

STATE OF MARYLAND CDBG-R Substantial Amendment

Introduction

The State of Maryland has been awarded \$2,152,108 in Community Development Block Grant - Recovery funds under the American Recovery and Reinvestment Act of 2009 (ARRA) which was signed on February 17, 2009. The funds were provided through the U.S. Department of Housing and Urban Development under the Community Development Block Grant (CDBG) program. The program is administered in Maryland by the Department of Housing and Community Development (DHCD).

Funding under ARRA are intended to stimulate the economy through measures that modernize the Nation's infrastructure, improve energy efficiency, and expand educational opportunities and access to health care. HUD strongly encouraged grantees to use CDBG-R funds for hard development costs associated with infrastructure activities that provide basic services to residents or activities that promote energy efficiency and conservation through rehabilitation or retrofitting of existing buildings.

Of the \$2,152,108, DHCD will use 3% (\$64,563) of the grant for administrative costs rather than the 10% allowed. The remaining \$2,087,545 will be awarded to eligible, non-entitlement counties and cities in the state through a competitive process.

Selection Criteria for Projects

On April 1, 2009, DHCD held a workshop for its SFY 2010/FFY 2009 CDBG annual competitive application round. At this event, it was announced how DHCD would award the CDBG-R funds received under ARRA. The funds were to be used for public infrastructure projects only which met the national objective of benefit to low and moderate income persons through area benefit activities. Those applications were due on May 13, 2009.

To be considered for CDBG-R funding, applicants must have proved immediate readiness. Applicants had to submit one set of final design and engineering plans, approved permits, and any environmental studies or correspondence completed for other funding sources. They were rated and ranked using the 150 point scoring system used by the CDBG program to evaluate community development projects.

All applications that met the application threshold criteria were rated and ranked competitively by a review committee composed of Maryland CDBG program staff and other departmental staff with participation from other government agencies when appropriate. Rating was based on a 150-point scale. Point ranges were established for each criterion to gauge the extent to which the applicant meets the criterion. The following factors were considered in determining the points assigned.

| RANKING FACTOR | MAXIMUM POINTS |
|---|-----------------------|
| PUBLIC PURPOSE Consistency (10) Severity of Need (30) Community Support (5) | 45 Points |
| PROJECT IMPACT - Impact on Need (10) - Benefit to LMI Households (15) | 25 Points |
| PROJECT MANAGEMENT Readiness (35) Accuracy of Costs (10) Capacity (10) | 55 Points |
| LOCAL COMMITMENT / LEVERAGING - Local Commitment (15) - Leveraging (10) | 25 Points |

Public Purpose/Local Need (45 maximum points)

Severity of Need (30 maximum points). Based on the information in the application, the degree of distress and examples provided determined the number of points awarded. Distress factors considered included the quality and quantity of existing facilities, including the need for rehabilitation or replacement, condition description, age, adequacy or absence of facilities, services, housing etc. Up to twenty (20) points were awarded where there was indication of unmet need for new or additional services or facilities such as housing rehabilitation, head start centers, streets and sidewalks or developmental centers. Up to five (5) points were awarded where existing physical health and safety conditions are documented. Up to five (5) additional points were given to projects that address imminent health and safety issues such as contaminated wells, failing septic or emergency housing repairs. Please note that documentation was key to receipt of maximum points.

Community Support and Involvement (5 maximum points). Maximum points were awarded based on evidence of current community support and involvement in the project, its development and implementation. Letters of general support and participation could include local interest of neighborhood groups, and local public or non-profit agencies and individuals that might directly benefit from the project.

Consistency with Local Needs/Plans/Strategies (10 maximum points). Points were awarded based on the degree to which the project fills a need in the community and is specifically identified and consistent with a locally developed revitalization strategy or comprehensive plan (up to 5 points). Maximum consideration was given to projects that are consistent with local plans and most effectively re-use existing buildings and infrastructure (up to 5 additional points).

Project Impact (25 maximum points)

Impact on Need (10 maximum points). Points were awarded based on the extent to which the project will address the needs and alleviate the existing problems described by the applicant.

Benefit to Low and Moderate Income (LMI) Households (15 maximum points). Maximum points were awarded to projects where there is a direct benefit to LMI households. Moderate points were awarded to projects where there is an area wide benefit to LMI households.

Project Management (55 maximum points)

Readiness to Proceed (35 maximum points). Points were awarded for the extent to which the project is ready to proceed and the implementation schedule is reasonable. The assessment was based on the relative progress of elements such as site control/easements, architectural design or preliminary engineering, commitment other project financing or the development of rehabilitation guidelines.

Maximum points (30) were awarded to applicants that have completed preliminary design and/or engineering, were able to document that all funding sources are committed, could complete the environmental review process within 60 days of the award date, or have provided additional information required to prove readiness.

