall be made against the line item budget specified in Section 4 herein and in accordance with performance. **Expenses for general administration shall not be paid under this Agreement**. Claims for reimbursement will not be submitted in excess of actual, immediate cash requirements necessary to carry out the purposes of this Agreement. Funds available under this Agreement will be utilized to supplement rather than supplant funds otherwise available.

Reimbursement request must be mailed to: Margi Joe, Community Development Manager, Community Development Department, 14 N Potomac Street – Suite 200a,

Hagerstown, Maryland, 21740 or e-mailed to mjoe@hagerstownmd.org. Payments shall be made within **thirty (30)** business days.

6. PERFORMANCE MONITORING

The City will monitor the performance of the Subrecipient by tracking program progress, reviewing payment requests for applicable costs, overseeing compliance with CDBG requirements, and ensuring recordkeeping and audit requirements are met. Substandard performance as determined by the City will constitute noncompliance with this Agreement.

If action to correct such substandard performance is not taken by the Subrecipient within a reasonable period of time after being notified by the City, contract suspension or termination procedures will be initiated.

7. NOTICES

Notices required by this Agreement shall be in writing and delivered via mail or personal delivery or sent by facsimile or other electronic means. Any notice delivered or sent as aforesaid shall be effective on the date of delivery or sending. All notices and other written communications under this Agreement shall be addressed to the individual in the capacities indicated below, unless otherwise modified by subsequent written notice.

Communications and details concerning this Agreement shall be directed to the following contract representatives:

CITY	SUBRECIPIENT
Margi Joe	Kathy Powderly
Community Development Manager	Executive Director
City of Hagerstown	**HARC**
14 N. Potomac Street	130 W. Franklin St
Address	Address
Hagerstown, Maryland, 21740	Hagerstown, Maryland 21740
City, State and Zip	City, State and Zip
Telephone: 301-739-8577 ext. 134	Telephone: 301-842-4272
Fax Number: 301-739-3117	Fax Number: 301-842-4272

8. GENERAL CONDITIONS

A. General Compliance

The Subrecipient agrees to comply with the requirements of Title 24 of the Code of Federal regulations, Part 570 (the HUD regulations concerning CDBG) including subpart K of these regulations, except that the Subrecipient does not assume the City's environmental responsibilities described in 24 CFR 570.604 and the Subrecipient does not assume the City's responsibility for initiating the review process under the provisions of 24 CFR Part 52.

B. Independent Contractor

Nothing contained in this Agreement is intended to, or will be construed in any manner, as creating or establishing the relationship of employer/employee between the parties. The Subrecipient will at all times remain an "independent contractor" with respect to the services to be performed under this Agreement. The City will be exempt from payment of all Unemployment Compensation, FICA, retirement, life and/or medical insurance and Workers' Compensation Insurance, as the Subrecipient is an independent contractor.

C. Hold Harmless

The Subrecipient will hold harmless, defend and indemnify the City from any and all claims, actions, suits, charges and judgments whatsoever that arise out of the Subrecipient's performance or nonperformance of the services or subject matter called for in this Agreement.

D. Workers' Compensation

The Subrecipient will provide Workers' Compensation Insurance Coverage for all of its employees involved in the performance of this Agreement.

E. Insurance and Bonding

The Subrecipient shall carry sufficient insurance coverage to protect contract assets from loss due to theft, fraud and/or undue physical damage, and as a minimum will purchase a blanket fidelity bond covering all employees in an amount equal to cash advances from the City.

F. Funding Source Recognition

The Subrecipient will insure recognition of the roles of the City in providing services through this Agreement. All activities, facilities and items utilized pursuant to this Agreement will be prominently labeled as to funding source. In addition, the Subrecipient will include a reference to the support provided herein in all publications made possible with funds made available under this Agreement.

G. Amendments

The City or Subrecipient may amend this Agreement at any time provided that such amendments make specific reference to this Agreement, and are executed in writing, signed by a duly authorized representative of each organization, and approved by the

City's governing body. Such amendments will not invalidate this Agreement, nor relieve or release the City or Subrecipient from its obligations under this Agreement.

The City may, in its discretion, amend this Agreement to conform with Federal, state or local governmental guidelines, policies and available funding amount, or for other reasons. If such amendments result in a change in the funding, scope of services, or schedule of the activities to be undertaken as part of this Agreement, such modifications will be incorporated only by written amendment signed by both the City and Subrecipient.

Notwithstanding the prior two subparagraphs, the parties may agree to minor amendments to this Agreement, which are executed in writing, signed by a duly authorized representative of each organization, and approved by the Grantee's staff.

H. Suspension or Termination

In accordance with 24 CFR 85.43, the City may suspend or terminate this Agreement if the Subrecipient materially fails to comply with any terms of this Agreement, which include (but are not limited to) the following:

1. Failure to comply with any of the rules, regulations or provisions referred to herein, or such statues, regulations, executive orders, and HUD guidelines, policies or directives as may become applicable at any time;

2. Failure, for any reason, of the Subrecipient to fulfill in a timely and proper manner its obligations under this Agreement;

3. Ineffective of improper use of funds provided under this Agreement; or

4. Submission by the Subrecipient to the City of reports that are incorrect or incomplete in any material respect.

In accordance with 24 CFR 85.44, this Agreement may also be terminated for convenience by either the City or the Subrecipient, in whole or in part, by setting forth the reasons for such termination, the effective date, and, in the case of partial termination, the portion to be terminated. However, if in the case of a partial termination, the City determines that the remaining portion of the award will not accomplish the purpose for which the award was made, the City may terminate the award in its entirety.

9. ADMINISTRATIVE REQUIREMENTS

A. Financial Management

1. Accounting Standards

The Subrecipient agrees to comply with 24 CFR 84.21-28 and agrees to adhere to the accounting principles and procedures required therein, utilize adequate

internal controls, and maintain necessary source documentation for all costs incurred.

2. Cost Principles
The Subrecipient will administer its program in conformance with 2 CFR Part 200, Subpart E, "(Uniform Guidance"). These principles will be applied for all costs incurred whether charged on a direct or indirect basis.

B. Documentation and Record Keeping

1. Records to Be Maintained
The Subrecipient will maintain all records required by the Federal regulations specified in 24 CFR 570.506 that are pertinent to the activities to be funded under this Agreement. Such records will include but not be limited to:

   a. Records providing a full description of each activity undertaken;
   b. Records demonstrating that each activity undertaken meets one of the National Objectives of the CDBG program;
   c. Records required to determine the eligibility of activities;
   d. Records required to document the acquisition, improvement, use or disposition of real property acquired or improved with CDBG assistance;
   e. Records documenting compliance with the civil rights components of the CDBG program;
   f. Financial records as required by 24 CFR 570.502, and 24 CFR 84.21-28;
   g. Labor standards records required to document compliance with the Davis Bacon Act, the provisions of the Contract Work Hours and Safety Standards Act, and all other applicable Federal, state and local laws and regulations applicable to CDBG-funded construction projects; and
   h. Other records necessary to document compliance with Subpart K of 24 CFR Part 570.

2. Access to Records and Retention
All such records and all other records pertinent to this Agreement and work undertaken under this Agreement will be retained by the Subrecipient for a period of four years. The retention period begins on the date of the submission of the City's annual performance and evaluation report to HUD in which the activities assisted under the Agreement are reported on for the final time. Notwithstanding the above, if there is litigation, claims, audits, negotiations or other actions that involve any of the records cited and that have started before the expiration of the four-year period, then such records must be retained until completion of the actions and resolution of all issues or the expiration of the four-year period, whichever occurs later.

3. Client Data
The Subrecipient shall maintain client data demonstrating client eligibility for services provided. Such data shall include, but not be limited to, client name,

address income level or other basis for determining eligibility and description of services provided. Such information shall be made available to City monitors or their designees, HUD or other authorized representatives for review upon request.

4. <u>Disclosure</u>
   The Subrecipient understands that client information collected under this Agreement is private and the use or disclosure of such information, when not directly connected with the administration of the City's or Subrecipient's responsibilities with respect to services provided under this Agreement, is prohibited by **State or Federal law** unless written consent is obtained from such person receiving service and, in the case of a minor, that of a responsible parent/guardian.

5. <u>Closeouts</u>
   The Subrecipient's obligation to the City shall not end until all closeout requirements are completed. Activities during the closeout period shall include, but are not limited to, making final payments, disposing of program assets (including the return of all unused materials, equipment, program income balances and accounts receivable to the City), and determining the custodian ship of records. Notwithstanding the foregoing, the terms of this Agreement shall remain in effect during any period that the Subrecipient has control over CDBG funds, including program income,

6. <u>Audits and Inspections</u>
   If Subrecipient expends $1,000,000 or more in a year in Federal awards, Subrecipient shall have a single or program-specific audit conducted for that year in accordance with the requirements of 2 CFR 200, Subpart F ("Audit Requirements"). Subrecipient must send a copy of the final report to the City within the earlier of 30 days of the report's issuance or nine months after the end of the audit period. The City also reserves the right to engage an independent auditor to examine the Subrecipient's compliance with the requirements of 2 CFR Part 200 and this Agreement. Furthermore, the City must approve any independent auditor engaged to assure that the auditor is qualified and meets Government Accounting Office Standards and evaluate the scope of the audit to ensure compliance with Code of Federal Regulation requirements. This grant is made pursuant to and is identified as follows:

   1. Federal Grant Title: Community Development Block Grant
   2. Catalog of Federal Domestic Assistance Number (CFDA): 14.218
   3. Federal and/or State Identification Numbers: B-**26**-MC-24-0012

   All Subrecipient records with respect to any matters covered by this Agreement shall be made available to the City, HUD, and duly authorized officials of the State and federal government, at any time during normal business hours, as often as deemed necessary, to audit, examine, and make excerpts or transcripts of all relevant data. Any deficiencies noted in audit reports must be fully cleared by the Subrecipient within 30 days after receipt by the Subrecipient.

Failure of the Subrecipient to comply with the above audit requirements will constitute a violation of this Agreement and may result in the withholding of future payments.

C. Reporting

1. Program Income
The Subrecipient will report annually all program income [as defined at 24 CFR 570.500(a)] generated by activities carried out with CDBG funds made available under this Agreement. The use of program income by the Subrecipient will comply with the requirements set forth at 24 CFR 570.504. The Subrecipient may use such income during the contract period for activities permitted under this Agreement and shall reduce request for additional funds by the amount of any such program income balances on hand. All unexpended program income shall be returned to the City at the end of the contract period. Any interest earned on cash advances from the U.S Treasure and from funds held in a revolving fund account is not program income and shall be remitted promptly to the City.

2. Progress Reports
At such times and in such forms as HUD or the City may require, there shall be furnished to HUD or the City such statements, records, reports, data and information as HUD or the City may request pertaining to matters covered by this Agreement. Specifically, the City shall require Subrecipient to submit quarterly reports which shall include a narrative of program activities, a description of the services provided, number of clients that have applied for, participated in or benefited from the services and relevant characteristics of the client population (age, gender, income, race, ethnicity and gender of single-headed households), performance standard outcomes, equal employment opportunity reports, applicable MBE/WBE requirements and applicable reporting forms attached hereto as **Appendix C, Part I** and incorporated herein by reference.

Said quarterly reports shall be submitted in a timely fashion (within 15 days of the end of each calendar quarter) and subject to the approval of the City prior to reimbursement of Subrecipient as set forth hereinabove. The City and Subrecipient reserve the mutual right to publish and/or make public, with the consent of both parties, the reports or other results of services under this Agreement.

D. Procurement

1. Compliance
The Subrecipient shall comply with current City policy concerning the purchase of equipment and shall maintain inventory records of all non-expendable personal

property as defined by such policy as my be procured with funds provided herein, All program assets (unexpended program income, property, equipment, etc.) shall revert to the City upon termination of this Agreement.

2. OMB Standards
Unless specified otherwise within this Agreement, the Subrecipient shall procure all materials, property or services in accordance with the requirements of 24 CFR 84.40-48.
3. Travel
The Subrecipient shall request written approval from the City for any travel outside the metropolitan area with funds provided under this Agreement.

E. Use and Reversion of Assets
The use and disposition of real property and equipment under this Agreement will be in compliance with the requirements of 24 CFR Part 84 and 24 CFR 570.502, 570.503, 570.504, as applicable, which include but are not limited to the following:

1. The Subrecipient will transfer to the City any CDBG funds on hand and any accounts receivable attributable to the use of funds under this Agreement at the time of expiration, cancellation, or termination.

2. Real property under the Subrecipient's control that was acquired or improved, in whole or in part, with funds under this Agreement in excess of $25,000 will be used to meet one of the CDBG National Objectives pursuant to 24 CFR 570.208 until ten (10) years after the contract between Subrecipient and the CITY is closed. If the Subrecipient fails to use CDBG-assisted real property in a manner that meets a CDBG National Objective for this 10-year period of time, the Subrecipient will pay the City an amount equal to the current fair market value of the property less any portion of the value attributable to expenditures of non-CDBG funds for acquisition of, or improvement to, the property after the CDBG program's approval. Such payment will constitute program income to the City. The Subrecipient may retain real property acquired or improved under this Agreement after the expiration of the ten-year period.

3. In cases in which equipment acquired, in whole or in part, with funds under this Agreement is sold, the proceeds will be program income (prorated to reflect the extent to which funds received under this Agreement were used to acquire the equipment). Equipment not needed by the Subrecipient for activities under this Agreement will be (a) transferred to the City for the CDBG program or (b) retained after compensating the City [an amount equal to the current fair market value of the equipment less the percentage of non-CDBG funds used to acquire the equipment].

4. Equipment acquired with CDBG funds may be retained by the Subrecipient so long as it continues to be used for the same or similar eligible public purpose for

which it was acquired. If the equipment is sold or is no longer needed for such purposes, disposition shall be made in accordance with this section.

10. RELOCATION, REAL PROPERTY ACQUISITION AND ONE-FOR-ONE HOUSING REPLACEMENT

The Subrecipient agrees to comply with (a) the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (URA), and implementing regulations at 49 CFR Part 24 and 24 CFR 570.606(b); (b) the requirements of 24 CFR 570.606(c) governing the Residential Anti-Displacement and Relocation Assistance Plan under section 104(d) of the HCD Act; and (c) the requirements in 24 CFR 570.606(d) governing optional relocation policies. The Subrecipient shall provide relocation assistance to displaced persons as defined by 24 CFR 570.606(b)(2) that are displaced as a direct result of acquisition, rehabilitation, demolition or conversion for a CDBG-assisted project. The Subrecipient also agrees to comply with applicable City ordinance, resolutions and policies concerning the displacement of persons from their residences.

11. PERSONNEL AND PARTICIPANT CONDITIONS

A. Civil Rights

1. Compliance

The Subrecipient agrees to comply with **local and state civil rights ordinances** and with Title VI of the Civil Rights Act of 1964 as amended, and Title VII of the Civil Rights Act of 1968 as amended, Section 104(b) and Section 109 of title I of the Housing and Community Development Act of 1974 as amended, Section 504 of the Rehabilitation Act of 1973, the American and Disabilities Act of 1990, the Age Discrimination act of 1975, Executive Order 11063, and Executive Order 11246 as amended by Executive Orders 11375, 11478, 12107 and 12086.

2. Nondiscrimination

The Subrecipient agrees to comply with the nondiscrimination in employment and contracting opportunities laws, regulation and executive orders referenced in 24 CFR 570.607, as revised by Executive Order 13279. The applicable nondiscrimination provisions in Section 109 of the HCDA are still applicable.

B. Section 3 of the Housing and Community Development Act of 1968

Compliance in the Provision of Training, Employment, and Business Opportunities:

1. The work to be performed under this agreement is on a project assisted under a program providing direct federal financial assistance from HUD and is subject to the requirements of Section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701u. Section 3 requires that to the greatest extent feasible opportunities for training and employment be given lower-income residents of the project area; and contracts for work in connection with the project

be awarded to business concerns which are located in, or owned in substantial part, by persons residing in the area of the project.

2. The parties to this contract will comply with the provisions of said Section 3 and the regulations set forth in 24 CFR 135, and all applicable rules and orders of HUD and the City issued thereunder prior to the execution of this contract. The parties to this contract certify and agree that they are under no contractual or other disability that would prevent them from complying with these provisions.

3. The Subrecipient will send to each labor organization or representative of workers with which he has a collective bargaining agreement or other contract or understanding, if any, a notice advising the said labor organization or workers' representative of his commitments under this Section 3 clause and will post copies of the notice in conspicuous places available to employees and applicants for employment or training.

4. The Subrecipient will include this Section 3 clause in every subcontract for work in connection with the project and will, at the direction of the applicant, or recipient of federal financial assistance, take appropriate action pursuant to the subcontract upon a finding that the subcontractor is in violation of regulations issued by the Secretary of HUD, 24 CFR Part 135. The Subrecipient will not subcontract with any subcontractor where it has notice or knowledge that the latter has been found in violation of regulations under 24 CFR Part 135 and will not let any subcontract, unless the subcontractor has first provided it with a preliminary statement of ability to comply with the requirements of these regulations.

5. Compliance with the provisions of Section 3, the regulations set forth in 24 CFR Part 135, and all applicable rules and orders of HUD and the City issued hereunder prior to the execution of the contract, will be a condition of the federal financial assistance provided to the project, binding upon the applicant or recipient for such assistance, its successors, and assigns. Failure to fulfill these requirements will subject the applicant, or recipient, its consultants and subcontractors, its successors and assigned to those sanctions specified by the grant or loan agreement or contract through which federal assistance is provided, and to such sanctions as are specified by 24 CFR Part 135.

C. Conduct

1. Assignability
The Subrecipient will not assign or transfer any interest in this Agreement without the prior written consent of the City thereto; provided, however, that claims for money due or to become due to the Subrecipient from the City under this contract may be assigned to a bank, trust company, or other financial institution without such approval. Notice of any such assignment or transfer will be furnished promptly to the City.

2. Conflict of Interest
   No member of the City's governing body and no other public official of such locality, who exercises any functions or responsibilities in connection with the planning or carrying out of the Program, will have any personal financial interest, direct or indirect, in this agreement; and the Subrecipient will take appropriate steps to assure compliance.

   The Subrecipient agrees to abide by the provisions of 24 CFR 84.42 and 570.611, which includes maintaining a written code or standards of conduct that will govern the performance of its officers, employees or agents engaged in the award and administration of contracts supported by Federal funds.

   The Subrecipient covenants that its employees have no interest and will not acquire interest, direct or indirect, in the study area or any parcels therein or any other interest which would conflict in any manner or degree with the performance of services hereunder. The Subrecipient further covenants that in the performance of this Agreement, no person having such interest will be employed.

3. Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion - Lower Tier Covered Transactions

   a. The lower tier contractor certifies, by signing this contract that neither it nor its principals is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any Federal department or agency.
   b. Where the lower tier contractor is unable to certify to any of the statements in this contract, such contractor will attach an explanation to this contract.
   c. The contractor further agrees by signing this contract that it will not knowingly enter into any lower tier covered transaction with a person who is debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction.

D. Copyright
If this Agreement results in any copyrightable material or inventions, the City reserves the right to royalty-free, non-exclusive and irrevocable license to reproduce, publish or otherwise use and to authorize others to use, the work or materials for governmental purposes.

E. Religious Activities
The Subrecipient agrees that funds provided under this Agreement will not be utilized for inherently religious activities prohibited by 24 CFR 570.200(j), such as worship, religious instruction, or proselytization.

12. LEAD-BASED PAINT

The Subrecipient agrees that any acquisition, construction or rehabilitation of residential structures with assistance provided under this Agreement shall be subject to HUD Lead-Based Paint Regulations at 24 CFR 570.608 and 24 CFR Part 35, Subpart B. Such regulations pertain to all CDBG-assisted housing and require that all owners, prospective owners, and tenants of properties constructed prior to 1978 be properly notified that such properties may include lead-based paint, Such notification shall point out the hazards of lead-based paint and explain the symptoms, treatment and precautions that should be taken when dealing with lead-based paint poisoning and the advisability and availability of blood lead level screening for children under seven. The notice should also point out that if lead-based paint is found on the property, abatement measures may be undertaken. The regulations further require that, depending on the amount of Federal funds applies to a property, paint testing, risk assessment, treatment and/or abatement may be conducted.

13. SEVERABILITY

If any provision of this Agreement is held invalid, the remainder of the Agreement will not be affected thereby and all other parts of this Agreement will nevertheless be in full force and effect.

14. PERFORMANCE WAIVER

The City's failure to act with respect to a breach by the Subrecipient does not waive its right to act with respect to subsequent or similar breaches. The failure of the City to exercise or enforce any right or provision will not constitute a waiver of such right or provision.

15. ENTIRE AGREEMENT

This Agreement constitutes the entire agreement between the City and the Subrecipient for the use of funds received under this Agreement and it supersedes all prior communications and proposals, whether electronic, oral, or written between the City and the Subrecipient with respect to this Agreement.

IN WITNESS WHEREOF, the CITY and the SUBRECIPIENT have executed this agreement as of the date and year last written below.

MAYOR AND CITY COUNCIL OF HAGERSTOWN BY AND THROUGH THE DEPARTMENT OF HOUSING & COMMUNITY DEVELOPMENT	HAGERSTOWN AREA RELIGIOUS COUNCIL
By: ______________________	By: ______________________
Title: Mayor______________	Title: ______________________
Date: ______________________	Date: ______________________

APPROVED AS TO FORM AND LEGAL SUFFICIENCY:

SALVATORE & MORTON, LLC
CITY ATTORNEY

By: ______________________________
Jason Morton, Sole Member

Date: ______________________________

SUBRECIPIENT AGREEMENT
BETWEEN THE CITY OF HAGERSTOWN
AND
RELIGIOUS EFFORT TO ASSIST AND CARE FOR THE HOMELESS (REACH)

This Agreement is entered into as of ___, August 2026, by and between the CITY OF HAGERSTOWN, a body corporate and political subdivision of the State of Maryland, acting by and through the DEPARTMENT OF HOUSING & COMMUNITY DEVELOPMENT (herein called the "CITY"), and **Religious Effort to Assist and Care for the Homeless (REACH)** ("herein called the "SUBRECIPIENT").

WHEREAS, Congress in passing the Housing and Community Development Act of 1974, as amended, has placed an emphasis on the development of viable urban communities by providing decent housing and a suitable living environment and expanding economic opportunities, principally for persons of low- and moderate-income and has developed a system of block grants to aid in such purposes; and

WHEREAS, the CITY has applied for and received such a block grant, desires to conduct a program to benefit low- to moderate- income residents within the City by providing funds **to support a program which provides homeless clientele with the opportunity to obtain job skills training and case management services for the participant**; and

WHEREAS, the SUBRECIPIENT is a private non-profit corporation incorporated in the State of Maryland whose mission is to **support and strengthen the community by preventing and resolving homelessness in Washington County**; and

WHEREAS, the SUBRECIPIENT has been selected by the CITY to receive CDBG funds and administer the **Bridge to Change Program** (hereinafter referred to as the "Program") **to provide homeless clientele with job skills, life skills, and financial literacy training while providing neighborhood clean-up and beautification**; and

WHEREAS, the services provided by the SUBRECIPIENT are consistent with the Community Development Block Grant Program (hereinafter referred to as "CDBG") Eligible Activity of "Public Service"; and

WHEREAS, the SUBRECIPIENT further agrees to develop and retain sufficient documentation, as described herein below, to clearly support the CDBG eligible **Public Service** activity for each instance of assistance provided by the SUBRECIPIENT; and

WHEREAS, the parties hereto have duly executed this SUBRECIPIENT Agreement for the expenditure of CDBG funds.

NOW, THEREFORE, it is agreed between the parties hereto that:

1. SCOPE OF SERVICE
The Subrecipient will be responsible for administering a CDBG-funded **Bridge to Change Program** in a manner satisfactory to the City and consistent with any standards required as a condition of receiving CDBG funds. Such program shall include the following activities eligible under the CDBG Program:

a. Operate the above referenced program which provides job skills, life skills, and financial literacy training to homeless clientele in the City of Hagerstown.

b. During the program year, operate the program and assist at least twenty (20) individuals. Please note that each person should be counted only once.

c. The Subrecipient will ensure that its use of the funds will meet the U. S. Department of Housing and Urban Development's (HUD's) national objective for the use of CDBG funds by benefitting low and moderate (L/M) income persons through a limited clientele activity. An L/M income limited clientele activity is one which provides benefits to a specific group of persons rather than everyone in an area. At least 51% of the beneficiaries of the activity must be L/M income people.

For purposes of the CDBG Program national objective of low- and moderate-income households, 24 CFR Part 5 definition of annual income shall be used to ensure the eligibility of each client. The Subrecipient agrees to complete forms in Appendix C, Part 1 which have been organized to facilitate collection of race and ethnicity data for each participant. When possible, the subrecipient will accompany this information with census data showing area eligibility.

2. NATIONAL OBJECTIVE
All activities funded with CDBG funds must met one of the CDBG program's National Objectives: benefit low- and moderate-income persons; or aid in the prevention or elimination of slums or blight; or meet community development needs having a particular urgency, as defined in 24 CFR 570.208

The CITY has determined that the Program carried out under this Agreement will meet the **Benefit Low-and-Moderate Income Persons** national objective.

The program beneficiaries qualify as L/M Income Limited Clientele as defined in 24 CFR 570.208(a)(2)(i)(A).

3. TIME OF PERFORMANCE
The time of performance shall be 12 months beginning on the 1st day of July, 2026 and ending on 30th day of June, 2027.

4. BUDGET

The City shall reimburse the Subrecipient its allowable costs for the services identified in this Agreement not to exceed **$19,500.00** in CDBG funds for eligible incurred costs upon presentation of properly executed reimbursement forms as provided and approved by the City. Funding under this Agreement shall cover the Program costs.

PROGRAM BUDGET LINE ITEM	**BUDGETED AMOUNT**
Salaries	$16,870
Fringe	$1,655
Office Space	$0
Utilities	$0
Communications	$0
Printing	$0
Supplies and Materials	$0
Travel	$0
Audit	$0
Other (Specify: Insurance)	$975
	$19,500

Such reimbursement shall constitute full and complete payment by the City under this Agreement. Allowable costs shall mean those necessary and proper costs identified in the Subrecipient's application and budget and approved by the City unless any or all such costs are disallowed by the City or HUD.

Any reimbursement made under this Agreement must comply with the applicable requirements or 24 CFR Part 85. The Subrecipient may not request disbursement of funds under this Agreement until the funds are needed for payment of allowable costs.

The City may require a more detailed budget breakdown, and the Subrecipient will provide such supplementary budget information in a timely fashion in the form and content prescribed by the City. Any amendments to this Agreement's Budget must first be determined by the City as consistent with its CDBG contract and then approved in writing by the City.

5. PAYMENT

It is expressly understood that the total amount to be paid by the CITY under this Agreement shall not exceed **$19,500.00.** Drawdowns for the payment of eligible expenses shall be made against the line item budget specified in Section 4 herein and in accordance with performance. **Expenses for general administration shall not be paid under this Agreement**. Claims for reimbursement will not be submitted in excess of actual, immediate cash requirements necessary to carry out the purposes of this Agreement. Funds available under this Agreement will be utilized to supplement rather than supplant funds otherwise available.

Reimbursement request must be mailed to: Margi Joe, Community Development Manager, Community Development Department, 14 N Potomac Street – Suite 200a,

Hagerstown, Maryland, 21740 or e-mailed to mjoe@hagerstownmd.org. Payments shall be made within **thirty (30)** business days.

6. PERFORMANCE MONITORING
The City will monitor the performance of the Subrecipient by tracking **program** progress, reviewing payment requests for applicable costs, overseeing compliance with CDBG requirements, and ensuring recordkeeping and audit requirements are met. Substandard performance as determined by the City will constitute noncompliance with this Agreement.

If action to correct such substandard performance is not taken by the Subrecipient within a reasonable period of time after being notified by the City, contract suspension or termination procedures will be initiated.

7. NOTICES
Notices required by this Agreement shall be in writing and delivered via mail or personal delivery or sent by facsimile or other electronic means. Any notice delivered or sent as aforesaid shall be effective on the date of delivery or sending. All notices and other written communications under this Agreement shall be addressed to the individual in the capacities indicated below, unless otherwise modified by subsequent written notice.

Communications and details concerning this Agreement shall be directed to the following contract representatives:

CITY	SUBRECIPIENT
Margi Joe Community Development Manager **City of Hagerstown**	Jeannie Asbury Executive Director **REACH**
14 N. Potomac Street Address	140 W. Franklin Street, Suite 300 Address
Hagerstown, Maryland 21740 City, State and Zip	Hagerstown, Maryland 21740 City, State and Zip
Telephone: 301-739-8577 ext. 134	Telephone: 301-733-2371_x113
Fax Number: 301-739-3117	Fax Number: 301-733-2371_x113

8. GENERAL CONDITIONS

A. General Compliance
The Subrecipient agrees to comply with the requirements of Title 24 of the Code of Federal regulations, Part 570 (the HUD regulations concerning CDBG) including subpart K of these regulations, except that the Subrecipient does not assume the City's environmental responsibilities described in 24 CFR 570.604 and the Subrecipient does not assume the City's responsibility for initiating the review process under the provisions of 24 CFR Part 52.

B. Independent Contractor
Nothing contained in this Agreement is intended to, or will be construed in any manner, as creating or establishing the relationship of employer/employee between the parties. The Subrecipient will at all times remain an "independent contractor" with respect to the services to be performed under this Agreement. The City will be exempt from payment of all Unemployment Compensation, FICA, retirement, life and/or medical insurance and Workers' Compensation Insurance, as the Subrecipient is an independent contractor.

C. Hold Harmless
The Subrecipient will hold harmless, defend and indemnify the City from any and all claims, actions, suits, charges and judgments whatsoever that arise out of the Subrecipient's performance or nonperformance of the services or subject matter called for in this Agreement.

D. Workers' Compensation
The Subrecipient will provide Workers' Compensation Insurance Coverage for all of its employees involved in the performance of this Agreement.

E. Insurance and Bonding
The Subrecipient shall carry sufficient insurance coverage to protect contract assets from loss due to theft, fraud and/or undue physical damage, and as a minimum will purchase a blanket fidelity bond covering all employees in an amount equal to cash advances from the City.

F. Funding Source Recognition
The Subrecipient will insure recognition of the roles of the City in providing services through this Agreement. All activities, facilities and items utilized pursuant to this Agreement will be prominently labeled as to funding source. In addition, the Subrecipient will include a reference to the support provided herein in all publications made possible with funds made available under this Agreement.

G. Amendments
The City or Subrecipient may amend this Agreement at any time provided that such amendments make specific reference to this Agreement, and are executed in writing, signed by a duly authorized representative of each organization, and approved by the

City's governing body. Such amendments will not invalidate this Agreement, nor relieve or release the City or Subrecipient from its obligations under this Agreement.

The City may, in its discretion, amend this Agreement to conform with Federal, state or local governmental guidelines, policies and available funding amount, or for other reasons. If such amendments result in a change in the funding, scope of services, or schedule of the activities to be undertaken as part of this Agreement, such modifications will be incorporated only by written amendment signed by both the City and Subrecipient.

Notwithstanding the prior two subparagraphs, the parties may agree to minor amendments to this Agreement, which are executed in writing, signed by a duly authorized representative of each organization, and approved by the Grantee's staff.

H. Suspension or Termination

In accordance with 24 CFR 85.43, the City may suspend or terminate this Agreement if the Subrecipient materially fails to comply with any terms of this Agreement, which include (but are not limited to) the following:

1. Failure to comply with any of the rules, regulations or provisions referred to herein, or such statues, regulations, executive orders, and HUD guidelines, policies or directives as may become applicable at any time;

2. Failure, for any reason, of the Subrecipient to fulfill in a timely and proper manner its obligations under this Agreement;

3. Ineffective of improper use of funds provided under this Agreement; or

4. Submission by the Subrecipient to the City of reports that are incorrect or incomplete in any material respect.

In accordance with 24 CFR 85.44, this Agreement may also be terminated for convenience by either the City or the Subrecipient, in whole or in part, by setting forth the reasons for such termination, the effective date, and, in the case of partial termination, the portion to be terminated. However, if in the case of a partial termination, the City determines that the remaining portion of the award will not accomplish the purpose for which the award was made, the City may terminate the award in its entirety.

9. ADMINISTRATIVE REQUIREMENTS

A. Financial Management

1. Accounting Standards

The Subrecipient agrees to comply with 24 CFR 84.21-28 and agrees to adhere to the accounting principles and procedures required therein, utilize adequate

internal controls, and maintain necessary source documentation for all costs incurred.

2. Cost Principles
   The Subrecipient will administer its program in conformance with 2 CFR Part 200, Subpart E, "(Uniform Guidance"). These principles will be applied for all costs incurred whether charged on a direct or indirect basis.

B. Documentation and Record Keeping

1. Records to Be Maintained
   The Subrecipient will maintain all records required by the Federal regulations specified in 24 CFR 570.506 that are pertinent to the activities to be funded under this Agreement. Such records will include but not be limited to:

   a. Records providing a full description of each activity undertaken;
   b. Records demonstrating that each activity undertaken meets one of the National Objectives of the CDBG program;
   c. Records required to determine the eligibility of activities;
   d. Records required to document the acquisition, improvement, use or disposition of real property acquired or improved with CDBG assistance;
   e. Records documenting compliance with the civil rights components of the CDBG program;
   f. Financial records as required by 24 CFR 570.502, and 24 CFR 84.21-28;
   g. Labor standards records required to document compliance with the Davis Bacon Act, the provisions of the Contract Work Hours and Safety Standards Act, and all other applicable Federal, state and local laws and regulations applicable to CDBG-funded construction projects; and
   h. Other records necessary to document compliance with Subpart K of 24 CFR Part 570.

2. Access to Records and Retention
   All such records and all other records pertinent to this Agreement and work undertaken under this Agreement will be retained by the Subrecipient for a period of four years. The retention period begins on the date of the submission of the City's annual performance and evaluation report to HUD in which the activities assisted under the Agreement are reported on for the final time. Notwithstanding the above, if there is litigation, claims, audits, negotiations or other actions that involve any of the records cited and that have started before the expiration of the four-year period, then such records must be retained until completion of the actions and resolution of all issues or the expiration of the four-year period, whichever occurs later.

3. Client Data

The Subrecipient shall maintain client data demonstrating client eligibility for services provided. Such data shall include, but not be limited to, client name, address income level or other basis for determining eligibility and description of services provided. Such information shall be made available to City monitors or their designees, HUD or other authorized representatives for review upon request.

