MAYOR & COUNCIL AGENDA COVER SHEET

MEETING DATE:

May 1, 2006

CALL TO PODIUM:

Louise Kauffmann
Director of Community Development

RESPONSIBLE STAFF:

Louise Kauffmann

Nancy Walsh,
Grants Writer

AGENDA ITEM:

(please check one)

	Presentation
	Proclamation/Certificate
	Appointment
	Public Hearing
	Historic District
	Consent Item
	Ordinance
X	Resolution
	Policy Discussion
	Work Session Discussion Item
	Other:

PUBLIC HEARING HISTORY:

(Please complete this section if agenda item is a public hearing)

Introduced	
Advertised	
Hearing Date	
Record Held Open	
Policy Discussion	

TITLE:

Resolution of the Mayor and City Council to Approve the FY07 Annual Action Plan for Receipt of CDBG ($465,438) and HOPWA Administration Funds ($15,720) Under the Formula Grant Programs Administered by the U.S. Department of Housing and Urban Development

SUPPORTING BACKGROUND:

As a Community Development Block Grant (CDBG) entitlement community and a formula grantee for Housing Opportunities for Persons With AIDS (HOPWA) funds, the City is required to submit an annual Action Plan outlining the activities it plans to undertake in the year ahead. Gaithersburg's FY07 Plan covers July 1, 2006 to June 30, 2007. The City has held three public hearings relating to CDBG and/or HOPWA this year: February 1, 2006 at the Activity Center at Bohrer Park; March 1, 2006 at the Housing Authority of the City of Frederick; and March 6, 2006 at a regularly scheduled Mayor and Council meeting. At the third hearing, the public was invited to present proposals for CDBG public service projects and the Mayor and City Council voted to close the record on April 24, 2006.

In FY07, Gaithersburg will receive $465,438 in CDBG and $524,000 in HOPWA funds. Twenty percent ($93,088) of the CDBG award may be used for administration and planning, and up to 15 percent ($69,816) for public service projects. The balance will be used for eligible capital projects. As the HOPWA formula grantee for the Bethesda-Frederick-Gaithersburg Metropolitan Division, the City will draw down 3 percent of the award ($15,720) for administration/planning. The remainder will be used to provide tenant-based rental assistance to Montgomery and Frederick County HOPWA clients.

A summary of Gaithersburg's draft Annual Action Plan was published in the *Gaithersburg Gazette* and the *Frederick News Post* on April 5, 2006. The full-length draft was made available for review for 30 days at several locations in Gaithersburg and Frederick.

Attached is a table outlining proposed CDBG-funded activities included in the Action Plan.

DESIRED OUTCOME:

Vote on Resolution

RESOLUTION NO. _____

RESOLUTION OF THE MAYOR AND CITY COUNCIL TO APPROVE THE FY07 ANNUAL ACTION PLAN FOR RECEIPT OF CDBG ($465,438) AND HOPWA ADMINISTRATION FUNDS ($15,720) UNDER THE FORMULA GRANT PROGRAMS ADMINISTERED BY THE U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

WHEREAS, the City is required to submit an annual Action Plan to the U.S. Department of Housing and Urban Development (HUD), outlining activities it plans to undertake with Community Development Block Grant (CDBG) and Housing Opportunities for Persons With AIDS (HOPWA) funds in the upcoming year; and

WHEREAS, the City has prepared and made available for public review and comment for a 30-day period a draft Annual Action Plan identifying the activities it proposes to undertake with CDBG and HOPWA funds in the program year July 1, 2006 to June 30, 2007:

NOW, THEREFORE, BE IT RESOLVED, by the Mayor and City Council of Gaithersburg, that the FY07 Annual Action Plan is approved and the City Manager is authorized to submit the Plan to HUD by May 15, 2006.

ADOPTED by the City Council this 1st day of May, 2006.

_____
SIDNEY A. KATZ, MAYOR and
President of the Council

THIS IS TO CERTIFY that the foregoing Resolution was adopted by the City Council in public meeting assembled on the 1st day of May, 2006.