Twenty (20) points were awarded to applicants that could complete the environmental review process and commence the project within 90 days of the award date.

Ten (10) points were awarded for projects that could complete the environmental review process within 90 days and commence the projects within 91-120 days of the award date.

No points are awarded when completion of the environmental review could not be completed within 90 days or project commencement is projected beyond 120 days of the award date.

Up to five (5) points were awarded based on the reasonableness of the projected implementation schedule.

Accuracy of Costs (10 maximum points). Maximum points were awarded to projects which best document that project costs have been carefully estimated. Estimates had to reflect the applicability and impact of Davis-Bacon wage rates, acquisition, relocation or replacement housing requirements. Estimates should be current. Preliminary professional studies, appraisals, tax assessments, wage rate determinations are some examples of acceptable documentation. No points will be awarded if documentation of costs was not submitted.

Administrative Capacity (10 maximum points). Points were awarded for projects based on the general stability and track record of the local government (5 points maximum) and the subrecipient where applicable, as well as the adequacy of staff to implement the project (5 points maximum).

Local Commitment and Leveraging (25 points maximum)

Local Commitment (15 maximum points). The Department considered the extent to which local funds will be contributed to the project. Maximum points (15) were awarded to applicants whose local contribution exceeded 25% of the total project costs. A local contribution of 15%-

24% of total project costs received 10 points. Where there is some local contribution but less than 15% of the total project costs, 5 points were awarded. No points were given where there is no local contribution.

Local funds include cash and any in-kind contributions which materially contribute to the project completion. In-kind contributions must be documented and may include the donation or long term lease of land or buildings, appropriation of local revenues, site improvements or installed infrastructure, deferral of real estate taxes, abatement or payment in lieu of taxes, payment of debt service (including federal and state loans to the local government) or operation and maintenance expenses, provision of public services without charge and administration. The contribution may be provided by the local government.

Leveraging (10 maximum points). The Department considered the extent to which local and CDBG funds will be used to leverage other public and private funds (non-local). Points will be awarded based on the documented commitment of funds specifically identified to supplement CDBG funds. Maximum points (10) were awarded for projects where 50% or more of the project costs are from sources other than local or CDBG. If less than 50% of the project costs were from sources other than CDBG and the locality, five (5) points were awarded. The application received no points for leveraging if other funding sources are available but are not sought. Leveraged funds include other public or private grant funds, individual or corporate donations, or public loan funds made directly to the beneficiary.

Projects Selected

DHCD received 12 applications requesting \$6,118,142. The CDBG Program staff recommended 4 projects to the Assistant Secretary of the Division of Neighborhood Revitalization on May 21st. Final recommendations were presented to the DHCD Secretary on May 22nd. The four projects selected meet the ARRA objectives of investment and improvements to public infrastructure, creation of jobs and benefit to those people that need the assistance most.

The projects selected were:

- 1 – Town of Berlin (Worcester County) – \$702,635 - Repairs to the Town’s spray effluent site storage lagoon
- 2 – Town of Elkton (Cecil County) – \$234,910 - Rehabilitation of a water storage tower
- 3 – Town of Loch Lynn Heights (Garrett County) – \$350,000 - Rehabilitation of sewer lines.
- 4 – Allegany County – \$800,000 - Extension of water service to residents in Bowman’s Addition.

These projects are more fully described in Section B of the Substantial Amendment.

Under ARRA, if CDBG-R funds are used for infrastructure investments, the State was to give preference to activities that could be started and completed expeditiously, including a goal of

using at least 50% of the funds for activities that can be initiated not later than 120 calendar days after February 17, 2009. As the State's Substantial Amendment is not due to HUD until June 29, 2009, it was difficult for the State to fund projects that would meet that goal. The State is confident that the projects selected will expend the CDBG-R funds in a timely manner. These projects will be completed within 12 months upon the date they are authorized to proceed.

THE CDBG-R SUBSTANTIAL AMENDMENT

| | |
|---|---|
| <p>Jurisdiction(s): STATE OF MARYLAND</p> <p>Jurisdiction Web Address: www.mdhousing.org</p> <ul style="list-style-type: none"> • <i>(URL where CDBG-R Substantial Amendment materials are posted)</i> | <p>CDBG-R Contact Person: Cindy Stone Address: DHCD 100 Community Place Crownsville, MD 21032</p> <p>Telephone: 410/514-7256 Fax: 410/877-4660 Email: stonec@mdhousing.org</p> |
|---|---|

ENSURING RESPONSIBLE SPENDING OF RECOVERY ACT FUNDS

Funding available under the Recovery Act has clear purposes – to stimulate the economy through measures that modernize the Nation's infrastructure, improve energy efficiency, and expand educational opportunities and access to health care. HUD strongly urges grantees to use CDBG-R funds for hard development costs associated with infrastructure activities that provide basic services to residents or activities that promote energy efficiency and conservation through rehabilitation or retrofitting of existing buildings. While the full range of CDBG activities is available to grantees, the Department strongly suggests that grantees incorporate consideration of the public perception of the intent of the Recovery Act in identifying and selecting projects for CDBG-R funding.