Disclosure
The Subrecipient understands that client information collected under this Agreement is private and the use or disclosure of such information, when not directly connected with the administration of the City's or Subrecipient's responsibilities with respect to services provided under this Agreement, is prohibited by **State or Federal law** unless written consent is obtained from such person receiving service and, in the case of a minor, that of a responsible parent/guardian.

4. Closeouts
The Subrecipient's obligation to the City shall not end until all closeout requirements are completed. Activities during the closeout period shall include, but are not limited to, making final payments, disposing of program assets (including the return of all unused materials, equipment, program income balances and accounts receivable to the City), and determining the custodian ship of records. Notwithstanding the foregoing, the terms of this Agreement shall remain in effect during any period that the Subrecipient has control over CDBG funds, including program income,

6. Audits and Inspections
If Subrecipient expends $1,000,000 or more in a year in Federal awards, the Subrecipient shall have a single or program-specific audit conducted for that year in accordance with the requirements of 2 CFR 200, Subpart F ("Audit Requirements"). Subrecipient must send a copy of the final report to the City within the earlier of 30 days of the report's issuance or nine months after the end of the audit period. The City also reserves the right to engage an independent auditor to examine the Subrecipient's compliance with the requirements of 2 CFR Part 200 and this Agreement. Furthermore, the City must approve any independent auditor engaged to assure that the auditor is qualified and meets Government Accounting Office Standards and evaluate the scope of the audit to ensure compliance with Code of Federal Regulation requirements. This grant is made pursuant to and is identified as follows:

1. Federal Grant Title: Community Development Block Grant
2. Catalog of Federal Domestic Assistance Number (CFDA): 14.218
3. Federal and/or State Identification Numbers: B-**26**-MC-24-0012

All Subrecipient records with respect to any matters covered by this Agreement shall be made available to the City, HUD, and duly authorized officials of the State and federal government, at any time during normal business hours, as often

as deemed necessary, to audit, examine, and make excerpts or transcripts of all relevant data. Any deficiencies noted in audit reports must be fully cleared by the Subrecipient within 30 days after receipt by the Subrecipient.
Failure of the Subrecipient to comply with the above audit requirements will constitute a violation of this Agreement and may result in the withholding of future payments.

C. Reporting

1. Program Income
The Subrecipient will report annually all program income [as defined at 24 CFR 570.500(a)] generated by activities carried out with CDBG funds made available under this Agreement. The use of program income by the Subrecipient will comply with the requirements set forth at 24 CFR 570.504. The Subrecipient may use such income during the contract period for activities permitted under this Agreement and shall reduce request for additional funds by the amount of any such program income balances on hand. All unexpended program income shall be returned to the City at the end of the contract period. Any interest earned on cash advances from the U.S Treasure and from funds held in a revolving fund account is not program income and shall be remitted promptly to the City.

2. Progress Reports
At such times and in such forms as HUD or the City may require, there shall be furnished to HUD or the City such statements, records, reports, data and information as HUD or the City may request pertaining to matters covered by this Agreement. Specifically, the City shall require Subrecipient to submit quarterly reports which shall include a narrative of program activities, a description of the services provided, number of clients that have applied for, participated in or benefited from the services and relevant characteristics of the client population (age, gender, income, race, ethnicity and gender of single-headed households), performance standard outcomes, equal employment opportunity reports, applicable MBE/WBE requirements and applicable reporting forms attached hereto as **Appendix C, Part I** and incorporated herein by reference.

Said quarterly reports shall be submitted in a timely fashion (within 15 days of the end of each calendar quarter) and subject to the approval of the City prior to reimbursement of Subrecipient as set forth hereinabove. The City and Subrecipient reserve the mutual right to publish and/or make public, with the consent of both parties, the reports or other results of services under this Agreement.

D. Procurement

1. Compliance
The Subrecipient shall comply with current City policy concerning the purchase of equipment and shall maintain inventory records of all non-expendable personal

property as defined by such policy as my be procured with funds provided herein, All program assets (unexpended program income, property, equipment, etc.) shall revert to the City upon termination of this Agreement.

2. OMB Standards
Unless specified otherwise within this Agreement, the Subrecipient shall procure all materials, property or services in accordance with the requirements of 24 CFR 84.40-48.

3. Travel
The Subrecipient shall request written approval from the City for any travel outside the metropolitan area with funds provided under this Agreement.

E. Use and Reversion of Assets
The use and disposition of real property and equipment under this Agreement will be in compliance with the requirements of 24 CFR Part 84 and 24 CFR 570.502, 570.503, 570.504, as applicable, which include but are not limited to the following:

1. The Subrecipient will transfer to the City any CDBG funds on hand and any accounts receivable attributable to the use of funds under this Agreement at the time of expiration, cancellation, or termination.

2. Real property under the Subrecipient's control that was acquired or improved, in whole or in part, with funds under this Agreement in excess of $25,000 will be used to meet one of the CDBG National Objectives pursuant to 24 CFR 570.208 until ten (10) years after the contract between Subrecipient and the CITY is closed. If the Subrecipient fails to use CDBG-assisted real property in a manner that meets a CDBG National Objective for this 10-year period of time, the Subrecipient will pay the City an amount equal to the current fair market value of the property less any portion of the value attributable to expenditures of non-CDBG funds for acquisition of, or improvement to, the property after the CDBG program's approval. Such payment will constitute program income to the City. The Subrecipient may retain real property acquired or improved under this Agreement after the expiration of the ten-year period.

3. In cases in which equipment acquired, in whole or in part, with funds under this Agreement is sold, the proceeds will be program income (prorated to reflect the extent to which funds received under this Agreement were used to acquire the equipment). Equipment not needed by the Subrecipient for activities under this Agreement will be (a) transferred to the City for the CDBG program or (b) retained after compensating the City [an amount equal to the current fair market value of the equipment less the percentage of non-CDBG funds used to acquire the equipment].

4. Equipment acquired with CDBG funds may be retained by the Subrecipient so long as it continues to be used for the same or similar eligible public purpose for

which it was acquired. If the equipment is sold or is no longer needed for such purposes, disposition shall be made in accordance with this section.

10. RELOCATION, REAL PROPERTY ACQUISITION AND ONE-FOR-ONE HOUSING REPLACEMENT

The Subrecipient agrees to comply with (a) the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (URA), and implementing regulations at 49 CFR Part 24 and 24 CFR 570.606(b); (b) the requirements of 24 CFR 570.606(c) governing the Residential Anti-Displacement and Relocation Assistance Plan under section 104(d) of the HCD Act; and (c) the requirements in 24 CFR 570.606(d) governing optional relocation policies. The Subrecipient shall provide relocation assistance to displaced persons as defined by 24 CFR 570.606(b)(2) that are displaced as a direct result of acquisition, rehabilitation, demolition or conversion for a CDBG-assisted project. The Subrecipient also agrees to comply with applicable City ordinance, resolutions and policies concerning the displacement of persons from their residences.

11. PERSONNEL AND PARTICIPANT CONDITIONS

A. Civil Rights

1. Compliance

The Subrecipient agrees to comply with **local and state civil rights ordinances** and with Title VI of the Civil Rights Act of 1964 as amended, and Title VII of the Civil Rights Act of 1968 as amended, Section 104(b) and Section 109 of title I of the Housing and Community Development Act of 1974 as amended, Section 504 of the Rehabilitation Act of 1973, the American and Disabilities Act of 1990, the Age Discrimination act of 1975, Executive Order 11063, and Executive Order 11246 as amended by Executive Orders 11375, 11478, 12107 and 12086.

2. Nondiscrimination

The Subrecipient agrees to comply with the nondiscrimination in employment and contracting opportunities laws, regulation and executive orders referenced in 24 CFR 570.607, as revised by Executive Order 13279. The applicable nondiscrimination provisions in Section 109 of the HCDA are still applicable.

B. Section 3 of the Housing and Community Development Act of 1968

Compliance in the Provision of Training, Employment, and Business Opportunities:

1. The work to be performed under this agreement is on a project assisted under a program providing direct federal financial assistance from HUD and is subject to the requirements of Section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701u. Section 3 requires that to the greatest extent feasible opportunities for training and employment be given lower-income residents of the project area; and contracts for work in connection with the project

be awarded to business concerns which are located in, or owned in substantial part, by persons residing in the area of the project.

2. The parties to this contract will comply with the provisions of said Section 3 and the regulations set forth in 24 CFR 135, and all applicable rules and orders of HUD and the City issued thereunder prior to the execution of this contract. The parties to this contract certify and agree that they are under no contractual or other disability that would prevent them from complying with these provisions.

3. The Subrecipient will send to each labor organization or representative of workers with which he has a collective bargaining agreement or other contract or understanding, if any, a notice advising the said labor organization or workers' representative of his commitments under this Section 3 clause and will post copies of the notice in conspicuous places available to employees and applicants for employment or training.

4. The Subrecipient will include this Section 3 clause in every subcontract for work in connection with the project and will, at the direction of the applicant, or recipient of federal financial assistance, take appropriate action pursuant to the subcontract upon a finding that the subcontractor is in violation of regulations issued by the Secretary of HUD, 24 CFR Part 135. The Subrecipient will not subcontract with any subcontractor where it has notice or knowledge that the latter has been found in violation of regulations under 24 CFR Part 135 and will not let any subcontract, unless the subcontractor has first provided it with a preliminary statement of ability to comply with the requirements of these regulations.

5. Compliance with the provisions of Section 3, the regulations set forth in 24 CFR Part 135, and all applicable rules and orders of HUD and the City issued hereunder prior to the execution of the contract, will be a condition of the federal financial assistance provided to the project, binding upon the applicant or recipient for such assistance, its successors, and assigns. Failure to fulfill these requirements will subject the applicant, or recipient, its consultants and subcontractors, its successors and assigned to those sanctions specified by the grant or loan agreement or contract through which federal assistance is provided, and to such sanctions as are specified by 24 CFR Part 135.

C. Conduct

1. Assignability
The Subrecipient will not assign or transfer any interest in this Agreement without the prior written consent of the City thereto; provided, however, that claims for money due or to become due to the Subrecipient from the City under this contract may be assigned to a bank, trust company, or other financial institution without such approval. Notice of any such assignment or transfer will be furnished promptly to the City.

2. Conflict of Interest
No member of the City's governing body and no other public official of such locality, who exercises any functions or responsibilities in connection with the planning or carrying out of the Program, will have any personal financial interest, direct or indirect, in this agreement; and the Subrecipient will take appropriate steps to assure compliance.

The Subrecipient agrees to abide by the provisions of 24 CFR 84.42 and 570.611, which includes maintaining a written code or standards of conduct that will govern the performance of its officers, employees or agents engaged in the award and administration of contracts supported by Federal funds.

The Subrecipient covenants that its employees have no interest and will not acquire interest, direct or indirect, in the study area or any parcels therein or any other interest which would conflict in any manner or degree with the performance of services hereunder. The Subrecipient further covenants that in the performance of this Agreement, no person having such interest will be employed.

3. Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion - Lower Tier Covered Transactions

a. The lower tier contractor certifies, by signing this contract that neither it nor its principals is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any Federal department or agency.
b. Where the lower tier contractor is unable to certify to any of the statements in this contract, such contractor will attach an explanation to this contract.
c. The contractor further agrees by signing this contract that it will not knowingly enter into any lower tier covered transaction with a person who is debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction.

D. Copyright
If this Agreement results in any copyrightable material or inventions, the City reserves the right to royalty-free, non-exclusive and irrevocable license to reproduce, publish or otherwise use and to authorize others to use, the work or materials for governmental purposes.

E. Religious Activities
The Subrecipient agrees that funds provided under this Agreement will not be utilized for inherently religious activities prohibited by 24 CFR 570.200(j), such as worship, religious instruction, or proselytization.

12. LEAD-BASED PAINT

The Subrecipient agrees that any acquisition, construction or rehabilitation of residential structures with assistance provided under this Agreement shall be subject to HUD Lead-Based Paint Regulations at 24 CFR 570.608 and 24 CFR Part 35, Subpart B. Such regulations pertain to all CDBG-assisted housing and require that all owners, prospective owners, and tenants of properties constructed prior to 1978 be properly notified that such properties may include lead-based paint, Such notification shall point out the hazards of lead-based paint and explain the symptoms, treatment and precautions that should be taken when dealing with lead-based paint poisoning and the advisability and availability of blood lead level screening for children under seven. The notice should also point out that if lead-based paint is found on the property, abatement measures may be undertaken. The regulations further require that, depending on the amount of Federal funds applies to a property, paint testing, risk assessment, treatment and/or abatement may be conducted.

13. SEVERABILITY

If any provision of this Agreement is held invalid, the remainder of the Agreement will not be affected thereby and all other parts of this Agreement will nevertheless be in full force and effect.

14. PERFORMANCE WAIVER

The City's failure to act with respect to a breach by the Subrecipient does not waive its right to act with respect to subsequent or similar breaches. The failure of the City to exercise or enforce any right or provision will not constitute a waiver of such right or provision.

15. ENTIRE AGREEMENT

This Agreement constitutes the entire agreement between the City and the Subrecipient for the use of funds received under this Agreement and it supersedes all prior communications and proposals, whether electronic, oral, or written between the City and the Subrecipient with respect to this Agreement.

IN WITNESS WHEREOF, the CITY and the SUBRECIPIENT have executed this agreement as of the date and year last written below.

MAYOR AND CITY COUNCIL OF HAGERSTOWN BY AND THROUGH THE DEPARTMENT OF HOUSING & COMMUNITY DEVELOPMENT

By:______________________________________

Title: Mayor______ ________________________

Date: ____________________________________

RELIGIOUS EFFORT TO ASSIST AND CARE FOR THE HOMELESS

By: ______________________________

Title: ____________________________

Date: ____________________________

APPROVED AS TO FORM AND LEGAL SUFFICIENCY:

SALVATORE & MORTON, LLC
CITY ATTORNEY

By: ______________________________
Jason Morton, Sole Member

Date: ______________________________

SUBRECIPIENT AGREEMENT
BETWEEN THE CITY OF HAGERSTOWN
AND
SENIOR LIVING ALTERNATIVES, INC.

This Agreement is entered into as of ___, August 2026, by and between the CITY OF HAGERSTOWN, a body corporate and political subdivision of the State of Maryland, acting by and through the DEPARTMENT OF HOUSING & COMMUNITY DEVELOPMENT (herein called the "CITY"), and **Senior Living Alternatives, Inc.** ("herein called the "SUBRECIPIENT").

WHEREAS, Congress in passing the Housing and Community Development Act of 1974, as amended, has placed an emphasis on the development of viable urban communities by providing decent housing and a suitable living environment and expanding economic opportunities, principally for persons of low- and moderate-income and has developed a system of block grants to aid in such purposes; and

WHEREAS, the CITY has applied for and received such a block grant, desires to conduct a program to benefit low- to moderate- income residents within the City by providing funds **to support a program which provides affordable housing and support services for low-income senior citizens**; and

WHEREAS, the SUBRECIPIENT is a private non-profit corporation incorporated in the State of Maryland whose mission is to **provide affordable housing and support services in an environment that promotes independence and dignity**; and

WHEREAS, the SUBRECIPIENT has been selected by the CITY to receive CDBG funds and administer the **Meals Served Program** (hereinafter referred to as the "Program") **to provide nutritious meals and snacks to low-income seniors who reside at "Holly Place" assisted living facility**; and

WHEREAS, the services provided by the SUBRECIPIENT are consistent with the Community Development Block Grant Program (hereinafter referred to as "CDBG") Eligible Activity of "Public Service"; and

WHEREAS, the SUBRECIPIENT further agrees to develop and retain sufficient documentation, as described herein below, to clearly support the CDBG eligible **Public Service** activity for each instance of assistance provided by the SUBRECIPIENT; and

WHEREAS, the parties hereto have duly executed this SUBRECIPIENT Agreement for the expenditure of CDBG funds.

NOW, THEREFORE, it is agreed between the parties hereto that:

1. SCOPE OF SERVICE

The Subrecipient will be responsible for administering a CDBG-funded **Meals Served Program** in a manner satisfactory to the City and consistent with any standards required as a condition of receiving CDBG funds. Such program shall include the following activities eligible under the CDBG Program:

a. Provide three meals and two snacks per day 365 days a year to fifteen (15) low-income seniors who reside at Holly Place.

b. Prepare and serve approximately 16425 meals and 10,950 snacks per year for residents of Holly Place.

c. The Subrecipient will ensure that its use of the funds will meet the U. S. Department of Housing and Urban Development's (HUD's) national objective for the use of CDBG funds by benefitting low and moderate (L/M) income persons through a limited clientele activity. An L/M income limited clientele activity is one which provides benefits to a specific group of persons rather than everyone in an area. 100% of the beneficiaries of the activity must be L/M income people.

   To document that Holly Place clientele meet HUD's national objective, the Subrecipient agrees to use the funding to serve low-income seniors within the City of Hagerstown Corporate Boundaries, and to complete forms in Appendix C, Part 1 which have been organized to facilitate collection of race and ethnicity data for each participant.

2. NATIONAL OBJECTIVE

All activities funded with CDBG funds must met one of the CDBG program's National Objectives: benefit low- and moderate-income persons; or aid in the prevention or elimination of slums or blight; or meet community development needs having a particular urgency, as defined in 24 CFR 570.208

The CITY has determined that the Program carried out under this Agreement will meet the **Benefit Low- and Moderate-Income Persons** national objective.

The program beneficiaries qualify as L/M Income Limited Clientele as defined in 24 CFR 570.208(a)(2)(i)(A).

3. TIME OF PERFORMANCE

The time of performance shall be 12 months beginning on the 1st day of July, 2026 and ending on 30th day of June, 2027.

4. BUDGET

The City shall reimburse the Subrecipient its allowable costs for the services identified in this Agreement not to exceed **$10,000.00** in CDBG funds for eligible incurred costs upon presentation of properly executed reimbursement forms as provided and approved by the City. Funding under this Agreement shall cover the Program costs.

PROGRAM BUDGET LINE ITEM	**BUDGETED AMOUNT**
Salaries	$5,000
Fringe	$0
Office Space	$0
Utilities	$0
Communications	$0
Printing	$0
Supplies and Materials	$0
Mileage	$0
Professional Services	$0
Other (Specify: Food)	$5,000
TOTAL CDBG	$10,000

Such reimbursement shall constitute full and complete payment by the City under this Agreement. Allowable costs shall mean those necessary and proper costs identified in the Subrecipient's application and budget and approved by the City unless any or all such costs are disallowed by the City or HUD.

Any reimbursement made under this Agreement must comply with the applicable requirements or 24 CFR Part 85. The Subrecipient may not request disbursement of funds under this Agreement until the funds are needed for payment of allowable costs.

The City may require a more detailed budget breakdown, and the Subrecipient will provide such supplementary budget information in a timely fashion in the form and content prescribed by the City. Any amendments to this Agreement's Budget must first be determined by the City as consistent with its CDBG contract and then approved in writing by the City.

5. PAYMENT

It is expressly understood that the total amount to be paid by the CITY under this Agreement shall not exceed **$10,000.00.** Drawdowns for the payment of eligible expenses shall be made against the line item budget specified in Section 4 herein and in accordance with performance. **Expenses for general administration shall not be paid under this Agreement**. Claims for reimbursement will not be submitted in excess of actual, immediate cash requirements necessary to carry out the purposes of this Agreement. Funds available under this Agreement will be utilized to supplement rather than supplant funds otherwise available.

Reimbursement request must be mailed to: Margi Joe, Community Development Manager, Community Development Department, 14 N Potomac Street – Suite 200a,

Hagerstown, Maryland, 21740 or e-mailed to mjoe@hagerstownmd.org. Payments shall be made within thirty **(30)** business days.

6. PERFORMANCE MONITORING
The City will monitor the performance of the Subrecipient by tracking program progress, reviewing payment requests for applicable costs, overseeing compliance with CDBG requirements, and ensuring recordkeeping and audit requirements are met. Substandard performance as determined by the City will constitute noncompliance with this Agreement.

If action to correct such substandard performance is not taken by the Subrecipient within a reasonable period of time after being notified by the City, contract suspension or termination procedures will be initiated.

7. NOTICES
Notices required by this Agreement shall be in writing and delivered via mail or personal delivery or sent by facsimile or other electronic means. Any notice delivered or sent as aforesaid shall be effective on the date of delivery or sending. All notices and other written communications under this Agreement shall be addressed to the individual in the capacities indicated below, unless otherwise modified by subsequent written notice.

Communications and details concerning this Agreement shall be directed to the following contract representatives:

CITY	SUBRECIPIENT
Margi Joe	Melanie Davis
Community Development Manager	Executive Director
City of Hagerstown	**Senior Living Alternatives, Inc.**
14 N. Potomac Street	268 S. Potomac St
Address	Address
Hagerstown, Maryland, 21740	Hagerstown, Maryland 21740
City, State and Zip	City, State and Zip
Telephone: 301-739-8577 ext. 134	Telephone: 301-733-3008
Fax Number: 301-739-3117	Fax Number: 301-733-6931

8. GENERAL CONDITIONS

A. General Compliance
The Subrecipient agrees to comply with the requirements of Title 24 of the Code of Federal regulations, Part 570 (the HUD regulations concerning CDBG) including subpart K of these regulations, except that the Subrecipient does not assume the City's environmental responsibilities described in 24 CFR 570.604 and the Subrecipient does not assume the City's responsibility for initiating the review process under the provisions of 24 CFR Part 52.

B. Independent Contractor
Nothing contained in this Agreement is intended to, or will be construed in any manner, as creating or establishing the relationship of employer/employee between the parties. The Subrecipient will at all times remain an "independent contractor" with respect to the services to be performed under this Agreement. The City will be exempt from payment of all Unemployment Compensation, FICA, retirement, life and/or medical insurance and Workers' Compensation Insurance, as the Subrecipient is an independent contractor.

C. Hold Harmless
The Subrecipient will hold harmless, defend and indemnify the City from any and all claims, actions, suits, charges and judgments whatsoever that arise out of the Subrecipient's performance or nonperformance of the services or subject matter called for in this Agreement.

D. Workers' Compensation
The Subrecipient will provide Workers' Compensation Insurance Coverage for all of its employees involved in the performance of this Agreement.

E. Insurance and Bonding
The Subrecipient shall carry sufficient insurance coverage to protect contract assets from loss due to theft, fraud and/or undue physical damage, and as a minimum will purchase a blanket fidelity bond covering all employees in an amount equal to cash advances from the City.

F. Funding Source Recognition
The Subrecipient will insure recognition of the roles of the City in providing services through this Agreement. All activities, facilities and items utilized pursuant to this Agreement will be prominently labeled as to funding source. In addition, the Subrecipient will include a reference to the support provided herein in all publications made possible with funds made available under this Agreement.

G. Amendments
The City or Subrecipient may amend this Agreement at any time provided that such amendments make specific reference to this Agreement, and are executed in writing, signed by a duly authorized representative of each organization, and approved by the

City's governing body. Such amendments will not invalidate this Agreement, nor relieve or release the City or Subrecipient from its obligations under this Agreement.

The City may, in its discretion, amend this Agreement to conform with Federal, state or local governmental guidelines, policies and available funding amount, or for other reasons. If such amendments result in a change in the funding, scope of services, or schedule of the activities to be undertaken as part of this Agreement, such modifications will be incorporated only by written amendment signed by both the City and Subrecipient.

Notwithstanding the prior two subparagraphs, the parties may agree to minor amendments to this Agreement, which are executed in writing, signed by a duly authorized representative of each organization, and approved by the Grantee's staff.

H. Suspension or Termination

In accordance with 24 CFR 85.43, the City may suspend or terminate this Agreement if the Subrecipient materially fails to comply with any terms of this Agreement, which include (but are not limited to) the following:

1. Failure to comply with any of the rules, regulations or provisions referred to herein, or such statues, regulations, executive orders, and HUD guidelines, policies or directives as may become applicable at any time;

2. Failure, for any reason, of the Subrecipient to fulfill in a timely and proper manner its obligations under this Agreement;

3. Ineffective of improper use of funds provided under this Agreement; or

4. Submission by the Subrecipient to the City of reports that are incorrect or incomplete in any material respect.

In accordance with 24 CFR 85.44, this Agreement may also be terminated for convenience by either the City or the Subrecipient, in whole or in part, by setting forth the reasons for such termination, the effective date, and, in the case of partial termination, the portion to be terminated. However, if in the case of a partial termination, the City determines that the remaining portion of the award will not accomplish the purpose for which the award was made, the City may terminate the award in its entirety.

9. ADMINISTRATIVE REQUIREMENTS

A. Financial Management

1. Accounting Standards

The Subrecipient agrees to comply with 24 CFR 84.21-28 and agrees to adhere to the accounting principles and procedures required therein, utilize adequate

internal controls, and maintain necessary source documentation for all costs incurred.

2. Cost Principles
The Subrecipient will administer its program in conformance with 2 CFR Part 200, Subpart E, "(Uniform Guidance"). These principles will be applied for all costs incurred whether charged on a direct or indirect basis.

B. Documentation and Record Keeping

1. Records to Be Maintained
The Subrecipient will maintain all records required by the Federal regulations specified in 24 CFR 570.506 that are pertinent to the activities to be funded under this Agreement. Such records will include but not be limited to:

   a. Records providing a full description of each activity undertaken;
   b. Records demonstrating that each activity undertaken meets one of the National Objectives of the CDBG program;
   c. Records required to determine the eligibility of activities;
   d. Records required to document the acquisition, improvement, use or disposition of real property acquired or improved with CDBG assistance;
   e. Records documenting compliance with the civil rights components of the CDBG program;
   f. Financial records as required by 24 CFR 570.502, and 24 CFR 84.21-28;
   g. Labor standards records required to document compliance with the Davis Bacon Act, the provisions of the Contract Work Hours and Safety Standards Act, and all other applicable Federal, state and local laws and regulations applicable to CDBG-funded construction projects; and
   h. Other records necessary to document compliance with Subpart K of 24 CFR Part 570.

2. Access to Records and Retention
All such records and all other records pertinent to this Agreement and work undertaken under this Agreement will be retained by the Subrecipient for a period of four years. The retention period begins on the date of the submission of the City's annual performance and evaluation report to HUD in which the activities assisted under the Agreement are reported on for the final time. Notwithstanding the above, if there is litigation, claims, audits, negotiations or other actions that involve any of the records cited and that have started before the expiration of the four-year period, then such records must be retained until completion of the actions and resolution of all issues or the expiration of the four-year period, whichever occurs later.

3. Client Data

The Subrecipient shall maintain client data demonstrating client eligibility for services provided. Such data shall include, but not be limited to, client name, address income level or other basis for determining eligibility and description of services provided. Such information shall be made available to City monitors or their designees, HUD or other authorized representatives for review upon request.

4. Disclosure
The Subrecipient understands that client information collected under this Agreement is private and the use or disclosure of such information, when not directly connected with the administration of the City's or Subrecipient's responsibilities with respect to services provided under this Agreement, is prohibited by **State or Federal law** unless written consent is obtained from such person receiving service and, in the case of a minor, that of a responsible parent/guardian.

5. Closeouts
The Subrecipient's obligation to the City shall not end until all closeout requirements are completed. Activities during the closeout period shall include, but are not limited to, making final payments, disposing of program assets (including the return of all unused materials, equipment, program income balances and accounts receivable to the City), and determining the custodian ship of records. Notwithstanding the foregoing, the terms of this Agreement shall remain in effect during any period that the Subrecipient has control over CDBG funds, including program income,

6. Audits and Inspections
If Subrecipient expends $1,000,000 or more in a year in Federal awards, Subrecipient shall have a single or program-specific audit conducted for that year in accordance with the requirements of 2 CFR 200, Subpart F ("Audit Requirements"). Subrecipient must send a copy of the final report to the City within the earlier of 30 days of the report's issuance or nine months after the end of the audit period. The City also reserves the right to engage an independent auditor to examine the Subrecipient's compliance with the requirements of 2 CFR Part 200 and this Agreement. Furthermore, the City must approve any independent auditor engaged to assure that the auditor is qualified and meets Government Accounting Office Standards and evaluate the scope of the audit to ensure compliance with Code of Federal Regulation requirements. This grant is made pursuant to and is identified as follows:

    1. Federal Grant Title: Community Development Block Grant
    2. Catalog of Federal Domestic Assistance Number (CFDA): 14.218
    3. Federal and/or State Identification Numbers: B-**26**-MC-24-0012

All Subrecipient records with respect to any matters covered by this Agreement shall be made available to the City, HUD, and duly authorized officials of the State and federal government, at any time during normal business hours, as often

as deemed necessary, to audit, examine, and make excerpts or transcripts of all relevant data. Any deficiencies noted in audit reports must be fully cleared by the Subrecipient within 30 days after receipt by the Subrecipient.

Failure of the Subrecipient to comply with the above audit requirements will constitute a violation of this Agreement and may result in the withholding of future payments.

C. Reporting

1. Program Income
The Subrecipient will report annually all program income [as defined at 24 CFR 570.500(a)] generated by activities carried out with CDBG funds made available under this Agreement. The use of program income by the Subrecipient will comply with the requirements set forth at 24 CFR 570.504. The Subrecipient may use such income during the contract period for activities permitted under this Agreement and shall reduce request for additional funds by the amount of any such program income balances on hand. All unexpended program income shall be returned to the City at the end of the contract period. Any interest earned on cash advances from the U.S Treasure and from funds held in a revolving fund account is not program income and shall be remitted promptly to the City.

2. Progress Reports
At such times and in such forms as HUD or the City may require, there shall be furnished to HUD or the City such statements, records, reports, data and information as HUD or the City may request pertaining to matters covered by this Agreement. Specifically, the City shall require Subrecipient to submit quarterly reports which shall include a narrative of program activities, a description of the services provided, number of clients that have applied for, participated in or benefited from the services and relevant characteristics of the client population (age, gender, income, race, ethnicity and gender of single-headed households), performance standard outcomes, equal employment opportunity reports, applicable MBE/WBE requirements and applicable reporting forms attached hereto as **Appendix C, Part I** and incorporated herein by reference.

Said quarterly reports shall be submitted in a timely fashion (within 15 days of the end of each calendar quarter) and subject to the approval of the City prior to reimbursement of Subrecipient as set forth hereinabove. The City and Subrecipient reserve the mutual right to publish and/or make public, with the consent of both parties, the reports or other results of services under this Agreement.

D. Procurement

1. Compliance

The Subrecipient shall comply with current City policy concerning the purchase of equipment and shall maintain inventory records of all non-expendable personal property as defined by such policy as my be procured with funds provided herein, All program assets (unexpended program income, property, equipment, etc.) shall revert to the City upon termination of this Agreement.

2. OMB Standards
Unless specified otherwise within this Agreement, the Subrecipient shall procure all materials, property or services in accordance with the requirements of 24 CFR 84.40-48.

3. Travel
The Subrecipient shall request written approval from the City for any travel outside the metropolitan area with funds provided under this Agreement.

E. Use and Reversion of Assets
The use and disposition of real property and equipment under this Agreement will be in compliance with the requirements of 24 CFR Part 84 and 24 CFR 570.502, 570.503, 570.504, as applicable, which include but are not limited to the following:

1. The Subrecipient will transfer to the City any CDBG funds on hand and any accounts receivable attributable to the use of funds under this Agreement at the time of expiration, cancellation, or termination.

2. Real property under the Subrecipient's control that was acquired or improved, in whole or in part, with funds under this Agreement in excess of $25,000 will be used to meet one of the CDBG National Objectives pursuant to 24 CFR 570.208 until ten (10) years after the contract between Subrecipient and the CITY is closed. If the Subrecipient fails to use CDBG-assisted real property in a manner that meets a CDBG National Objective for this 10-year period of time, the Subrecipient will pay the City an amount equal to the current fair market value of the property less any portion of the value attributable to expenditures of non-CDBG funds for acquisition of, or improvement to, the property after the CDBG program's approval. Such payment will constitute program income to the City. The Subrecipient may retain real property acquired or improved under this Agreement after the expiration of the ten-year period.

3. In cases in which equipment acquired, in whole or in part, with funds under this Agreement is sold, the proceeds will be program income (prorated to reflect the extent to which funds received under this Agreement were used to acquire the equipment). Equipment not needed by the Subrecipient for activities under this Agreement will be (a) transferred to the City for the CDBG program or (b) retained after compensating the City [an amount equal to the current fair market value of the equipment less the percentage of non-CDBG funds used to acquire the equipment].

4. Equipment acquired with CDBG funds may be retained by the Subrecipient so long as it continues to be used for the same or similar eligible public purpose for which it was acquired. If the equipment is sold or is no longer needed for such purposes, disposition shall be made in accordance with this section.

10. RELOCATION, REAL PROPERTY ACQUISITION AND ONE-FOR-ONE HOUSING REPLACEMENT

The Subrecipient agrees to comply with (a) the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (URA), and implementing regulations at 49 CFR Part 24 and 24 CFR 570.606(b); (b) the requirements of 24 CFR 570.606(c) governing the Residential Anti-Displacement and Relocation Assistance Plan under section 104(d) of the HCD Act; and (c) the requirements in 24 CFR 570.606(d) governing optional relocation policies. The Subrecipient shall provide relocation assistance to displaced persons as defined by 24 CFR 570.606(b)(2) that are displaced as a direct result of acquisition, rehabilitation, demolition or conversion for a CDBG-assisted project. The Subrecipient also agrees to comply with applicable City ordinance, resolutions and policies concerning the displacement of persons from their residences.

11. PERSONNEL AND PARTICIPANT CONDITIONS

A. Civil Rights

1. Compliance

The Subrecipient agrees to comply with **local and state civil rights ordinances** and with Title VI of the Civil Rights Act of 1964 as amended, and Title VII of the Civil Rights Act of 1968 as amended, Section 104(b) and Section 109 of title I of the Housing and Community Development Act of 1974 as amended, Section 504 of the Rehabilitation Act of 1973, the American and Disabilities Act of 1990, the Age Discrimination act of 1975, Executive Order 11063, and Executive Order 11246 as amended by Executive Orders 11375, 11478, 12107 and 12086.

2. Nondiscrimination

The Subrecipient agrees to comply with the nondiscrimination in employment and contracting opportunities laws, regulation and executive orders referenced in 24 CFR 570.607, as revised by Executive Order 13279. The applicable nondiscrimination provisions in Section 109 of the HCDA are still applicable.

B. Section 3 of the Housing and Community Development Act of 1968

Compliance in the Provision of Training, Employment, and Business Opportunities:

1. The work to be performed under this agreement is on a project assisted under a program providing direct federal financial assistance from HUD and is subject to the requirements of Section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701u. Section 3 requires that to the greatest extent feasible opportunities for training and employment be given lower-income

residents of the project area; and contracts for work in connection with the project be awarded to business concerns which are located in, or owned in substantial part, by persons residing in the area of the project.