_____
David B. Humpton, City Manager

City of Gaithersburg's FY 2007 Action Plan

Proposed CDBG Projects: July 1, 2006, to June 30, 2007

Organization Name/Sponsor	CDBG Funds	Program Description
Stepping Stones Shelter	$23,500	Housing counseling services and emergency assistance.
GUIDE Youth Services	$15,000	Rental assistance to nonprofit organization that provides counseling services to youth and families.
Gaithersburg Affordable Housing Program	$30,000	Direct program support for City's newly created Affordable Housing Program
Olde Towne Youth Center	$70,000	Pre-development and design costs of youth center in Olde Towne Gaithersburg
Olde Towne Gaithersburg Rolling Stock Restoration Project	$233,850	Restoration of historic rail cars, expansion of platform, and other site improvements.
Planning and Administration	$93,088	Administration of CDBG program
TOTAL	$465,438	

City of Gaithersburg
Annual Action Plan
July 1, 2006– June 30, 2007

Mayor
Sidney A. Katz

April 12, 2006

City Council Vice President
John B. Schlichting

Council
Stanley J. Alster
Geri Edens
Henry F. Marraffa, Jr.
Michael A.Sesma

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This chapter constitutes the Action Plan of the City of Gaithersburg, Maryland for federal fcal year (FFY) July 1, 2006 to June 30, 2007.[1] The annual submission of an Action Plan is required by Title I of the Housing and Community Development Act of 1974 in order for Gaithersburg to continue to be eligible for funding through the U.S. Department of Housing and Urban Development (HUD) formula grant programs covered by this application.

The Action Plan identifies how funds received this year will be spent to meet priority needs identified in the City's Consolidated Plan. Funded activities must tie into one of HUD's three prescribed goals:

To provide decent housing.
To provide a suitable living environment.
To expand economic opportunities, particularly for low- and moderate-income persons.

Two HUD entitlement grant programs are covered in this Action Plan:

Community Development Block Grant (CDBG) Program.
Housing Opportunities for Persons With AIDS (HOPWA) Program.

An *SF-424, Application for Federal Assistance,* for each program is attached on the preceding pages. Certifications (general, CDBG, and HOPWA) are also included.

Background

The upcoming program year is the fourth year of the City of Gaithersburg's annual allocation as a direct recipient of CDBG funds and its third year as the HOPWA formula grantee for the Bethesda-Frederick-Gaithersburg Metropolitan Division. For CDBG, a jurisdiction's level of funding is based on a formula that examines the jurisdiction's population, extent of poverty, level of housing overcrowding, age of housing, and population growth lag. HOPWA funds are distributed based on a statutory formula that relies on AIDS statistics (cumulative AIDS cases and area incidence) from the Centers for Disease Control and Prevention (CDC). HOPWA funding is awarded to qualified States and Metropolitan Statistical Areas (MSAs) with the highest number of AIDS cases. Seventy-five percent of HOPWA formula funds is awarded to States and MSAs that have a population of 500,000 or higher and at least 1,500 cumulative HIV/AIDS cases. Twenty-five percent of HOPWA formula funding (commonly referred to as "bonus" funding) is awarded to MSAs with a higher-than-average per capita incidence of AIDS.

[1] Please note that this time period corresponds to the City of Gaithersburg's fiscal year (FY) *2007.* However, to prevent confusion and to be consistent with HUD's labeling of fiscal years, the City refers to the time period interchangeably as "the upcoming program year" and "FFY 2006" throughout this Action Plan.

Funding

The City has been notified by HUD that it is eligible to receive $465,438 in CDBG funds and $524,000 in HOPWA formula funds for the program year July 1, 2006 to June 30, 2007. Gaithersburg's award for its first year as a direct entitlement community for CDBG was $549,000. Although CDBG funding fell during the City's second and third years as an entitlement community ($545,000 and $517,174, respectively), Gaithersburg's CDBG award for the upcoming year represents a far more dramatic funding cut. The $465,438 award for FFY 2006 (July 1, 2006 to June 30, 2006) is 10 percent lower than last year's award and 15 percent lower than the City's award during its first year as an entitlement community just 3 years ago.

Although the City has seen an overall 2-percent drop in HOPWA funding since becoming a formula grantee in FFY 2004, Gaithersburg's HOPWA award for the upcoming year is slightly higher than last year's award, going from $518,000 in FFY 2005 to $524,000 for FFY 2006. This increase does not, however, compensate for the sharp cut in funding Montgomery and Frederick Counties experienced two years ago as a result of the reconfiguration of the MSAs, which resulted in the City of Gaithersburg being designated the formula grantee for the newly created Bethesda-Frederick-Gaithersburg Metropolitan Division. When part of the District of Columbia MSA, both Frederick and Montgomery Counties received the benefit of HOPWA "bonus" dollars.