A. SPREADSHEET FOR REPORTING PROPOSED CDBG-R ACTIVITIES

Grantees must provide information concerning CDBG-R assisted activities in an electronic spreadsheet provided by HUD. The information that must be reported in the spreadsheet includes activity name, activity description, CDBG-R dollar amount budgeted, eligibility category, national objective citation, additional Recovery Act funds for the activity received from other programs, and total activity budget. An electronic copy of the spreadsheet and the format is available on HUD's recovery website at <http://www.hud.gov/recovery>.

SEE APPENDIX

B. CDBG-R INFORMATION BY ACTIVITY (COMPLETE FOR EACH ACTIVITY)

- (1) Activity Name: (Grantees should follow the same order that activities are listed in the Spreadsheet for Reporting Proposed CDBG-R Activities – this will allow HUD to easily match activity narratives with the information provided in the spreadsheet.)

Town of Berlin - Infrastructure

(2) Activity Narrative:

In addition to the Spreadsheet for Reporting Proposed CDBG-R Activities, grantees must provide a narrative for each activity describing how the use of the grantee's CDBG-R funds will meet the requirements of Title XII of Division A and Section 1602 of ARRA. The grantee's narrative must also state how CDBG-R funds will be used in a manner that maximizes job creation and economic benefit in relation to the CDBG-R funds obligated, and will address the Recovery Act, by:

- Preserving and creating jobs and promoting economic recovery;
- Assisting those most impacted by the recession;
- Providing investment needed to increase economic efficiency;
- Investing in transportation, environmental protection, or other infrastructure that will provide long-term economic benefits;
- Minimizing or avoiding reductions in essential services; or
- Fostering energy independence.

**National Objective: Benefit to Low and Moderate Income Persons – Area Benefit
Performance Measures: Objective – Suitable Living Environment
Outcome - Sustainability**

The Town of Berlin is a town of 3,341 persons of which 1,846 or 55.3% are of low and moderate income. As part of the first phase of required upgrades to their wastewater treatment plant, the Town must make repairs to their spray effluent site storage lagoon. The lagoon was constructed in 1994 and has a capacity to hold 39 million gallons of treated wastewater that is subsequently used for spray irrigation.

The necessary repairs will allow the Town to more effectively treat and dispose of their wastewater. The Town's wastewater treatment plant is permitted for 600,000 gallons per day but the current flows are approximately 490,000 gallons per day. Not meeting the daily permitted amount has caused other problems and the Town is under a pending Consent Order from the Maryland Department of the Environment. Additionally, spray irrigation is only done from April through November. The repairs will allow the Town to spray throughout the year which is a more efficient treatment.

The estimated cost of repairs to the wastewater treatment plant is \$14 million. The Town is also using USDA loan and grant funds for the lagoon project but the additional grant through CDBG will not require the Town to raise user rates at this point.

(3) Jobs Created: (Report the number of full- and part-time jobs estimated to be created and retained by the activity (including permanent, construction, and temporary jobs)).

The construction project will create 10 full time construction jobs over a 7 month construction period. The project will also result in the use of 2 engineers. Additionally, the project will be overseen by the Town's Public Works Director and the Deputy Town Manager.

- (4) Additional Activity Information: (A description of how the activity will promote energy conservation, smart growth, green building technologies, or reduced pollution emissions, if applicable)

As stated, the repairs and improvements to the lagoon will result in an increased efficiency of the wastewater treatment system.

The Town has been limited in its opportunities to grow within the existing Town limits. They have had to restrict new construction as they were limited in the number of sewer permits they could issue due to the problems with the plant. With the system operating at maximum efficiency, the Town will be able to allow for growth.

- (5) Responsible Organization: (Contact information for the organization that will implement the CDBG-R activity, including its name, location, and administrator contact information)

**Town of Berlin
Town Hall
10 William Street
Berlin, MD 21811
Contact: Mary Bohlen, Deputy Town Administrator – 410/641-4314**

B. CDBG-R INFORMATION BY ACTIVITY (COMPLETE FOR EACH ACTIVITY)

- (6) Activity Name: (Grantees should follow the same order that activities are listed in the Spreadsheet for Reporting Proposed CDBG-R Activities – this will allow HUD to easily match activity narratives with the information provided in the spreadsheet.)