2. The parties to this contract will comply with the provisions of said Section 3 and the regulations set forth in 24 CFR 135, and all applicable rules and orders of HUD and the City issued thereunder prior to the execution of this contract. The parties to this contract certify and agree that they are under no contractual or other disability that would prevent them from complying with these provisions.

3. The Subrecipient will send to each labor organization or representative of workers with which he has a collective bargaining agreement or other contract or understanding, if any, a notice advising the said labor organization or workers' representative of his commitments under this Section 3 clause and will post copies of the notice in conspicuous places available to employees and applicants for employment or training.

4. The Subrecipient will include this Section 3 clause in every subcontract for work in connection with the project and will, at the direction of the applicant, or recipient of federal financial assistance, take appropriate action pursuant to the subcontract upon a finding that the subcontractor is in violation of regulations issued by the Secretary of HUD, 24 CFR Part 135. The Subrecipient will not subcontract with any subcontractor where it has notice or knowledge that the latter has been found in violation of regulations under 24 CFR Part 135 and will not let any subcontract, unless the subcontractor has first provided it with a preliminary statement of ability to comply with the requirements of these regulations.

5. Compliance with the provisions of Section 3, the regulations set forth in 24 CFR Part 135, and all applicable rules and orders of HUD and the City issued hereunder prior to the execution of the contract, will be a condition of the federal financial assistance provided to the project, binding upon the applicant or recipient for such assistance, its successors, and assigns. Failure to fulfill these requirements will subject the applicant, or recipient, its consultants and subcontractors, its successors and assigned to those sanctions specified by the grant or loan agreement or contract through which federal assistance is provided, and to such sanctions as are specified by 24 CFR Part 135.

C. Conduct

1. Assignability
The Subrecipient will not assign or transfer any interest in this Agreement without the prior written consent of the City thereto; provided, however, that claims for money due or to become due to the Subrecipient from the City under this contract may be assigned to a bank, trust company, or other financial institution without

such approval. Notice of any such assignment or transfer will be furnished promptly to the City.

2. Conflict of Interest
No member of the City's governing body and no other public official of such locality, who exercises any functions or responsibilities in connection with the planning or carrying out of the Program, will have any personal financial interest, direct or indirect, in this agreement; and the Subrecipient will take appropriate steps to assure compliance.

The Subrecipient agrees to abide by the provisions of 24 CFR 84.42 and 570.611, which includes maintaining a written code or standards of conduct that will govern the performance of its officers, employees or agents engaged in the award and administration of contracts supported by Federal funds.

The Subrecipient covenants that its employees have no interest and will not acquire interest, direct or indirect, in the study area or any parcels therein or any other interest which would conflict in any manner or degree with the performance of services hereunder. The Subrecipient further covenants that in the performance of this Agreement, no person having such interest will be employed.

3. Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion - Lower Tier Covered Transactions

a. The lower tier contractor certifies, by signing this contract that neither it nor its principals is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any Federal department or agency.
b. Where the lower tier contractor is unable to certify to any of the statements in this contract, such contractor will attach an explanation to this contract.
c. The contractor further agrees by signing this contract that it will not knowingly enter into any lower tier covered transaction with a person who is debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction.

D. Copyright
If this Agreement results in any copyrightable material or inventions, the City reserves the right to royalty-free, non-exclusive and irrevocable license to reproduce, publish or otherwise use and to authorize others to use, the work or materials for governmental purposes.

E. Religious Activities
The Subrecipient agrees that funds provided under this Agreement will not be utilized for inherently religious activities prohibited by 24 CFR 570.200(j), such as worship, religious instruction, or proselytization.

12. LEAD-BASED PAINT

The Subrecipient agrees that any acquisition, construction or rehabilitation of residential structures with assistance provided under this Agreement shall be subject to HUD Lead-Based Paint Regulations at 24 CFR 570.608 and 24 CFR Part 35, Subpart B. Such regulations pertain to all CDBG-assisted housing and require that all owners, prospective owners, and tenants of properties constructed prior to 1978 be properly notified that such properties may include lead-based paint, Such notification shall point out the hazards of lead-based paint and explain the symptoms, treatment and precautions that should be taken when dealing with lead-based paint poisoning and the advisability and availability of blood lead level screening for children under seven. The notice should also point out that if lead-based paint is found on the property, abatement measures may be undertaken. The regulations further require that, depending on the amount of Federal funds applies to a property, paint testing, risk assessment, treatment and/or abatement may be conducted.

13. SEVERABILITY

If any provision of this Agreement is held invalid, the remainder of the Agreement will not be affected thereby and all other parts of this Agreement will nevertheless be in full force and effect.

14. PERFORMANCE WAIVER

The City's failure to act with respect to a breach by the Subrecipient does not waive its right to act with respect to subsequent or similar breaches. The failure of the City to exercise or enforce any right or provision will not constitute a waiver of such right or provision.

15. ENTIRE AGREEMENT

This Agreement constitutes the entire agreement between the City and the Subrecipient for the use of funds received under this Agreement and it supersedes all prior communications and proposals, whether electronic, oral, or written between the City and the Subrecipient with respect to this Agreement.

IN WITNESS WHEREOF, the CITY and the SUBRECIPIENT have executed this agreement as of the date and year last written below.

MAYOR AND CITY COUNCIL OF HAGERSTOWN BY AND THROUGH THE DEPARTMENT OF HOUSING & COMMUNITY DEVELOPMENT	SENIOR LIVING ALTERNATIVES, INC.
By: ______________________	By: ______________________
Title:_Mayor______________	Title: ______________________
Date: ______________________	Date: ______________________

APPROVED AS TO FORM AND LEGAL SUFFICIENCY:

SALVATORE & MORTON, LLC

CITY ATTORNEY

By: ______________________________

Jason Morton, Sole Member

Date: ______________________________

SUBRECIPIENT AGREEMENT
BETWEEN THE CITY OF HAGERSTOWN
AND
TRUNORTH COMPANY

This Agreement is entered into as of ___, August, 2026, by and between the CITY OF HAGERSTOWN, a body corporate and political subdivision of the State of Maryland, acting by and through the DEPARTMENT OF HOUSING & COMMUNITY DEVELOPMENT (herein called the "CITY"), and **TruNorth Company,** ("herein called the "SUBRECIPIENT").

WHEREAS, Congress in passing the Housing and Community Development Act of 1974, as amended, has placed an emphasis on the development of viable urban communities by providing decent housing and a suitable living environment and expanding economic opportunities, principally for persons of low- and moderate-income and has developed a system of block grants to aid in such purposes; and

WHEREAS, the CITY has applied for and received such a block grant, desires to conduct a program to benefit low- to moderate- income residents within the City by providing funds **to support a program which provides safe, reliable transportation for homeless residents to access services**; and

WHEREAS, the SUBRECIPIENT is a private non-profit corporation incorporated in the State of Maryland whose mission is to **assist the people of our community in need to overcome transportation insecurity for necessary appointments**; and

WHEREAS, the SUBRECIPIENT has been selected by the CITY to receive CDBG funds and administer the **Hagerstown Area Recovery Transport** (hereinafter referred to as the "Program") **to provide safe rides to access medical appointments, employment, benefits offices, family meetings, recreational outings, and social services** ; and

WHEREAS, the services provided by the SUBRECIPIENT are consistent with the Community Development Block Grant Program (hereinafter referred to as "CDBG") Eligible Activity of "Public Service"; and

WHEREAS, the SUBRECIPIENT further agrees to develop and retain sufficient documentation, as described herein below, to clearly support the CDBG eligible **Public Service** activity for each instance of assistance provided by the SUBRECIPIENT; and

WHEREAS, the parties hereto have duly executed this SUBRECIPIENT Agreement for the expenditure of CDBG funds.

NOW, THEREFORE, it is agreed between the parties hereto that:

1. SCOPE OF SERVICE

The Subrecipient will be responsible for administering a CDBG-funded **Hagerstown Area Recovery Transportation** in a manner satisfactory to the City and consistent with any standards required as a condition of receiving CDBG funds. Such program shall include the following activities eligible under the CDBG Program:

a. Operate the above referenced program which will provide transportation to residents of the City of Hagerstown. Specifically, the homeless population will be served by the program.

b. During the program year, operate the program and serve thirty-five (35) homeless residents. Please note that each person should be counted only once.

c. Identify potential qualified clients. Collect and maintain data on household income in order to determine a client's eligibility for assistance under the Program.

d. The Subrecipient will ensure that its use of the funds will meet the U. S. Department of Housing and Urban Development's (HUD's) national objective for the use of CDBG funds by benefitting low and moderate (L/M) income persons through a limited clientele activity. An L/M income limited clientele activity is one which provides benefits to a specific group of persons rather than everyone in an area. 100% of the beneficiaries of the activity must be L/M income people.

   To document the TruNorth clientele meet HUD's national objective, the Subrecipient agrees to use the funding to serve homeless within the City of Hagerstown Corporate Boundaries, and to complete forms in Appendix C, Part 1 which have been organized to facilitate collection of race and ethnicity data for each participant.

2. NATIONAL OBJECTIVE

All activities funded with CDBG funds must met one of the CDBG program's National Objectives: benefit low- and moderate-income persons; or aid in the prevention or elimination of slums or blight; or meet community development needs having a particular urgency, as defined in 24 CFR 570.208

The CITY has determined that the Program carried out under this Agreement will meet the **Benefit Low- and Moderate-Income Persons** national objective.

The program beneficiaries qualify as L/M Income Limited Clientele as defined in 24 CFR 570.208(a)(2)(i)(A).

3. TIME OF PERFORMANCE

The time of performance shall be 12 months beginning on the 1st day of July, 2026 and ending on 30th day of June, 2027.

4. BUDGET

The City shall reimburse the Subrecipient its allowable costs for the services identified in this Agreement not to exceed **$10,000.00** in CDBG funds for eligible incurred costs upon presentation of properly executed reimbursement forms as provided and approved by the City. Funding under this Agreement shall cover the Program costs.

PROGRAM BUDGET LINE ITEM	**BUDGETED AMOUNT**
Salaries	$10,000
Fringe	$0
Office Space	$0
Utilities	$0
Communications	$0
Printing	$0
Supplies and Materials	$0
Mileage	$0
Professional Services	$0
Other (Specify:)	$0
TOTAL CDBG	$10,000

Such reimbursement shall constitute full and complete payment by the City under this Agreement. Allowable costs shall mean those necessary and proper costs identified in the Subrecipient's application and budget and approved by the City unless any or all such costs are disallowed by the City or HUD.

Any reimbursement made under this Agreement must comply with the applicable requirements or 24 CFR Part 85. The Subrecipient may not request disbursement of funds under this Agreement until the funds are needed for payment of allowable costs.

The City may require a more detailed budget breakdown, and the Subrecipient will provide such supplementary budget information in a timely fashion in the form and content prescribed by the City. Any amendments to this Agreement's Budget must first be determined by the City as consistent with its CDBG contract and then approved in writing by the City.

5. PAYMENT

It is expressly understood that the total amount to be paid by the CITY under this Agreement shall not exceed **$10,000.00.** Drawdowns for the payment of eligible expenses shall be made against the line item budget specified in Section 4 herein and in accordance with performance. **Expenses for general administration shall not be paid under this Agreement**. Claims for reimbursement will not be submitted in excess of actual, immediate cash requirements necessary to carry out the purposes of this Agreement. Funds available under this Agreement will be utilized to supplement rather than supplant funds otherwise available.

Reimbursement request must be mailed to: Margi Joe, Community Development Manager, Community Development Department, 14 N Potomac Street – Suite 200a,

Hagerstown, Maryland, 21740 or e-mailed to mjoe@hagerstownmd.org. Payments shall be made within thirty **(30)** business days.

6. PERFORMANCE MONITORING
The City will monitor the performance of the Subrecipient by tracking program progress, reviewing payment requests for applicable costs, overseeing compliance with CDBG requirements, and ensuring recordkeeping and audit requirements are met. Substandard performance as determined by the City will constitute noncompliance with this Agreement.

If action to correct such substandard performance is not taken by the Subrecipient within a reasonable period of time after being notified by the City, contract suspension or termination procedures will be initiated.

7. NOTICES
Notices required by this Agreement shall be in writing and delivered via mail or personal delivery or sent by facsimile or other electronic means. Any notice delivered or sent as aforesaid shall be effective on the date of delivery or sending. All notices and other written communications under this Agreement shall be addressed to the individual in the capacities indicated below, unless otherwise modified by subsequent written notice.

Communications and details concerning this Agreement shall be directed to the following contract representatives:

CITY

Margi Joe
Community Development Manager
City of Hagerstown

14 N. Potomac Street
Address

Hagerstown, Maryland, 21740
City, State and Zip

Telephone: 301-739-8577 ext. 134

Fax Number: 301-739-3117

SUBRECIPIENT

William Johns
Director
TruNorth Company

17337 W. Washington St
Address

Hagerstown, Maryland 21740
City, State and Zip

Telephone: 240-997-3173

Fax Number: ____________

8. GENERAL CONDITIONS

A. General Compliance
The Subrecipient agrees to comply with the requirements of Title 24 of the Code of Federal regulations, Part 570 (the HUD regulations concerning CDBG) including subpart K of these regulations, except that the Subrecipient does not assume the City's environmental responsibilities described in 24 CFR 570.604 and the Subrecipient does not assume the City's responsibility for initiating the review process under the provisions of 24 CFR Part 52.

B. Independent Contractor
Nothing contained in this Agreement is intended to, or will be construed in any manner, as creating or establishing the relationship of employer/employee between the parties. The Subrecipient will at all times remain an "independent contractor" with respect to the services to be performed under this Agreement. The City will be exempt from payment of all Unemployment Compensation, FICA, retirement, life and/or medical insurance and Workers' Compensation Insurance, as the Subrecipient is an independent contractor.

C. Hold Harmless
The Subrecipient will hold harmless, defend and indemnify the City from any and all claims, actions, suits, charges and judgments whatsoever that arise out of the Subrecipient's performance or nonperformance of the services or subject matter called for in this Agreement.

D. Workers' Compensation
The Subrecipient will provide Workers' Compensation Insurance Coverage for all of its employees involved in the performance of this Agreement.

E. Insurance and Bonding
The Subrecipient shall carry sufficient insurance coverage to protect contract assets from loss due to theft, fraud and/or undue physical damage, and as a minimum will purchase a blanket fidelity bond covering all employees in an amount equal to cash advances from the City.

F. Funding Source Recognition
The Subrecipient will insure recognition of the roles of the City in providing services through this Agreement. All activities, facilities and items utilized pursuant to this Agreement will be prominently labeled as to funding source. In addition, the Subrecipient will include a reference to the support provided herein in all publications made possible with funds made available under this Agreement.

G. Amendments
The City or Subrecipient may amend this Agreement at any time provided that such amendments make specific reference to this Agreement, and are executed in writing, signed by a duly authorized representative of each organization, and approved by the

City's governing body. Such amendments will not invalidate this Agreement, nor relieve or release the City or Subrecipient from its obligations under this Agreement.

The City may, in its discretion, amend this Agreement to conform with Federal, state or local governmental guidelines, policies and available funding amount, or for other reasons. If such amendments result in a change in the funding, scope of services, or schedule of the activities to be undertaken as part of this Agreement, such modifications will be incorporated only by written amendment signed by both the City and Subrecipient.

Notwithstanding the prior two subparagraphs, the parties may agree to minor amendments to this Agreement, which are executed in writing, signed by a duly authorized representative of each organization, and approved by the Grantee's staff.

H. Suspension or Termination

In accordance with 24 CFR 85.43, the City may suspend or terminate this Agreement if the Subrecipient materially fails to comply with any terms of this Agreement, which include (but are not limited to) the following:

1. Failure to comply with any of the rules, regulations or provisions referred to herein, or such statues, regulations, executive orders, and HUD guidelines, policies or directives as may become applicable at any time;

2. Failure, for any reason, of the Subrecipient to fulfill in a timely and proper manner its obligations under this Agreement;

3. Ineffective of improper use of funds provided under this Agreement; or

4. Submission by the Subrecipient to the City of reports that are incorrect or incomplete in any material respect.

In accordance with 24 CFR 85.44, this Agreement may also be terminated for convenience by either the City or the Subrecipient, in whole or in part, by setting forth the reasons for such termination, the effective date, and, in the case of partial termination, the portion to be terminated. However, if in the case of a partial termination, the City determines that the remaining portion of the award will not accomplish the purpose for which the award was made, the City may terminate the award in its entirety.

9. ADMINISTRATIVE REQUIREMENTS

A. Financial Management

1. Accounting Standards

The Subrecipient agrees to comply with 24 CFR 84.21-28 and agrees to adhere to the accounting principles and procedures required therein, utilize adequate

internal controls, and maintain necessary source documentation for all costs incurred.

2. Cost Principles
   The Subrecipient will administer its program in conformance with 2 CFR Part 200, Subpart E, "(Uniform Guidance"). These principles will be applied for all costs incurred whether charged on a direct or indirect basis.

B. Documentation and Record Keeping

1. Records to Be Maintained
   The Subrecipient will maintain all records required by the Federal regulations specified in 24 CFR 570.506 that are pertinent to the activities to be funded under this Agreement. Such records will include but not be limited to:

   a. Records providing a full description of each activity undertaken;
   b. Records demonstrating that each activity undertaken meets one of the National Objectives of the CDBG program;
   c. Records required to determine the eligibility of activities;
   d. Records required to document the acquisition, improvement, use or disposition of real property acquired or improved with CDBG assistance;
   e. Records documenting compliance with the civil rights components of the CDBG program;
   f. Financial records as required by 24 CFR 570.502, and 24 CFR 84.21-28;
   g. Labor standards records required to document compliance with the Davis Bacon Act, the provisions of the Contract Work Hours and Safety Standards Act, and all other applicable Federal, state and local laws and regulations applicable to CDBG-funded construction projects; and
   h. Other records necessary to document compliance with Subpart K of 24 CFR Part 570.

2. Access to Records and Retention
   All such records and all other records pertinent to this Agreement and work undertaken under this Agreement will be retained by the Subrecipient for a period of four years. The retention period begins on the date of the submission of the City's annual performance and evaluation report to HUD in which the activities assisted under the Agreement are reported on for the final time. Notwithstanding the above, if there is litigation, claims, audits, negotiations or other actions that involve any of the records cited and that have started before the expiration of the four-year period, then such records must be retained until completion of the actions and resolution of all issues or the expiration of the four-year period, whichever occurs later.

3. Client Data
   The Subrecipient shall maintain client data demonstrating client eligibility for services provided. Such data shall include, but not be limited to, client name, address income level or other basis for determining eligibility and description of services provided. Such information shall be made available to City monitors or their designees, HUD or other authorized representatives for review upon request.

4. Disclosure
   The Subrecipient understands that client information collected under this Agreement is private and the use or disclosure of such information, when not directly connected with the administration of the City's or Subrecipient's responsibilities with respect to services provided under this Agreement, is prohibited by **State or Federal law** unless written consent is obtained from such person receiving service and, in the case of a minor, that of a responsible parent/guardian.

5. Closeouts
   The Subrecipient's obligation to the City shall not end until all closeout requirements are completed. Activities during the closeout period shall include, but are not limited to, making final payments, disposing of program assets (including the return of all unused materials, equipment, program income balances and accounts receivable to the City), and determining the custodian ship of records. Notwithstanding the foregoing, the terms of this Agreement shall remain in effect during any period that the Subrecipient has control over CDBG funds, including program income,

6. Audits and Inspections
   If Subrecipient expends $1,000,000 or more in a year in Federal awards, Subrecipient shall have a single or program-specific audit conducted for that year in accordance with the requirements of 2 CFR 200, Subpart F ("Audit Requirements"). Subrecipient must send a copy of the final report to the City within the earlier of 30 days of the report's issuance or nine months after the end of the audit period. The City also reserves the right to engage an independent auditor to examine the Subrecipient's compliance with the requirements of 2 CFR Part 200 and this Agreement. Furthermore, the City must approve any independent auditor engaged to assure that the auditor is qualified and meets Government Accounting Office Standards and evaluate the scope of the audit to ensure compliance with Code of Federal Regulation requirements. This grant is made pursuant to and is identified as follows:

   1. Federal Grant Title: Community Development Block Grant
   2. Catalog of Federal Domestic Assistance Number (CFDA): 14.218
   3. Federal and/or State Identification Numbers: B-**26**-MC-24-0012

   All Subrecipient records with respect to any matters covered by this Agreement shall be made available to the City, HUD, and duly authorized officials of the

State and federal government, at any time during normal business hours, as often as deemed necessary, to audit, examine, and make excerpts or transcripts of all relevant data. Any deficiencies noted in audit reports must be fully cleared by the Subrecipient within 30 days after receipt by the Subrecipient.

Failure of the Subrecipient to comply with the above audit requirements will constitute a violation of this Agreement and may result in the withholding of future payments.

C. Reporting

1. Program Income
The Subrecipient will report annually all program income [as defined at 24 CFR 570.500(a)] generated by activities carried out with CDBG funds made available under this Agreement. The use of program income by the Subrecipient will comply with the requirements set forth at 24 CFR 570.504. The Subrecipient may use such income during the contract period for activities permitted under this Agreement and shall reduce request for additional funds by the amount of any such program income balances on hand. All unexpended program income shall be returned to the City at the end of the contract period. Any interest earned on cash advances from the U.S Treasure and from funds held in a revolving fund account is not program income and shall be remitted promptly to the City.

2. Progress Reports
At such times and in such forms as HUD or the City may require, there shall be furnished to HUD or the City such statements, records, reports, data and information as HUD or the City may request pertaining to matters covered by this Agreement. Specifically, the City shall require Subrecipient to submit quarterly reports which shall include a narrative of program activities, a description of the services provided, number of clients that have applied for, participated in or benefited from the services and relevant characteristics of the client population (age, gender, income, race, ethnicity and gender of single-headed households), performance standard outcomes, equal employment opportunity reports, applicable MBE/WBE requirements and applicable reporting forms attached hereto as **Appendix C, Part I** and incorporated herein by reference.

Said quarterly reports shall be submitted in a timely fashion (within 15 days of the end of each calendar quarter) and subject to the approval of the City prior to reimbursement of Subrecipient as set forth hereinabove. The City and Subrecipient reserve the mutual right to publish and/or make public, with the consent of both parties, the reports or other results of services under this Agreement.

D. Procurement

1. Compliance

The Subrecipient shall comply with current City policy concerning the purchase of equipment and shall maintain inventory records of all non-expendable personal property as defined by such policy as my be procured with funds provided herein, All program assets (unexpended program income, property, equipment, etc.) shall revert to the City upon termination of this Agreement.

2. <u>OMB Standards</u>
   Unless specified otherwise within this Agreement, the Subrecipient shall procure all materials, property or services in accordance with the requirements of 24 CFR 84.40-48.

3. <u>Travel</u>
   The Subrecipient shall request written approval from the City for any travel outside the metropolitan area with funds provided under this Agreement.

E. <u>Use and Reversion of Assets</u>
The use and disposition of real property and equipment under this Agreement will be in compliance with the requirements of 24 CFR Part 84 and 24 CFR 570.502, 570.503, 570.504, as applicable, which include but are not limited to the following:

1. The Subrecipient will transfer to the City any CDBG funds on hand and any accounts receivable attributable to the use of funds under this Agreement at the time of expiration, cancellation, or termination.

2. Real property under the Subrecipient's control that was acquired or improved, in whole or in part, with funds under this Agreement in excess of $25,000 will be used to meet one of the CDBG National Objectives pursuant to 24 CFR 570.208 until ten (10) years after the contract between Subrecipient and the CITY is closed. If the Subrecipient fails to use CDBG-assisted real property in a manner that meets a CDBG National Objective for this 10-year period of time, the Subrecipient will pay the City an amount equal to the current fair market value of the property less any portion of the value attributable to expenditures of non-CDBG funds for acquisition of, or improvement to, the property after the CDBG program's approval. Such payment will constitute program income to the City. The Subrecipient may retain real property acquired or improved under this Agreement after the expiration of the ten-year period.

3. In cases in which equipment acquired, in whole or in part, with funds under this Agreement is sold, the proceeds will be program income (prorated to reflect the extent to which funds received under this Agreement were used to acquire the equipment). Equipment not needed by the Subrecipient for activities under this Agreement will be (a) transferred to the City for the CDBG program or (b) retained after compensating the City [an amount equal to the current fair market value of the equipment less the percentage of non-CDBG funds used to acquire the equipment].

4. Equipment acquired with CDBG funds may be retained by the Subrecipient so long as it continues to be used for the same or similar eligible public purpose for which it was acquired. If the equipment is sold or is no longer needed for such purposes, disposition shall be made in accordance with this section.

10. RELOCATION, REAL PROPERTY ACQUISITION AND ONE-FOR-ONE HOUSING REPLACEMENT

The Subrecipient agrees to comply with (a) the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (URA), and implementing regulations at 49 CFR Part 24 and 24 CFR 570.606(b); (b) the requirements of 24 CFR 570.606(c) governing the Residential Anti-Displacement and Relocation Assistance Plan under section 104(d) of the HCD Act; and (c) the requirements in 24 CFR 570.606(d) governing optional relocation policies. The Subrecipient shall provide relocation assistance to displaced persons as defined by 24 CFR 570.606(b)(2) that are displaced as a direct result of acquisition, rehabilitation, demolition or conversion for a CDBG-assisted project. The Subrecipient also agrees to comply with applicable City ordinance, resolutions and policies concerning the displacement of persons from their residences.

11. PERSONNEL AND PARTICIPANT CONDITIONS

A. Civil Rights

1. Compliance

The Subrecipient agrees to comply with **local and state civil rights ordinances** and with Title VI of the Civil Rights Act of 1964 as amended, and Title VII of the Civil Rights Act of 1968 as amended, Section 104(b) and Section 109 of title I of the Housing and Community Development Act of 1974 as amended, Section 504 of the Rehabilitation Act of 1973, the American and Disabilities Act of 1990, the Age Discrimination act of 1975, Executive Order 11063, and Executive Order 11246 as amended by Executive Orders 11375, 11478, 12107 and 12086.

2. Nondiscrimination

The Subrecipient agrees to comply with the nondiscrimination in employment and contracting opportunities laws, regulation and executive orders referenced in 24 CFR 570.607, as revised by Executive Order 13279. The applicable nondiscrimination provisions in Section 109 of the HCDA are still applicable.

B. Section 3 of the Housing and Community Development Act of 1968

Compliance in the Provision of Training, Employment, and Business Opportunities:

1. The work to be performed under this agreement is on a project assisted under a program providing direct federal financial assistance from HUD and is subject to the requirements of Section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701u. Section 3 requires that to the greatest extent feasible opportunities for training and employment be given lower-income

residents of the project area; and contracts for work in connection with the project be awarded to business concerns which are located in, or owned in substantial part, by persons residing in the area of the project.

2. The parties to this contract will comply with the provisions of said Section 3 and the regulations set forth in 24 CFR 135, and all applicable rules and orders of HUD and the City issued thereunder prior to the execution of this contract. The parties to this contract certify and agree that they are under no contractual or other disability that would prevent them from complying with these provisions.

3. The Subrecipient will send to each labor organization or representative of workers with which he has a collective bargaining agreement or other contract or understanding, if any, a notice advising the said labor organization or workers' representative of his commitments under this Section 3 clause and will post copies of the notice in conspicuous places available to employees and applicants for employment or training.

4. The Subrecipient will include this Section 3 clause in every subcontract for work in connection with the project and will, at the direction of the applicant, or recipient of federal financial assistance, take appropriate action pursuant to the subcontract upon a finding that the subcontractor is in violation of regulations issued by the Secretary of HUD, 24 CFR Part 135. The Subrecipient will not subcontract with any subcontractor where it has notice or knowledge that the latter has been found in violation of regulations under 24 CFR Part 135 and will not let any subcontract, unless the subcontractor has first provided it with a preliminary statement of ability to comply with the requirements of these regulations.

5. Compliance with the provisions of Section 3, the regulations set forth in 24 CFR Part 135, and all applicable rules and orders of HUD and the City issued hereunder prior to the execution of the contract, will be a condition of the federal financial assistance provided to the project, binding upon the applicant or recipient for such assistance, its successors, and assigns. Failure to fulfill these requirements will subject the applicant, or recipient, its consultants and subcontractors, its successors and assigned to those sanctions specified by the grant or loan agreement or contract through which federal assistance is provided, and to such sanctions as are specified by 24 CFR Part 135.

C. <u>Conduct</u>

1. <u>Assignability</u>
The Subrecipient will not assign or transfer any interest in this Agreement without the prior written consent of the City thereto; provided, however, that claims for money due or to become due to the Subrecipient from the City under this contract may be assigned to a bank, trust company, or other financial institution without

such approval. Notice of any such assignment or transfer will be furnished promptly to the City.

2. Conflict of Interest
No member of the City's governing body and no other public official of such locality, who exercises any functions or responsibilities in connection with the planning or carrying out of the Program, will have any personal financial interest, direct or indirect, in this agreement; and the Subrecipient will take appropriate steps to assure compliance.

The Subrecipient agrees to abide by the provisions of 24 CFR 84.42 and 570.611, which includes maintaining a written code or standards of conduct that will govern the performance of its officers, employees or agents engaged in the award and administration of contracts supported by Federal funds.

The Subrecipient covenants that its employees have no interest and will not acquire interest, direct or indirect, in the study area or any parcels therein or any other interest which would conflict in any manner or degree with the performance of services hereunder. The Subrecipient further covenants that in the performance of this Agreement, no person having such interest will be employed.

3. Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion - Lower Tier Covered Transactions

a. The lower tier contractor certifies, by signing this contract that neither it nor its principals is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any Federal department or agency.
b. Where the lower tier contractor is unable to certify to any of the statements in this contract, such contractor will attach an explanation to this contract.
c. The contractor further agrees by signing this contract that it will not knowingly enter into any lower tier covered transaction with a person who is debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction.

D. Copyright
If this Agreement results in any copyrightable material or inventions, the City reserves the right to royalty-free, non-exclusive and irrevocable license to reproduce, publish or otherwise use and to authorize others to use, the work or materials for governmental purposes.

E. Religious Activities
The Subrecipient agrees that funds provided under this Agreement will not be utilized for inherently religious activities prohibited by 24 CFR 570.200(j), such as worship, religious instruction, or proselytization.

12. LEAD-BASED PAINT

The Subrecipient agrees that any acquisition, construction or rehabilitation of residential structures with assistance provided under this Agreement shall be subject to HUD Lead-Based Paint Regulations at 24 CFR 570.608 and 24 CFR Part 35, Subpart B. Such regulations pertain to all CDBG-assisted housing and require that all owners, prospective owners, and tenants of properties constructed prior to 1978 be properly notified that such properties may include lead-based paint, Such notification shall point out the hazards of lead-based paint and explain the symptoms, treatment and precautions that should be taken when dealing with lead-based paint poisoning and the advisability and availability of blood lead level screening for children under seven. The notice should also point out that if lead-based paint is found on the property, abatement measures may be undertaken. The regulations further require that, depending on the amount of Federal funds applies to a property, paint testing, risk assessment, treatment and/or abatement may be conducted.

13. SEVERABILITY

If any provision of this Agreement is held invalid, the remainder of the Agreement will not be affected thereby and all other parts of this Agreement will nevertheless be in full force and effect.

14. PERFORMANCE WAIVER

The City's failure to act with respect to a breach by the Subrecipient does not waive its right to act with respect to subsequent or similar breaches. The failure of the City to exercise or enforce any right or provision will not constitute a waiver of such right or provision.

15. ENTIRE AGREEMENT

This Agreement constitutes the entire agreement between the City and the Subrecipient for the use of funds received under this Agreement and it supersedes all prior communications and proposals, whether electronic, oral, or written between the City and the Subrecipient with respect to this Agreement.

IN WITNESS WHEREOF, the CITY and the SUBRECIPIENT have executed this agreement as of the date and year last written below.

MAYOR AND CITY COUNCIL OF HAGERSTOWN BY AND THROUGH THE DEPARTMENT OF HOUSING & COMMUNITY DEVELOPMENT	TRUNORTH COMPANY
By: ______________________	By: ______________________
Title: _Mayor_____________	Title: ____________________
Date: _____________________	Date: _____________________

APPROVED AS TO FORM AND LEGAL SUFFICIENCY:

SALVATORE & MORTON, LLC

CITY ATTORNEY

By: ______________________________

Jason Morton, Sole Member

Date: ______________________________

SUBRECIPIENT AGREEMENT
BETWEEN THE CITY OF HAGERSTOWN
AND
UNITED WAY OF WASHINGTON COUNTY, MD, INC

This Agreement is entered into as of ___, August, 2026, by and between the CITY OF HAGERSTOWN, a body corporate and political subdivision of the State of Maryland, acting by and through the DEPARTMENT OF HOUSING & COMMUNITY DEVELOPMENT (herein called the "CITY"), and **United Way of Washington County, MD, Inc** ("herein called the "SUBRECIPIENT").

WHEREAS, Congress in passing the Housing and Community Development Act of 1974, as amended, has placed an emphasis on the development of viable urban communities by providing decent housing and a suitable living environment and expanding economic opportunities, principally for persons of low- and moderate-income and has developed a system of block grants to aid in such purposes; and

WHEREAS, the CITY has applied for and received such a block grant, desires to conduct a program to benefit low- to moderate- income residents within the City by providing funds **to support a program which provides safe, reliable transportation to low-to-moderate income persons** ; and

WHEREAS, the SUBRECIPIENT is a private non-profit corporation incorporated in the State of Maryland whose mission is to **assist the people of our community in need to overcome transportation insecurity for necessary appointments**; and

WHEREAS, the SUBRECIPIENT has been selected by the CITY to receive CDBG funds and administer the **Ride United Network (RUN) Transportation Solutions Program** (hereinafter referred to as the "Program") **to provide safe rides to access medical appointments, employment, educational activities, food, and legal services** ; and

WHEREAS, the services provided by the SUBRECIPIENT are consistent with the Community Development Block Grant Program (hereinafter referred to as "CDBG") Eligible Activity of "Public Service"; and

WHEREAS, the SUBRECIPIENT further agrees to develop and retain sufficient documentation, as described herein below, to clearly support the CDBG eligible **Public Service** activity for each instance of assistance provided by the SUBRECIPIENT; and

WHEREAS, the parties hereto have duly executed this SUBRECIPIENT Agreement for the expenditure of CDBG funds.