The table below compares Gaithersburg's CDBG allocation for the upcoming year with its FFY 2003, FFY 2004, and FFY 2005 CDBG allocations. It also compares the City's HOPWA allocation for the upcoming year with its FFY 2004 and FFY 2005 HOPWA allocation (for the two-county Bethesda-Frederick-Gaithersburg Metropolitan Division) and with the approximate level of HOPWA formula funds the previous grantee, the District of Columbia HIV/AIDS Administration (DCHAA), received in FFY 2003 for use on behalf of HOPWA clients in Montgomery and Frederick Counties.

Table 5.1: HOPWA and CDBG Funding, FFY 2003 – FFY 2006

Program	FFY 2006 Allocation (% change since FY2005 / FY2003)	FFY 2005 Allocation	FFY 2004 Allocation	FFY 2003 Funding*
CDBG	$465,438 (-10% /-15%)	$517,174	$545,000	$549,000
HOPWA	$524,000 (+1.1% / -28.5%)	$518,000	$535,000	$732,719

*The "FFY 2003 Funding" column lists the City's FFY 2003 CDBG allocation and, for HOPWA, the portion of the previous grantee's HOPWA award used to serve clients in Montgomery and Frederick Counties. The City did not become a HOPWA formula grantee until FFY 2004.

Action Plan

This Action Plan outlines activities the City intends to undertake with CDBG and HOPWA funds during the program year July 1, 2006 to June 30, 2007, to address priority needs and local objectives identified in its Strategic Plan. It also estimates the number

and type of households and families to benefit from the proposed activities. In a table format prescribed by HUD (see Table 3: Action Plan Projects, FFY 2006, pages 5-XX to 5-XX), the Action Plan lists the activities to be undertaken, including proposed accomplishments and target dates for completion. In addition, as required by 24 CFR 91.220, the Action Plan (1) indicates private and non-Federal resources the City expects to have available to address needs identified in the Action Plan and (2) details other actions it plans to take this year, such as addressing obstacles to meeting under-served needs and reducing the number of families in poverty.

Other Resources

CDBG

All CDBG funds received by the City of Gaithersburg are leveraged by other funding sources, including financial support from the City, Montgomery County, the State of Maryland, and other federal agencies.

The $70,000 in CDBG funds to be used this year for the Gaithersburg Olde Towne Youth Center, for example, will be supplemented by several other funding sources, including $300,000 from the State of Maryland in its FY07 capital budget. Depending on funds received from other outside agencies, approximately $1,500,000 in City funds will still be necessary to complete the project, currently estimated to cost $3,000,000. Although the City will contribute at least half of the cost of the construction and outfitting of the new center, it did not need to buy the land on which the center is being built. It is expected that Montgomery County Public Schools (MCPS) will dedicate a 0.9-acre site on the property of Gaithersburg Middle School, 2 Teacher's Way, to the new youth center, and, once an agreement between the City and MCPS has been reached, the City will pay $1/year for the ground lease. The City will cover all operating costs for the Center, estimated at $180,000 per year including programming and staffing.

As detailed elsewhere in this Action Plan, the City had expected construction of the Olde Towne Youth Center to be underway by now, and, in fact, budgeted $341,094 of its FFY 2005 CDBG award toward construction of the Center. However, given unanticipated delays in its negotiations with MCPS, the design and construction of the new facility has had to be postponed. This delay is in large part due to the procedural requirement (previously undisclosed to the City) that MCPS must first offer the site to other state and county agencies before it can be dedicated to the City of Gaithersburg for the construction of the youth center facility. These considerations – and other factors – including a pending sale of the current Olde Towne Youth Center and the property on which it sits have significantly delayed this project. The City will use CDBG funds in the upcoming program year for the design of the Olde Towne Youth Center, estimated at $325,000 and move forward with construction as soon as an agreement with MCPS has been reached.

Just as State and City funding in the year ahead will supplement CDBG funds being used for design of the Olde Towne Youth Center, non-CDBG funds also will be used this year

for the City's other capital project, the Olde Towne Gaithersburg Rolling Stock Restoration Project. In particular, the $233,850 in CDBG funds being used for this project this year will be leveraged with approximately $430,182 in federal funds the City will receive through a grant from the State Highway Administration's Transportation Enhancement Program. In addition, approximately $196,332 in City funds will be used to complete the $860,000 project.