Town of Elkton - Infrastructure

- (7) Activity Narrative:

In addition to the Spreadsheet for Reporting Proposed CDBG-R Activities, grantees must provide a narrative for each activity describing how the use of the grantee's CDBG-R funds will meet the requirements of Title XII of Division A and Section 1602 of ARRA. The grantee's narrative must also state how CDBG-R funds will be used in a manner that maximizes job creation and economic benefit in relation to the CDBG-R funds obligated, and will address the Recovery Act, by:

- Preserving and creating jobs and promoting economic recovery;
- Assisting those most impacted by the recession;
- Providing investment needed to increase economic efficiency;
- Investing in transportation, environmental protection, or other infrastructure that will provide long-term economic benefits;
- Minimizing or avoiding reductions in essential services; or
- Fostering energy independence.

National Objective: Benefit to Low and Moderate Income Persons – Area Benefit
Performance Measures: Objective – Suitable Living Environment
Outcome - Sustainability

The Town of Elkton is a town of 11,893 persons of which 6,695 or 56.3% are of low and moderate income. The Town will rehabilitate the Thomson Water Tower which is a 200,000 gallon water storage facility which was constructed in 1962. The tower is an important component of the Town's water distribution system and provides storage for water pressure and fire flow.

The tower is deteriorating and is in need of extensive repairs. Repairs will include removal of lead paint, removal of delaminating interior coating, repair of corrosion, recoating of interior, repainting of exterior and installation of property safety and security components. The tower should last an additional 20 years once the repairs are completed.

The Town sought grant funding for this project because they have an existing debt of \$25 million for capital projects. Additional debt would have been passed onto the residents of the Town.

- (8) Jobs Created: (Report the number of full- and part-time jobs estimated to be created and retained by the activity (including permanent, construction, and temporary jobs)).

The construction project will create 10 full time construction jobs over a 6 month construction period. The project will also result in the use of 1 project engineer. Additionally, the project will be overseen by the Town's Planning Director and the Public Works Director.

- (9) Additional Activity Information: (A description of how the activity will promote energy conservation, smart growth, green building technologies, or reduced pollution emissions, if applicable)

As stated, the rehabilitation will result in the removal of lead paint and corrosive metals from the tower which impact the quality of the Town's drinking water.

- (10) Responsible Organization: (Contact information for the organization that will implement the CDBG-R activity, including its name, location, and administrator contact information)

Town of Elkton
P.O. Box 157
Elkton, MD 21921 Contact: Jeanne D. Minner, Planning Director – 410/398-4999

B. CDBG-R INFORMATION BY ACTIVITY (COMPLETE FOR EACH ACTIVITY)

- (11) Activity Name: (Grantees should follow the same order that activities are listed in the Spreadsheet for Reporting Proposed CDBG-R Activities – this will allow HUD to easily match activity narratives with the information provided in the spreadsheet.)

Town of Loch Lynn Heights - Infrastructure

(12)Activity Narrative:

In addition to the Spreadsheet for Reporting Proposed CDBG-R Activities, grantees must provide a narrative for each activity describing how the use of the grantee's CDBG-R funds will meet the requirements of Title XII of Division A and Section 1602 of ARRA. The grantee's narrative must also state how CDBG-R funds will be used in a manner that maximizes job creation and economic benefit in relation to the CDBG-R funds obligated, and will address the Recovery Act, by:

- Preserving and creating jobs and promoting economic recovery;
- Assisting those most impacted by the recession;
- Providing investment needed to increase economic efficiency;
- Investing in transportation, environmental protection, or other infrastructure that will provide long-term economic benefits;
- Minimizing or avoiding reductions in essential services; or
- Fostering energy independence.

National Objective: Benefit to Low and Moderate Income Persons – Area Benefit
Performance Measures: Objective – Suitable Living Environment
Outcome - Sustainability

The Town of Loch Lynn Heights is a town of 473 persons of which 326 or 68.9% are of low and moderate income. The Town needs to complete the final phase of improvements to their sanitary sewer system. The improvements to the system will reduce excess inflow and infiltration problems that are affecting the efficiency of the wastewater treatment plant. This is the final phase of improvements to collector lines that are in such disrepair that they are acting as drains and are affecting ground water levels.

The Town had to take a loan of \$581,000 from USDA to assist with the first two phases but were unable to afford additional loan for this final phase.

(13)Jobs Created: (Report the number of full- and part-time jobs estimated to be created and retained by the activity (including permanent, construction, and temporary jobs)).

The construction project will create 13 full time construction jobs over an 8 month construction period. The project will also result in the use of 1 project engineer. Additionally, the project will be overseen by the Town's Clerk.