NOW, THEREFORE, it is agreed between the parties hereto that:

1. SCOPE OF SERVICE

The Subrecipient will be responsible for administering a CDBG-funded **Ride United Network (RUN) Transportation Solutions Program** in a manner satisfactory to the City and consistent with any standards required as a condition of receiving CDBG funds. Such program shall include the following activities eligible under the CDBG Program:

a. Operate the above referenced program which will provide transportation to residents of the City of Hagerstown.

b. During the program year, operate the program and serve thirty (30) residents. Please note that each person should be counted only once.

c. Identify potential qualified clients. Collect and maintain data on household income in order to determine a client's eligibility for assistance under the Program.

d. The Subrecipient will ensure that its use of the funds will meet the U. S. Department of Housing and Urban Development's (HUD's) national objective for the use of CDBG funds by benefitting low and moderate (L/M) income persons through a limited clientele activity. An L/M income limited clientele activity is one which provides benefits to a specific group of persons rather than everyone in an area. 100% of the beneficiaries of the activity must be L/M income people.

   To document the United Way of Washington clientele, meet HUD's national objective, the Subrecipient agrees to use the funding to serve eligible populations within the City of Hagerstown Corporate Boundaries, and to complete forms in Appendix C, Part 1 which have been organized to facilitate collection of race and ethnicity data for each participant.

2. NATIONAL OBJECTIVE

All activities funded with CDBG funds must met one of the CDBG program's National Objectives: benefit low- and moderate-income persons; or aid in the prevention or elimination of slums or blight; or meet community development needs having a particular urgency, as defined in 24 CFR 570.208

The CITY has determined that the Program carried out under this Agreement will meet the **Benefit Low- and Moderate-Income Persons** national objective.

3. TIME OF PERFORMANCE

The time of performance shall be 12 months beginning on the 1st day of July, 2026 and ending on 30th day of June, 2027.

4. <u>BUDGET</u>

The City shall reimburse the Subrecipient its allowable costs for the services identified in this Agreement not to exceed **$10,000.00** in CDBG funds for eligible incurred costs upon presentation of properly executed reimbursement forms as provided and approved by the City. Funding under this Agreement shall cover the Program costs.

PROGRAM BUDGET LINE ITEM	**BUDGETED AMOUNT**
Salaries	$1,000
Fringe	$0
Office Space	$0
Utilities	$0
Communications	$0
Printing	$0
Supplies and Materials	$0
Mileage	$0
Professional Services	$0
Other (Specify: Contractual Services for rides)	$9,000
TOTAL CDBG	$10,000

Such reimbursement shall constitute full and complete payment by the City under this Agreement. Allowable costs shall mean those necessary and proper costs identified in the Subrecipient's application and budget and approved by the City unless any or all such costs are disallowed by the City or HUD.

Any reimbursement made under this Agreement must comply with the applicable requirements or 24 CFR Part 85. The Subrecipient may not request disbursement of funds under this Agreement until the funds are needed for payment of allowable costs.

The City may require a more detailed budget breakdown, and the Subrecipient will provide such supplementary budget information in a timely fashion in the form and content prescribed by the City. Any amendments to this Agreement's Budget must first be determined by the City as consistent with its CDBG contract and then approved in writing by the City.

5. <u>PAYMENT</u>

It is expressly understood that the total amount to be paid by the CITY under this Agreement shall not exceed **$10,000.00.** Drawdowns for the payment of eligible expenses shall be made against the line item budget specified in Section 4 herein and in accordance with performance. **Expenses for general administration shall not be paid under this Agreement**. Claims for reimbursement will not be submitted in excess of actual, immediate cash requirements necessary to carry out the purposes of this Agreement. Funds available under this Agreement will be utilized to supplement rather than supplant funds otherwise available.

Reimbursement request must be mailed to: Margi Joe, Community Development Manager, Community Development Department, 14 N Potomac Street – Suite 200a,

Hagerstown, Maryland, 21740 or e-mailed to mjoe@hagerstownmd.org.. Payments shall be made within thirty **(30)** business days.

6. PERFORMANCE MONITORING
The City will monitor the performance of the Subrecipient by tracking program progress, reviewing payment requests for applicable costs, overseeing compliance with CDBG requirements, and ensuring recordkeeping and audit requirements are met. Substandard performance as determined by the City will constitute noncompliance with this Agreement.

If action to correct such substandard performance is not taken by the Subrecipient within a reasonable period of time after being notified by the City, contract suspension or termination procedures will be initiated.

7. NOTICES
Notices required by this Agreement shall be in writing and delivered via mail or personal delivery or sent by facsimile or other electronic means. Any notice delivered or sent as aforesaid shall be effective on the date of delivery or sending. All notices and other written communications under this Agreement shall be addressed to the individual in the capacities indicated below, unless otherwise modified by subsequent written notice.

Communications and details concerning this Agreement shall be directed to the following contract representatives:

CITY	SUBRECIPIENT
Margi Joe Community Development Manager **City of Hagerstown**	Heather Guessford President and CEO **United Way of Washington County, MD, Inc**
14 N. Potomac Street Address	83 W. Washington St Address
Hagerstown, Maryland, 21740 City, State and Zip	Hagerstown, Maryland 21740 City, State and Zip
Telephone: 301-739-8577 ext. 134	Telephone: 301-739-8200
Fax Number: 301-739-3117	Fax Number: ____________

8. GENERAL CONDITIONS

A. General Compliance

The Subrecipient agrees to comply with the requirements of Title 24 of the Code of Federal regulations, Part 570 (the HUD regulations concerning CDBG) including subpart K of these regulations, except that the Subrecipient does not assume the City's environmental responsibilities described in 24 CFR 570.604 and the Subrecipient does not assume the City's responsibility for initiating the review process under the provisions of 24 CFR Part 52.

B. Independent Contractor

Nothing contained in this Agreement is intended to, or will be construed in any manner, as creating or establishing the relationship of employer/employee between the parties. The Subrecipient will at all times remain an "independent contractor" with respect to the services to be performed under this Agreement. The City will be exempt from payment of all Unemployment Compensation, FICA, retirement, life and/or medical insurance and Workers' Compensation Insurance, as the Subrecipient is an independent contractor.

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The City or Subrecipient may amend this Agreement at any time provided that such amendments make specific reference to this Agreement, and are executed in writing, signed by a duly authorized representative of each organization, and approved by the

City's governing body. Such amendments will not invalidate this Agreement, nor relieve or release the City or Subrecipient from its obligations under this Agreement.

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Notwithstanding the prior two subparagraphs, the parties may agree to minor amendments to this Agreement, which are executed in writing, signed by a duly authorized representative of each organization, and approved by the Grantee's staff.

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In accordance with 24 CFR 85.43, the City may suspend or terminate this Agreement if the Subrecipient materially fails to comply with any terms of this Agreement, which include (but are not limited to) the following:

1. Failure to comply with any of the rules, regulations or provisions referred to herein, or such statues, regulations, executive orders, and HUD guidelines, policies or directives as may become applicable at any time;

2. Failure, for any reason, of the Subrecipient to fulfill in a timely and proper manner its obligations under this Agreement;

3. Ineffective of improper use of funds provided under this Agreement; or

4. Submission by the Subrecipient to the City of reports that are incorrect or incomplete in any material respect.

In accordance with 24 CFR 85.44, this Agreement may also be terminated for convenience by either the City or the Subrecipient, in whole or in part, by setting forth the reasons for such termination, the effective date, and, in the case of partial termination, the portion to be terminated. However, if in the case of a partial termination, the City determines that the remaining portion of the award will not accomplish the purpose for which the award was made, the City may terminate the award in its entirety.

9. ADMINISTRATIVE REQUIREMENTS

A. Financial Management

1. Accounting Standards

The Subrecipient agrees to comply with 24 CFR 84.21-28 and agrees to adhere to the accounting principles and procedures required therein, utilize adequate

internal controls, and maintain necessary source documentation for all costs incurred.

2. Cost Principles
The Subrecipient will administer its program in conformance with 2 CFR Part 200, Subpart E, "(Uniform Guidance"). These principles will be applied for all costs incurred whether charged on a direct or indirect basis.

B. Documentation and Record Keeping

1. Records to Be Maintained
The Subrecipient will maintain all records required by the Federal regulations specified in 24 CFR 570.506 that are pertinent to the activities to be funded under this Agreement. Such records will include but not be limited to:

   a. Records providing a full description of each activity undertaken;
   b. Records demonstrating that each activity undertaken meets one of the National Objectives of the CDBG program;
   c. Records required to determine the eligibility of activities;
   d. Records required to document the acquisition, improvement, use or disposition of real property acquired or improved with CDBG assistance;
   e. Records documenting compliance with the civil rights components of the CDBG program;
   f. Financial records as required by 24 CFR 570.502, and 24 CFR 84.21-28;
   g. Labor standards records required to document compliance with the Davis Bacon Act, the provisions of the Contract Work Hours and Safety Standards Act, and all other applicable Federal, state and local laws and regulations applicable to CDBG-funded construction projects; and
   h. Other records necessary to document compliance with Subpart K of 24 CFR Part 570.

2. Access to Records and Retention
All such records and all other records pertinent to this Agreement and work undertaken under this Agreement will be retained by the Subrecipient for a period of four years. The retention period begins on the date of the submission of the City's annual performance and evaluation report to HUD in which the activities assisted under the Agreement are reported on for the final time. Notwithstanding the above, if there is litigation, claims, audits, negotiations or other actions that involve any of the records cited and that have started before the expiration of the four-year period, then such records must be retained until completion of the actions and resolution of all issues or the expiration of the four-year period, whichever occurs later.

3. Client Data

The Subrecipient shall maintain client data demonstrating client eligibility for services provided. Such data shall include, but not be limited to, client name, address income level or other basis for determining eligibility and description of services provided. Such information shall be made available to City monitors or their designees, HUD or other authorized representatives for review upon request.

4. Disclosure
   The Subrecipient understands that client information collected under this Agreement is private and the use or disclosure of such information, when not directly connected with the administration of the City's or Subrecipient's responsibilities with respect to services provided under this Agreement, is prohibited by **State or Federal law** unless written consent is obtained from such person receiving service and, in the case of a minor, that of a responsible parent/guardian.

5. Closeouts
   The Subrecipient's obligation to the City shall not end until all closeout requirements are completed. Activities during the closeout period shall include, but are not limited to, making final payments, disposing of program assets (including the return of all unused materials, equipment, program income balances and accounts receivable to the City), and determining the custodian ship of records. Notwithstanding the foregoing, the terms of this Agreement shall remain in effect during any period that the Subrecipient has control over CDBG funds, including program income,

6. Audits and Inspections
   If Subrecipient expends $1,000,000 or more in a year in Federal awards, Subrecipient shall have a single or program-specific audit conducted for that year in accordance with the requirements of 2 CFR 200, Subpart F ("Audit Requirements"). Subrecipient must send a copy of the final report to the City within the earlier of 30 days of the report's issuance or nine months after the end of the audit period. The City also reserves the right to engage an independent auditor to examine the Subrecipient's compliance with the requirements of 2 CFR Part 200 and this Agreement. Furthermore, the City must approve any independent auditor engaged to assure that the auditor is qualified and meets Government Accounting Office Standards and evaluate the scope of the audit to ensure compliance with Code of Federal Regulation requirements. This grant is made pursuant to and is identified as follows:

   1. Federal Grant Title: Community Development Block Grant
   2. Catalog of Federal Domestic Assistance Number (CFDA): 14.218
   3. Federal and/or State Identification Numbers: B-**26**-MC-24-0012

   All Subrecipient records with respect to any matters covered by this Agreement shall be made available to the City, HUD, and duly authorized officials of the State and federal government, at any time during normal business hours, as often

as deemed necessary, to audit, examine, and make excerpts or transcripts of all relevant data. Any deficiencies noted in audit reports must be fully cleared by the Subrecipient within 30 days after receipt by the Subrecipient.

Failure of the Subrecipient to comply with the above audit requirements will constitute a violation of this Agreement and may result in the withholding of future payments.

C. Reporting

1. Program Income

The Subrecipient will report annually all program income [as defined at 24 CFR 570.500(a)] generated by activities carried out with CDBG funds made available under this Agreement. The use of program income by the Subrecipient will comply with the requirements set forth at 24 CFR 570.504. The Subrecipient may use such income during the contract period for activities permitted under this Agreement and shall reduce request for additional funds by the amount of any such program income balances on hand. All unexpended program income shall be returned to the City at the end of the contract period. Any interest earned on cash advances from the U.S Treasure and from funds held in a revolving fund account is not program income and shall be remitted promptly to the City.

2. Progress Reports

At such times and in such forms as HUD or the City may require, there shall be furnished to HUD or the City such statements, records, reports, data and information as HUD or the City may request pertaining to matters covered by this Agreement. Specifically, the City shall require Subrecipient to submit quarterly reports which shall include a narrative of program activities, a description of the services provided, number of clients that have applied for, participated in or benefited from the services and relevant characteristics of the client population (age, gender, income, race, ethnicity and gender of single-headed households), performance standard outcomes, equal employment opportunity reports, applicable MBE/WBE requirements and applicable reporting forms attached hereto as **Appendix C, Part I** and incorporated herein by reference.

Said quarterly reports shall be submitted in a timely fashion (within 15 days of the end of each calendar quarter) and subject to the approval of the City prior to reimbursement of Subrecipient as set forth hereinabove. The City and Subrecipient reserve the mutual right to publish and/or make public, with the consent of both parties, the reports or other results of services under this Agreement.

D. Procurement

1. Compliance

The Subrecipient shall comply with current City policy concerning the purchase of equipment and shall maintain inventory records of all non-expendable personal property as defined by such policy as my be procured with funds provided herein, All program assets (unexpended program income, property, equipment, etc.) shall revert to the City upon termination of this Agreement.

2. OMB Standards
Unless specified otherwise within this Agreement, the Subrecipient shall procure all materials, property or services in accordance with the requirements of 24 CFR 84.40-48.
3. Travel
The Subrecipient shall request written approval from the City for any travel outside the metropolitan area with funds provided under this Agreement.

E. Use and Reversion of Assets
The use and disposition of real property and equipment under this Agreement will be in compliance with the requirements of 24 CFR Part 84 and 24 CFR 570.502, 570.503, 570.504, as applicable, which include but are not limited to the following:

1. The Subrecipient will transfer to the City any CDBG funds on hand and any accounts receivable attributable to the use of funds under this Agreement at the time of expiration, cancellation, or termination.

2. Real property under the Subrecipient's control that was acquired or improved, in whole or in part, with funds under this Agreement in excess of $25,000 will be used to meet one of the CDBG National Objectives pursuant to 24 CFR 570.208 until ten (10) years after the contract between Subrecipient and the CITY is closed. If the Subrecipient fails to use CDBG-assisted real property in a manner that meets a CDBG National Objective for this 10-year period of time, the Subrecipient will pay the City an amount equal to the current fair market value of the property less any portion of the value attributable to expenditures of non-CDBG funds for acquisition of, or improvement to, the property after the CDBG program's approval. Such payment will constitute program income to the City. The Subrecipient may retain real property acquired or improved under this Agreement after the expiration of the ten-year period.

3. In cases in which equipment acquired, in whole or in part, with funds under this Agreement is sold, the proceeds will be program income (prorated to reflect the extent to which funds received under this Agreement were used to acquire the equipment). Equipment not needed by the Subrecipient for activities under this Agreement will be (a) transferred to the City for the CDBG program or (b) retained after compensating the City [an amount equal to the current fair market value of the equipment less the percentage of non-CDBG funds used to acquire the equipment].

4. Equipment acquired with CDBG funds may be retained by the Subrecipient so long as it continues to be used for the same or similar eligible public purpose for which it was acquired. If the equipment is sold or is no longer needed for such purposes, disposition shall be made in accordance with this section.

10. RELOCATION, REAL PROPERTY ACQUISITION AND ONE-FOR-ONE HOUSING REPLACEMENT

The Subrecipient agrees to comply with (a) the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (URA), and implementing regulations at 49 CFR Part 24 and 24 CFR 570.606(b); (b) the requirements of 24 CFR 570.606(c) governing the Residential Anti-Displacement and Relocation Assistance Plan under section 104(d) of the HCD Act; and (c) the requirements in 24 CFR 570.606(d) governing optional relocation policies. The Subrecipient shall provide relocation assistance to displaced persons as defined by 24 CFR 570.606(b)(2) that are displaced as a direct result of acquisition, rehabilitation, demolition or conversion for a CDBG-assisted project. The Subrecipient also agrees to comply with applicable City ordinance, resolutions and policies concerning the displacement of persons from their residences.

11. PERSONNEL AND PARTICIPANT CONDITIONS

A. Civil Rights

1. Compliance

The Subrecipient agrees to comply with **local and state civil rights ordinances** and with Title VI of the Civil Rights Act of 1964 as amended, and Title VII of the Civil Rights Act of 1968 as amended, Section 104(b) and Section 109 of title I of the Housing and Community Development Act of 1974 as amended, Section 504 of the Rehabilitation Act of 1973, the American and Disabilities Act of 1990, the Age Discrimination act of 1975, Executive Order 11063, and Executive Order 11246 as amended by Executive Orders 11375, 11478, 12107 and 12086.

2. Nondiscrimination

The Subrecipient agrees to comply with the nondiscrimination in employment and contracting opportunities laws, regulation and executive orders referenced in 24 CFR 570.607, as revised by Executive Order 13279. The applicable nondiscrimination provisions in Section 109 of the HCDA are still applicable.

B. Section 3 of the Housing and Community Development Act of 1968

Compliance in the Provision of Training, Employment, and Business Opportunities:

1. The work to be performed under this agreement is on a project assisted under a program providing direct federal financial assistance from HUD and is subject to the requirements of Section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701u. Section 3 requires that to the greatest extent feasible opportunities for training and employment be given lower-income

residents of the project area; and contracts for work in connection with the project be awarded to business concerns which are located in, or owned in substantial part, by persons residing in the area of the project.

2. The parties to this contract will comply with the provisions of said Section 3 and the regulations set forth in 24 CFR 135, and all applicable rules and orders of HUD and the City issued thereunder prior to the execution of this contract. The parties to this contract certify and agree that they are under no contractual or other disability that would prevent them from complying with these provisions.

3. The Subrecipient will send to each labor organization or representative of workers with which he has a collective bargaining agreement or other contract or understanding, if any, a notice advising the said labor organization or workers' representative of his commitments under this Section 3 clause and will post copies of the notice in conspicuous places available to employees and applicants for employment or training.

4. The Subrecipient will include this Section 3 clause in every subcontract for work in connection with the project and will, at the direction of the applicant, or recipient of federal financial assistance, take appropriate action pursuant to the subcontract upon a finding that the subcontractor is in violation of regulations issued by the Secretary of HUD, 24 CFR Part 135. The Subrecipient will not subcontract with any subcontractor where it has notice or knowledge that the latter has been found in violation of regulations under 24 CFR Part 135 and will not let any subcontract, unless the subcontractor has first provided it with a preliminary statement of ability to comply with the requirements of these regulations.

5. Compliance with the provisions of Section 3, the regulations set forth in 24 CFR Part 135, and all applicable rules and orders of HUD and the City issued hereunder prior to the execution of the contract, will be a condition of the federal financial assistance provided to the project, binding upon the applicant or recipient for such assistance, its successors, and assigns. Failure to fulfill these requirements will subject the applicant, or recipient, its consultants and subcontractors, its successors and assigned to those sanctions specified by the grant or loan agreement or contract through which federal assistance is provided, and to such sanctions as are specified by 24 CFR Part 135.

C. Conduct

1. Assignability
The Subrecipient will not assign or transfer any interest in this Agreement without the prior written consent of the City thereto; provided, however, that claims for money due or to become due to the Subrecipient from the City under this contract may be assigned to a bank, trust company, or other financial institution without

such approval. Notice of any such assignment or transfer will be furnished promptly to the City.

2. Conflict of Interest
   No member of the City's governing body and no other public official of such locality, who exercises any functions or responsibilities in connection with the planning or carrying out of the Program, will have any personal financial interest, direct or indirect, in this agreement; and the Subrecipient will take appropriate steps to assure compliance.

   The Subrecipient agrees to abide by the provisions of 24 CFR 84.42 and 570.611, which includes maintaining a written code or standards of conduct that will govern the performance of its officers, employees or agents engaged in the award and administration of contracts supported by Federal funds.

   The Subrecipient covenants that its employees have no interest and will not acquire interest, direct or indirect, in the study area or any parcels therein or any other interest which would conflict in any manner or degree with the performance of services hereunder. The Subrecipient further covenants that in the performance of this Agreement, no person having such interest will be employed.

3. Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion - Lower Tier Covered Transactions

   a. The lower tier contractor certifies, by signing this contract that neither it nor its principals is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any Federal department or agency.
   b. Where the lower tier contractor is unable to certify to any of the statements in this contract, such contractor will attach an explanation to this contract.
   c. The contractor further agrees by signing this contract that it will not knowingly enter into any lower tier covered transaction with a person who is debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction.

D. Copyright
If this Agreement results in any copyrightable material or inventions, the City reserves the right to royalty-free, non-exclusive and irrevocable license to reproduce, publish or otherwise use and to authorize others to use, the work or materials for governmental purposes.

E. Religious Activities
The Subrecipient agrees that funds provided under this Agreement will not be utilized for inherently religious activities prohibited by 24 CFR 570.200(j), such as worship, religious instruction, or proselytization.

12. LEAD-BASED PAINT

The Subrecipient agrees that any acquisition, construction or rehabilitation of residential structures with assistance provided under this Agreement shall be subject to HUD Lead-Based Paint Regulations at 24 CFR 570.608 and 24 CFR Part 35, Subpart B. Such regulations pertain to all CDBG-assisted housing and require that all owners, prospective owners, and tenants of properties constructed prior to 1978 be properly notified that such properties may include lead-based paint, Such notification shall point out the hazards of lead-based paint and explain the symptoms, treatment and precautions that should be taken when dealing with lead-based paint poisoning and the advisability and availability of blood lead level screening for children under seven. The notice should also point out that if lead-based paint is found on the property, abatement measures may be undertaken. The regulations further require that, depending on the amount of Federal funds applies to a property, paint testing, risk assessment, treatment and/or abatement may be conducted.

13. SEVERABILITY

If any provision of this Agreement is held invalid, the remainder of the Agreement will not be affected thereby and all other parts of this Agreement will nevertheless be in full force and effect.

14. PERFORMANCE WAIVER

The City's failure to act with respect to a breach by the Subrecipient does not waive its right to act with respect to subsequent or similar breaches. The failure of the City to exercise or enforce any right or provision will not constitute a waiver of such right or provision.

15. ENTIRE AGREEMENT

This Agreement constitutes the entire agreement between the City and the Subrecipient for the use of funds received under this Agreement and it supersedes all prior communications and proposals, whether electronic, oral, or written between the City and the Subrecipient with respect to this Agreement.

IN WITNESS WHEREOF, the CITY and the SUBRECIPIENT have executed this agreement as of the date and year last written below.

MAYOR AND CITY COUNCIL OF HAGERSTOWN BY AND THROUGH THE DEPARTMENT OF HOUSING & COMMUNITY DEVELOPMENT

By: ____________________________________

Title:_Mayor ____________________________

Date: ___________________________________

UNITED WAY OF WASHINGTON COUNTY, MD, INC

By: ______________________________

Title: _____________________________

Date: _____________________________

APPROVED AS TO FORM AND LEGAL SUFFICIENCY:

SALVATORE & MORTON, LLC
CITY ATTORNEY

By: ______________________________
Jason Morton, Sole Member

Date: ______________________________

SUBRECIPIENT AGREEMENT
BETWEEN THE CITY OF HAGERSTOWN
AND THE
HABITAT FOR HUMANITY OF WASHINGTON COUNTY

This Agreement is entered into as of ___, August 2026, by and between the CITY OF HAGERSTOWN, a body corporate and political subdivision of the State of Maryland, acting by and through the DEPARTMENT OF HOUSING & COMMUNITY DEVELOPMENT (herein called the "CITY"), and the **Habitat for Humanity of Washington County** ("herein called the "SUBRECIPIENT").

WHEREAS, Congress in passing the Housing and Community Development Act of 1974, as amended, has placed an emphasis on the development of viable urban communities by providing decent housing and a suitable living environment and expanding economic opportunities, principally for persons of low- and moderate-income and has developed a system of block grants to aid in such purposes; and

WHEREAS, the CITY has applied for and received such a block grant, desires to conduct a program to encourage stable neighborhoods within the City by providing funds **to rehabilitate a reclaimed vacant home, eliminating blight, and increasing the supply of quality affordable housing**; and

WHEREAS, the SUBRECIPIENT is a private non-profit corporation incorporated in the State of Maryland whose mission is **bring people together to build homes, communities, and hope by providing safe, decent, and affordable housing opportunities for low- and moderate-income families**; and

WHEREAS, the SUBRECIPIENT has been selected by the CITY to receive CDBG funds and administer the **Rehabilitation of a Reclaimed Home Program** (hereinafter referred to as the "Program") **to fully rehabilitate a single-family home and return it to productive use as safe, affordable homeownership for a low- to moderate-income family**; and

WHEREAS, the services provided by the SUBRECIPIENT are consistent with the Community Development Block Grant Program (hereinafter referred to as "CDBG") Eligible Activity of "Rehabilitation"; and

WHEREAS, the SUBRECIPIENT further agrees to develop and retain sufficient documentation, as described herein below, to clearly support the CDBG eligible **Rehabilitation** activity for each instance of assistance provided by the SUBRECIPIENT; and

WHEREAS, the parties hereto have duly executed this SUBRECIPIENT Agreement for the expenditure of CDBG funds.

NOW, THEREFORE, it is agreed between the parties hereto that:

1. SCOPE OF SERVICE

The Subrecipient will be responsible for administering a CDBG-funded **Rehabilitation of a Reclaimed Home** in a manner satisfactory to the City and consistent with any standards required as a condition of receiving CDBG funds. Such program shall include the following activities eligible under the CDBG Program:

a. Provide comprehensive rehabilitation to address health, safety, code compliance, and energy efficiency of the property. The home must be resold to a household earning no more than eighty percent (80%) of Area Median Income, with priority given to families who are cost-burdened, living in substandard housing, or at risk of displacement.

b. Eligible activities include:
    a. Non-critical repairs such as:
        i. Painting
        ii. Weather stripping
    b. Critical repairs such as:
        i. Roofing
        ii. HVAC repair/installation
    c. Labor & Materials
    d. Replacement of principle fixtures and components of existing structure
    e. Water & Sewer Connections
    f. Installation of security devices including smoke detectors
    g. Water & Energy Conservation

c. Ineligible activities include: landscaping; private sidewalks; garages and driveways; unless accompanied by other work at the structure.

d. Public Sidewalks are ineligible without exception.

e. Identify potential qualified clients. Collect and maintain data on household income in order to determine a client's eligibility for assistance under the Program.

f. For purposes of the CDBG Program national objective of low- and moderate-income households, 24 CFR Part 5 definition of annual income shall be used to ensure the eligibility of each client. The documents to support eligibility shall include but is not limited to pay stubs for three consecutive months; two most recent bank statements; and award letter for any other source of income (i.e., Social Security, child support, etc.).

g. Provide up to $20,000 in CDBG grant funds to rehabilitate the property within the City of Hagerstown to be resold to an income-qualified household. Funds will be used to assist with rehabilitation costs. Subrecipient will contact the City for a determination of project eligibility before undertaking rehabilitation activity on a property.

h. Create a written proposal (including photo) defining the anticipated scope of services prior to beginning the project and submit the scope of services to the City to review.

i. No choice limiting action will be taken until an Environmental Review as listed in CFR 58 Part 5 has been submitted to the City for review and the City has provided written proceed to work documentation.

j. Ensure competitive pricing on all work by obtaining three (3) written quotes for the scope of service from properly licensed contractors. In the event that a reasonable effort has been made to obtain three (3) quotes and two (2) written quotes have been obtained, a refusal to provide a quote may be submitted as the third quote. Contract must be awarded to the lowest price estimate. The subrecipient will ensure all work is done only by licensed professionals and that all contractor(s), subcontractors, or firms are properly licensed by the State of Maryland and the City of Hagerstown.

k. All work will be done on a lump sum basis and will be approved by the Department of Community and Housing Development prior to beginning the project, including all income eligibility verification for each client by providing documentation listed in Section 1 Part f.

l. Overseeing the progress and workmanship during all phases of the repair or replacement work done by the contractor(s), subcontractors, or firms.

m. Request payment by sending an invoice plus adequate documentation to the City after determining that the repairs have been completed in a workmanlike manner. For each project, the following is the minimum required documentation to be sent to the City in one complete package:
   i. Cover letter or memo identifying the project and requesting payment of the CDBG funds.
   ii. For lump sum repairs, a copy of the contractor's or firm's work proposal that was pre-approved by the Community Development Department and an invoice for all of the work done.
   iii. Original before and after photographs documenting all repairs.

2. NATIONAL OBJECTIVE

All activities funded with CDBG funds must meet one of the CDBG program's National Objectives: benefit low- and moderate-income persons; or aid in the prevention or elimination of slums or blight; or meet community development needs having a particular urgency, as defined in 24 CFR 570.208

The CITY has determined that the Program carried out under this Agreement will meet the **Benefit Low-and-Moderate Income Persons** national objective.

3. TIME OF PERFORMANCE

The time of performance shall be 12-months beginning on the 1st day of July, 2026 and ending on 30th day of June, 2027. Said time of performance may be extended in writing by the City upon request from the Subrecipient by May 1, 2027. Said extension is to cover any additional time period during which the Subrecipient remains in control of CDBG funds or other CDBG assets, including program income.

3. BUDGET

The City shall reimburse the Subrecipient its allowable costs for the services identified in this Agreement not to exceed **$20,000.00** in CDBG funds for eligible incurred costs upon presentation of properly executed reimbursement forms as provided and approved by the City. Funding under this Agreement shall cover the Program costs.

PROGRAM BUDGET LINE ITEM	**BUDGETED AMOUNT**
Salaries	$6,000
Fringe	$0
Office Space	$0
Utilities	$0
Communications	$0
Printing	$0
Supplies and Materials	$10,000
Mileage	$0
Audit	$0
Other (Equipment Rental)	$0
Professional Services	$0
Service Contracts	$4,000
TOTAL CDBG	$20,000.00

Such reimbursement shall constitute full and complete payment by the City under this Agreement. Allowable costs shall mean those necessary and proper costs identified in the Subrecipient's application and budget and approved by the City unless any or all such costs are disallowed by the City or HUD.

Any reimbursement made under this Agreement must comply with the applicable requirements or 24 CFR Part 85. The Subrecipient may not request disbursement of funds under this Agreement until the funds are needed for payment of allowable costs.

The City may require a more detailed budget breakdown, and the Subrecipient will provide such supplementary budget information in a timely fashion in the form and content prescribed by the City. Any amendments to this Agreement's Budget must first be determined by the City as consistent with its CDBG contract and then approved in writing by the City.

4. PAYMENT

It is expressly understood that the total amount to be paid by the CITY under this Agreement shall not exceed **$20,000.00.** Drawdowns for the payment of eligible expenses shall be made against the line item budget specified in Section 4 herein and in accordance with performance. **Expenses for general administration shall not be paid under this Agreement**. Claims for reimbursement will not be submitted in excess of actual, immediate cash requirements necessary to carry out the purposes of this Agreement. Funds available under this Agreement will be utilized to supplement rather than supplant funds otherwise available.

Reimbursement request must be mailed to: Margi Joe, Community Development Manager, Community Development Department, 14 N Potomac Street – Suite 200a, Hagerstown, Maryland, 21740 or e-mailed to mjoe@hagerstownmd.org. Payments shall be made within **thirty (30)** business days.

5. PERFORMANCE MONITORING

The City will monitor the performance of the Subrecipient by tracking program progress, reviewing payment requests for applicable costs, overseeing compliance with CDBG requirements, and ensuring recordkeeping and audit requirements are met. Substandard performance as determined by the City will constitute noncompliance with this Agreement.

If action to correct such substandard performance is not taken by the Subrecipient within a reasonable period of time after being notified by the City, contract suspension or termination procedures will be initiated.

6. NOTICES

Notices required by this Agreement shall be in writing and delivered via mail or personal delivery or sent by facsimile or other electronic means. Any notice delivered or sent as aforesaid shall be effective on the date of delivery or sending. All notices and other written communications under this Agreement shall be addressed to the individual in the capacities indicated below, unless otherwise modified by subsequent written notice.

Communications and details concerning this Agreement shall be directed to the following contract representatives:

CITY	SUBRECIPIENT
Margi Joe	Melanie Watts
Community Development Manager	Program Director
City of Hagerstown	**Habitat for Humanity of Washington County**
14 N. Potomac Street	100 Charles Street
Address	Address
Hagerstown, Maryland 21740	Hagerstown, Maryland 21740
City, State and Zip	City, State and Zip
Telephone: 301-739-8577 ext. 134	Telephone: 301-791-7701
Fax Number: 301-739-3117	Fax Number: 301-791-7701

7. GENERAL CONDITIONS

A. General Compliance
The Subrecipient agrees to comply with the requirements of Title 24 of the Code of Federal regulations, Part 570 (the HUD regulations concerning CDBG) including subpart K of these regulations, except that the Subrecipient does not assume the City's environmental responsibilities described in 24 CFR 570.604 and the Subrecipient does not assume the City's responsibility for initiating the review process under the provisions of 24 CFR Part 52.

B. Independent Contractor
Nothing contained in this Agreement is intended to, or will be construed in any manner, as creating or establishing the relationship of employer/employee between the parties. The Subrecipient will at all times remain an "independent contractor" with respect to the services to be performed under this Agreement. The City will be exempt from payment of all Unemployment Compensation, FICA, retirement, life and/or medical insurance and Workers' Compensation Insurance, as the Subrecipient is an independent contractor.

C. Hold Harmless
The Subrecipient will hold harmless, defend and indemnify the City from any and all claims, actions, suits, charges and judgments whatsoever that arise out of the Subrecipient's performance or nonperformance of the services or subject matter called for in this Agreement.

D. Workers' Compensation
The Subrecipient will provide Workers' Compensation Insurance Coverage for all of its employees involved in the performance of this Agreement.

E. Insurance and Bonding
The Subrecipient shall carry sufficient insurance coverage to protect contract assets from loss due to theft, fraud and/or undue physical damage, and as a minimum will purchase a blanket fidelity bond covering all employees in an amount equal to cash advances from the City.

F. Funding Source Recognition
The Subrecipient will insure recognition of the roles of the City in providing services through this Agreement. All activities, facilities and items utilized pursuant to this Agreement will be prominently labeled as to funding source. In addition, the Subrecipient will include a reference to the support provided herein in all publications made possible with funds made available under this Agreement.

G. Amendments
The City or Subrecipient may amend this Agreement at any time provided that such amendments make specific reference to this Agreement, and are executed in writing, signed by a duly authorized representative of each organization, and approved by the City's

governing body. Such amendments will not invalidate this Agreement, nor relieve or release the City or Subrecipient from its obligations under this Agreement.