Public service grants, totaling $68,500 (capped by statute at 15 percent of the annual award) will be used for a range of services to benefit homeless, low-income, and special needs populations, including the elderly and frail elderly in the upcoming year. Each CDBG public service grant will be leveraged by City, County, State, other federal, and/or private foundation grants. For example, CDBG public service funds that Stepping Stones Shelter receives to provide housing counseling to low-income City residents are leveraged by the organization's donation of project supervision and administrative costs, thereby allowing CDBG funds to be used entirely for housing counseling services for more than 40 low-income City residents each year. This counseling is intended to help residents obtain or maintain housing, prevent eviction, and/or address emergency housing needs. Since becoming a CDBG entitlement community, the City has considered subgrantees' ability to leverage other non-federal funds a significant ranking factor in determining public service grant awards.

HOPWA

Like its CDBG funds, the City's HOPWA funds also are leveraged by non-HOPWA federal funds, State funding, and other resources.

The level of non-HOPWA funds available in the upcoming year, however, is significantly lower than in FFY 2005. Funding will not be available during the upcoming year from the District of Columbia Department of Health HIV/AIDS Administration (DC HAA), the previous grantee for the D.C. Metropolitan Area, which included Suburban Maryland which included Frederick and Montgomery Counties, which last year agreed to provide approximately $195,000 to serve HOPWA clients in Montgomery County between July 1, 2005 and June 30, 2006. DC HAA had sufficient HOPWA funds remaining from previous years to provide such funding, thereby allowing the same number of Montgomery County HOPWA clients to receive tenant-based rental assistance during FFY 2005 as in FFY 2004. Nor will $85,600 in Ryan White Title II funds under the Montgomery County Unified Grant Award, under the category of short-term housing assistance, be available to supplement the City's HOPWA funding in the year ahead. The Maryland Department of Health and Mental Hygiene AIDS Administration agreed to provide such funding last year as a one-time measure to pay 30 days' rent for 37 Montgomery County and 5 Frederick County households. The need for this arrangement arose from the State's request to renegotiate the terms of its Agreement with the City at the outset of the program year.

Although Gaithersburg's HOPWA funding will not be leveraged by DC HAA and Ryan White Title II funds in FFY 2006, the City's HOPWA funds may be leveraged by State

Ryan White (Title I) funds, to supplement housing assistance payments for HOPWA clients in Montgomery County and Frederick County. At this point, the State has not determined whether such funds will be available. In addition, a range of other Federal, State, and local programs provide assistance to help meet the housing needs of residents of Montgomery and Frederick Counties, including low-income persons with HIV/AIDS. Resources available through the following programs can be used to address HOPWA needs:

OHEP (Office of Home Energy Programs), a Federally funded program, which is administered by the State of Maryland Department of Human Resources, helps low-income Maryland citizens pay their heating bills, minimize heating crises, and make energy costs more affordable. Through its comprehensive energy package, which includes the Maryland Energy Assistance Program and the Electric Universal Service Program, OHEP promotes energy conservation, customer financial responsibility and energy independence. According to the supervisor of the OHEP program, there is no annual maximum, as an individual's benefits are based on fuel consumption.

The Maryland Energy Assistance Program (MEAP) provides assistance with home heating bills. Limited assistance is available to replace broken or inefficient furnaces. The Universal Service Protection Program (USPP) protects low-income families from utility cut-offs and allows MEAP-eligible households enter into a year-round even monthly payment program with their utility company.

The Maryland Eviction Prevention (EP) Program helps keep people housed through a combination of State and county funds. The maximum annual grant a client could receive through this program is $750. Like OHEP, EP is not specifically geared to HOPWA clients; however, all Montgomery County and Frederick County residents are eligible to apply for EP assistance.

Frederick County Utility Assistance Program is open to all County residents, including those with HIV/AIDS.

Frederick County Emergency Housing Assistance is also available, according to the Executive Director of the Housing Authority of the City of Frederick and staff at the Frederick Department of Social Services, and has been used to provide housing assistance to persons with HIV/AIDS.

Carryover HOPWA Funds

With respect to any carryover HOPWA funds available at the end of FFY 2006, the City intends to address priority needs and objectives identified in the Strategic Plan chapter of its Consolidated Plan by using such funds to continue the tenant-based rental assistance payments of HOPWA clients now being served in Frederick and Montgomery Counties at the same level. Given the significant drop in funding that resulted from the June 2003 reconfiguration of MSAs, which in turn led to Gaithersburg's identification as the formula grantee for the Bethesda-Frederick-Gaithersburg Metropolitan Division, and the likelihood of continued reductions in funding, additional funding may be needed in the years ahead to sustain service to approximately the same number of clients in each county. As set forth in this Action Plan, the additional HOPWA funding ($195,035) provided last year for Montgomery County clients by DC HAA will not be available in

the upcoming year. Notwithstanding the lack of these funds in the upcoming year, the City expects to have sufficient funds to continue serving the same number of clients in each county, without relying on supplemental funding or removing any clients from the HOPWA rolls. The City's expected ability to serve Montgomery clients without supplemental or carryover funding in the year ahead, even without the DC HAA funds, in FFY 2006 results largely from the fact that 10 households moved off of Montgomery County's HOPWA rolls in FFY 2005, many of whom had very high rents. Although most of these households were removed from the HOPWA program due to attrition (death, income increase, moving to long-term care), two households were cut from the program as the result of noncompliance with program requirements.