(14)Additional Activity Information: (A description of how the activity will promote energy conservation, smart growth, green building technologies, or reduced pollution emissions, if applicable)

As stated, replacement and repair of these antiquated sewer lines improve the efficiency of the wastewater treatment plant. The majority of the sewer lines are 70 years or older.

(15)Responsible Organization: (Contact information for the organization that will implement the CDBG-R activity, including its name, location, and administrator contact information)

Town of Loch Lynn Heights
Town Hall
211 Bonnie Boulevard
Loch Lynn Heights, MD 21550
Contact: Carolyn Corley, Mayor – 301/334-8339

B. CDBG-R INFORMATION BY ACTIVITY (COMPLETE FOR EACH ACTIVITY)

(16) Activity Name: (Grantees should follow the same order that activities are listed in the Spreadsheet for Reporting Proposed CDBG-R Activities – this will allow HUD to easily match activity narratives with the information provided in the spreadsheet.)

Allegany County - Infrastructure

(17) Activity Narrative:

In addition to the Spreadsheet for Reporting Proposed CDBG-R Activities, grantees must provide a narrative for each activity describing how the use of the grantee's CDBG-R funds will meet the requirements of Title XII of Division A and Section 1602 of ARRA. The grantee's narrative must also state how CDBG-R funds will be used in a manner that maximizes job creation and economic benefit in relation to the CDBG-R funds obligated, and will address the Recovery Act, by:

- Preserving and creating jobs and promoting economic recovery;
- Assisting those most impacted by the recession;
- Providing investment needed to increase economic efficiency;
- Investing in transportation, environmental protection, or other infrastructure that will provide long-term economic benefits;
- Minimizing or avoiding reductions in essential services; or
- Fostering energy independence.

National Objective: Benefit to Low and Moderate Income Persons – Area Benefit
Performance Measures: Objective – Suitable Living Environment
Outcome - Sustainability

Allegany County will complete the second phase of the Bowman's Addition water extension project. The new waterline will serve 98 households containing 250 persons of whom 155 or 62% are of low and moderate income. The line will connect these households to the City of Cumberland's water system and eliminate their dependence on individual wells and springs.

The project will include the installation of 14,000 linear feet of new waterlines, 20 new hydrants, a pump station and a water storage tank. It will increase the quality of water which was documented by the County Health Department to be inadequate.

(18) Jobs Created: (Report the number of full- and part-time jobs estimated to be created and retained by the activity (including permanent, construction, and temporary jobs)).

The construction project will create 15 full time construction jobs over a 12 month construction period. The project will also result in the use of existing engineers. Additionally, the project will be overseen by the County's engineering and inspection staff.

(19)Additional Activity Information: (A description of how the activity will promote energy conservation, smart growth, green building technologies, or reduced pollution emissions, if applicable)

As stated, the project will provide quality and quantity of water to the residents of the area. In recent years, wells have gone dry during the summer months. Connection to a municipal water system will eliminate the problems with wells and springs.

(20)Responsible Organization: (Contact information for the organization that will implement the CDBG-R activity, including its name, location, and administrator contact information)

**Allegany County
701 Kelly Road
Cumberland, MD 21502
Contact: Jim Williams, Development Coordinator – 301/777-5851**

C. PUBLIC COMMENT

Provide a summary of public comments received to the proposed CDBG-R Substantial Amendment.

None at this time

Note: A Proposed CDBG-R Substantial Amendment must be published via the usual methods and posted on the jurisdiction's website for no less than 7 calendar days for public comment.

DHCD opened its public comment period on the State's CDBG-R plan on Monday, June 15, 2009. DHCD mailed out approximately 800 letters to nonprofit organizations, local government officials, and others who participate in the Consolidated Plan process. DHCD also placed newspaper ads throughout the State including the Baltimore Sun, Capital Gazette (Annapolis), Daily Mail (Hagerstown) Star Democrat (Easton), Dorchester Star, Caroline Times-Record, and Kent County News. Hard copies of the amendment were provided to the State's regional lending libraries including the Enoch Pratt Free Library in Baltimore, the Blackwell Library in Salisbury, the Washington County Free Library in Hagerstown, the Lewis J. Ort Library in Frostburg, the Frederick Douglas Library in Princess Anne, and the Southern Maryland Regional Library in Charlotte Hall. A large print version was also made available at the Library for the Blind and Physically Handicapped in Baltimore. Both the letters and newspaper advertisements directed the public they could view the amendment on DHCD's website, receive free hard copies upon request, or view hard copies at the libraries listed above either directly or through interlibrary loan. Interested parties were also invited to submit comments via either email or U.S. Postal Service. The public comment period closed on June 22, 2009, which was noted in the letters and advertisements.

