

**COOPERATION AGREEMENT WITH THE FREDERICK COUNTY COMMUNITY
DEVELOPMENT BLOCK GRANT (CDBG)**

THIS AGREEMENT is entered into as of the ___ day of _____, 2024 by and between the **Town/City** of _____ (hereinafter referred to as the “**Municipality**”) and **Frederick County, Maryland**, a body corporate and politic of the State of Maryland (hereinafter referred to as the “**County**”), on behalf of the Frederick County Division of Housing, for the purpose of receiving an annual entitlement of Community Development Block Grant (CDBG) and HOME Investment Partnership (HOME) funds from the U.S. Department of Housing and Urban Development (HUD) during Federal Fiscal Years 2025 through 2027, and entering into agreements with HUD to administer the County’s CDBG and HOME Programs using these funds.

WHEREAS, the Housing and Community Development Act of 1974, as amended, provides entitlement funds for qualified urban counties; and

WHEREAS, the County is required to qualify as an urban county to be eligible to receive funding from the U.S. Department of Housing and Urban Development (“HUD”) to administer its Community Development Block Grant (“CDBG”) and HOME Investment Partnerships (“HOME”) programs during the Federal Fiscal Years (“FYs”) 2025 through 2027 qualification period (“Qualification Period”); and

WHEREAS the County certifies that it shall follow an approved Consolidated Plan as promulgated by HUD pursuant to 24 CFR 570.302 and 24 CFR Part 91 during the Qualification Period; and

WHEREAS the County is required to enter into Cooperation Agreements with its designated units of general local government (“UGLG”) that desire HUD to include its respective population figures under the County’s urban county status for the purpose of increasing the County’s allocation of entitlement funds during the Qualification Period; and

WHEREAS, the County has identified the Municipality as a UGLG, and the Municipality has agreed to allow the County to include its population with that of the County’s unincorporated areas to be considered part of the urban county total population used as a basis for entitlement determinations; and

WHEREAS the cooperation of the County and the Municipality is essential for the successful planning and implementation of housing assistance and community development activities that shall be included within the County’s Annual Action Plan (“Annual Action Plan”); and

WHEREAS, this Agreement covers the following formula funding programs administered by HUD where the County is awarded and accepts funding directly from HUD: the CDBG Program and the HOME Program; and

WHEREAS the Municipality understands that the County shall have final responsibility for selecting CDBG and HOME activities to be assisted with entitlement funds and for filing Annual Action Plans during the Qualification Period with HUD; and

WHEREAS, the Mayor [or City Council] of the Municipality is authorized to execute this Agreement on the Municipality's behalf; and

WHEREAS, the County Executive is authorized to execute this Agreement on the County's behalf.

NOW, THEREFORE, in consideration of the mutual obligations set forth herein, the parties agree as follows:

1. The County and the Municipality agree to cooperate to undertake, or assist in undertaking, essential community renewal and lower-income housing assistance activities, as approved and authorized between the parties in the CDBG Agreements, including the Consolidated Plan. The Municipality further agrees to cooperate in the use of its powers to assist with the County's efforts to carry out essential activities in accordance with County's CDBG and, where applicable, HOME Programs.

2. The County shall have the final responsibility for selecting CDBG and, where applicable, HOME activities that will be funded from annual CDBG allocations during the Federal FYs 2025 through 2027 ("Qualification Period") and any program income generated from the expenditure of such funds.

3. The County shall be responsible for submitting the County's Consolidated and Annual Action Plans to HUD for approval.

4. The County and the Municipality shall take all actions necessary to assure compliance with the County's certification under Section 104(b) of Title I of the Housing and Community Development Act of 1974, as amended; that the grant will be conducted and administered in conformity with Title VI of the Civil Rights Act of 1964, and the implementing regulations at 24 CFR Part 1, and the Fair Housing Act (Title VIII of the Civil Rights Act of 1968), and the implementing regulations at 24 CFR Part 100, and will comply with the obligation to affirmatively further fair housing. The Parties shall comply with Section 109 of Title I of the Housing and Community Development Act of 1974, and the implementing regulations at 24 CFR Part 6, which incorporates Section 504 of the Rehabilitation Act of 1973, and the implementing regulations at 24 CFR Part 8, Title II of the Americans with Disabilities Act of 1974, and the implementing regulations at 28 CFR Part 35, the Age Discrimination Act of 1975, and the implementing regulations at 24 CFR Part 146, and Section 3 of the Housing and Urban Development Act of 1968, the Fair Housing Act (Title VIII of the Civil Rights Act of 1968), and the implementing regulations at 24 CFR part 100, and the duty to affirmatively further fair housing (AFFH); and all other applicable laws and regulations. The Parties agree that Urban County funding

in no event will be used for activities in, or in support of, any cooperating unit of general local government that impedes the County's actions to comply with the County's fair housing certification and duty to affirmatively further fair housing.

5. The Municipality shall affirmatively further, to the extent applicable, fair housing actions within its jurisdiction, and not impede the County's actions to comply with its fair housing certification.