In addition to its unexpended FFY 2004 HOPWA award (which the City is spending this year), carryover HOPWA funds will include the City's allocated FFY 2006 $508,280 funds ($524,000 less the City's 3-percent administrative fee of $15,720) which the City has determined not to spend during the July 1, 2006 to June 30, 2007 program year. Because the previous grantee, DC HAA, had sufficient HOPWA funds to continue serving Frederick and Montgomery County HOPWA clients during Gaithersburg's first year as a HOPWA grantee (FFY 2004), Gaithersburg did not begin spending HOPWA funds on program activities until a year later, although it did spend 3 percent of the award that year on eligible administrative costs. Consequently, Gaithersburg each year spends the remaining portion of the previous year's award on HOPWA program activities. For example, in FFY 2005, the City used the FFY 2004 HOPWA award (less our 3 percent administrative fee) to provide tenant-based rental assistance to Montgomery and Frederick County clients. Similarly, in the upcoming program year, the City will use $502,460 in FFY 2005 HOPWA funds (the $518,000 award minus $15,540 in administrative costs) to serve HOPWA clients in the two counties. The City will spend 3 percent of its FFY 2006 award ($15,720) on administrative costs in the upcoming program year.

The HOPWA section of this Action Plan discusses the City's expenditure of FFY 2005 HOPWA funds during the upcoming program year and its determination not to expend FFY 2006 HOPWA funds until the following year.

CDBG Activities

The City of Gaithersburg plans to undertake several projects during the upcoming year to address priority needs and local objectives identified in the City's Strategic Plan. All projects undertaken will meet the national objective of benefiting low- to moderate-income persons and special needs populations as defined in the body of this application.

In FFY 2006, its fourth year as a direct entitlement community, Gaithersburg will receive $465,438 in CDBG funds to support national objectives that include decent housing, a suitable living environment, and expanded economic opportunities, principally for low- to moderate-income persons. Twenty percent ($93,088) of the City's CDBG award will be used for administration and planning, and $68,500 for public service projects. The

balance ($303,850) will be used for two eligible capital projects, the Olde Towne Youth Center and the Olde Towne Gaithersburg Rolling Stock Restoration Project.

Although it will spend most of its annual CDBG allocation this year on capital projects, the City will also fund a range of public service project. These projects include continued funding for a housing counseling program, rental assistance for a nonprofit counseling and youth services organization that is being displaced as the result of the pending sale of a City-owned property they have been leasing, and direct program expenses associated with the City's creation of an affordable housing program. Unlike the City's first three years as an entitlement community, the upcoming year is the first year during which the City may receive program income. Such income would result from the sale of City-owned property in Olde Towne Gaithersburg that was originally acquired with CDBG funding the City received as "pass through" funding from Montgomery County. The City purchased this property, at 402-402B and 404 East Diamond Avenue, in 1998, using $575,357 in CDBG funds toward the $690,000 purchase price. These funds were part of the City's annual allocation from Montgomery County's Department of Housing and Community Affairs' (DHCA's) over five years.

A listing of the proposed projects to be undertaken in the upcoming program year (July 1, 2006 to June 30, 2007) appears in Table 3 at the end of this Action Plan. Contracts with two of the public service grantees, Stepping Stones Shelter and GUIDE Youth Services, will be executed July 1, 2006. Our contract with a housing management provider will be executed as soon as possible after July 1, 2006, after the City finalizes and formally adopts a housing policy and identifies an appropriate contractor to provide programmatic support, particularly with respect to managing affordable housing units created through this program. All public service contracts for the upcoming program year will expire June 30, 2007.

Citizen Participation and Community Consultation

Timeline

The timeline below identifies three public hearings that the City of Gaithersburg and the Housing Authority of the City of Frederick held and discusses other citizen participation and community consultation actions relating to CDBG and HOPWA the City took before submitting its FFY 2006 Action Plan to HUD. Copies of the legal notices referenced in the timeline are attached (see pages 5-XX to 5-XX).