Response:

None at this time

APPENDIX – CDBG-R Spreadsheet

FORM 424

CERTIFICATIONS

DRAFT

Application for Federal Assistance SF-424

Version 02

| | | | |
|--|---|---|--|
| *1. Type of Submission: | | *2. Type of Application * If Revision, select appropriate letter(s) | |
| <input type="checkbox"/> Preapplication | <input checked="" type="checkbox"/> New | | |
| <input checked="" type="checkbox"/> Application | <input type="checkbox"/> Continuation | *Other (Specify) | |
| <input type="checkbox"/> Changed/Corrected Application | <input type="checkbox"/> Revision | _____ | |

| | |
|-------------------|--------------------------|
| 3. Date Received: | 4. Applicant Identifier: |
|-------------------|--------------------------|

| | |
|--------------------------------|--------------------------------|
| 5a. Federal Entity Identifier: | *5b. Federal Award Identifier: |
|--------------------------------|--------------------------------|

State Use Only:

| | |
|----------------------------|----------------------------------|
| 6. Date Received by State: | 7. State Application Identifier: |
|----------------------------|----------------------------------|

8. APPLICANT INFORMATION:

| | |
|--|---------------------------------------|
| *a. Legal Name: State of Maryland | |
| *b. Employer/Taxpayer Identification Number (EIN/TIN): 52-6002033 | *c. Organizational DUNS: 028492598 |

d. Address:

| | |
|--------------------|---|
| *Street 1: | <u>Maryland Department of Housing and Community Development</u> |
| Street 2: | <u>100 Community Place</u> |
| *City: | <u>Crownsville</u> |
| County: | <u>Anne Arundel</u> |
| *State: | <u>Maryland</u> |
| Province: | _____ |
| *Country: | <u>USA</u> |
| *Zip / Postal Code | <u>21032-2023</u> |

e. Organizational Unit:

| | |
|--|---|
| Department Name: Maryland Department of Housing and Community Development | Division Name: Division of Neighborhood Revitalization |
|--|---|

f. Name and contact information of person to be contacted on matters involving this application:

| | |
|--------------------------|---------------------------|
| Prefix: <u>Ms</u> | *First Name: <u>Cindy</u> |
| Middle Name: _____ | |
| *Last Name: <u>Stone</u> | |
| Suffix: _____ | |

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|--|
| Title: <u>Director, Office of Community Programs</u> |
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|-----------------------------|
| Organizational Affiliation: |
|-----------------------------|

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|---------------------------------|--------------------------|
| *Telephone Number: 410-514-7256 | Fax Number: 410-877-4660 |
|---------------------------------|--------------------------|

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| *Email: <u>StoneC@mdhousing.org</u> |
|-------------------------------------|

Application for Federal Assistance SF-424

Version 02

***9. Type of Applicant 1: Select Applicant Type:**

A.State Government

Type of Applicant 2: Select Applicant Type:

Type of Applicant 3: Select Applicant Type:

*Other (Specify)

***10 Name of Federal Agency:**

U.S. Department of Housing and Urban Development

11. Catalog of Federal Domestic Assistance Number:

14.255 _____

CFDA Title:

Community Development Block Grant - Recovery _____

***12 Funding Opportunity Number:**

*Title:

13. Competition Identification Number:

Title:

14. Areas Affected by Project (Cities, Counties, States, etc.):

Nonentitlement jurisdictions of the State of Maryland

***15. Descriptive Title of Applicant's Project:**

CDBG-R funds will be used to finance four projects in Maryland in order to promote the creation of jobs as well as improve infrastructure and the environment.

Application for Federal Assistance SF-424

Version 02

16. Congressional Districts Of:

*a. Applicant: All

*b. Program/Project: 1st, 6th

17. Proposed Project:

*a. Start Date: July 1, 2009

*b. End Date: July 31,211

18. Estimated Funding (\$):

| | | |
|--------------------|-------|-------------|
| *a. Federal | _____ | \$2,152,108 |
| *b. Applicant | _____ | |
| *c. State | _____ | |
| *d. Local | _____ | |
| *e. Other | _____ | |
| *f. Program Income | _____ | |
| *g. TOTAL | _____ | \$2.152,108 |

***19. Is Application Subject to Review By State Under Executive Order 12372 Process?**

- a. This application was made available to the State under the Executive Order 12372 Process for review on _____
- b. Program is subject to E.O. 12372 but has not been selected by the State for review.
- c. Program is not covered by E. O. 12372

***20. Is the Applicant Delinquent On Any Federal Debt? (If "Yes", provide explanation.)**

- Yes No

21. *By signing this application, I certify (1) to the statements contained in the list of certifications** and (2) that the statements herein are true, complete and accurate to the best of my knowledge. I also provide the required assurances** and agree to comply with any resulting terms if I accept an award. I am aware that any false, fictitious, or fraudulent statements or claims may subject me to criminal, civil, or administrative penalties. (U. S. Code, Title 218, Section 1001)

** I AGREE

** The list of certifications and assurances, or an internet site where you may obtain this list, is contained in the announcement or agency specific instructions

Authorized Representative:

Prefix: Mr. *First Name: Raymond

Middle Name: A.