The City may, in its discretion, amend this Agreement to conform with Federal, state or local governmental guidelines, policies and available funding amount, or for other reasons. If such amendments result in a change in the funding, scope of services, or schedule of the activities to be undertaken as part of this Agreement, such modifications will be incorporated only by written amendment signed by both the City and Subrecipient.

Notwithstanding the prior two subparagraphs, the parties may agree to minor amendments to this Agreement, which are executed in writing, signed by a duly authorized representative of each organization, and approved by the Grantee's staff.

H. Suspension or Termination

In accordance with 24 CFR 85.43, the City may suspend or terminate this Agreement if the Subrecipient materially fails to comply with any terms of this Agreement, which include (but are not limited to) the following:

1. Failure to comply with any of the rules, regulations or provisions referred to herein, or such statues, regulations, executive orders, and HUD guidelines, policies or directives as may become applicable at any time;

2. Failure, for any reason, of the Subrecipient to fulfill in a timely and proper manner its obligations under this Agreement;

3. Ineffective of improper use of funds provided under this Agreement; or

4. Submission by the Subrecipient to the City of reports that are incorrect or incomplete in any material respect.

In accordance with 24 CFR 85.44, this Agreement may also be terminated for convenience by either the City or the Subrecipient, in whole or in part, by setting forth the reasons for such termination, the effective date, and, in the case of partial termination, the portion to be terminated. However, if in the case of a partial termination, the City determines that the remaining portion of the award will not accomplish the purpose for which the award was made, the City may terminate the award in its entirety.

8. ADMINISTRATIVE REQUIREMENTS

A. Financial Management

1. Accounting Standards

The Subrecipient agrees to comply with 24 CFR 84.21-28 and agrees to adhere to the accounting principles and procedures required therein, utilize adequate internal controls, and maintain necessary source documentation for all costs incurred.

2. Cost Principles
   The Subrecipient will administer its program in conformance with 2 CFR Part 200, Subpart E, "(Uniform Guidance"). These principles will be applied for all costs incurred whether charged on a direct or indirect basis.

B. Documentation and Record Keeping

1. Records to Be Maintained
   The Subrecipient will maintain all records required by the Federal regulations specified in 24 CFR 570.506 that are pertinent to the activities to be funded under this Agreement. Such records will include but not be limited to:

   a. Records providing a full description of each activity undertaken;
   b. Records demonstrating that each activity undertaken meets one of the National Objectives of the CDBG program;
   c. Records required to determine the eligibility of activities;
   d. Records required to document the acquisition, improvement, use or disposition of real property acquired or improved with CDBG assistance;
   e. Records documenting compliance with the civil rights components of the CDBG program;
   f. Financial records as required by 24 CFR 570.502, and 24 CFR 84.21-28;
   g. Labor standards records required to document compliance with the Davis Bacon Act, the provisions of the Contract Work Hours and Safety Standards Act, and all other applicable Federal, state and local laws and regulations applicable to CDBG-funded construction projects; and
   h. Other records necessary to document compliance with Subpart K of 24 CFR Part 570.

2. Access to Records and Retention
   All such records and all other records pertinent to this Agreement and work undertaken under this Agreement will be retained by the Subrecipient for a period of four years. The retention period begins on the date of the submission of the City's annual performance and evaluation report to HUD in which the activities assisted under the Agreement are reported on for the final time. Notwithstanding the above, if there is litigation, claims, audits, negotiations or other actions that involve any of the records cited and that have started before the expiration of the four-year period, then such records must be retained until completion of the actions and resolution of all issues or the expiration of the four-year period, whichever occurs later.

3. Client Data
   The Subrecipient shall maintain client data demonstrating client eligibility for services provided. Such data shall include, but not be limited to, client name, address income level or other basis for determining eligibility and description of services provided. Such information shall be made available to City monitors or their designees, HUD or other authorized representatives for review upon request.

4. Disclosure
   The Subrecipient understands that client information collected under this Agreement is private and the use or disclosure of such information, when not directly connected with the administration of the City's or Subrecipient's responsibilities with respect to services provided under this Agreement, is prohibited by **State or Federal Law** unless written consent is obtained from such person receiving service and, in the case of a minor, that of a responsible parent/guardian.

5. Closeouts
   The Subrecipient's obligation to the City shall not end until all closeout requirements are completed. Activities during the closeout period shall include, but are not limited to, making final payments, disposing of program assets (including the return of all unused materials, equipment, program income balances and accounts receivable to the City), and determining the custodian ship of records. Notwithstanding the foregoing, the terms of this Agreement shall remain in effect during any period that the Subrecipient has control over CDBG funds, including program income,

3. Audits and Inspections
   If Subrecipient expends $1,000,000 or more in a year in Federal awards, the Subrecipient shall have a single or program-specific audit conducted for that year in accordance with the requirements of 2 CFR 200, Subpart F ("Audit Requirements"). Subrecipient must send a copy of the final report to the City within the earlier of 30 days of the report's issuance or nine months after the end of the audit period. The City also reserves the right to engage an independent auditor to examine the Subrecipient's compliance with the requirements of 2 CFR Part 200 and this Agreement. Furthermore, the City must approve any independent auditor engaged to assure that the auditor is qualified and meets Government Accounting Office Standards and evaluate the scope of the audit to ensure compliance with Code of Federal Regulation requirements. This grant is made pursuant to and is identified as follows:

   1. Federal Grant Title: Community Development Block Grant
   2. Catalog of Federal Domestic Assistance Number (CFDA): 14.218
   3. Federal and/or State Identification Numbers: B-**26**-MC-24-0012

   All Subrecipient records with respect to any matters covered by this Agreement shall be made available to the City, HUD, and duly authorized officials of the State and federal government, at any time during normal business hours, as often as deemed necessary, to audit, examine, and make excerpts or transcripts of all relevant data. Any deficiencies noted in audit reports must be fully cleared by the Subrecipient within 30 days after receipt by the Subrecipient.

   Failure of the Subrecipient to comply with the above audit requirements will constitute a violation of this Agreement and may result in the withholding of future payments.

C. Reporting

1. Program Income
The Subrecipient will report annually all program income [as defined at 24 CFR 570.500(a)] generated by activities carried out with CDBG funds made available under this Agreement. The use of program income by the Subrecipient will comply with the requirements set forth at 24 CFR 570.504. The Subrecipient may use such income during the contract period for activities permitted under this Agreement and shall reduce request for additional funds by the amount of any such program income balances on hand. All unexpended program income shall be returned to the City at the end of the contract period. Any interest earned on cash advances from the U.S Treasure and from funds held in a revolving fund account is not program income and shall be remitted promptly to the City.

2. Progress Reports
At such times and in such forms as HUD or the City may require, there shall be furnished to HUD or the City such statements, records, reports, data and information as HUD or the City may request pertaining to matters covered by this Agreement. Specifically, the City shall require Subrecipient to submit quarterly reports which shall include a narrative of program activities, a description of the services provided, number of clients that have applied for, participated in or benefited from the services and relevant characteristics of the client population (age, gender, income, race, ethnicity and gender of single-headed households), performance standard outcomes, equal employment opportunity reports, applicable MBE/WBE requirements and applicable reporting forms attached hereto as **Appendix C, Part I** and incorporated herein by reference.

Said quarterly reports shall be submitted in a timely fashion (within 15 days of the end of each calendar quarter) and subject to the approval of the City prior to reimbursement of Subrecipient as set forth hereinabove. The City and Subrecipient reserve the mutual right to publish and/or make public, with the consent of both parties, the reports or other results of services under this Agreement.

D. Procurement

1. Compliance
The Subrecipient shall comply with current City policy concerning the purchase of equipment and shall maintain inventory records of all non-expendable personal property as defined by such policy as my be procured with funds provided herein, All program assets (unexpended program income, property, equipment, etc.) shall revert to the City upon termination of this Agreement.

2. OMB Standards
Unless specified otherwise within this Agreement, the Subrecipient shall procure all materials, property or services in accordance with the requirements of 24 CFR 84.40-48.

3. Travel
   The Subrecipient shall request written approval from the City for any travel outside the metropolitan area with funds provided under this Agreement.

E. Use and Reversion of Assets
   The use and disposition of real property and equipment under this Agreement will be in compliance with the requirements of 24 CFR Part 84 and 24 CFR 570.502, 570.503, 570.504, as applicable, which include but are not limited to the following:

   1. The Subrecipient will transfer to the City any CDBG funds on hand and any accounts receivable attributable to the use of funds under this Agreement at the time of expiration, cancellation, or termination.

   2. Real property under the Subrecipient's control that was acquired or improved, in whole or in part, with funds under this Agreement in excess of $25,000 will be used to meet one of the CDBG National Objectives pursuant to 24 CFR 570.208 until ten (10) years after the contract between Subrecipient and the CITY is closed. If the Subrecipient fails to use CDBG-assisted real property in a manner that meets a CDBG National Objective for this 10-year period of time, the Subrecipient will pay the City an amount equal to the current fair market value of the property less any portion of the value attributable to expenditures of non-CDBG funds for acquisition of, or improvement to, the property after the CDBG program's approval. Such payment will constitute program income to the City. The Subrecipient may retain real property acquired or improved under this Agreement after the expiration of the ten-year period.

   3. In cases in which equipment acquired, in whole or in part, with funds under this Agreement is sold, the proceeds will be program income (prorated to reflect the extent to which funds received under this Agreement were used to acquire the equipment). Equipment not needed by the Subrecipient for activities under this Agreement will be (a) transferred to the City for the CDBG program or (b) retained after compensating the City [an amount equal to the current fair market value of the equipment less the percentage of non-CDBG funds used to acquire the equipment].

9. RELOCATION, REAL PROPERTY ACQUISITION AND ONE-FOR-ONE HOUSING REPLACEMENT
   The Subrecipient agrees to comply with (a) the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (URA), and implementing regulations at 49 CFR Part 24 and 24 CFR 570.606(b); (b) the requirements of 24 CFR 570.606(c) governing the Residential Anti-Displacement and Relocation Assistance Plan under section 104(d) of the HCD Act; and (c) the requirements in 24 CFR 570.606(d) governing optional relocation policies. The Subrecipient shall provide relocation assistance to displaced persons as defined by 24 CFR 570.606(b)(2) that are displaced as a direct result of acquisition, rehabilitation, demolition, or conversion for a CDBG-assisted project. The Subrecipient also agrees to comply with applicable City ordinance, resolutions and policies concerning the displacement of persons from their residences.

10. PERSONNEL AND PARTICIPANT CONDITIONS

A. Civil Rights

1. Compliance
The Subrecipient agrees to comply with **local and state civil rights ordinances** and with Title VI of the Civil Rights Act of 1964 as amended, and Title VII of the Civil Rights Act of 1968 as amended, Section 104(b) and Section 109 of title I of the Housing and Community Development Act of 1974 as amended, Section 504 of the Rehabilitation Act of 1973, the American and Disabilities Act of 1990, the Age Discrimination act of 1975, Executive Order 11063, and Executive Order 11246 as amended by Executive Orders 11375, 11478, 12107 and 12086.

2. Nondiscrimination
The Subrecipient agrees to comply with the nondiscrimination in employment and contracting opportunities laws, regulation and executive orders referenced in 24 CFR 570.607, as revised by Executive Order 13279. The applicable nondiscrimination provisions in Section 109 of the HCDA are still applicable.

B. Section 3 of the Housing and Community Development Act of 1968
Compliance in the Provision of Training, Employment, and Business Opportunities:

1. The work to be performed under this agreement is on a project assisted under a program providing direct federal financial assistance from HUD and is subject to the requirements of Section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701u. Section 3 requires that to the greatest extent feasible opportunities for training and employment be given lower-income residents of the project area; and contracts for work in connection with the project be awarded to business concerns which are located in, or owned in substantial part, by persons residing in the area of the project.

2. The parties to this contract will comply with the provisions of said Section 3 and the regulations set forth in 24 CFR 135, and all applicable rules and orders of HUD and the City issued thereunder prior to the execution of this contract. The parties to this contract certify and agree that they are under no contractual or other disability that would prevent them from complying with these provisions.

3. The Subrecipient will send to each labor organization or representative of workers with which he has a collective bargaining agreement or other contract or understanding, if any, a notice advising the said labor organization or workers' representative of his commitments under this Section 3 clause and will post copies of the notice in conspicuous places available to employees and applicants for employment or training.

4. The Subrecipient will include this Section 3 clause in every subcontract for work in connection with the project and will, at the direction of the applicant, or recipient of federal financial assistance, take appropriate action pursuant to the subcontract upon a finding that the subcontractor is in violation of regulations issued by the Secretary of HUD, 24 CFR Part 135. The Subrecipient will not subcontract with any subcontractor where it has notice or knowledge that the latter has been found in violation of regulations under 24 CFR Part 135 and will not let any subcontract, unless the subcontractor has first provided it with a preliminary statement of ability to comply with the requirements of these regulations.

5. Compliance with the provisions of Section 3, the regulations set forth in 24 CFR Part 135, and all applicable rules and orders of HUD and the City issued hereunder prior to the execution of the contract, will be a condition of the federal financial assistance provided to the project, binding upon the applicant or recipient for such assistance, its successors, and assigns. Failure to fulfill these requirements will subject the applicant, or recipient, its consultants and subcontractors, its successors and assigned to those sanctions specified by the grant or loan agreement or contract through which federal assistance is provided, and to such sanctions as are specified by 24 CFR Part 135.

C. Conduct

1. Assignability
   The Subrecipient will not assign or transfer any interest in this Agreement without the prior written consent of the City thereto; provided, however, that claims for money due or to become due to the Subrecipient from the City under this contract may be assigned to a bank, trust company, or other financial institution without such approval. Notice of any such assignment or transfer will be furnished promptly to the City.

2. Conflict of Interest
   No member of the City's governing body and no other public official of such locality, who exercises any functions or responsibilities in connection with the planning or carrying out of the Program, will have any personal financial interest, direct or indirect, in this agreement; and the Subrecipient will take appropriate steps to assure compliance.

   The Subrecipient agrees to abide by the provisions of 24 CFR 84.42 and 570.611, which includes maintaining a written code or standards of conduct that will govern the performance of its officers, employees or agents engaged in the award and administration of contracts supported by Federal funds.

   The Subrecipient covenants that its employees have no interest and will not acquire interest, direct or indirect, in the study area or any parcels therein or any other interest which would conflict in any manner or degree with the performance of services hereunder. The Subrecipient further covenants that in the performance of this Agreement, no person having such interest will be employed.

3. Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion - Lower Tier Covered Transactions

   a. The lower tier contractor certifies, by signing this contract that neither it nor its principals is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any Federal department or agency.
   b. Where the lower tier contractor is unable to certify to any of the statements in this contract, such contractor will attach an explanation to this contract.
   c. The contractor further agrees by signing this contract that it will not knowingly enter into any lower tier covered transaction with a person who is debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction.

D. Copyright
If this Agreement results in any copyrightable material or inventions, the City reserves the right to royalty-free, non-exclusive and irrevocable license to reproduce, publish or otherwise use and to authorize others to use, the work or materials for governmental purposes.

E. Religious Activities
The Subrecipient agrees that funds provided under this Agreement will not be utilized for inherently religious activities prohibited by 24 CFR 570.200(j), such as worship, religious instruction, or proselytization.

11. LEAD-BASED PAINT
The Subrecipient agrees that any acquisition, construction or rehabilitation of residential structures with assistance provided under this Agreement shall be subject to HUD Lead-Based Paint Regulations at 24 CFR 570.608 and 24 CFR Part 35, Subpart B. Such regulations pertain to all CDBG-assisted housing and require that all owners, prospective owners, and tenants of properties constructed prior to 1978 be properly notified that such properties may include lead-based paint, Such notification shall point out the hazards of lead-based paint and explain the symptoms, treatment and precautions that should be taken when dealing with lead-based paint poisoning and the advisability and availability of blood lead level screening for children under seven. The notice should also point out that if lead-based paint is found on the property, abatement measures may be undertaken. The regulations further require that, depending on the amount of Federal funds applies to a property, paint testing, risk assessment, treatment and/or abatement may be conducted.

12. SEVERABILITY
If any provision of this Agreement is held invalid, the remainder of the Agreement will not be affected thereby and all other parts of this Agreement will nevertheless be in full force and effect.

13. PERFORMANCE WAIVER
The City's failure to act with respect to a breach by the Subrecipient does not waive its right to act with respect to subsequent or similar breaches. The failure of the City to exercise or enforce any right or provision will not constitute a waiver of such right or provision.

14. ENTIRE AGREEMENT
This Agreement constitutes the entire agreement between the City and the Subrecipient for the use of funds received under this Agreement and it supersedes all prior communications and proposals, whether electronic, oral, or written between the City and the Subrecipient with respect to this Agreement.

IN WITNESS WHEREOF, the CITY and the SUBRECIPIENT have executed this agreement as of the date and year last written below.

MAYOR AND CITY COUNCIL OF HAGERSTOWN BY AND THROUGH THE DEPARTMENT OF HOUSING & COMMUNITY DEVELOPMENT

By: ______________________________

Title: Mayor ______________________________

Date: ______________________________

HABITAT FOR HUMANITY OF WASHINGTON COUNTY

By: ______________________________

Title: ______________________________

Date: ______________________________

APPROVED AS TO FORM AND LEGAL SUFFICIENCY:

SALVATORE & MORTON, LLC
CITY ATTORNEY

By: ______________________________
Jason Morton, Sole Member

Date: ______________________________

SUBRECIPIENT AGREEMENT
BETWEEN THE CITY OF HAGERSTOWN
AND THE
HAGERSTOWN NEIGHBORHOOD DEVELOPMENT PARTNERSHIP, INC.

This Agreement is entered into as of __, August 2026 by and between the CITY OF HAGERSTOWN, a body corporate and political subdivision of the State of Maryland, acting by and through the DEPARMENT OF HOUSING & COMMUNITY DEVELOPMENT (herein called the "CITY"), and the **Hagerstown Neighborhood Development Partnership, Inc.** ("herein called the "SUBRECIPIENT").

WHEREAS, Congress in passing the Housing and Community Development Act of 1974, as amended, has placed an emphasis on the development of viable urban communities by providing decent housing and a suitable living environment and expanding economic opportunities, principally for persons of low- and moderate-income and has developed a system of block grants to aid in such purposes; and

WHEREAS, the CITY has applied for and received such a block grant, desires to conduct a program to encourage stable neighborhoods within the City by providing funds **to assist first-time low-and-moderate income homebuyers with the purchase of a home**; and

WHEREAS, the SUBRECIPIENT is a private non-profit corporation incorporated in the State of Maryland whose mission is to **improve community life in Hagerstown and Washington County, Maryland by opening doors to home ownership and by promoting fair and equal housing opportunities for all individuals**; and

WHEREAS, the SUBRECIPIENT has been selected by the CITY to receive CDBG funds and administer the **Hagerstown Neighborhood Development Partnership (HNDP) Down Payment and Closing Cost Assistance Program** (hereinafter referred to as the "Program") **to provide down payment and closing cost assistance to low- and moderate-income homebuyers purchasing homes in the City**; and

WHEREAS, **the SUBRECIPIENT is a Department of Housing and Urban Development (HUD) certified housing counseling agency and** the services provided by the SUBRECIPIENT are consistent with the Community Development Block Grant Program (hereinafter referred to as "CDBG") Eligible Activity of "Homeownership Assistance"; and

WHEREAS, the SUBRECIPIENT further agrees to develop and retain sufficient documentation, as described herein below, to clearly support the CDBG eligible **Home Ownership Assistance** activity for each instance of assistance provided by the SUBRECIPIENT; and

WHEREAS, the parties hereto have duly executed this SUBRECIPIENT Agreement for the expenditure of CDBG funds.

NOW, THEREFORE, it is agreed between the parties hereto that:

1. <u>SCOPE OF SERVICE</u>
The Subrecipient will be responsible for administering a CDBG-funded **Down Payment and Closing Cost Assistance Program** in a manner satisfactory to the City and consistent with any standards required as a condition of receiving CDBG funds. Such program shall include the following activities eligible under the CDBG Program:

a. Promote the down payment assistance program to potential homebuyers, realtors and lenders.

b. Identify potential qualified clients, through the housing counseling process. Collect and maintain data on household income in order to determine a client's eligibility for assistance under the Program.

c. For purposes of the CDBG Program national objective of low- and moderate-income households, 24 CFR Part 5 definition of annual income shall be used to ensure the eligibility of each client. The documents to support eligibility shall include but are not limited to pay stubs for three consecutive months; two most recent bank statements; and award letter for any other source of income (i.e., Social Security, child support, etc.)

d. Provide up to $5,000 in CDBG grant funds to assist four (4) low- and moderate income first-time home buyers with purchasing a home in the City of Hagerstown. Funds will be used to assist with down payment and closing costs.

e. Verify Community Partners Incentive Program (CPIP) application data for accuracy and completeness, performing general underwriting tasks.

f. Assist clients with the CPIP and CDA/Maryland Mortgage Program application process.

g. Communicate with client's lender and realtor, conveying program requirements and timetable.

h. Execute loan documents with client; issue checks and submit with loan documents to closing company.

i. Upon loan closing, record CPIP mortgage instruments with the local Land Records office.

2. <u>NATIONAL OBJECTIVE</u>
All activities funded with CDBG funds must met one of the CDBG program's National Objectives: benefit low- and moderate-income persons; or aid in the prevention or elimination of slums or blight; or meet community development needs having a particular urgency, as defined in 24 CFR 570.208

The CITY has determined that the Program carried out under this Agreement will meet the **Benefit Low-and-Moderate Income Persons** national objective.

3. TIME OF PERFORMANCE

The time of performance shall be 12-months beginning on the 1st day of July, 2026 and ending on 30th day of June, 2027. Said time of performance may be extended in writing by the City upon request from the Subrecipient by May 1, 2027. Said extension is to cover any additional time period during which the Subrecipient remains in control of CDBG funds or other CDBG assets, including program income.

4. BUDGET

The City shall reimburse the Subrecipient its allowable costs for the services identified in this Agreement not to exceed **$20,000.00** in CDBG funds for eligible incurred costs upon presentation of properly executed reimbursement forms as provided and approved by the City. Funding under this Agreement shall cover the Program costs.

PROGRAM BUDGET LINE ITEM	**BUDGETED AMOUNT**
Salaries	$0
Fringe	$0
Office Space	$0
Utilities	$0
Communications	$0
Printing	$0
Supplies and Materials	$0
Mileage	$0
Audit	$0
Other (Specify: Down Payment and Closing Cost Assistance)	$20,000
TOTAL CDBG	$20,000

Such reimbursement shall constitute full and complete payment by the City under this Agreement. Allowable costs shall mean those necessary and proper costs identified in the Subrecipient's application and budget and approved by the City unless any or all such costs are disallowed by the City or HUD.

Any reimbursement made under this Agreement must comply with the applicable requirements or 24 CFR Part 85. The Subrecipient may not request disbursement of funds under this Agreement until the funds are needed for payment of allowable costs.

The City may require a more detailed budget breakdown, and the Subrecipient will provide such supplementary budget information in a timely fashion in the form and content prescribed by the City. Any amendments to this Agreement's Budget must first be determined by the City as consistent with its CDBG contract and then approved in writing by the City.

PAYMENT

It is expressly understood that the total amount to be paid by the CITY under this Agreement shall not exceed **$20,000.00.** Drawdowns for the payment of eligible expenses shall be made against the line item budget specified in Section 4 herein and in accordance with performance.

Expenses for general administration shall not be paid under this Agreement. Claims for reimbursement will not be submitted in excess of actual, immediate cash requirements necessary to carry out the purposes of this Agreement. Funds available under this Agreement will be utilized to supplement rather than supplant funds otherwise available.

Reimbursement request must be mailed to: Margi Joe, Community Development Manager, Community Development Department, 14 N Potomac Street – Suite 200a, Hagerstown, Maryland, 21740 or e-mailed to mjoe@hagerstownmd.org. Payments shall be made within **ten (10)** business days.

5. PERFORMANCE MONITORING

The City will monitor the performance of the Subrecipient by tracking program progress, reviewing payment requests for applicable costs, overseeing compliance with CDBG requirements, and ensuring recordkeeping and audit requirements are met. Substandard performance as determined by the City will constitute noncompliance with this Agreement.

If action to correct such substandard performance is not taken by the Subrecipient within a reasonable period of time after being notified by the City, contract suspension or termination procedures will be initiated.

6. NOTICES

Notices required by this Agreement shall be in writing and delivered via mail or personal delivery or sent by facsimile or other electronic means. Any notice delivered or sent as aforesaid shall be effective on the date of delivery or sending. All notices and other written communications under this Agreement shall be addressed to the individual in the capacities indicated below, unless otherwise modified by subsequent written notice.

Communications and details concerning this Agreement shall be directed to the following contract representatives:

CITY	SUBRECIPIENT
Margi Joe Community Development Manager **City of Hagerstown**	Jorge Menchu Executive Director **HNDP, Inc.**
14 N. Potomac Street Address	21 E. Franklin Street Address
Hagerstown, Maryland 21740 City, State and Zip	Hagerstown, Maryland 21740 City, State and Zip
Telephone: 301-739-8577 ext. 134	Telephone: 301-797-0900
Fax Number: 301-739-3117	Fax Number: 301-797-2991

7. GENERAL CONDITIONS

A. General Compliance

The Subrecipient agrees to comply with the requirements of Title 24 of the Code of Federal regulations, Part 570 (the HUD regulations concerning CDBG) including subpart K of these regulations, except that the Subrecipient does not assume the City's environmental responsibilities described in 24 CFR 570.604 and the Subrecipient does not assume the City's responsibility for initiating the review process under the provisions of 24 CFR Part 52.

B. Independent Contractor

Nothing contained in this Agreement is intended to, or will be construed in any manner, as creating or establishing the relationship of employer/employee between the parties. The Subrecipient will at all times remain an "independent contractor" with respect to the services to be performed under this Agreement. The City will be exempt from payment of all Unemployment Compensation, FICA, retirement, life and/or medical insurance and Workers' Compensation Insurance, as the Subrecipient is an independent contractor.

C. Hold Harmless

The Subrecipient will hold harmless, defend and indemnify the City from any and all claims, actions, suits, charges and judgments whatsoever that arise out of the Subrecipient's performance or nonperformance of the services or subject matter called for in this Agreement.

D. Workers' Compensation

The Subrecipient will provide Workers' Compensation Insurance Coverage for all of its employees involved in the performance of this Agreement.

E. Insurance and Bonding

The Subrecipient shall carry sufficient insurance coverage to protect contract assets from loss due to theft, fraud and/or undue physical damage, and as a minimum will purchase a blanket fidelity bond covering all employees in an amount equal to cash advances from the City.

F. Funding Source Recognition

The Subrecipient will insure recognition of the roles of the City in providing services through this Agreement. All activities, facilities and items utilized pursuant to this Agreement will be prominently labeled as to funding source. In addition, the Subrecipient will include a reference to the support provided herein in all publications made possible with funds made available under this Agreement.

G. Amendments

The City or Subrecipient may amend this Agreement at any time provided that such amendments make specific reference to this Agreement, and are executed in writing, signed by a duly authorized representative of each organization, and approved by the City's governing body. Such amendments will not invalidate this Agreement, nor relieve or release the City or Subrecipient from its obligations under this Agreement.

The City may, in its discretion, amend this Agreement to conform with Federal, state or local governmental guidelines, policies and available funding amount, or for other reasons. If such amendments result in a change in the funding, scope of services, or schedule of the activities to be undertaken as part of this Agreement, such modifications will be incorporated only by written amendment signed by both the City and Subrecipient.

H. Suspension or Termination

In accordance with 24 CFR 85.43, the City may suspend or terminate this Agreement if the Subrecipient materially fails to comply with any terms of this Agreement, which include (but are not limited to) the following:

1. Failure to comply with any of the rules, regulations or provisions referred to herein, or such statues, regulations, executive orders, and HUD guidelines, policies or directives as may become applicable at any time;

2. Failure, for any reason, of the Subrecipient to fulfill in a timely and proper manner its obligations under this Agreement;

3. Ineffective of improper use of funds provided under this Agreement; or

4. Submission by the Subrecipient to the City of reports that are incorrect or incomplete in any material respect.

In accordance with 24 CFR 85.44, this Agreement may also be terminated for convenience by either the City or the Subrecipient, in whole or in part, by setting forth the reasons for such termination, the effective date, and, in the case of partial termination, the portion to be terminated. However, if in the case of a partial termination, the City determines that the remaining portion of the award will not accomplish the purpose for which the award was made, the City may terminate the award in its entirety.

8. ADMINISTRATIVE REQUIREMENTS

A. Financial Management

1. Accounting Standards

The Subrecipient agrees to comply with 24 CFR 84.21-28 and agrees to adhere to the accounting principles and procedures required therein, utilize adequate internal controls, and maintain necessary source documentation for all costs incurred.

2. Cost Principles

The Subrecipient will administer its program in conformance with 2 CFR Part 200, Subpart E, "(Uniform Guidance"). These principles will be applied for all costs incurred whether charged on a direct or indirect basis.

B. Documentation and Record Keeping

1. Records to Be Maintained
The Subrecipient will maintain all records required by the Federal regulations specified in 24 CFR 570.506 that are pertinent to the activities to be funded under this Agreement. Such records will include but not be limited to:

   a. Records providing a full description of each activity undertaken;
   b. Records demonstrating that each activity undertaken meets one of the National Objectives of the CDBG program;
   c. Records required to determine the eligibility of activities;
   d. Records required to document the acquisition, improvement, use or disposition of real property acquired or improved with CDBG assistance;
   e. Records documenting compliance with the civil rights components of the CDBG program;
   f. Financial records as required by 24 CFR 570.502, and 24 CFR 84.21-28;
   g. Labor standards records required to document compliance with the Davis Bacon Act, the provisions of the Contract Work Hours and Safety Standards Act, and all other applicable Federal, state and local laws and regulations applicable to CDBG-funded construction projects; and
   h. Other records necessary to document compliance with Subpart K of 24 CFR Part 570.

2. Access to Records and Retention
All such records and all other records pertinent to this Agreement and work undertaken under this Agreement will be retained by the Subrecipient for a period of four years. The retention period begins on the date of the submission of the City's annual performance and evaluation report to HUD in which the activities assisted under the Agreement are reported on for the final time. Notwithstanding the above, if there is litigation, claims, audits, negotiations or other actions that involve any of the records cited and that have started before the expiration of the four-year period, then such records must be retained until completion of the actions and resolution of all issues or the expiration of the four-year period, whichever occurs later.

3. Client Data
The Subrecipient shall maintain client data demonstrating client eligibility for services provided. Such data shall include, but not be limited to, client name, address income level or other basis for determining eligibility and description of services provided. Such information shall be made available to City monitors or their designees, HUD or other authorized representatives for review upon request.

4. Disclosure
The Subrecipient understands that client information collected under this Agreement is private and the use or disclosure of such information, when not directly connected with the administration of the City's or Subrecipient's responsibilities with respect to services provided under this Agreement, is prohibited by **State or Federal Law** unless

written consent is obtained from such person receiving service and, in the case of a minor, that of a responsible parent/guardian.

5. <u>Closeouts</u>
The Subrecipient's obligation to the City shall not end until all closeout requirements are completed. Activities during the closeout period shall include, but are not limited to, making final payments, disposing of program assets (including the return of all unused materials, equipment, program income balances and accounts receivable to the City), and determining the custodian ship of records. Notwithstanding the foregoing, the terms of this Agreement shall remain in effect during any period that the Subrecipient has control over CDBG funds, including program income,

6. <u>Audits and Inspections</u>
If Subrecipient expends $1,000,000 or more in a year in Federal awards, the Subrecipient shall have a single or program-specific audit conducted for that year in accordance with the requirements of 2 CFR 200, Subpart F ("Audit Requirements"). Subrecipient must send a copy of the final report to the City within the earlier of 30 days of the report's issuance or nine months after the end of the audit period. The City also reserves the right to engage an independent auditor to examine the Subrecipient's compliance with the requirements of 2 CFR Part 200 and this Agreement. Furthermore, the City must approve any independent auditor engaged to assure that the auditor is qualified and meets Government Accounting Office Standards and evaluate the scope of the audit to ensure compliance with Code of Federal Regulation requirements. This grant is made pursuant to and is identified as follows:

1. Federal Grant Title: Community Development Block Grant
2. Catalog of Federal Domestic Assistance Number (CFDA): 14.218
3. Federal and/or State Identification Numbers: B-**26**-MC-24-0010

All Subrecipient records with respect to any matters covered by this Agreement shall be made available to the City, HUD, and duly authorized officials of the State and federal government, at any time during normal business hours, as often as deemed necessary, to audit, examine, and make excerpts or transcripts of all relevant data. Any deficiencies noted in audit reports must be fully cleared by the Subrecipient within thirty (30) days after receipt by the Subrecipient.

Failure of the Subrecipient to comply with the above audit requirements will constitute a violation of this Agreement and may result in the withholding of future payments.

C. <u>Reporting</u>

1. <u>Program Income</u>

The Subrecipient will report annually all program income [as defined at 24 CFR 570.500(a)] generated by activities carried out with CDBG funds made available under this Agreement. The use of program income by the Subrecipient will comply with the requirements set forth at 24 CFR 570.504. The Subrecipient may use such income during the contract period for activities permitted under this Agreement and shall reduce request for additional funds by the amount of any such program income balances on hand. All unexpended program income shall be returned to the City at the end of the contract period. Any interest earned on cash advances from the U.S Treasure and from funds held in a revolving fund account is not program income and shall be remitted promptly to the City.

2. Progress Reports
At such times and in such forms as HUD or the City may require, there shall be furnished to HUD or the City such statements, records, reports, data and information as HUD or the City may request pertaining to matters covered by this Agreement. Specifically, the City shall require Subrecipient to submit quarterly reports which shall include a narrative of program activities, a description of the services provided, number of clients that have applied for, participated in or benefited from the services and relevant characteristics of the client population (age, gender, income, race, ethnicity and gender of single-headed households), performance standard outcomes, equal employment opportunity reports, applicable MBE/WBE requirements and applicable reporting forms attached hereto as **Appendix C, Part I** and incorporated herein by reference.

Said quarterly reports shall be submitted in a timely fashion (within 15 days of the end of each calendar quarter) and subject to the approval of the City prior to reimbursement of Subrecipient as set forth hereinabove. The City and Subrecipient reserve the mutual right to publish and/or make public, with the consent of both parties, the reports or other results of services under this Agreement.

D. Procurement

1. Compliance
The Subrecipient shall comply with current City policy concerning the purchase of equipment and shall maintain inventory records of all non-expendable personal property as defined by such policy as my be procured with funds provided herein, All program assets (unexpended program income, property, equipment, etc.) shall revert to the City upon termination of this Agreement.