6. The participating Municipality understands and agrees that it may receive a formula allocation under the HOME Programs only through the County. This does not preclude the County or the Municipality from applying for HOME funds from the State, if the State allows.

7. The County and the Municipality each have adopted and are enforcing:

- a. A policy prohibiting the use of excessive force by law enforcement agencies within its jurisdiction against any individuals engaged in non-violent civil rights demonstrations; and
- b. A policy of enforcing applicable State and local laws against physically barring entrance to or exit from a facility or location that is the subject of non-violent civil rights demonstrations within its jurisdiction.

8. The Municipality must inform the County of any program income generated by and submitted to the Municipality in accordance with its expenditure and/or subaward of CDBG funds. Any such program income must be paid to the County unless specifically authorized by the County for use in association with the financial requirements of other projects previously approved by the County. Any program income the Municipality is authorized to retain may only be used for eligible activities in accordance with the terms and conditions of the applicable Sub-recipient Agreement and the applicable CDBG laws and regulations.

9. Parties to this Agreement understand and agree that they may not sell, trade, or otherwise transfer all or any portion of CDBG funds to a Metropolitan City, Urban County, unit of general local government, or insular area that directly or indirectly receives CDBG funds in exchange for any funds, credits, or non-Federal considerations, but must use such funds for activities eligible under Title I of the Housing and Community Development Act of 1974, as amended.

10. The County has the responsibility for monitoring and reporting to HUD on the use of any program income, thereby requiring appropriate recordkeeping and reporting as may be needed for this purpose.

11. It is understood that the Municipality, pursuant to 24 CFR 570.501(b), is subject to the same requirements applicable to subrecipients. This includes the responsibility for a written agreement ("Sub-recipient Agreement") as set forth in 24 CFR 570.503, for ensuring that CDBG funds are used in accordance with all program requirements, for determining the adequacy of

performance under subrecipient agreements and procurement contracts, and for taking appropriate action when performance problems arise. The use of any designated public agencies, subrecipients, or contractors does not relieve the municipality of this responsibility.

12. The Municipality shall be required to enter into a signed Sub-recipient Agreement with the County before any CDBG funds may be disbursed to the Municipality to undertake approved activities. This Sub-recipient Agreement shall remain in effect during and any time after the Qualification Period during which the Municipality has control over CDBG funds, including program income.

13. In the event of the close out of this Agreement or a change in the status of the Municipality, any program income that is on hand or received subsequent to the close out or change in status shall be paid to the County.

14. For real property acquired or improved in whole or in part using CDBG Funds and within the Municipality's control, the Municipality shall (A) provide the County with timely notification for any modification or change in the use of the real property from that planned at the time of acquisition or improvement including disposition; (B) reimburse the County in an amount equal to the current fair market value (less any portion thereof attributable to expenditures of non-CDBG funds) of property acquired or improved with CDBG funds that is sold or transferred for use which does not qualify under the CDBG regulations; and (C) treat as program income the revenue generated from the disposition or transfer of property prior to or subsequent to the close out, change of status or termination of this Agreement between the County and the Municipality.

15. By executing this Agreement, the Municipality understands that it may not apply for grants from appropriations under the State Small Cities CDBG Program for any fiscal year during the Qualification Period in which it is participating in the County's CDBG program. The participating Municipality also understands and agrees that it may not apply for grants under the State CDBG Programs for the fiscal years during the period in which the Municipality participates in the County's CDBG Program.

16. By executing this Agreement, the Municipality understands that it may not participate in a HOME consortium except through the County, regardless of whether the County receives a HOME formula allocation. The Municipality further understands that it may receive a formula allocation under the HOME Program, if any, only through the County.

17. This Agreement shall remain in effect for the three-year program period of Federal Fiscal Years 2025, 2026, and 2027, and until funds granted and program income received during the three-year program period are expended and the funded activities completed. Neither the County nor the Municipality may terminate, withdraw, or be removed from the program during the three-year program period.

18. This Agreement between the County and the Municipality shall automatically be

renewed for participation in successive three-year Qualification Periods, unless the County or the Municipality provides written notice before the end of the County's Qualification Period that it elects not to participate in a new three-year Qualification Period. By the date specified in HUD's next CPD Notice for Urban County Qualification, the County will notify the Municipality, in writing, of its right not to participate. A copy of the County's notification shall be sent to the HUD Field Office by the date specified in the CPD Notice for Urban County Qualification.

19. The Parties agree to adopt amendment(s) to this Agreement as may be required by HUD to meet any new Urban County Qualification requirement(s) for subsequent qualification cycles, when applicable. Failure by either Party to adopt any such amendment, and to submit such amendment to HUD, will void the automatic renewal of such qualification period.

20. The recitals set forth above are herein incorporated as operative provisions of this Agreement.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their duly authorized representatives, as of the day and year first written above.

_____ **CITY COUNCIL**

_____, Councilmember

_____, Councilmember

_____, Councilmember

_____, Councilmember

_____, Councilmember

_____, Councilmember

CITY OF/TOWN OF _____

By: _____

Mayor

WITNESS:

FREDERICK COUNTY, MARYLAND

By: _____

Jessica Fitzwater
County Executive

DRAFT