January 2006: CDBG Public Service Application Materials Online
Posted information on the CDBG public service grant application process (application, fact sheet, funding policies) on the Community Development page of the City's Web site at www.gaithersburgmd.gov.

January 26, 2006: Notification to Current Grantees
Contacted all FFY 2005 public service grantees, notifying them of upcoming CDBG application process and providing instructions on how to secure a hard copy of

application materials or access such materials online. Notification also indicated due date for application, date of first public hearing, and approximate level of CDBG public service funding expected for upcoming program year.

First Public Hearing, Community Location/Gaithersburg
--January 11, 2006: Notice of First Public Hearing Published, *Gaithersburg Gazette*
- Published notice of first public hearing in *Gaithersburg Gazette* (more than 14 days before February 1, 2006 hearing).

--February 1, 2006: First Public Hearing Held/Community Location in Gaithersburg
Held first public hearing at the Activity Center at Bohrer Park, 506 S. Frederick Avenue, Gaithersburg, Maryland at 7 p.m. in order to:

Provide information on anticipated CDBG funding, eligible activities, level of funds City proposes to use to benefit low/mod persons, and plans to minimize displacement and help displaced persons in FFY 2006.

Provide information on anticipated level of HOPWA funding and range of eligible activities and allow residents to provide input on use of HOPWA funds.

Allow residents to provide input on housing and community development, strategies for addressing the needs of low/mod residents, and use of CDBG and HOPWA funds.

February 21, 2006: CDBG Public Service Grant Application Due Date
Due date for applications for CDBG public service grants.

Second Public Hearing: Frederick
--February 15, 2006: Notice of Second Public Hearing Published, *Frederick Gazette*
Published notice of second public hearing in the *Frederick Gazette* (more than 14 days before March 1, 2006 hearing).

--March 1, 2006: Second Public Hearing Held/Housing Authority of City of Frederick
The City's second public hearing, held at and convened by the Housing Authority of the City of Frederick (HACF), focused on HOPWA. By holding the second public hearing in Frederick, Frederick County residents were offered an opportunity to provide input on Gaithersburg's use of HOPWA funds in the upcoming program year. At the hearing, an HACF staff member was available to provide information on the anticipated level of HOPWA funding for Montgomery and Frederick Counties and describe the range of eligible activities.

Third Public Hearing: Mayor & Council Meeting/Gaithersburg
--February 9, 2006: Notice of Third Public Hearing Posted Online
Posted information relating to the City's March 6, 2006 public hearing on the front page of the City of Gaithersburg web site. The notice invited the public to attend this hearing to present proposals for community development activities that benefit persons of low and moderate income or prevent or eliminate slum or blight. It also identified the date

and time of the hearing and provided contact information for those with questions or who wished to appear at the hearing.

--February 15, 2006: Notice of Third Public Hearing, *Gaithersburg Gazette*
Published notice of third public hearing in *Gaithersburg Gazette* (more than 14 days before March 6, 2006 hearing) inviting interested organizations to present proposals for use of CDBG funding in the upcoming year; identifying the date, time, and location of the hearing; and providing contact information for the City's Director of Community Development for those who had questions or wished to appear at the hearing.

--March 6, 2006: Third Public Hearing Held/Gaithersburg Mayor & Council Meeting
Held third public hearing at a regularly scheduled Mayor & Council meeting on Monday, March 6, 2006 at 7:30 p.m. At the hearing, which was televised live to Gaithersburg residents, staff provided an overview of CDBG and HOPWA and interested nonprofits were invited to present CDBG public service proposals. At the same public hearing, the City's Director of Community Development presented information on the development of an affordable housing policy to the Mayor and Council.

Draft Action Plan: Availability for Review and Comment
April 5, 2006: Notice of Draft Action Plan's Availability for Review
Published summary of draft Action Plan for the upcoming year in the *Gaithersburg Gazette* and the *Frederick News-Post.* These legal notices also identified locations in Gaithersburg and Frederick where interested parties could review the draft Action Plan and provided instructions for submitting comments on the draft Plan.