2. OMB Standards
Unless specified otherwise within this Agreement, the Subrecipient shall procure all materials, property or services in accordance with the requirements of 24 CFR 84.40-48.

3. Travel

The Subrecipient shall request written approval from the City for any travel outside the metropolitan area with funds provided under this Agreement.

E. Use and Reversion of Assets

The use and disposition of real property and equipment under this Agreement will be in compliance with the requirements of 24 CFR Part 84 and 24 CFR 570.502, 570.503, 570.504, as applicable, which include but are not limited to the following:

1. The Subrecipient will transfer to the City any CDBG funds on hand and any accounts receivable attributable to the use of funds under this Agreement at the time of expiration, cancellation, or termination.

2. Real property under the Subrecipient's control that was acquired or improved, in whole or in part, with funds under this Agreement in excess of $25,000 will be used to meet one of the CDBG National Objectives pursuant to 24 CFR 570.208 until ten (10) years after the contract between Subrecipient and the CITY is closed. If the Subrecipient fails to use CDBG-assisted real property in a manner that meets a CDBG National Objective for this 10-year period of time, the Subrecipient will pay the City an amount equal to the current fair market value of the property less any portion of the value attributable to expenditures of non-CDBG funds for acquisition of, or improvement to, the property after the CDBG program's approval. Such payment will constitute program income to the City. The Subrecipient may retain real property acquired or improved under this Agreement after the expiration of the ten-year period.

3. In cases in which equipment acquired, in whole or in part, with funds under this Agreement is sold, the proceeds will be program income (prorated to reflect the extent to which funds received under this Agreement were used to acquire the equipment). Equipment not needed by the Subrecipient for activities under this Agreement will be (a) transferred to the City for the CDBG program or (b) retained after compensating the City [an amount equal to the current fair market value of the equipment less the percentage of non-CDBG funds used to acquire the equipment].

9. RELOCATION, REAL PROPERTY ACQUISITION AND ONE-FOR-ONE HOUSING REPLACEMENT

The Subrecipient agrees to comply with (a) the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (URA), and implementing regulations at 49 CFR Part 24 and 24 CFR 570.606(b); (b) the requirements of 24 CFR 570.606(c) governing the Residential Anti-Displacement and Relocation Assistance Plan under section 104(d) of the HCD Act; and (c) the requirements in 24 CFR 570.606(d) governing optional relocation policies. The Subrecipient shall provide relocation assistance to displaced persons as defined by 24 CFR 570.606(b)(2) that are displaced as a direct result of acquisition, rehabilitation, demolition or conversion for a CDBG-assisted project. The Subrecipient also agrees to comply with applicable City ordinance, resolutions and policies concerning the displacement of persons from their residences.

10. PERSONNEL AND PARTICIPANT CONDITIONS

A. Civil Rights

1. Compliance
The Subrecipient agrees to comply with **local and state civil rights ordinances** and with Title VI of the Civil Rights Act of 1964 as amended, and Title VII of the Civil Rights Act of 1968 as amended, Section 104(b) and Section 109 of title I of the Housing and Community Development Act of 1974 as amended, Section 504 of the Rehabilitation Act of 1973, the American and Disabilities Act of 1990, the Age Discrimination act of 1975, Executive Order 11063, and Executive Order 11246 as amended by Executive Orders 11375, 11478, 12107 and 12086.

2. Nondiscrimination
The Subrecipient agrees to comply with the nondiscrimination in employment and contracting opportunities laws, regulation and executive orders referenced in 24 CFR 570.607, as revised by Executive Order 13279. The applicable nondiscrimination provisions in Section 109 of the HCDA are still applicable.

B. Section 3 of the Housing and Community Development Act of 1968
Compliance in the Provision of Training, Employment, and Business Opportunities:

1. The work to be performed under this agreement is on a project assisted under a program providing direct federal financial assistance from HUD and is subject to the requirements of Section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701u. Section 3 requires that to the greatest extent feasible opportunities for training and employment be given lower-income residents of the project area; and contracts for work in connection with the project be awarded to business concerns which are located in, or owned in substantial part, by persons residing in the area of the project.

2. The parties to this contract will comply with the provisions of said Section 3 and the regulations set forth in 24 CFR 135, and all applicable rules and orders of HUD and the City issued thereunder prior to the execution of this contract. The parties to this contract certify and agree that they are under no contractual or other disability that would prevent them from complying with these provisions.

3. The Subrecipient will send to each labor organization or representative of workers with which he has a collective bargaining agreement or other contract or understanding, if any, a notice advising the said labor organization or workers' representative of his commitments under this Section 3 clause and will post copies of the notice in conspicuous places available to employees and applicants for employment or training.

4. The Subrecipient will include this Section 3 clause in every subcontract for work in connection with the project and will, at the direction of the applicant, or recipient of federal financial assistance, take appropriate action pursuant to the subcontract upon a

finding that the subcontractor is in violation of regulations issued by the Secretary of HUD, 24 CFR Part 135. The Subrecipient will not subcontract with any subcontractor where it has notice or knowledge that the latter has been found in violation of regulations under 24 CFR Part 135 and will not let any subcontract, unless the subcontractor has first provided it with a preliminary statement of ability to comply with the requirements of these regulations.

5. Compliance with the provisions of Section 3, the regulations set forth in 24 CFR Part 135, and all applicable rules and orders of HUD and the City issued hereunder prior to the execution of the contract, will be a condition of the federal financial assistance provided to the project, binding upon the applicant or recipient for such assistance, its successors, and assigns. Failure to fulfill these requirements will subject the applicant, or recipient, its consultants and subcontractors, its successors and assigned to those sanctions specified by the grant or loan agreement or contract through which federal assistance is provided, and to such sanctions as are specified by 24 CFR Part 135.

C. Conduct

1. Assignability

   The Subrecipient will not assign or transfer any interest in this Agreement without the prior written consent of the City thereto; provided, however, that claims for money due or to become due to the Subrecipient from the City under this contract may be assigned to a bank, trust company, or other financial institution without such approval. Notice of any such assignment or transfer will be furnished promptly to the City.

2. Conflict of Interest

   No member of the City's governing body and no other public official of such locality, who exercises any functions or responsibilities in connection with the planning or carrying out of the Program, will have any personal financial interest, direct or indirect, in this agreement; and the Subrecipient will take appropriate steps to assure compliance.

   The Subrecipient agrees to abide by the provisions of 24 CFR 84.42 and 570.611, which includes maintaining a written code or standards of conduct that will govern the performance of its officers, employees or agents engaged in the award and administration of contracts supported by Federal funds.

   The Subrecipient covenants that its employees have no interest and will not acquire interest, direct or indirect, in the study area or any parcels therein or any other interest which would conflict in any manner or degree with the performance of services hereunder. The Subrecipient further covenants that in the performance of this Agreement, no person having such interest will be employed.

3. Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion - Lower Tier Covered Transactions

a. The lower tier contractor certifies, by signing this contract that neither it nor its principals is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any Federal department or agency.
b. Where the lower tier contractor is unable to certify to any of the statements in this contract, such contractor will attach an explanation to this contract.
c. The contractor further agrees by signing this contract that it will not knowingly enter into any lower tier covered transaction with a person who is debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction.

D. Copyright
If this Agreement results in any copyrightable material or inventions, the City reserves the right to royalty-free, non-exclusive and irrevocable license to reproduce, publish or otherwise use and to authorize others to use, the work or materials for governmental purposes.

E. Religious Activities
The Subrecipient agrees that funds provided under this Agreement will not be utilized for inherently religious activities prohibited by 24 CFR 570.200(j), such as worship, religious instruction, or proselytization.

11. LEAD-BASED PAINT

The Subrecipient agrees that any acquisition, construction or rehabilitation of residential structures with assistance provided under this Agreement shall be subject to HUD Lead-Based Paint Regulations at 24 CFR 570.608 and 24 CFR Part 35, Subpart B. Such regulations pertain to all CDBG-assisted housing and require that all owners, prospective owners, and tenants of properties constructed prior to 1978 be properly notified that such properties may include lead-based paint, Such notification shall point out the hazards of lead-based paint and explain the symptoms, treatment and precautions that should be taken when dealing with lead-based paint poisoning and the advisability and availability of blood lead level screening for children under seven. The notice should also point out that if lead-based paint is found on the property, abatement measures may be undertaken. The regulations further require that, depending on the amount of Federal funds applies to a property, paint testing, risk assessment, treatment and/or abatement may be conducted.

12. SEVERABILITY

If any provision of this Agreement is held invalid, the remainder of the Agreement will not be affected thereby and all other parts of this Agreement will nevertheless be in full force and effect.

13. PERFORMANCE WAIVER

The City's failure to act with respect to a breach by the Subrecipient does not waive its right to act with respect to subsequent or similar breaches. The failure of the City to exercise or enforce any right or provision will not constitute a waiver of such right or provision.

14. ENTIRE AGREEMENT
This Agreement constitutes the entire agreement between the City and the Subrecipient for the use of funds received under this Agreement and it supersedes all prior communications and proposals, whether electronic, oral, or written between the City and the Subrecipient with respect to this Agreement.

IN WITNESS WHEREOF, the CITY and the SUBRECIPIENT have executed this agreement as of the date and year last written below.

MAYOR AND CITY COUNCIL OF HAGERSTOWN BY AND THROUGH THE DEPARTMENT OF COMMUNITY & ECONOMIC DEVELOPMENT	HAGERSTOWN NEIGHBORHOOD DEVELOPMENT PARTNERSHIP
By: ______________________	By: ______________________
Title: Mayor ______________	Title: ______________________
Date: ______________________	Date: ______________________

APPROVED AS TO FORM AND LEGAL SUFFICIENCY:
SALVATORE & MORTON, LLC
CITY ATTORNEY
By: ______________________
Jason Morton, Sole Member
Date: ______________________

SUBRECIPIENT AGREEMENT
BETWEEN THE CITY OF HAGERSTOWN
AND
DOLEMAN BLACK HERITAGE MUSEUM

This Agreement is entered into as of ___, August 2026, by and between the CITY OF HAGERSTOWN, a body corporate and political subdivision of the State of Maryland, acting by and through the DEPARTMENT OF HOUSING & COMMUNITY DEVELOPMENT (herein called the "CITY"), and **Doleman Black Heritage Museum, Inc., a Maryland not-for-profit corporation** ("herein called the “SUBRECIPIENT").

WHEREAS, Congress in passing the Housing and Community Development Act of 1974, as amended, has placed an emphasis on the development of viable urban communities by providing decent housing and a suitable living environment and expanding economic opportunities, principally for persons of low- and moderate-income and has developed a system of block grants to aid in such purposes; and

WHEREAS, the CITY has applied for and received such a block grant, desires to conduct a program to benefit a low- to moderate- income area within the City by providing funds **to support demolition costs of deteriorated and structurally unsafe portions of the former Coca-Cola bottling plant at 465 Pennsylvania Avenue, Hagerstown, Washington County, Maryland**; and

WHEREAS, the SUBRECIPIENT is a private non-profit corporation incorporated in the State of Maryland whose mission is to **collect, preserve, exhibit, and interpret the historical and cultural artifacts of African Americans in Washington County and throughout Maryland**; and

WHEREAS, the SUBRECIPIENT has been selected by the CITY to receive CDBG funds and conduct the **Demolition of the Coca-Cola Building** (hereinafter referred to as the “Project”) **demolish and/or reinforce deteriorated and structurally unsafe portions of the former Coca-Cola bottling plant at 465 Pennsylvania Avenue** ; and

WHEREAS, the services provided by the SUBRECIPIENT are consistent with the Community Development Block Grant Program (hereinafter referred to as "CDBG") Eligible Activity of “Elimination of Slum and Blight”; and

WHEREAS, the SUBRECIPIENT further agrees to develop and retain sufficient documentation, as described herein below, to clearly support the CDBG eligible activity **Elimination of Slum and Blight** for each instance of assistance provided by the SUBRECIPIENT; and

WHEREAS, the parties hereto have duly executed this SUBRECIPIENT Agreement for the expenditure of CDBG funds.

NOW, THEREFORE, it is agreed between the parties hereto that:

1. <u>SCOPE OF SERVICE</u>
The Subrecipient will be responsible for conducting the CDBG-funded **Demolition of Coca-Cola Building** in a manner satisfactory to the City and consistent with any standards required as a condition of receiving CDBG funds. Such program shall include the following activities eligible under the CDBG Program:

a. Provide comprehensive demolition/rehabilitation to address health, safety, and code compliance issues of the former Coca-Cola bottling plant located at 465 Pennsylvania Avenue:

b. The Subrecipient will ensure that its use of the funds will meet the U. S. Department of Housing and Urban Development's (HUD's) national objective for the use of CDBG funds by eliminating slum and blight from a low- to moderate-income area of the City on a slum blight spot basis. This activity will eliminate specific conditions of blight or physical decay on a specific property.

To document that the Subrecipient meets HUD's national objective, the Subrecipient agrees to use the funding to support the costs of demolition and structural support and remove safety hazards to nearby residents, pedestrians, and neighboring properties.

2. <u>NATIONAL OBJECTIVE</u>
All activities funded with CDBG funds must meet one of the CDBG program's National Objectives: benefit low- and moderate-income persons; or aid in the prevention or elimination of slums or blight; or meet community development needs having a particular urgency, as defined in 24 CFR 570.208

The CITY has determined that the Program carried out under this Agreement will meet the **Elimination of Slum and Blight** national objective.

The program beneficiaries qualify as L/M Area Benefit as defined in 24 CFR 570.208(a)(1)(i).

3. <u>TIME OF PERFORMANCE</u>
The time of performance shall be 12-months beginning on the 1st day of July, 2026 and ending on 30th day of June, 2027.

4. <u>BUDGET</u>
The City shall reimburse the Subrecipient its allowable costs for the services identified in this Agreement not to exceed **$25,000.00** in CDBG funds for eligible incurred costs upon presentation of properly executed reimbursement forms as provided and approved by the City. Funding under this Agreement shall cover the Project costs as set forth below:

PROGRAM BUDGET LINE ITEM	**BUDGETED AMOUNT**
Salaries	$0
Fringe	$0
Office Space	$0
Utilities	$0
Communications	$0
Printing	$0
Supplies and Materials	$0
Gasoline & Maintenance	$0
Audit	$0
Other (Specify: Bracing/Stabilization)	$25,000
TOTAL CDBG	$25,000

Such reimbursement shall constitute full and complete payment by the City under this Agreement. Allowable costs shall mean those necessary and proper costs identified in the Subrecipient's application and budget and approved by the City unless any or all such costs are disallowed by the City or HUD.

Any reimbursement made under this Agreement must comply with the applicable requirements or 24 CFR Part 85. The Subrecipient may not request disbursement of funds under this Agreement until the funds are needed for payment of allowable Project costs.

The City may require a more detailed budget breakdown, and the Subrecipient will provide such supplementary budget information in a timely fashion in the form and content prescribed by the City. Any amendments to this Agreement's Budget must first be determined by the City as consistent with its CDBG contract and then approved in writing by the City.

5. PAYMENT

It is expressly understood that the total amount to be paid by the CITY under this Agreement shall not exceed **$25,000.00.** Drawdowns for the payment of eligible expenses shall be made against the line item budget specified in Section 4 herein and in accordance with performance. **Expenses for general administration shall not be paid under this Agreement**. Claims for reimbursement will not be submitted in excess of actual, immediate cash requirements necessary to carry out the purposes of this Agreement. Funds available under this Agreement will be utilized to supplement rather than supplant funds otherwise available.

Reimbursement request must be mailed to: Margi Joe, Community Development Manager, Community Development Department, 14 N Potomac Street – Suite 200a, Hagerstown, Maryland, 21740 or e-mailed to mjoe@hagerstownmd.org. Payments shall be made within thirty **(30)** business days, assuming that the request complies with the requirements of this Agreement.

6. PERFORMANCE MONITORING

The City will monitor the performance of the Subrecipient by tracking program progress, reviewing payment requests for applicable costs, overseeing compliance with CDBG requirements, and ensuring recordkeeping and audit requirements are met. Substandard performance as determined by the City will constitute noncompliance with this Agreement.

If action to correct such substandard performance is not taken by the Subrecipient within a reasonable period of time after being notified by the City, contract suspension or termination procedures will be initiated.

7. NOTICES

Notices required by this Agreement shall be in writing and delivered via mail or personal delivery or sent by facsimile or other electronic means. Any notice delivered or sent as aforesaid shall be effective on the date of delivery or sending. All notices and other written communications under this Agreement shall be addressed to the individual in the capacities indicated below, unless otherwise modified by subsequent written notice.

Communications and details concerning this Agreement shall be directed to the following contract representatives:

CITY	SUBRECIPIENT
Margi Joe	Alesia Parson McBean
Community Development Manager	Project Director
City of Hagerstown	**Doleman Black Heritage Museum**
14 N. Potomac Street	33-35 W. Washington St, Rm 210
Address	Address
Hagerstown, Maryland, 21740	Hagerstown, Maryland 21740
City, State and Zip	City, State and Zip
Telephone: 301-739-8577 ext. 134	Telephone: 301-797-5019
Fax Number: 301-739-3117	Fax Number: ________________

8. GENERAL CONDITIONS

A. General Compliance

The Subrecipient agrees to comply with the requirements of Title 24 of the Code of Federal regulations, Part 570 (the HUD regulations concerning CDBG) including subpart K of these regulations, except that the Subrecipient does not assume the City's environmental responsibilities described in 24 CFR 570.604 and the Subrecipient does not assume the City's responsibility for initiating the review process under the provisions of 24 CFR Part 52.

B. Independent Contractor

Nothing contained in this Agreement is intended to, or will be construed in any manner, as creating or establishing the relationship of employer/employee or a partnership or joint venture between the parties. The Subrecipient will at all times remain an "independent contractor" with respect to the services to be performed under this Agreement. The City will be exempt from payment of all Unemployment Compensation, FICA, retirement, life and/or medical insurance and Workers' Compensation Insurance, as the Subrecipient is an independent contractor.

C. Hold Harmless

The Subrecipient will hold harmless, defend and indemnify the City from any and all claims, actions, suits, charges and judgments whatsoever (collectively "the Actions") that arise out of the Subrecipient's performance or nonperformance of the services or subject matter called for in this Agreement, including payment of attorney's fees incurred by the City in responding to the Actions.

D. Workers' Compensation

The Subrecipient will provide Workers' Compensation Insurance Coverage for all of its employees involved in the performance of this Agreement.

E. Insurance and Bonding

The Subrecipient shall carry sufficient insurance coverage to protect contract assets from loss due to theft, fraud and/or undue physical damage, and as a minimum will purchase a blanket fidelity bond covering all employees in an amount equal to cash advances from the City.

F. Funding Source Recognition

The Subrecipient will insure recognition of the roles of the City in providing services through this Agreement. All activities, facilities and items utilized pursuant to this Agreement will be prominently labeled as to funding source. In addition, the Subrecipient will include a reference to the support provided herein in all publications made possible with funds made available under this Agreement.

G. Amendments

The City or Subrecipient may amend this Agreement at any time provided that such amendments make specific reference to this Agreement, and are executed in writing, signed by a duly authorized representative of each organization, and approved by the City's governing body. Such amendments will not invalidate this Agreement, nor relieve or release the City or Subrecipient from its obligations under this Agreement.

The City may, in its discretion, amend this Agreement to conform with Federal, state or local governmental guidelines, policies and available funding amount, or for other reasons. If such amendments result in a change in the funding, scope of services, or schedule of the activities to be undertaken as part of this Agreement, such modifications will be incorporated only by written amendment signed by both the City and Subrecipient.

Notwithstanding the prior two subparagraphs, the parties may agree to minor amendments to this Agreement, which are executed in writing, signed by a duly authorized representative of each organization, and approved by the Grantee's staff and City staff.

H. <u>Suspension or Termination</u>
In accordance with 24 CFR 85.43, the City in its discretion may suspend or terminate this Agreement if the Subrecipient materially fails to comply with any terms of this Agreement, which include (but are not limited to) the following:

1. Failure to comply with any of the rules, regulations or provisions referred to herein, or such statues, regulations, executive orders, and HUD guidelines, policies or directives as may become applicable at any time;

2. Failure, for any reason, of the Subrecipient to fulfill in a timely and proper manner its obligations under this Agreement;

3. Ineffective of improper use of funds provided under this Agreement; or

4. Submission by the Subrecipient to the City of reports that are incorrect or incomplete in any material respect.

In accordance with 24 CFR 85.44, this Agreement may also be terminated for convenience by either the City or the Subrecipient, in whole or in part, by setting forth the reasons for such termination, the effective date, and, in the case of partial termination, the portion to be terminated. However, if in the case of a partial termination, the City determines that the remaining portion of the award will not accomplish the purpose for which the award was made, the City may terminate the award in its entirety.

9. <u>ADMINISTRATIVE REQUIREMENTS</u>

A. <u>Financial Management</u>

1. <u>Accounting Standards</u>

The Subrecipient agrees to comply with 24 CFR 84.21-28 and agrees to adhere to the accounting principles and procedures required therein, utilize adequate internal controls, and maintain necessary source documentation for all costs incurred.

2. Cost Principles
The Subrecipient will administer its program in conformance with 2 CFR Part 200, Subpart E, "(Uniform Guidance"). These principles will be applied for all costs incurred whether charged on a direct or indirect basis.

B. Documentation and Record Keeping

1. Records to Be Maintained
The Subrecipient will maintain all records required by the Federal regulations specified in 24 CFR 570.506 that are pertinent to the activities to be funded under this Agreement. Such records will include but not be limited to:

   a. Records providing a full description of each activity undertaken;
   b. Records demonstrating that each activity undertaken meets one of the National Objectives of the CDBG program;
   c. Records required to determine the eligibility of activities;
   d. Records required to document the acquisition, improvement, use or disposition of real property acquired or improved with CDBG assistance;
   e. Records documenting compliance with the civil rights components of the CDBG program;
   f. Financial records as required by 24 CFR 570.502, and 24 CFR 84.21-28;
   g. Labor standards records required to document compliance with the Davis Bacon Act, the provisions of the Contract Work Hours and Safety Standards Act, and all other applicable Federal, state and local laws and regulations applicable to CDBG-funded construction projects; and
   h. Other records necessary to document compliance with Subpart K of 24 CFR Part 570.

2. Access to Records and Retention
All such records and all other records pertinent to this Agreement and work undertaken under this Agreement will be retained by the Subrecipient for a period of four (4) years. The retention period begins on the date of the submission of the City's annual performance and evaluation report to HUD in which the activities assisted under the Agreement are reported on for the final time. Notwithstanding the above, if there is litigation, claims, audits, negotiations or other actions that involve any of the records cited and that have started before the expiration of the four (4)-year period, then such records must be retained until completion of the actions and resolution of all issues or the expiration of the four-year period, whichever occurs later.

3. <u>Client Data</u>
   The Subrecipient shall maintain client data demonstrating client eligibility for services provided. Such data shall include, but not be limited to, client name, address income level or other basis for determining eligibility and description of services provided. Such information shall be made available to City monitors or their designees, HUD or other authorized representatives for review upon request.

4. <u>Disclosure</u>
   The Subrecipient understands that client information collected under this Agreement is private and the use or disclosure of such information, when not directly connected with the administration of the City's or Subrecipient's responsibilities with respect to services provided under this Agreement, is prohibited by **State or Federal law** unless written consent is obtained from such person receiving service and, in the case of a minor, that of a responsible parent/guardian.

5. <u>Closeouts</u>
   The Subrecipient's obligation to the City shall not end until all closeout requirements are completed. Activities during the closeout period shall include, but are not limited to, making final payments, disposing of program assets (including the return of all unused materials, equipment, program income balances and accounts receivable to the City), and determining the custodian ship of records. Notwithstanding the foregoing, the terms of this Agreement shall remain in effect during any period that the Subrecipient has control over CDBG funds, including program income,

6. <u>Audits and Inspections</u>
   If Subrecipient expends $1,000,000 or more in a year in Federal awards, Subrecipient shall have a single or program-specific audit conducted for that year in accordance with the requirements of 2 CFR 200, Subpart F ("Audit Requirements"). Subrecipient must send a copy of the final report to the City within the earlier of 30 days of the report's issuance or nine months after the end of the audit period. The City also reserves the right to engage an independent auditor to examine the Subrecipient's compliance with the requirements of 2 CFR Part 200 and this Agreement. Furthermore, the City must approve any independent auditor engaged to assure that the auditor is qualified and meets Government Accounting Office Standards and evaluate the scope of the audit to ensure compliance with Code of Federal Regulation requirements. This grant is made pursuant to and is identified as follows:

   1. Federal Grant Title: Community Development Block Grant
   2. Catalog of Federal Domestic Assistance Number (CFDA): 14.218
   3. Federal and/or State Identification Numbers: B-**26**-MC-24-0012

All Subrecipient records with respect to any matters covered by this Agreement shall be made available to the City, HUD, and duly authorized officials of the State and federal government, at any time during normal business hours, as often as deemed necessary, to audit, examine, and make excerpts or transcripts of all relevant data. Any deficiencies noted in audit reports must be fully cleared by the Subrecipient within 30 days after receipt by the Subrecipient.

Failure of the Subrecipient to comply with the above audit requirements will constitute a violation of this Agreement and may result in the withholding of future payments.

C. Reporting

1. Program Income
The Subrecipient will report annually all program income [as defined at 24 CFR 570.500(a)] generated by activities carried out with CDBG funds made available under this Agreement. The use of program income by the Subrecipient will comply with the requirements set forth at 24 CFR 570.504. The Subrecipient may use such income during the contract period for activities permitted under this Agreement and shall reduce request for additional funds by the amount of any such program income balances on hand. All unexpended program income shall be returned to the City at the end of the contract period. Any interest earned on cash advances from the U.S Treasure and from funds held in a revolving fund account is not program income and shall be remitted promptly to the City.

2. Progress Reports
At such times and in such forms as HUD or the City may require, there shall be furnished to HUD or the City such statements, records, reports, data and information as HUD or the City may request pertaining to matters covered by this Agreement. Specifically, the City shall require Subrecipient to submit quarterly reports which shall include a narrative of program activities, a description of the services provided, number of clients that have applied for, participated in or benefited from the services and relevant characteristics of the client population (age, gender, income, race, ethnicity and gender of single-headed households), performance standard outcomes, equal employment opportunity reports, applicable MBE/WBE requirements and applicable reporting forms attached hereto as **Appendix C, Part I** and incorporated herein by reference.

Said quarterly reports shall be submitted in a timely fashion (within 15 days of the end of each calendar quarter) and subject to the approval of the City prior to reimbursement of Subrecipient as set forth hereinabove. The City and Subrecipient reserve the mutual right to publish and/or make public, with the consent of both parties, the reports or other results of services under this Agreement.

D. Procurement

1. Compliance
   The Subrecipient shall comply with current City policy concerning the purchase of equipment and shall maintain inventory records of all non-expendable personal property as defined by such policy as my be procured with funds provided herein, All program assets (unexpended program income, property, equipment, etc.) shall revert to the City upon termination of this Agreement.

2. OMB Standards
   Unless specified otherwise within this Agreement, the Subrecipient shall procure all materials, property or services in accordance with the requirements of 24 CFR 84.40-48.

3. Travel
   The Subrecipient shall request written approval from the City for any travel outside the metropolitan area with funds provided under this Agreement.

E. Use and Reversion of Assets
The use and disposition of real property and equipment under this Agreement will be in compliance with the requirements of 24 CFR Part 84 and 24 CFR 570.502, 570.503, 570.504, as applicable, which include but are not limited to the following:

1. The Subrecipient will transfer to the City any CDBG funds on hand and any accounts receivable attributable to the use of funds under this Agreement at the time of expiration, cancellation, or termination.

2. Real property under the Subrecipient's control that was acquired or improved, in whole or in part, with funds under this Agreement in excess of $25,000 will be used to meet one of the CDBG National Objectives pursuant to 24 CFR 570.208 until ten (10) years after the contract between Subrecipient and the CITY is closed. If the Subrecipient fails to use CDBG-assisted real property in a manner that meets a CDBG National Objective for this 10-year period of time, the Subrecipient will pay the City an amount equal to the current fair market value of the property less any portion of the value attributable to expenditures of non-CDBG funds for acquisition of, or improvement to, the property after the CDBG program's approval. Such payment will constitute program income to the City. The Subrecipient may retain real property acquired or improved under this Agreement after the expiration of the ten-year period.

3. In cases in which equipment acquired, in whole or in part, with funds under this Agreement is sold, the proceeds will be program income (prorated to reflect the extent to which funds received under this Agreement were used to acquire the

equipment). Equipment not needed by the Subrecipient for activities under this Agreement will be (a) transferred to the City for the CDBG program or (b) retained after compensating the City [an amount equal to the current fair market value of the equipment less the percentage of non-CDBG funds used to acquire the equipment].

4. Equipment acquired with CDBG funds may be retained by the Subrecipient so long as it continues to be used for the same or similar eligible public purpose for which it was acquired. If the equipment is sold or is no longer needed for such purposes, disposition shall be made in accordance with this section.

10. <u>RELOCATION, REAL PROPERTY ACQUISITION AND ONE-FOR-ONE HOUSING REPLACEMENT</u>

The Subrecipient agrees to comply with (a) the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (URA), and implementing regulations at 49 CFR Part 24 and 24 CFR 570.606(b); (b) the requirements of 24 CFR 570.606(c) governing the Residential Anti-Displacement and Relocation Assistance Plan under section 104(d) of the HCD Act; and (c) the requirements in 24 CFR 570.606(d) governing optional relocation policies. The Subrecipient shall provide relocation assistance to displaced persons as defined by 24 CFR 570.606(b)(2) that are displaced as a direct result of acquisition, rehabilitation, demolition or conversion for a CDBG-assisted project. The Subrecipient also agrees to comply with applicable City ordinance, resolutions and policies concerning the displacement of persons from their residences.

11. <u>PERSONNEL AND PARTICIPANT CONDITIONS</u>

A. <u>Civil Rights</u>

1. <u>Compliance</u>

The Subrecipient agrees to comply with **local and state civil rights ordinances** and with Title VI of the Civil Rights Act of 1964 as amended, and Title VII of the Civil Rights Act of 1968 as amended, Section 104(b) and Section 109 of title I of the Housing and Community Development Act of 1974 as amended, Section 504 of the Rehabilitation Act of 1973, the American and Disabilities Act of 1990, the Age Discrimination act of 1975, Executive Order 11063, and Executive Order 11246 as amended by Executive Orders 11375, 11478, 12107 and 12086.

2. <u>Nondiscrimination</u>

The Subrecipient agrees to comply with the nondiscrimination in employment and contracting opportunities laws, regulation and executive orders referenced in 24 CFR 570.607, as revised by Executive Order 13279. The applicable nondiscrimination provisions in Section 109 of the HCDA are still applicable.

B. <u>Section 3 of the Housing and Community Development Act of 1968</u>

Compliance in the Provision of Training, Employment, and Business Opportunities:

1. The work to be performed under this agreement is on a project assisted under a program providing direct federal financial assistance from HUD and is subject to the requirements of Section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701u. Section 3 requires that to the greatest extent feasible opportunities for training and employment be given lower-income residents of the project area; and contracts for work in connection with the project be awarded to business concerns which are located in, or owned in substantial part, by persons residing in the area of the project.

2. The parties to this contract will comply with the provisions of said Section 3 and the regulations set forth in 24 CFR 135, and all applicable rules and orders of HUD and the City issued thereunder prior to the execution of this contract. The parties to this contract certify and agree that they are under no contractual or other disability that would prevent them from complying with these provisions.

3. The Subrecipient will send to each labor organization or representative of workers with which he has a collective bargaining agreement or other contract or understanding, if any, a notice advising the said labor organization or workers' representative of his commitments under this Section 3 clause and will post copies of the notice in conspicuous places available to employees and applicants for employment or training.

4. The Subrecipient will include this Section 3 clause in every subcontract for work in connection with the project and will, at the direction of the applicant, or recipient of federal financial assistance, take appropriate action pursuant to the subcontract upon a finding that the subcontractor is in violation of regulations issued by the Secretary of HUD, 24 CFR Part 135. The Subrecipient will not subcontract with any subcontractor where it has notice or knowledge that the latter has been found in violation of regulations under 24 CFR Part 135 and will not let any subcontract, unless the subcontractor has first provided it with a preliminary statement of ability to comply with the requirements of these regulations.

5. Compliance with the provisions of Section 3, the regulations set forth in 24 CFR Part 135, and all applicable rules and orders of HUD and the City issued hereunder prior to the execution of the contract, will be a condition of the federal financial assistance provided to the project, binding upon the applicant or recipient for such assistance, its successors, and assigns. Failure to fulfill these requirements will subject the applicant, or recipient, its consultants and subcontractors, its successors and assigned to those sanctions specified by the grant or loan agreement or contract through which federal assistance is provided, and to such sanctions as are specified by 24 CFR Part 135.

C. <u>Conduct</u>

1. <u>Assignability</u>

The Subrecipient will not assign or transfer any interest in this Agreement without the prior written consent of the City thereto; provided, however, that claims for money due or to become due to the Subrecipient from the City under this contract may be assigned to a bank, trust company, or other financial institution without such approval. Notice of any such assignment or transfer will be furnished promptly to the City.

2. Conflict of Interest
No member of the City's governing body and no other public official of such locality, who exercises any functions or responsibilities in connection with the planning or carrying out of the Program, will have any personal financial interest, direct or indirect, in this agreement; and the Subrecipient will take appropriate steps to assure compliance.

The Subrecipient agrees to abide by the provisions of 24 CFR 84.42 and 570.611, which includes maintaining a written code or standards of conduct that will govern the performance of its officers, employees or agents engaged in the award and administration of contracts supported by Federal funds.

The Subrecipient covenants that its employees have no interest and will not acquire interest, direct or indirect, in the study area or any parcels therein or any other interest which would conflict in any manner or degree with the performance of services hereunder. The Subrecipient further covenants that in the performance of this Agreement, no person having such interest will be employed.

3. Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion - Lower Tier Covered Transactions

a. The lower tier contractor certifies, by signing this contract that neither it nor its principals is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any Federal department or agency.
b. Where the lower tier contractor is unable to certify to any of the statements in this contract, such contractor will attach an explanation to this contract.
c. The contractor further agrees by signing this contract that it will not knowingly enter into any lower tier covered transaction with a person who is debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction.

D. Copyright
If this Agreement results in any copyrightable material or inventions, the City reserves the right to royalty-free, non-exclusive and irrevocable license to reproduce, publish or otherwise use and to authorize others to use, the work or materials for governmental purposes.