*Last Name: Skinner

Suffix: _____

*Title: Secretary, Maryland Department of Housing and Community Development

*Telephone Number: 410 514-7001

Fax Number:

* Email: skinner@mdhousing.org

*Signature of Authorized Representative:

*Date Signed:

STATE CERTIFICATIONS

(1) **Affirmatively furthering fair housing.** The State will affirmatively further fair housing, which means that it will conduct an analysis to identify impediments to fair housing choice within the state, take appropriate actions to overcome the effects of any impediments identified through that analysis, and maintain records reflecting the analysis and actions in this regard.

(2) **Anti-displacement and relocation plan.** The jurisdiction will comply with the acquisition and relocation requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (42 U.S.C. 4601), and implementing regulations at 49 CFR part 24; and it has in effect and is following a residential anti-displacement and relocation assistance plan required under section 104(d) of the housing and Community Development Act of 1974, as amended, in connection with any activity assisted with funding under CDBG-R.

(3) **Drug Free Workplace.** The jurisdiction will or will continue to provide a drug-free workplace by:

1. Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited in the grantee's workplace and specifying the actions that will be taken against employees for violation of such prohibition;
2. Establishing an ongoing drug-free awareness program to inform employees about –
 - (a) The dangers of drug abuse in the workplace;
 - (b) The grantee's policy of maintaining a drug-free workplace;
 - (c) Any available drug counseling, rehabilitation, and employee assistance programs; and
 - (d) The penalties that may be imposed upon employees for drug abuse violations occurring in the workplace;
3. Making it a requirement that each employee to be engaged in the performance of the grant be given a copy of the statement required by paragraph 1;
4. Notifying the employee in the statement required by paragraph 1 that, as a condition of employment under the grant, the employee will -
 - (a) Abide by the terms of the statement; and
 - (b) Notify the employer in writing of his or her conviction for a violation of a criminal drug statute occurring in the workplace no later than five calendar days after such conviction;
5. Notifying the agency in writing, within ten calendar days after receiving notice under subparagraph 4(b) from an employee or otherwise receiving actual notice of such conviction. Employers of convicted employees must provide notice, including position title, to every grant officer or other designee on whose grant activity the convicted employee was working, unless the Federal agency has designated a central point for the receipt of such notices. Notice shall include the identification number(s) of each affected grant;
6. Taking one of the following actions, within 30 calendar days of receiving notice under subparagraph 4(b), with respect to any employee who is so convicted:

(a) Taking appropriate personnel action against such an employee, up to and including termination, consistent with the requirements of the Rehabilitation Act of 1973, as amended; or

(b) Requiring such employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for such purposes by a Federal, State, or local health, law enforcement, or other appropriate agency;

7. Making a good faith effort to continue to maintain a drug-free workplace through implementation of paragraphs 1, 2, 3, 4, 5 and 6.

(4) **Anti-lobbying.** To the best of the State's knowledge and belief:

1. No Federal appropriated funds have been paid or will be paid, by or on behalf of it, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement;

2. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, it will complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions; and

3. It will require that the language of paragraph 1 and 2 of this anti-lobbying certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

(5) **Authority of State.** The submission of the consolidated plan is authorized under State law and the State possesses the legal authority to carry out the programs under the consolidated plan for which it is seeking funding, in accordance with applicable HUD regulations.

(6) **Consistency with Plan.** The housing activities to be undertaken with CDBG-R funds are consistent with its consolidated plan.

(7) **Section 3.** The jurisdiction will comply with section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701u), and implementing regulations at 24 CFR part 135.

(8) **Community development plan.** The jurisdiction certifies that the consolidated housing and community development plan identifies housing and community development needs and specifies both short-term and long-term community development objectives that have been developed in accordance with the primary objective of the statute authorizing the CDBG program.

(9) **Consultation with Local Governments.** The state certifies that, for community development activities, it engages or will engage in planning; that it provides or will provide technical assistance to local governments; and that it will not refuse to distribute funds on the basis of the particular eligible activity selected by the local government to meet its community development needs, except that a State is not prevented from establishing priorities in distributing funding on the basis of the activities selected.