April 12, 2006 to May 12, 2006: 30-Day Comment Period
Copies of draft Action Plan for the upcoming program year were available for review and comment at the following locations in Gaithersburg and Frederick:

City of Gaithersburg
31 South Summit Avenue
Gaithersburg, MD 20877

Gaithersburg Library
18330 Montgomery Village Avenue
Gaithersburg, MD 20877

C. Burr Artz Central Library
110 East Patrick Street
Frederick, MD 21701

Housing Authority of the City of Frederick
209 Madison Street
Frederick, Maryland 21701

May 1, 2006: Presentation of Action Plan to Mayor and Council
At a regularly scheduled Mayor and Council meeting, staff presented the City's draft Action Plan and requested the Mayor and Council's approval of the proposed projects outlined in the draft Action Plan.

Expanded Community Outreach Activities

Given the lack of comments on last year's draft Action Plan, Gaithersburg staff this year increased its citizen participation efforts and made the draft Plan to additional community organizations, schools, businesses, social services providers, and others. Such expanded community outreach was conducted in an effort to increase public awareness of activities described in the Action Plan and encourage community members affected by and interested in our proposed CDBG and HOPWA activities to provide input and comments. Such expanded community outreach activities included making copies of the draft Plan available for review and comment at the following additional locations throughout the City:

Gaithersburg Division of Human Services
1 Wells Avenue
Gaithersburg, MD 20877

Gaithersburg Upcounty Senior Center
80A Bureau Drive
Gaithersburg, MD 20877

The Activity Center at Bohrer Park
507 South Frederick Avenue
Gaithersburg, MD 20877

Casey Community Center
810 South Frederick Avenue
Gaithersburg, MD 20877

Judy Center
Summit Hall Elementary School
101 West Deer Park Road
Gaithersburg, MD 20877

Ed Bohrer Parent Resource Center
Gaithersburg Elementary School
35 North Summit Avenue

In addition to making hard copies of the draft Action Plan available at these locations, the City distributed an electronic copy of the draft Plan, via email, to members of the Gaithersburg Coalition of Providers and the Gaithersburg Interfaith Alliance. It was also distributed via email to members of the City's Education and Multicultural Affairs Committees as well as to members of the Community Advisory Board.

Each of these groups is committed to serving those in need. The Gaithersburg Coalition of Providers, established in 1995, is an alliance of more than 80 local public and social service organizations that coordinate efforts to better serve people in need in our community. Its activities include quarterly meetings, educational trainings, and the delivery of services. The Gaithersburg Interfaith Alliance, which consists of representatives from area congregations, meets monthly for fellowship, education, and an opportunity to reflect jointly on issues facing households in need. The City's Education and Multicultural Affairs Committees and the Community Advisory Board similarly work to serve our City's neediest residents, as reflected by their respective missions: Education Committee (to foster a climate of excellence within Gaithersburg schools), Multicultural Affairs Committee (to keep Mayor and Council aware of the needs and concerns of the City's diverse communities), and Community Advisory Board (to identify community needs, explore gaps in services, and recommend and gather support for programs).

Comments Received

The City's expanded community outreach efforts this year resulted in XXX

[ADD UPDATE AND SUMMARY OF ANY COMMENTS RECEIVED TO BE ADDED AT CLOSE OF COMMENT PERIOD]

Community Consultation/Local Governments

Citizen participation and community consultation were critical to the development of the City of Gaithersburg's Action Plan. While preparing the Plan, the City actively encouraged the participation of citizens, government agencies, and nonprofit organizations in the community.

HOPWA. In addition to holding required public hearings, and in accordance with the requirements of its Citizen Participation Plan, the City consulted with public and private service agencies, State and local agencies, and adjacent units of local general government. A list of the specific public and private agencies and units of local government with which the City consulted, including those that focus on persons with HIV/AIDS, appears below.

As the HOPWA formula grantee for Metropolitan Division that includes Frederick and Montgomery Counties, the City has consulted frequently with government and private agencies throughout the two counties. As described in detail in Chapter 6 of the City's Amended Consolidated Plan, since being notified of its status as a HOPWA formula

grantee, City staff have been meeting and speaking regularly with representatives from HUD, Montgomery County, the City of Frederick, Frederick County, the Housing Authority of the City of Frederick, the District of Columbia Department of Health, HIV/AIDS Administration, and other public and private agencies. Consultation relating to HOPWA has included regular conference calls with the Maryland AIDS Administration and the project sponsors for Montgomery and Frederick Counties to ensure that these entities are complying with the requirements of their respective agreements with the City of Gaithersburg. Through these communications, the City remains informed of the type of assistance HOPWA funds are providing and the approximate number of low-income persons with HIV/AIDS we are serving in Frederick and Montgomery Counties.