E. Religious Activities

The Subrecipient agrees that funds provided under this Agreement will not be utilized for inherently religious activities prohibited by 24 CFR 570.200(j), such as worship, religious instruction, or proselytization.

12. LEAD-BASED PAINT

The Subrecipient agrees that any acquisition, construction or rehabilitation of residential structures with assistance provided under this Agreement shall be subject to HUD Lead-Based Paint Regulations at 24 CFR 570.608 and 24 CFR Part 35, Subpart B. Such regulations pertain to all CDBG-assisted housing and require that all owners, prospective owners, and tenants of properties constructed prior to 1978 be properly notified that such properties may include lead-based paint, Such notification shall point out the hazards of lead-based paint and explain the symptoms, treatment and precautions that should be taken when dealing with lead-based paint poisoning and the advisability and availability of blood lead level screening for children under seven. The notice should also point out that if lead-based paint is found on the property, abatement measures may be undertaken. The regulations further require that, depending on the amount of Federal funds applies to a property, paint testing, risk assessment, treatment and/or abatement may be conducted.

13. SEVERABILITY

If any provision of this Agreement is held invalid, the remainder of the Agreement will not be affected thereby and all other parts of this Agreement will nevertheless be in full force and effect.

14. PERFORMANCE WAIVER

The City's failure to act with respect to a breach by the Subrecipient does not waive its right to act with respect to subsequent or similar breaches. The failure of the City to exercise or enforce any right or provision will not constitute a waiver of such right or provision.

15. ENTIRE AGREEMENT

This Agreement shall be governed by the laws of the State of Maryland, without regard to its conflicts of laws principles. This Agreement constitutes the entire agreement between the City and the Subrecipient for the use of funds received under this Agreement and it supersedes all prior communications and proposals, whether electronic, oral, or written between the City and the Subrecipient with respect to this Agreement.

IN WITNESS WHEREOF, the CITY and the SUBRECIPIENT have executed this agreement as of the date and year last written below.

MAYOR AND CITY COUNCIL OF HAGERSTOWN BY AND THROUGH THE DEPARTMENT OF HOUSING & COMMUNITY DEVELOPMENT

By: ______________________________

Title: _Mayor ______________________________

Date: ______________________________

DOLEMAN BLACK HERITAGE MUSEUM

By: ______________________________

Title: ______________________________

Date: ______________________________

APPROVED AS TO FORM AND LEGAL SUFFICIENCY:

SALVATORE & MORTON, LLC

CITY ATTORNEY

By: ______________________________

Jason Morton, Sole Member

Date: ______________________________

REQUIRED MOTION
MAYOR AND CITY COUNCIL
HAGERSTOWN, MARYLAND

Topic:
2026 Land Management Code Amendment Proposals ZT-2026-02 - *Stephen R. Bockmiller, Deputy Director for Planning and Zoning Administration*

Mayor and City Council Action Required:

Discussion:

Financial Impact:

Recommendation:

Motion:

Action Dates:

ATTACHMENTS:

File Name	Description
2026_0804_WS_2026_Annual_Package_of_Proposed_Land_Management_Code_Text_Amendments_ZT-2026-02_.pdf	2026 Land Management Code Amendment Proposals ZT-2026-02

MEMORANDUM

TO: Scott Nicewarner, City Administrator

FROM: Stephen R. Bockmiller, AICP, Deputy Director for Planning and Zoning Administration

DATE: August 4, 2026

SUBJECT: 2025-26 Annual Package of Proposed Land Management Code Text Amendments

Staff will be present at the August 4 work session to brief the Mayor and City Council on the annual package of Land Management Code amendment updates for 2025-26. A Mayor and City Council public hearing is scheduled for August 25 on this matter.

Planning Commission Recommendation

The Planning Commission held a public review meeting on May 27, 2026 and on June 24, 2026 voted to forward the attached proposed amendments to the Mayor and Council for their consideration.

Overview

The Land Management Code (LMC)is an assembly of four previously independently structured ordinances that were combined between 2008 and 2010 into a single, better organized and cross-referenced code. Those ordinances are the Zoning Ordinance (now Article 4, LMC), Subdivison and Land Development Ordinance (now Article 5, LMC), Floodplain Management (now Article 6, LMC) and Forest Conservation (now Article 7, LMC). Due to the labor and expense of amending the Code, proposals to amend the Code are not processed on an "as needed" basis. Except in emergency situations, proposals or ideas for amendments and adjustments are collected throughout the year and are processed annually in a single package to conserve City resources.

Attached herewith you will find the Land Management Code amendments recommended this year by the Planning Commission for the Mayor and Council's consideration.

It consists of twenty-six amendments or groupings of amendments. Eight loosen the existing regulations or make them more accommodating. Three create new or tighten existing regulations. Fifteen are content-neutral corrections and clarifications.

A brief summary of the contents of each proposal and a directory of which pages to find each in the packet begins on page 3 of this memorandum.

(Continued)

How to Read the Proposals

At the top of each proposal is a table with an assigned proposal number, a brief summary of the proposal and a summary of the justification for the proposed amendment. Using the standard format that we have used for the last several years, the following key is used to illustrate how the existing text will be amended:

Standard black text: Existing text that will remain unchanged.
Standard red text: New text that will be added to the Code.
~~Standard black text shown in strikeout: Existing text that will be removed from the Code.~~
Standard blue text: Notations and explanations to help the reader with citations and content.
Text in blue is not verbatim language in - or proposed for - the Code.

Next Steps

The next step would be advertisement for the Mayor and City Council's public hearing on August 25. In September, staff will return to you in workshop for direction regarding which of these 26 proposals the elected body agrees to adopt, with introduction on September 22 and approval on October 27. If approved on October 27, the updated Land Management Code will become effective 30 days thereafter.

Attachments

Copy: Jill Thompson, Director of Planning and Economic Development
Doug Reaser, Economic Development Manager
Planning and Zoning Staff

2026 LAND MANAGEMENT CODE AMENDMENT PROPOSALS

ZT-2026-02
Annual Comprehensive Updates Package

MAYOR AND CITY COUNCIL HEARING
TO BE HELD

TUESDAY, AUGUST 25, 2026
7:00 P.M.
CITY COUNCIL CHAMBERS
2ND FLOOR, CITY HALL
1 EAST FRANKLIN STREET,
HAGERSTOWN, MD 21740

FOR ADDITIONAL INFORMATION, CONTACT THE PLANNING STAFF AT:
PLANNING@HAGERSTOWNMD.ORG
OR
301-739-8577, EXTENSION 138

LAND MANAGEMENT CODE TEXT AMENDMENT PROPOSAL

Number: 2026-01	**Is this a new issue or one previously discussed?**	---
Version: 2	**Is this new text proposed since last discussion in need of initial review?**	---
Endorsed by Planning Commission	**Is this revised text in need of confirmation that it conforms to prior editorial direction?**	---
Summary: Update all references of "Planning and Code Administration" to "Department of Planning and Economic Development."		
Justification: The Planning and Code Administration Department no longer exists.		

Existing text to be removed is in ~~strikeout~~. New text to be added is in red. Staff direction is in blue.

Article 1, Section A (page 1-1) Example provided.

Title. This Chapter is known and may be cited as the "Land Management Code." Individual Articles of this Chapter may be cited as the "Ordinance" it is crafted to govern, as described in each Article. This Chapter includes both the text of the regulations and the Zoning Map of the City of Hagerstown, as maintained by the ~~Planning and Code Administration Department.~~ Department of Planning and Economic Development (hereinafter "the Department").

All references after the initial will just refer to "the Department."

This amendment would also be found in the following locations, with some possible editing for grammar or context:

Article 1, Section C (page 1-1)
Article 1, Appendix 1 (page 1-5)
Article 2, Section C Number 4 Subsection C (page 2-3)
Article 2, Section C Number 5 Subsection C (page 2-4)
Article 3, Section A Number 6 (page 3-1)
Article 3, Definitions Development Project Completion (page 3-12)
Article 4, Section A Number 9 Subsection C (page 4-4)
Article 4, Section K Number 12 (page 4-86)
Article 4, Section S Number 2 Subsection B Paragraph 4 (page 4-128)
Article 4, Section T Number 9 (page 4-137)
Article 5, Section A Number 2 (page 5-4)
Article 5, Section C Number 2 (page 5-10)
Article 5, Section C Number 5 (page 5-12)
Article 5, Section C Number 6 Subsection F (page 5-13)
Article 5, Section C Number 14 (page 5-12)

Article 5, Section C Number 16 Subsection B (page 5-17)
Article 5, Section E Number 2 Subsection L (page 5-25)
Article 5, Section F (page 5-29)
Article 5, Section E Number 10 (page 5-40)
Article 5, Section I Number 1 Subsection A (page 5-46)
Article 5, Section I Number 4 Subsection F Paragraph1 (page 5-50)
Article 5, Section I Number 4 Subsection F Paragraph 2 (page 5-50)
Article 5, Section I Number 4 Subsection F Paragraph 3 (page 5-50)
Article 5, Section K Number 2 (page 5-77)
Article 5, Section K Number 2 Subsection C (page 5-77)
Article 5, Section K Number 4 Subsection C (page 5-78)
Article 5, Section K Number 6 Subsection A (page 5-79)
Article 5, Section K Number 6 Subsection A (page 5-79)
Article 5, Section K Number 7 (page 5-79)
Article 5, Section K Number 4 (page 5-93)
Article 5, Section K Number 4 (page 5-93)
Article 7, Section A Number 3 Subsection B Paragraph 2 Clause b Item ii (page 7-3)
Article 7, Section A Number 3 Subsection B Paragraph 7 Clause c (page 7-4)
Article 7, Section A Number 3 Subsection B Paragraph 10 Clause b (page 7-5)
Article 7, Section A Number 3 Subsection C Paragraph 2 (page 7-5)
Article 7, Section A Number 3 Subsection C Paragraph 3 Clause b Item ii (page 7-6)
Article 7, Section A Number 3 Subsection C Paragraph 4 (page 7-6)
Article 7, Section A Number 3 Subsection C Paragraph 4 Clause d (page 7-6)
Article 7, Section A Number 3 Subsection C Paragraph 5 (page 7-6)
Article 7, Section B Number 1 Subsection A (page 7-9)
Article 7, Section B Number 2 Subsection a (page 7-9)
Article 7, Section B Number 2 Subsection b (page 7-9)
Article 7, Section C Number 1 Subsection d (page 7-11)
Article 7, Section C Number 1 Subsection f (page 7-12)
Article 7, Section C Number 1 Subsection g Paragraph 1 (page 7-12)
Article 7, Section C Number 1 Subsection g Paragraph 2
Article 7, Section C Number 1 Subsection g Paragraph 3
Article 7, Section C Number 1 Subsection g Paragraph 4
Article 7, Section C Number 2 Subsection d (page 7-15)
Article 7, Section C Number 3 Subsection b Paragraph 6 (page 7-16)
Article 7, Section I Number 1 Subsection b Paragraph 2 (page 7-25)
Article 7, Section K Number 1 Subsection b (page 7-29)
Article 7, Section M Number 1 Subsection c (page 7-33)
Article 7, Section N Number 1 (page 7-35)
Article 7, Section N Number 2 (page 7-35)

LAND MANAGEMENT CODE TEXT AMENDMENT PROPOSAL

Number: 2026-02	**Is this a new issue or one previously discussed?**	---
Version: 1	**Is this new text proposed since last discussion in need of initial review?**	---
Endorsed by the Planning Commission	**Is this revised text in need of confirmation that it conforms to prior editorial direction?**	---
Summary: Replace "mobile home" with "manufactured home" and update associated definitions.		
Justification: Amends ordinance to use term more consistent with state and federal laws and regulations.		

Existing text to be removed is in ~~strikeout~~. New text to be added is in red. Staff direction is in blue.

Article 3 Section C (page 3-13) Example provided.

DWELLING, ~~MOBILE~~ MANUFACTURED – A dwelling structure that is transportable in one or more sections, which is built on a permanent chassis and is designed for use with or without permanent foundation when connected to the required utilities. This is often referred to as a "mobile home". The term manufactured home or mobile home shall not include a recreational vehicle. (*Zoning and Floodplain*)

References are found in the following locations:

Article 3, Section C, Definition of "Dwelling, Modular (Industrialized Building) (page 3-13 to 14)
Article 3 Section C, Definition of "Mobile Home Park", twice within definition (page 3-27)
Article 4 Section D Number 5 Subsection c (page 4-18)
Article 4 Section D Number 5 Subsection h (page 4-21) – title and four times.
Article 4 Section D Number 5 Subsection h Paragraphs 6 and 7 (page 4-22)
Article 4 Use Chart 1 (page 4-154)
Article 4 Use Chart 2 (page 4-158)
Article 5 Section I.4.j.(1) under "Residential Buffers" (page 5-52)

LAND MANAGEMENT CODE TEXT AMENDMENT PROPOSAL

<table>
<tr><td>Number: 2026-03</td><td>Is this a new issue or one previously discussed?</td><td>---</td></tr>
<tr><td>Version: 1</td><td>Is this new text proposed since last discussion in need of initial review?</td><td>---</td></tr>
<tr><td>Endorsed by the Planning Commission</td><td>Is this revised text in need of confirmation that it conforms to prior editorial direction?</td><td>---</td></tr>
<tr><td colspan="3">Summary: Remove reference to performance standards in the POM District from the legend at the beginning of the use chart (Section Z) of Article 4.</td></tr>
<tr><td colspan="3">Justification: Recent amendments removed the performance standards for a handful of uses in the POM District. When that was done, staff missed the reference to it in the key at the beginning of the use chart section. This is a clean-up amendment, removing a redundant reference that now references nothing. This also corrects a minor prior editing error highlighted in red on the first line.</td></tr>
</table>

Existing text to be removed is in ~~strikeout~~. New text to be added is in red. Staff direction is in blue.

Article 4 (Zoning)
Section Z (Use Chart)
Remove item from legend
Page 4-151

Z. Chart of Permitted and Special Exception Uses.

Uses shall be principal permitted uses, special exception uses~~,~~ or prohibited in each zoning district in accordance with the matrix found on the following pages. Some uses are permitted subject to performance and locational standards within a district, and the reader shall review the chart closely to determine whether locational or performance standards apply to a proposed use.

Blank Not permitted.

P Permitted-Principal Use.

P* Permitted-Principal use in accordance with parking requirements (Section O).

~~**P#** Permitted-Principal use in the POM district, subject to certain limitations enumerated in Subsection F.2.b(5).~~

P@ Permitted-Principal use in the N-MU and CC-MU districts, subject to certain enumerated requirements in Subsection E.7.

P** Permitted-Principal use in the I-MU district, subject to certain enumerated requirements in Subsection H.8.

SE Special Exception Use.

LAND MANAGEMENT CODE TEXT AMENDMENT PROPOSAL

Number: 2026-04	**Is this a new issue or one previously discussed?**	---
Version: 1	**Is this new text proposed since last discussion in need of initial review?**	---
Endorsed by the Planning Commission	**Is this revised text in need of confirmation that it conforms to prior editorial direction?**	---

Summary: Clarify where convenience stores are permitted by adding additional districts to existing line in use chart.

Justification: In the use chart, retail uses are described as a single type of use, but there are exceptions for certain uses, such as adult uses, gasoline sales, etc. The existing chart shows "convenience stores without gas pumps." This was done as a means of regulating where gas stations are located. This is because most gas stations have convenience stores. Due to past restructuring of other references, this is now confusing and should be consolidated with the provision for general retail sales.

To read this line, one would think convenience stores without fuel pumps are permitted only in these four districts and not permitted in most commercial districts. There is no direction to the reader to refer to general retail. This proposal consolidates this reference with the provision for general retail sales and there is a cross reference to gasoline sales in the same line. Consolidating these should be less confusing.

Existing text to be removed is in ~~strikeout~~. New text to be added is in red. Staff direction is in blue.

Article 4 (Zoning)
Section Z.2 (Use Chart)
Remove existing chart line
Page 4-164

Use	N-MU	CC-MU	PUD-V	PUD-R
~~Convenience store without fuel pumps (445120)~~	~~P~~	~~P~~	~~P~~	~~P~~

Article 4 (Zoning)
Section Z.2 (Use Chart)
Amend existing chart line
Page 4-167

Use	CL	C	LC
Retail and wholesale trade (44-45) excluding auto and other motor vehicle dealers unless all vehicle storage is indoors and excluding adult entertainment businesses – up to 5,000 square feet in net floor area per business. This provision shall also include retail bakeries (311811), ~~and~~ retail confectioneries (311320), and convenience stores without fuel pumps (445120) and/or EV charging stations. Regulation of specific trade uses that are found elsewhere in this chart shall prevail. (Ed. Note: See Page 4-165 regarding gasoline sales and EV charging stations)	P	P	P

LAND MANAGEMENT CODE TEXT AMENDMENT PROPOSAL

Number: 2026-05	**Is this a new issue or one previously discussed?**	---
Version: 2	**Is this new text proposed since last discussion in need of initial review?**	---
Endorsed by the Planning Commission	**Is this revised text in need of confirmation that it conforms to prior editorial direction?**	---

Summary:

1. Remove references to June 2025 amendments and July, 2026 forest conservation amendments.
2. Renumber subsection where an item was removed and left as a placeholder reference.

Justification: When intervening amendments are added to the Land Management Code mid-cycle, notes are added to identify the affected area as an amendment in order to identify when the amendment took effect. When the next version of the Code is adopted, it is adopted anew, and the amendment references in the prior version are removed.

Existing text to be removed is in ~~strikeout~~. New text to be added is in red. Staff direction is in blue.

There are numerous amendment references throughout the code due to the June, 2025 cannabis and POM district amendments and the recently adopted updates associated with the forest conservation ordinance. Rather than provide many pages of editorial structure for each one, the following is an example of how all of the existing references will be uniformly addressed.

CANNABIS INCUBATOR - A State-licensed facility to house micro-growers, micro-processors, and/or delivery-only micro-dispensaries. The three micro-use types are defined in Section 36-401 of the Alcoholic Beverages and Cannabis Article of the Annotated Code of Maryland. *(Zoning)* ~~*(Amended June 26, 2025)*~~

Article 4 Section F Paragraph 2 Subsection b Subparagraph 5 (page 4-37 to 39) Renumber to account for removal of former item 5:

~~(5). *[Ed. Note: Removed per ZT-2024-04] (Amended June 26, 2025)*~~
~~(6).~~ (5). Temporary outdoor principal use sales facilities Remainder omitted as unchanged.
~~(7).~~ (6). Conditions for Kennels in CG and CR Zoning Districts. Remainder omitted as unchanged.
~~(8).~~ (7). An automobile, recreational vehicle, boat and/or truck…. Remainder omitted as unchanged.
~~(9).~~ (8). Performance Standards for Mixed Use Buildings in the CG and CR Zoning Districts) Remainder omitted as unchanged.
~~(10).~~ (9). A flea market shall: Remainder omitted as unchanged.
~~(11).~~ (10). Performance Standards for Warehouse/Flex in the CR and POM Districts: Remainder omitted as unchanged.

LAND MANAGEMENT CODE TEXT AMENDMENT PROPOSAL

Number: 2026-06	**Is this a new issue or one previously discussed?**	---
Version: 2	**Is this new text proposed since last discussion in need of initial review?**	---
Endorsed by the Planning Commission	**Is this revised text in need of confirmation that it conforms to prior editorial direction?**	---
Summary: Clarify that traffic control devices must comply with State regulations.		
Justification: Currently, the Ordinance is not clear that traffic control devices on properties proposed for improvement via a site plan must adhere to a standard.		

Existing text to be removed is in ~~strikeout~~. New text to be added is in red. Staff direction is in blue.

Article 5 (Subdivision and Land Development)
Section G. Required Improvements in Subdivisions
Subsection 3. Street Signs and Traffic Control Devices
Page 5-35.

3. Street Signs and Traffic Control Devices.

Street signs and all other traffic control signs and devices shall be installed at the developer's expense in accordance with the City Engineer's Public Ways Construction Standards and Engineering Guidelines and with Chapter 216 of the Code of the City of Hagerstown. All street intersections on County and state roads and signage shall comply with County and state policies and ordinances, as applicable, including the Maryland Manual on Uniform Traffic Control Devices (MdMUTCD).

Article 5 (Subdivision and Land Development)
Section I. Site Plan Standards
Subsection 4. Landscaping Plan and Parking Area Design Requirements
Pages 5-45 and 5-56.

4. Landscaping Plan, Traffic Control and Parking Area Design Requirements.

o. Traffic Control.

Street signs and all other traffic control signs and devices on the property shall be installed at the developer's expense in accordance with the City Engineer's Public Ways Construction Standards and Engineering Guidelines and with Chapter 216 of the Code of the City of Hagerstown. All street intersections on County and state roads and signage shall comply with County and state policies and ordinances, as applicable, including the Maryland Manual on Uniform Traffic Control Devices (MdMUTCD).

LAND MANAGEMENT CODE TEXT AMENDMENT PROPOSAL

Number: 2026-07	**Is this a new issue or one previously discussed?**	---
Version: 1	**Is this new text proposed since last discussion in need of initial review?**	---
Endorsed by the Planning Commission	**Is this revised text in need of confirmation that it conforms to prior editorial direction?**	---
Summary: Change "Handicapped Parking" to "Accessible Parking" in parking requirements.		
Justification: Align with Maryland Accessibility Code		

Existing text to be removed is in ~~strikeout~~. New text to be added is in red. Staff direction is in blue.

Article 4: Zoning
Section O: Parking
Page: 4-110

6. ~~Handicapped~~ Accessible Parking.

~~Handicapped~~ Accessible parking shall be in conformance with the "Maryland Accessibility Code," COMAR 05.02.02., as administered by the Chief Code Official.

LAND MANAGEMENT CODE TEXT AMENDMENT PROPOSAL

Number: 2026-08	**Is this a new issue or one previously discussed?**	---
Version: 1	**Is this new text proposed since last discussion in need of initial review?**	---
Endorsed by the Planning Commission	**Is this revised text in need of confirmation that it conforms to prior editorial direction?**	---
Summary: Close loophole in regulations regarding building on alley lots.		
Justification: A recent variance and subdivision to create a lot on an alley around an old barn exposed a loophole in the Ordinance. Nothing currently prohibits someone from creating a lot on an alley, then seeking approval of an accessory structure on the separate lot, which makes it ripe for separate resale and speculative development. This proposal closes that loophole. It will not prevent creating a lot for an existing building, such as happened in the sample case.		

Existing text to be removed is in ~~strikeout~~. New text to be added is in red. Staff direction is in blue.

Article 4 (Zoning)
Section D (Residential Zoning Districts)
Section 5.i
Page 4-22

i. Construction On And Use Of Lots That Do Not Front Public Streets.

On lots in residential zoning districts that do not front a public street, one garage, residential in size and scale, shall be permitted as a principal use, provided:

(1) The lot shall have been created prior to the adoption of the Comprehensive Zoning Plan of March 7, 1977 and shall front on an existing paved alley;

(2). New construction of a garage or construction of an addition to an existing garage shall not result in a building exceeding 900 square feet in area or more than one building cumulatively exceeding 900 square feet;

(3). New construction of a garage or construction of an addition to an existing garage shall not exceed one story in height;

(4). New construction of a garage or construction of an addition to an existing garage shall be designed architecturally and so located as to appear to be an accessory structure in the neighborhood in which it is located;

(5). The garage may be used by an owner or lessee for parking and personal use storage only. The garage shall not be used for business or institutional purposes and shall not generate activity other than the occasional delivery or retrieval of vehicles or personal materials stored in the garage, nor attract persons other than the tenant;

(6). No outdoor storage of any kind is permitted;

(7). No garage or addition to an existing garage shall be constructed closer than five feet to any property line or alley right of way.

Remaining paragraph removed as unchanged.

LAND MANAGEMENT CODE TEXT AMENDMENT PROPOSAL

Number: 2026-09	**Is this a new issue or one previously discussed?**	---
Version: 1	**Is this new text proposed since last discussion in need of initial review?**	---
Endorsed by the Planning Commission	**Is this revised text in need of confirmation that it conforms to prior editorial direction?**	---
Summary: Add cross reference regarding sign regulations to AT section and residential districts section		
Justification: The mixed use, commercial, industrial and overlay sections of Article 4 cross reference regulations for signs to the sign section. No such cross reference exists in the AT district section or the residential districts section. This cleans up a minor hole in the ordinance and makes the sections referring to zoning districts uniform.		

Existing text to be removed is in ~~strikeout~~. New text to be added is in red. Staff direction is in blue.

Article 4 (Zoning)
Section C (AT Zoning Districts)
New Section 8
Page 4-10

8. Signs.

Regulation of signs shall be per Section I of this Article.

Article 4 (Zoning)
Section D (Residential Zoning Districts)
New Section 9
Page 4-26

9. Signs.

Regulation of signs shall be per Section I of this Article.

LAND MANAGEMENT CODE TEXT AMENDMENT PROPOSAL

Number: 2026-10	**Is this a new issue or one previously discussed?**	---
Version: 1	**Is this new text proposed since last discussion in need of initial review?**	---
Endorsed by the Planning Commission	**Is this revised text in need of confirmation that it conforms to prior editorial direction?**	---
Summary: Incorporate protections for pending actions when the Land Management Code is amended.		
Justification: In recent text amendment decisions, language was added to the adopting ordinance that clarifies that the amendment does not impact certain existing or pending actions as a means of protecting City interests. Here, we are incorporating that language into the Code itself. This language is adapted from a recent text amendment ordinance of adoption with only minor structural amendments to fit the outline structure of the Code.		

Existing text to be removed is in ~~strikeout~~. New text to be added is in red. Staff direction is in blue.

Article 1 (General Provisions)
New Sections N and O. Effect on Penalty, Forfeiture, or Liability When this Chapter is Amended
Page 1-3.

N. Effect on Penalty, Forfeiture, or Liability When this Chapter is Amended.

Except as otherwise expressly provided, the repeal, repeal and reenactment, or amendment of this Chapter does not release, extinguish, or alter a civil penalty, forfeiture, or liability imposed or incurred under this Chapter.

O. Purposes for Which this Chapter Shall Remain in Effect after Amendment.

This repealed, repealed and reenacted or amended Chapter shall remain in effect for the purpose of sustaining any:

1. Pending civil action, suit, proceeding, matter or prosecution for the enforcement of a penalty, forfeiture, or liability, and

2. Judgement, decree, decision or order that imposes, inflicts, or declares the penalty, forfeiture, right or liability.

LAND MANAGEMENT CODE TEXT AMENDMENT PROPOSAL

Number: 2026-11	**Is this a new issue or one previously discussed?**	---
Version: 1	**Is this new text proposed since last discussion in need of initial review?**	---
Endorsed by the Planning Commission	**Is this revised text in need of confirmation that it conforms to prior editorial direction?**	---

Summary: Clarify the type of fencing used in developments using the new urban model where homes face open space or an exterior public street and the primary vehicular street frontage with driveways is to the physical rear of the buildings

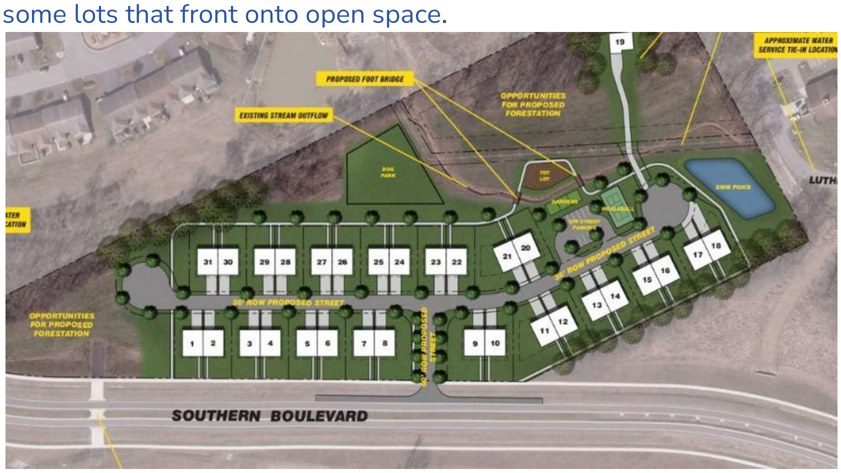
Justification: Clarifies that the primary vehicular and emergency access to homes in new developments that use the "narrow public street to the rear" model, the property is essentially a through lot and what is the perceived "rear yard" which faces the only abutting street is treated as a front yard for fencing purposes. Two developments – part of Fountainhead West and all of Heavens Heights (see attached exhibit) are designed on this model.

Existing text to be removed is in ~~strikeout~~. New text to be added is in red. Staff direction is in blue.

Article 4 (Zoning)
Section K.1 (Fences)
Page 4-80
Addition to subsection (b).

(b). Front yard fences shall be constructed only of decorative metal, wood picket, vinyl picket or composite picket construction, with the spaces between the pickets being at least one inch wide or half the width of the picket, whichever is greater. In developments where homes are constructed with the architectural front of the house facing open space and the sole public street frontage of the lot is to the rear abutting the perceived rear yard, regulations pertaining to fences in front yards shall apply to the yard between the house and street.

Elsewhere in the fence regulations, it states front yard fences can be up to 4 feet in height, or up to 3 feet in height within 25 feet of an intersection of two public streets. This provision does not apply to actual alleys. Fountainhead West has some alleys and some "narrow public streets" that are necessary to accommodate some lots that front onto open space.



LAND MANAGEMENT CODE TEXT AMENDMENT PROPOSAL

Number: 2026-12	**Is this a new issue or one previously discussed?**	---
Version: 1	**Is this new text proposed since last discussion in need of initial review?**	---
Endorsed by the Planning Commission	**Is this revised text in need of confirmation that it conforms to prior editorial direction?**	---
Summary: Clarify language regarding when there is a minimum number of parking spaces that require activation of parking lot landscaping.		
Justification: Clarifies language. Thwarts incremental expansions.		

Existing text to be removed is in ~~strikeout~~. New text to be added is in red. Staff direction is in blue.

Article 5 (Subdivision and Land Development)
Section I.4.h(7)
Page 5-49

(7). All surface parking facilities, ~~greater than seven~~ of eight or more spaces or expanding existing surface parking facilities to create a facility of eight or more spaces shall be landscaped to the minimum requirements as outlined as follows. Requirements shall be rounded up to the nearest whole planting. Trees shall be planted by the developer as part of the Conditions of Approval, for aesthetic reasons and for summer cooling.

The chart in this subsection that follows the above paragraph is not shown here as it will remain unchanged.

LAND MANAGEMENT CODE TEXT AMENDMENT PROPOSAL

Number: 2026-13	**Is this a new issue or one previously discussed?**	---
Version: 1	**Is this new text proposed since last discussion in need of initial review?**	---
Endorsed by the Planning Commission	**Is this revised text in need of confirmation that it conforms to prior editorial direction?**	---
Summary: Clarify necessary location of parking in N-MU and CC-MU Zoning Districts.		
Justification: Existing language vague. Clarification needed to protect surrounding land uses and streetscapes.		

Existing text to be removed is in ~~strikeout~~. New text to be added is in red. Staff direction is in blue.

Article 4: Zoning
Section E: Mixed-Use Districts
Subsection 3: Parking
Page: 4-29

3. **Parking Requirements.** As applicable under Section O of this Article.

   a. **Location.** Off-street parking spaces ~~must~~ shall be located to the rear or side of the principal building(s). When located to the side of a principal building, the parking area shall be sufficiently screened from public streets with heavy vegetation, fences and/or decorative walls. The Planning Commission shall not approve any site plan for the development or substantial redevelopment of property in the CC-MU or N-MU Zoning Districts that designs substantial parking forward of the front facades of buildings.

   b. **Reduction**. Content unchanged.

   c. **Small Commercial Exception.** Content unchanged.

   d. **Storage of Motor Homes, Camping Trailers, Boats and Personal Watercraft**. Content unchanged.

LAND MANAGEMENT CODE TEXT AMENDMENT PROPOSAL

Number: 2026-14	**Is this a new issue or one previously discussed?**	---
Version: 1	**Is this new text proposed since last discussion in need of initial review?**	---
Endorsed by the Planning Commission	**Is this revised text in need of confirmation that it conforms to prior editorial direction?**	---
Summary: Clarification of when a zoning certificate is required		
Justification: City requires a new zoning certificate for each new non-residential occupant of a building. This amendment makes that more clear.		

Existing text to be removed is in ~~strikeout~~. New text to be added is in red. Staff direction is in blue.

Article 1 (General Provisions)
Section J (Permits and Certificates)
Page 1-3

J. Permits and Certificates. No development and no new occupancy of a non-residential use shall occur on any property within the City until the applicable permits, approvals, and certificates for such activity or development have been issued and approved by the officials with the authority to approve the same. The Zoning Administrator shall have the authority to revoke an issued zoning certificate or zoning approval of a building permit in accordance with Article 4, Section S.1.g.

LAND MANAGEMENT CODE TEXT AMENDMENT PROPOSAL

Number: 2026-15	**Is this a new issue or one previously discussed?**	---
Version: 1	**Is this new text proposed since last discussion in need of initial review?**	---
Endorsed by the Planning Commission	**Is this revised text in need of confirmation that it conforms to prior editorial direction?**	---
Summary: Clarify how expansions of nonconforming uses can be calculated.		
Justification: Nonconforming uses can be within building or outdoors. Expansions of them often are accompanied by need for additional parking. This section needs clarification of how to calculate the maximum permitted expansion depending on the nature of the use.		

Existing text to be removed is in ~~strikeout~~. New text to be added is in red. Staff direction is in blue.

Article 4 (Zoning)
Section M.5 (Nonconforming Uses)
Page 4-97

5. **Change and Expansion of Nonconforming Use.** Structural alterations of a building or structure or the use of a parcel, lot or tract of land which does not conform to the provisions of this Article shall be allowed only if the building or structure to be altered or the parcel, lot or tract of land to be used is in conformance with the requirements of the zoning district in which it is located.

However, upon application, the Board of Zoning Appeals may approve the structural alteration of a building or structure or the use of a parcel, lot or tract of land which is not in conformance with the provisions of this Article. The cumulative effect of the alteration(s) or extension(s) created by one or more actions of the Board of Zoning Appeals shall not exceed 35% in total of those existing buildings or structures and parcels devoted to a nonconforming use at which time the use became nonconforming.

Break next two sentences of paragraph into a separate paragraph.

The 35% maximum shall be applied to new buildings and additions as related to the cumulative existing area of buildings. The 35% maximum ~~and~~ shall be applied to new uses of land as related to the cumulative existing area used for the specific purpose of the expansion.

Separate last sentence of existing text into a separate statement.