(10) **Use of funds.** The jurisdiction has developed activities so as to give the maximum feasible priority to activities that will benefit low- and moderate-income families or aid in the prevention of slums or blight. Additional activities may be included that are designed to meet other community development needs having particular urgency because existing conditions pose a serious and immediate threat to the health or welfare of the community where other financial resources are not available to meet such needs

It has complied with the following criteria:

1. **Maximum Feasible Priority.** With respect to activities expected to be assisted with CDBG-R funds, it certifies that it has developed its Action Plan so as to give maximum feasible priority to activities which benefit low and moderate income families or aid in the prevention or elimination of slums or blight. The Action Plan may also include activities which the grantee certifies are designed to meet other community development needs having a particular urgency because existing conditions pose a serious and immediate threat to the health or welfare of the community, and other financial resources are not available);

2. **Special Assessments.** The State will require units of general local government that receive CDBG-R funds to certify to the following:

The jurisdiction will not attempt to recover any capital costs of public improvements assisted with CDBG-R funds by assessing any amount against properties owned and occupied by persons of low- and moderate-income, including any fee charged or assessment made as a condition of obtaining access to such public improvements. However, if CDBG-R funds are used to pay the proportion of a fee or assessment attributable to the capital costs of public improvements (assisted in part with CDBG-R funds) financed from other revenue sources, an assessment or charge may be made against the property with respect to the public improvements financed by a source other than CDBG-R funds. The jurisdiction will not attempt to recover any capital costs of public improvements assisted with CDBG-R funds, unless CDBG-R funds are used to pay the proportion of fee or assessment attributable to the capital costs of public improvements financed from other revenue sources. In this case, an assessment or charge may be made against the property with respect to the public improvements financed by a source other than CDBG-R funds. In addition, with respect to properties owned and occupied by moderate-income (but not low-income) families, an assessment or charge may be made against the property with respect to the public improvements financed by a source other than CDBG-R funds if the jurisdiction certifies that it lacks CDBG-R or CDBG funds to cover the assessment.

(11) **Excessive Force.** The State will require units of general local government that receive CDBG-R funds to certify that they have adopted and are enforcing: (1) 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 (2) 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 such non-violent civil rights demonstrations within its jurisdiction.

(12) **Compliance with anti-discrimination laws.** The CDBG-R grant will be conducted and administered in conformity with title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d), the Fair Housing Act (42 U.S.C. 3601-3619), and implementing regulations.

(13) **Compliance with laws.** The jurisdiction will comply with applicable laws.

(14) **Compliance with ARRA.** The jurisdiction will comply with Title XII of Division A of the American Recovery and Reinvestment Act of 2009.

(15) **Project selection.** The jurisdiction will select projects to be funded, by giving priority to projects that can award contracts based on bids within 120 days from the date the funds are made available to the recipient, and that will ensure maximum job creation and economic benefit.

(16) **Timeliness of infrastructure investments.** When the jurisdiction uses CDBG-R funds for infrastructure investments, the grantee will give preference to quick-start and finish activities, including a goal to use at least 50 percent of the funds for activities within 120 days of enactment of the Recovery Act.

(17) **Buy American provision.** The jurisdiction will ensure that all iron, steel and manufactured goods used in construction, alteration, repair, or maintenance of a public building or public work project assisted with CDBG-R funds under the Recovery Act must be produced in the United States unless the Secretary finds that: (1) the requirement is inconsistent with public interest; (2) those goods are not reasonably available or produced in sufficient quantity in the U.S.; (3) or the use of the goods will increase the project cost by more than 25 percent.

(18) **Appropriate use of funds for infrastructure investments.** The Governor, mayor, or other chief executive, as appropriate certifies, that any infrastructure investments have received the full review and vetting required by law and that the chief executive accepts responsibility that the infrastructure investment is an appropriate use of taxpayer dollars. Alternatively, a grantee's chief elected official certifies that infrastructure investments will receive the full review and vetting required by law and that the chief executive accepts responsibility that the infrastructure investment is an appropriate use of taxpayer dollars.

(19) **70% of CDBG-R for LMI.** The aggregate use of CDBG-R funds shall principally benefit persons of low and moderate income in a manner that ensures that at least 70 percent of the grant is expended for activities that benefit such persons over the life of the CDBG-R grant.

Signature/Authorized Official

Date

Title

OPTIONAL CERTIFICATION

CDBG-R

Submit the following certification only when one or more of the activities in the action plan are designed to meet other community development needs having a particular urgency as specified in 24 CFR 570.208(c):

Where the urgent need is the current economic conditions, the grantee certifies that the activity is alleviating current economic conditions which pose a threat to the economic welfare of the community in which the activity is being carried out, the recipient is unable to finance the activity on its own, and other sources of funding are not available.

Signature/Authorized Official

Date

Title