Parking, landscaping and other areas shall not be included in determining the 35% maximum of building and land use expansion areas, however parking areas may be enlarged by up to the same 35% figure in order to provide additional parking for the enlarged use. When enlarging parking to accommodate expansion exceeds 35% of the existing parking area to meet parking requirements for the expanded use, a variance is required to reduce the parking requirement or to expand the area dedicated for additional parking by more than 35%.

SECTION 2

POLICY ADJUSTMENT PROPOSALS

LAND MANAGEMENT CODE TEXT AMENDMENT PROPOSAL

Number: 2026-16	**Is this a new issue or one previously discussed?**	---
Version: 1	**Is this new text proposed since last discussion in need of initial review?**	---
Endorsed by the Planning Commission	**Is this revised text in need of confirmation that it conforms to prior editorial direction?**	---
Summary: Reduce minimum property area of a conversion overlay from 20,000 square feet to 10,000 square feet.		
Justification: 20,000 square feet was an arbitrary number set to exceed the maximum 20,000 square feet of a LOCAL Conversion Overlay when the Local Conversion Overlay was created. Local Conversion Overlays are only permitted in the four residential zoning districts, whereas Conversion Overlays are permitted in the commercial and industrial districts. There may be properties worthy of consideration of a Conversion Overlay that may be less than 20,000 square feet.		

Existing text to be removed is in ~~strikeout~~. New text to be added is in red. Staff direction is in blue.

Article 4 (Zoning)
Section J (Overlay Zones
Subsection 2.j (Conversion Overlay)
Page 4-73

j. **Lot Area Requirements.**

The minimum lot area for a Conversion District shall be ~~20,001~~ 10,000 square feet.

LAND MANAGEMENT CODE TEXT AMENDMENT PROPOSAL

Number: 2026-17	**Is this a new issue or one previously discussed?**	---
Version: 1	**Is this new text proposed since last discussion in need of initial review?**	---
Endorsed by the Planning Commission	**Is this revised text in need of confirmation that it conforms to prior editorial direction?**	---
Summary: Prohibit townhouses that have single-width driveways in the front yard.		
Justification: This design is irredeemably flawed as described below.		

Existing text to be removed is in ~~strikeout~~. New text to be added is in red. Staff direction is in blue.

Staff have reviewed this style of townhouse development built in Hagerstown, Washington County and in the tri-state. Analysis shows that developing townhouses with driveways only one car in width on front streets results in 1) parking over sidewalks. 2) parking on front lawns, and 3) the spacing of driveways renders the street nearly unusable for parallel parking. This soon results in a deteriorated and unsightly condition even in new developments.

Urban designs with rear load townhouse parking are strongly encouraged by the Land Management Code but not uniformly required. Spacing of single-width driveways usually results in space between driveways being of insufficient width to accommodate on-street parking. To meet ordinance requirements of two on-lot spaces (Land Management Code) and an additional third space (City Engineer), satellite parking lots are usually proposed. However, satellite lots are impractical and inconvenient in the view of many residents to have to walk several properties to and from their home or the home they are visiting for parking. Two-car deep driveways are also viewed as impractical as they require the occupants to shuffle vehicles if the one they want to use is the one farther from the street. Even more so if the single-width driveway accesses a single-car garage that is also used for parking a vehicle.

Rear parking townhouse layouts also result in trash collection being conducted from the rear. Townhouses without alleys result in trash bins being a constant presence on the streetscape.

This proposal does not prohibit designs with driveways that are two cars wide that serve a front-loaded two-car garage, although staff have given thought as to whether townhouses with front yard driveways of any sort should be permitted. The Land Management Code continues to encourage townhouse development designs that emphasize masking vehicle storage and trash collection in the rear, maintaining high quality streetscapes and freeing up curb space on the front street for parallel parking. See example photographs at the end of this memo.

Article 5 (Subdivision and Land Development)
Section G. Required Improvements in Subdivisions
Subsection 7. Driveway Entrances, Sidewalks and Off-Street Yard Parking
Page 5-36.

7. Driveway Entrances, Sidewalks and Off-Street Yard Parking.

Sidewalks and driveway entrances shall be constructed in accordance with the City Engineer's Construction Standards and Engineering Guidelines and with Chapter 216 of the Code of the City of Hagerstown, Sidewalks shall be provided on all streets. Pedestrian sidewalks and crosswalks shall be required to provide interior circulation and access to nearby schools, parks, and other community facilities in accordance with the design standards enumerated in Section E of these Regulations.

Effective (insert effective date), no development plan, site plan or equivalent shall be accepted by the City that proposes townhouse development that provides a one vehicle wide driveway on the front street. The City of Hagerstown finds that this development design promotes poor site conditions that result from vehicles that are parked in driveways extending across public sidewalks, the casual use of front lawns for parking in violation of the City Code and encourages illegal curbside parking on streets that are posted with "no parking" signs. The Planning Commission may consider exceptions to this prohibition for developments of limited scale on infill properties in existing streetscapes under the following conditions:

a. The developer can demonstrate to the Planning Commission's satisfaction that designing the development with rear vehicular access cannot be achieved and;
b. The City Engineer determines that the loss of existing on-street parking required by this design will not adversely impact the availability of on-street parking for the new dwellings and surrounding property owners and occupants.

Don Quixote Drive, Charles Town, WV, showing multiple cars extending across the public sidewalk. No room form parallel parking on the street.

Yellow Jacket Road, Collegiate Acres, Hagerstown, MD. Small selection of cars parking across public sidewalk and residents using lawn for parking. Yellow Jacket Road has very little in the way of parallel parking available.

Jackson Avenue, Washington Township, PA, outside of Waynesboro. These houses were constructed in 2023-24 and are nearly new. The street along the front of these houses is signed for “no parking” but observations are that the signs are routinely ignored (although none are shown parking on the street in this photo).

Papa Court, near Pangborn Park. In this photo, we see multiple vehicles parked across sidewalks and a car parked in a lawn. Grassed islands between the sidewalk and curb are frequently only dirt, with the turf installed in that area having died.

Yellow Jacket Road, Collegiate Acres, Hagerstown. Townhouse on right shows owner paved entire front yard with pavers, drives over grassed area at driveway apron, and barely misses a street sign in the very small area between the two driveway aprons.

LAND MANAGEMENT CODE TEXT AMENDMENT PROPOSAL

Number: 2026-18	**Is this a new issue or one previously discussed?**	---
Version: 1	**Is this new text proposed since last discussion in need of initial review?**	---
Endorsed by the Planning Commission	**Is this revised text in need of confirmation that it conforms to prior editorial direction?**	--

Summary: Reduce parking requirements for multi-family complexes

Justification: A developer recently hired a traffic engineer to conduct a parking study for apartment complexes. Using data in the ITE parking generation manual that the city uses to determine parking requirements for uses not specifically enumerated in Section O of the Zoning Ordinance, they determined that the typical multi-family unit in a complex creates parking demand of 1.5 spaces per unit. Currently the zoning ordinance requires 2 spaces per unit. Some of our more recent apartment developments seem to have an abundance of parking.

Developer requested that the Planning Commission consider reducing this requirement. Staff notes that the requirement has been reduced for smaller retro-fit apartment uses to 1.5 spaces per unit, but neither the City Engineer's staff nor planning staff are not comfortable going that far for large, new complexes. Staff proposes the requirement be reduced to 1.75 spaces per unit.

Existing text to be removed is in ~~strikeout~~. New text to be added is in red. Staff direction is in blue.

Article 4 (Zoning)
Section O (Off-Street Parking Requirements)
Adjustment to chart
Page 4-109

Use	Required Spaces
Apartment dwellings	~~Two spaces~~ One and three-quarters (1.75) spaces per unit, except for mansion house apartment over-under flats, which shall provide 1.5 spaces per unit. If over 25 dwelling units, one space for each 25 units must be set aside for recreational vehicles. This requirement for recreational vehicle spaces shall not be applied in the CC-MU District.

LAND MANAGEMENT CODE TEXT AMENDMENT PROPOSAL

Number: 2026-19	**Is this a new issue or one previously discussed?**	---
Version: 1	**Is this new text proposed since last discussion in need of initial review?**	---
Endorsed by the Planning Commission	**Is this revised text in need of confirmation that it conforms to prior editorial direction?**	---
Summary: Add "Nursing homes, assisted living facilities, rehabilitation centers and crisis care facilities" to the I-MU (Industrial Mixed Use) Districts. Add "in-patient hospice" to this use group for all districts where it is permitted.		
Justification: This use is permitted in all commercial and industrial zoning districts, but this one. There appears to be no reason for this omission. This will add the I-MU district to those where this use is permitted, which currently are the CG, CR, POM, INST, IR and IG Districts and in Conversion overlays and PUD-Regional overlays.		

Existing text to be removed is in ~~strikeout~~. New text to be added is in red. Staff direction is in blue.

Article 4 (Zoning)
Sections Z.1 and Z.2 (Use Charts)
Amend existing chart lines
Page 4-161

Expand the description of use in both the residential sections (Chart Z.1) and the general chart (Chart Z.2) to clarify that in-patient hospice facilities are permitted where nursing homes, assisted living facilities, rehabilitation centers and crisis care facilities" are permitted. This involves nine existing districts and expands the use into the I-MU District. Adding hospices is the codification of possible future interpretation. Staff would likely determine a hospice to be very similar to a nursing home or assisted living facility and permit the use. By adding language to the chart, it clarifies the issue.

Use	I-MU
Nursing homes, assisted living facilities, in-patient hospice facilities, rehabilitation centers and crisis care facilities.	P

LAND MANAGEMENT CODE TEXT AMENDMENT PROPOSAL

Number: 2026-20	**Is this a new issue or one previously discussed?**	---
Version: 1	**Is this new text proposed since last discussion in need of initial review?**	---
Endorsed by the Planning Commission	**Is this revised text in need of confirmation that it conforms to prior editorial direction?**	---
Summary: Clarify setback requirements and landscaping requirements for solar canopies over parking lots.		
Justification: City has recently seen its first solar canopy construction at the YMCA and at an office building off of Eastern Boulevard. There are likely to be others in the future. This type of construction can conflict with current landscaping requirements for parking lots regarding landscaped islands and trees. The proposed language is modified from New York City's code.		

Existing text to be removed is in ~~strikeout~~. New text to be added is in red. Staff direction is in blue.

Existing definition of "building" requires that parking lot solar carports comply with building setbacks. No zoning ordinance or definitional adjustment is necessary.

Article 5 (Subdivision and Land Development)
Section I. (Site Plan Standards)
Subsection 4. (Landscape Plan and Parking Area Design Requirements).
Subsection h.7 (Parking Design and Landscape Standards)
Page 5-49.

Existing text to remain unchanged. Add the following after existing text:

When the parking lot is covered in whole or part by a solar electric generation canopy, the number of trees required by this subsection may be reduced by seventy-five (75) percent for those spaces that are beneath a canopy. The maximum number of contiguous spaces permitted by this subsection and typically addressed with landscaped islands shall not apply under the canopy. However, raised curb islands shall be installed around all support posts in order to inhibit vehicles from striking them. Since the islands will be under roof, the islands shall be covered with paving or landscaping stone.

LAND MANAGEMENT CODE TEXT AMENDMENT PROPOSAL

Number: 2026-21	**Is this a new issue or one previously discussed?**	---
Version: 1	**Is this new text proposed since last discussion in need of initial review?**	---
Endorsed by the Planning Commission	**Is this revised text in need of confirmation that it conforms to prior editorial direction?**	---
Summary: Define Maker Space and assign permitted zoning districts		
Justification: An emerging business model that doesn't currently align with definition of allowable uses in commercial zoning districts.		

Existing text to be removed is in ~~strikeout~~. New text to be added is in red. Staff direction is in blue.

Article 3: Definitions

New Definition (page 3-26)

MAKER SPACE (OR MAKERSPACE) - A facility or portion of a facility designed to provide shared access to tools, equipment, and workspace for the purpose of making, fabricating, assembling, testing, repairing, or prototyping products, artworks, or technological projects. Typical equipment may include, but is not limited to, hand tools, woodworking and metalworking machinery, 3D printers, laser cutters, electronics workstations, and similar fabrication devices. Maker spaces are generally intended for small-scale, non-industrial production, education, collaboration, and innovation. This use may include instructional classes, memberships, and limited retail sales of items produced on-site, but does not include large-scale manufacturing, heavy industrial operations, or uses that generate significant noise, vibration, fumes, or hazardous byproducts beyond what is customary for light industrial or commercial uses. *(Zoning)*

Article 4: Zoning

Section Z.2 (Land Use Chart)

Add following new use and permitted districts

Use	N-MU	CC-MU	CG	CR	POM	INST	I-MU	IR	IG	C	PUD-R	PUD-V
Makerspace	P	P	P	P	P	P	P	P	P	P	P	P

LAND MANAGEMENT CODE TEXT AMENDMENT PROPOSAL

Number: 2026-22	**Is this a new issue or one previously discussed?**	---
Version: 1	**Is this new text proposed since last discussion in need of initial review?**	---
Endorsed by the Planning Commission	**Is this revised text in need of confirmation that it conforms to prior editorial direction?**	---
Summary: Create parking requirement for drive-thru restaurant with no walk up service or indoor seating		
Justification: Inquiry was made regarding the parking required for a food service use where the only service is a drive-through lane with no indoor seating or walk up window. Research suggests best way to regulate this is by the number of employees.		

Existing text to be removed is in ~~strikeout~~. New text to be added is in red. Staff direction is in blue.

Article 4 (Zoning)
Section O (Off-Street Parking Requirements)
Subsection 4 (Chart)
Page 4-108

Use	Required Spaces
Drive-through only restaurant or food service without seating or walk-up window	One space per employee on largest shift.

LAND MANAGEMENT CODE TEXT AMENDMENT PROPOSAL

<table>
<tr><td>Number: 2026-23</td><td>Is this a new issue or one previously discussed?</td><td>---</td></tr>
<tr><td>Version: 1</td><td>Is this new text proposed since last discussion in need of initial review?</td><td>---</td></tr>
<tr><td>Endorsed by the Planning Commission</td><td>Is this revised text in need of confirmation that it conforms to prior editorial direction?</td><td>---</td></tr>
<tr><td colspan="3">Summary: Credit school sites donated to the Board of Education as open space when open space is required for a subdivision. Commission directed that language clarifying that this is an option that the County and the Board of Education are not under any obligation to adhere to.</td></tr>
<tr><td colspan="3">Justification: Schools are strategically located within residential areas. It is possible that sites are donated to the county as part compliance with the county's Adequate Public Facilities Ordinance. School sites are typically open to the public during daylight non-school hours, including trails, fields and playgrounds. The campuses are generally open with the school building occupying a small percentage of the overall tract. It makes sense to credit such a site donated to the school board toward open space requirements if there are protections put into place so that its use as open space is protected at a future date when the school board deaccessions the property.

It should not be credited if the school site is sold to the school board. This provision only permits the Planning Commission the option of crediting a donated school site. It places no obligation on the Board of County Commissioners or the Board of Education to accept any offer of donation, but they would have to recognize that if the property becomes excess property to them at some point in the future, it must remain open space unless some change to the City's Land Management Code is made in the future.</td></tr>
</table>

Existing text to be removed is in ~~strikeout~~. New text to be added is in red. Staff direction is in blue.

Article 3 (Definitions)
Definition of Open Space
Page 3-29

The following is the definition of open space for discussion purposes. It seems to be sufficient to address this amendment and no change is proposed.

OPEN SPACE – That portion of a tract that is set aside during development for the protection of sensitive natural areas, farmland, scenic views, unique features; or the creation of active, improved recreational areas; or passive, unimproved natural areas. The land is not individually owned. It is understood that this term is broad and can include land that is accessible to the residents of the development and/or the community, or it may contain areas of conservancy lots that are not accessible to the public. Paved areas other than recreational courts and paths, and stormwater management facilities that are not designed as natural features shall not constitute open space.

Article 5 (Subdivision and Land Development)
Section I (Site Plan Standards)
Subsection 15 (Open Space Standards for New Residential or Mixed-Use Developments in N-MU, RMOD, RMED, RH, and RO Districts.
Page 5-69

15. Open Space Standards for New Residential or Mixed-Use Developments in N-MU, RMOD, RMED, RH, and RO Districts.

a. through c. – No change

d. The Planning Commission may credit toward the open space requirements of this section all or a portion of a school site within the development donated to the Board of County Commissioners and/or the Washington County Public Schools for the purpose of constructing a new school. Protections shall be placed in the land records protecting the donated property as open space when the Public Schools may, in the future, deem the property to be surplus and sold or surrendered.

The Washington County Public Schools and/or the Board of County Commissioners is under no obligation to accept a school site offered for donation under these conditions. Doing so is at the discretion of the Board of Education and/or the Board of County Commissioners but is subject to the requirement that the school site is permanent open space for the subdivision unless this Ordinance is amended in the future to no longer require such open space.

The Planning Commission shall not approve such credit for lands sold to the Public Schools.

LAND MANAGEMENT CODE TEXT AMENDMENT PROPOSAL

Number: 2026-24	**Is this a new issue or one previously discussed?**	---
Version: 1	**Is this new text proposed since last discussion in need of initial review?**	---
Endorsed by the Planning Commission	**Is this revised text in need of confirmation that it conforms to prior editorial direction?**	---

Summary: Create regulations for bicycle parking on new site plans.

Justification: Land Use Article of the State Code encourages (but does not appear to require) creating regulations for parking of bicycles when the ordinance regulates parking of automobiles. The following is suggested as an appropriate approach, lifted nearly verbatim from Thurmont's requirements. These are also very consistent with Salisbury's ordinance. It is not retroactive to existing properties or uses, but would be applied to new site plans received.

Existing text to be removed is in ~~strikeout~~. New text to be added is in red. Staff direction is in blue.

Article 4 (Zoning)
Section O (Off-Street Parking)
New Subsection 7 (Bicycle Parking)
Page 4-110

7. Bicycle Parking.

a. Bicycle parking shall be provided in accordance with the following schedule when a site plan is required for new development or redevelopment or reuse of a property. In all districts, either space for parking and/or storage of bicycles shall be provided or the applicant shall demonstrate that adequate bicycle parking is provided for.

Use	**Requirement**
Bed and breakfast inns, hotels, motels	The greater of 2, or 1 per 25 employees
Retail sales uses and service operations	The greater of 2, or 1 per 5,000 square feet GFA
Offices and office buildings	The greater of 4, or 1 per 5,000 square feet GFA
Museums, libraries and similar uses	The greater of 4, or 1 per 2,000 square feet GFA
Houses of worship and similar uses	1 per 50 seats
Community centers	1 per 250 square feet GFA
Schools Elementary: Middle and High School:	 1 per 10 students 1 per 6 students
Restaurants	The greater of 4 or 1 per 50 seats
Indoor Amusement	The greater of 4 or 1 per 50 seats
Other commercial, institutional and industrial uses	The greater of 2 or 1 per 50 employees

b. Waiver or Modification.

The Planning Commission may waive or modify the bike-parking requirement upon finding one of the following:

(1) There is an adequate supply of publicly accessible bike parking already provided within a 300-feet walking distance.

(2) Existing site conditions in a proposed redevelopment, such as infill development in the CC-MU being otherwise required to build to the sidewalk, make providing off-street bicycle parking impractical or impossible.

c. Design of Bicycle Parking Spaces.

(1) Each bicycle parking space shall be sufficient to accommodate a bicycle at least six (6) feet in length and two feet wide, and shall be provided with some form of stable frame permanently anchored to a foundation to which a bicycle frame and both wheels may be conveniently secured using a chain and padlock, locker, or other storage facilities which are convenient for storage and are reasonably secure from theft and vandalism. The separation of the bicycle parking spaces and the amount of corridor space shall be adequate for convenient access to every space when the parking facility is full.

(2) When automobile parking spaces are provided in a structure, at least 70 percent of required bicycle spaces shall be located inside that structure or shall be in other areas protected from the weather. Bicycle parking spaces in parking structures shall be clearly marked as such and shall be separated from auto parking by some form of barrier to minimize the possibility of a parked bicycle being hit by a car.

(3) Bicycle parking spaces shall be located near the entrance of use being served and within view of pedestrian traffic if possible and shall be sufficiently secure to reasonably reduce the likelihood of bicycle theft.

(4) Bicycle parking facilities shall not impede pedestrian or vehicular circulation.

(5) Racks must not be placed close enough to a wall or other obstruction so as to make use difficult. There must be sufficient space (at least 24 inches) beside each parked bike that allows access. Adjacent bicycles may share this access. An aisle or other space shall be provided to bicycles to enter and leave the facility. This aisle shall have a width of at least six feet to the front or rear of a bike parked in the facility.

(6) The outside ground surface of bicycle parking areas shall be a paved or other hard surface. Bike parking facilities within automobile parking lots shall be separated by a physical barrier to protect bicycles from damage by cars, such as curbs, wheel stops, poles or other similar features.

LAND MANAGEMENT CODE TEXT AMENDMENT PROPOSAL

Number: 2026-25	**Is this a new issue or one previously discussed?**	---
Version: 1	**Is this new text proposed since last discussion in need of initial review?**	---
Endorsed by the Planning Commission	**Is this revised text in need of confirmation that it conforms to prior editorial direction?**	---
Summary: Expand the ability to convert large homes to apartments.		
Justification: Older, overly large dwellings are difficult to maintain as single-family dwellings and conversions that are done in accordance with current building code requirements can be helpful in alleviating current housing shortage issues.		

Existing text to be removed is in ~~strikeout~~. New text to be added is in red. Staff direction is in blue.

The City has received interest in permitting such uses on properties with very large homes outside of the historic districts. As an example, the large Victorian home at 351 South Burhans Boulevard (intersection with Center Street) is permitted to be a two-family dwelling. Owner would like to convert to put one dwelling on each of three floors. The attic is nearly 900 square feet in area. In this example, SDAT states the floor area is 5,432 square feet, and the lot area is 10,240 square feet.

Article 4 (Zoning)
Section D (Residential Districts)
Subsection 5 (Minimum Lot Area, Locational, Lot Width and Yard (Setback) Requirements)
Page 4-20

g. Stacked and Mansion Apartment Developments and Over-Under Flats.

(1). Mansion house apartments in existing buildings without new substantive additions ~~in locally designated historic districts~~ in the RMOD, RMED, RH and RO ~~and CC-MU~~ Districts shall be permitted only under the following conditions:

(a). The building was constructed prior to October 1, 1956;

(b). The building shall be at least 4,000 square feet in area; and

(c). The number of units is limited to one per 1,000 square feet of floor area as reflected on Department of Assessments and Taxation assessment records as of (insert effective date of ordinance). Additions shall not be permitted to the dwelling for the intent of increasing the potential number of dwelling units.

~~(d). Except in the CC-MU Zoning District, the property shall be located in a locally designated historic district or in a designated landmark.~~

~~(e).~~ (d). All new residential units shall comply with the requirements of Section K.18.

~~(f).~~ (e). Off-street parking shall be provided in accordance with Section O of this Article. The Board of Zoning Appeals shall not grant a variance to this requirement. The parking shall be on the subject property or on an adjacent property under perpetual and permanent legal obligation to continue to provide that parking unless and until the apartment building on the subject property is discontinued.

(2). Mansion House over-under flats in existing residential buildings in the RMOD, RMED, RH and RO ~~and CC-MU~~ Districts shall be permitted only under the following conditions:

(a). The building was constructed prior to October 1, 1956; and

(b). The building shall be at least three stories above grade in height, not including attics; and

(c). The area of the building shall be at least 2,500 square feet of floor area as reflected on Department of Assessments and Taxation assessment records as of (insert effective date of ordinance). Additions shall not be permitted to the dwelling for the intent of increasing the potential number of dwelling units, and

(d). The interior space of the building shall be so configured that the entirety of each floor shall be used for one dwelling unit (except for interior stair towers and landings); and

(e). One dwelling unit is permitted for each floor of the building (not to include basements); and

(f). All new residential units shall comply with the requirements of Section K.18.

(g). Off-street parking shall be provided in accordance with Section O of this Article. The Board of Zoning Appeals shall not grant a variance to this requirement. The parking shall be on the subject property or on an adjacent property under perpetual and permanent legal obligation to continue to provide that parking unless and until the apartment building on the subject property is discontinued.

~~(h).~~ ~~Over-under flats shall only be permitted in the RMED District when the property is also located in a locally-designated historic district~~.

LAND MANAGEMENT CODE TEXT AMENDMENT PROPOSAL

Number: 2026-26	**Is this a new issue or one previously discussed?**	---
Version: 1	**Is this new text proposed since last discussion in need of initial review?**	---
Endorsed by the Planning Commission	**Is this revised text in need of confirmation that it conforms to prior editorial direction?**	---
Summary: Create language that permits "accessory dwelling units" as defined and required by the Code of Maryland.		
Justification: In 2025, the state legislature passed a bill that the Governor signed into law that requires local jurisdictions to amend ordinances that permit "accessory dwelling units" as define in state law, on properties that are improved with a single-family detached dwelling unit. This proposal attempts to comply with the law, but to go no further than that which is required by statute. This provision applies only to properties with single-family dwellings. It does not apply to properties that are semi-detached or are already a two-family dwelling, townhouses or apartment buildings. There are some situational limitations as well.		

Existing text to be removed is in ~~strikeout~~. New text to be added is in red. Staff direction is in blue.

Article 3 (Definitions)
Page 3-3
Amend existing definition of "accessory building, use or structure" as follows:

ACCESSORY BUILDING, USE OR STRUCTURE –

1. As pertains to Article 4, and except as defined as an "accessory dwelling unit" below, a use or structure on the same lot or adjacent lot under the same ownership with and of a nature customarily incidental and subordinate to the principal use or structure. Typically, an accessory use occupies not more than 25% of the space occupied by the principal use and its permitted accessory uses. *(Zoning)*

2. Content unchanged.

New definition:

ACCESSORY DWELLING UNIT – A secondary dwelling unit that is 1) on the same lot, parcel or tract as a primary single-family detached dwelling unit and 2) not greater than 75% of the size of the subordinate in use to the primary single-family detached dwelling unit. An accessory dwelling unit may be a separate detached accessory structure, attached as an addition to the primary single-family detached dwelling unit or within an existing modified single-family detached dwelling. Location of accessory dwelling units are subject to certain design, code compliance and locational requirements stated in Article 4. *(Zoning)*

Article 4 (Zoning)
Section K (Supplementary Regulations)
New Subsection 22 (Accessory Dwelling Units
Page 4-94

This proposal enumerates the limitations the Code of Maryland permits local jurisdictions to place on such uses.

22. Design, Code Compliance and Locational Requirements for Accessory Dwelling Units.

Accessory dwelling units, as defined by Article 3, shall be permitted on all properties in the City of Hagerstown located in zoning districts that permit single-family detached dwellings by right and contain one existing single-family detached dwelling. This provision shall not apply to properties containing nonconforming use single-family detached dwellings in commercial and industrial zoning districts that do not permit single-family or two-family dwellings. This provision does not apply to lots in residential zoning districts which do not front an improved public street and are unimproved or currently improved with a single-family detached dwelling, as this is prohibited elsewhere in this Chapter. Development of an accessory dwelling unit shall comply with the following requirements:

a. The accessory dwelling unit is permitted either in an existing or new accessory structure or within or as an addition to an existing single-family detached dwelling. It shall not exceed 75% of the size (in floor area) of the existing single-family detached dwelling on the property, whether attached or detached from that dwelling.

b. When an accessory dwelling unit is proposed within an existing accessory structure noncompliant with accessory structure setbacks, the accessory dwelling unit may occupy such a structure if the structure was constructed in compliance with applicable setbacks when built.

c. When proposed within a proposed accessory structure to be built, the building shall comply at a minimum with the applicable accessory structure side and rear setback requirements for the district in which it will be located. Such accessory dwelling unit shall comply with accessory structure height limitations for the district in which it is located as well as the maximum cumulative area of accessory buildings permitted in the zoning district.

d. When proposed as an addition to an existing single-family detached dwelling, the addition shall comply with required side and rear yard setbacks required of a single-family detached dwelling. When an existing single-family detached dwelling does not comply with current side or rear yard setbacks, the addition may be permitted to also not comply with required single-family detached dwelling setbacks provided that the addition encroaches no farther into the required setback than the existing dwelling and the addition, for the purposes of building code expectations, is at least 3 feet from that property line.

e. The accessory dwelling unit shall comply with all applicable building, fire and housing codes and utilities policies adopted and administered by the City of Hagerstown without waiver. Review and approval of building and site improvements are subject to the jurisdiction of the

Historic District Commission when the property is located in an area designated on the Zoning Map as under the review authority of that Commission.

f. No accessory dwelling unit shall be constructed in an accessory building when the only vehicular access to the new dwelling unit is via an alley. On-site parking shall be configured to allow for unobstructed driveway access from a public street to the accessory building.

g. Parties constructing an accessory dwelling unit are not required to provide additional on-lot parking.

The following are necessary cross-references directing the reader to Section K.22.

Article 4 (Zoning)
Section B (AT Zoning District)
Subsection 2 (Uses)
Page 4-9

New Section c. Applies to the only district in this section.

c. **Accessory Dwelling Units.**

One accessory dwelling unit, as defined in Article 3 and regulated by Subsection K.22 of this Article, is permitted in the AT Zoning District on a property containing one single-family detached dwelling.

Article 4 (Zoning)
Section D (Residential Zoning Districts)
Subsection 2 (Uses)
Page 4-13

New Section c. Applies to all districts in this section.

c. **Accessory Dwelling Units.**

One accessory dwelling unit, as defined in Article 3 and regulated by Subsection K.22 of this Article, is permitted on a property containing one single-family detached dwelling.

Article 4 (Zoning)
Section E (Mixed Use Districts)
Subsection 2 (Uses)
Page 4-28

New Section c, renumber existing Section c to d. Applies to both districts in this section.

c. **Accessory Dwelling Units.**

One accessory dwelling unit, as defined in Article 3 and regulated by Subsection K.22 of this Article, is permitted on a property containing one single-family detached dwelling.

~~e.~~ d. **Accessory Uses.**

Article 4 (Zoning)
Section F (Commercial Districts)
Subsection 2 (Uses)
Page 4-40

New Section d, renumber existing Section d to e. It applies only to the CL District in this section as it is the only district in this section that permits single-family dwellings.

d. **Accessory Dwelling Units.**

One accessory dwelling unit, as defined in Article 3 and regulated by Subsection K.22 of this Article, is permitted in the CL Zoning District on a property containing one single-family detached dwelling.

~~d.~~ e. **Accessory Uses**.

This provision is not included in Section H (Industrial District) because single family detached dwellings are not permitted in any of the industrial districts.

Article 4 (Zoning)
Section J (Overlay Zones)
Subsection 1 (Planned Unit Developments)
Page 4-62

New Subsection (3) to J.1.c.

c. Principal Permitted Uses and Special Exception Uses, In Accordance With Section S (Site Plan Requirements).

(1) All uses in these districts shall be permitted, permitted by special exception in accordance with general and specific performance criteria found in Subsection U.7.a, or not permitted as enumerated in Section Z of this Article.

(2) A PUD District shall be a mixed-use area and shall contain a mixture of residential types and commercial uses. Residential types shall be mixed among each other and not segregated into housing type pods. Mixing of commercial and residential uses in mixed use buildings and in compatible adjacency is a defining element of a PUD-R development.

(3) One accessory dwelling unit, as defined in Article 3 and regulated by Subsection K.22 of this Article, is permitted on a property containing one single-family detached dwelling.

REQUIRED MOTION
MAYOR AND CITY COUNCIL
HAGERSTOWN, MARYLAND

Topic:
EXECUTIVE SESSION

Mayor and City Council Action Required:

Discussion:

Financial Impact:

Recommendation:

Motion:

Action Dates:

ATTACHMENTS:

File Name	Description
August_4__2026_Executive_Session.pdf	Executive Session Agenda

MAYOR AND CITY COUNCIL
EXECUTIVE SESSION
AUGUST 4, 2026
AGENDA

Vision Statement:
The City of Hagerstown will inspire an inclusive, business-friendly, and sustainable community with clean, safe and vibrant neighborhoods."

Mission Statement:
"We are dedicated to creating a thriving community where diversity is celebrated, economic development flourishes, and the quality of life is enhanced through collaborative and consistent representation."

The agenda and meeting packet is available at www.hagerstownmd.org/government/agenda

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4:00 p.m. **EXECUTIVE SESSION**

1. To consider a matter that concerns the proposal for a business or industrial organization to locate, expand, or remain in the State; (#4)

   * *Business Proposal*

2. To consult with counsel to obtain legal advice; (#7)

   * *Legal Advice*

***AUTHORITY: Annotated Code of Maryland, General Provisions Article: Section 3-305(b)**
(Subsection is noted in parentheses)

*****Please note all times are approximate and subject to change. Portions of this meeting are televised and recorded.*****

CITY OF HAGERSTOWN, MARYLAND

PUBLIC BODY: *Mayor & City Council* **DATE:** *August 4, 2026*
PLACE: *Council Chamber, 2nd floor, City Hall* **TIME:** *4:00 p.m.*

AUTHORITY: ANNOTATED CODE OF MARYLAND, GENERAL PROVISIONS ARTICLE: Section 3-305(b):

1. To discuss:
   - [ ] (i) the appointment, employment, assignment, promotion, discipline, demotion, compensation, removal, resignation or performance evaluation of appointees, employees, or officials over whom it has jurisdiction; or
   - [ ] (ii) any other personnel matter that affects one or more specific individuals;

[ ] 2. To protect the privacy or reputation of individuals with respect to a matter that is not related to public business;

[ ] 3. To consider the acquisition of real property for a public purpose and matters directly related thereto;

[X] 4. To consider a matter that concerns the proposal for a business or industrial organization to locate, expand, or remain in the State;

[ ] 5. To consider the investment of public funds;

[ ] 6. To consider the marketing of public securities;

[X] 7. To consult with counsel to obtain legal advice;

[ ] 8. To consult with staff, consultants, or other individuals about pending or potential litigation;

[ ] 9. To conduct collective bargaining negotiations or consider matters that relate to the negotiations;

[ ] 10. To discuss public security, if the public body determines that public discussions would constitute a risk to the public or public security, including:
(i) the deployment of fire and police services and staff; and
(ii) the development and implementation of emergency plans;

[ ] 11. To prepare, administer or grade a scholastic, licensing, or qualifying examination;

[ ] 12. To conduct or discuss an investigative proceeding on actual or possible criminal conduct; or

[ ] 13. To comply with a specific constitutional, statutory, or judicially imposed requirement that prevents public disclosures about a particular proceeding or matter; or

[ ] 14. Before a contract is awarded or bids are opened, discuss a matter directly related to a negotiation strategy or the contents of a bid or proposal, if public discussion or disclosure would adversely impact the ability of the public body to participate in the competitive bidding or proposal process.
[ ] 15. Administrative Function