In preparing its Action Plan, the City consulted with the following private and public agencies, focusing specifically on meeting the needs of persons with HIV/AIDS:

Montgomery County Department of Health and Human Services (HOPWA Project Sponsor, Montgomery County);
Montgomery County Health Department, HIV/AIDS Client Services Program and STD/HIV Services;
Montgomery County Department of Housing and Community Affairs;
The Housing Authority of the City of Frederick (HOPWA Project Sponsor for Frederick County);
Frederick County Department of Social Services (Adult Services);
Frederick County Health Department;
City of Frederick, Department of Community Development;
AIDS Housing of Washington (technical assistance provider);
The Maryland AIDS Administration, Maryland Department of Health and Mental Hygiene (Administrative Agent, HOPWA);
Prince George's County Department of Community Planning and Development (Administrative Agent for former HOPWA grantee);
Prince George's County Health Department (Ryan White Program for Frederick County);
District of Columbia HIV/AIDS Administration (former HOPWA grantee for MSA that prior to 2003 included Montgomery and Frederick Counties);
Maryland Department of the Environment;
Montgomery County Office of Communicable Disease and Epidemiology;
Gaithersburg Coalition of Providers; and
Montgomery County Housing Opportunities Commission.

Housing-Related Consultation. The City in FFY 2005 also continued to meet regularly with representatives from private industry, nonprofit agencies, and other public and government organizations to address housing-related and other priorities and objectives identified in the City's Strategic Plan. Through involvement with the Gaithersburg Coalition of Providers, the City remains in close communication with service organizations that provide services and work with the City's low- and moderate-income residents. The City also consults frequently, through telephone conversations and in-

person meetings and trainings, with Montgomery County's Department of Housing and Community Affairs and its Department of Health and Human Services, which, effective July 1, 2005, became the HOPWA project sponsor for Montgomery County.

City staff this year also continued to participate in a range of housing-related committees and organizations, including those listed in this Plan under "Develop Institutional Structure" and communicated with other CDBG entitlement grantees throughout the State (including the Cities of Bowie, Frederick, and Annapolis). Pursuant to its obligations under HUD Regulations 24 CFR 91.100(a)(2) and 91.110, the City will continue to consult with State and local health and child welfare agencies on the hazards of lead-based paint and the extent of childhood lead poisoning reported in Montgomery County, including the addresses of housing units in which children have been identified as lead poisoned.

Gaithersburg began the process of developing an affordable housing policy in early 2006. Following a November 2005 housing work session, the Mayor and Council brought the issue of affordable housing to its January 2006 retreat. During the retreat, Council directed staff to examine the City's current housing stock and determine the availability and affordability of rental and homeownership units in the market for households at a range of income levels. The Mayor and Council also asked staff to examine other jurisdictions' affordable housing programs and to explore subsidy and other programs already available to City residents and to make recommendations based on this information.

Staff consulted with local jurisdictions throughout Maryland, across the Washington Metropolitan area, and nationwide as we explored statutes, policies, and other approaches localities had adopted to increase the stock of affordable housing, particularly for low- to moderate-income residents. The City's consideration and review of inclusionary zoning ordinances in place across the country, in particular, provided an opportunity to discuss such legislation with staff from several counties, states, and local governments.

In addition to analyzing demographic information and researching federal, state, and local programs currently available to Gaithersburg residents, City staff examined inclusionary zoning ordinances and other housing programs in place in neighboring jurisdictions in the area as well as in other parts of the country. In particular, we contacted and/or consulted with staff from the following agencies and jurisdictions:

Montgomery County's Department of Housing and Community Affairs;
The Montgomery County Housing Opportunities Commission;
The Cities of Annapolis, Takoma Park, Rockville, Westminster, Hagerstown, Frederick, and Bowie, Maryland;
Frederick, Washington, Prince George's, and Carroll Counties, Maryland;
Fairfax County, Virginia;
Denver, Colorado; and
Davis, California.

Staff then prepared a detailed table summarizing each jurisdiction's legislation and programs. This table, together with information on other housing programs available in local jurisdictions and a summary of federal, state, and local programs already available to City residents, was presented to the Mayor and Council on March 1, 2006. Although the City has not yet adopted its own affordable housing policy or program, it expects to have such a policy finalized in early FFY 2006 and proposes in this Action Plan to spend a portion of its CDBG public service funding on that program in the year ahead.

Meeting Under-Served Needs

Public Service Projects

To meet under-served needs in the City during the upcoming program year, the City will fund a range of public service projects. These projects, capped by statute at 15 percent, will support low- and moderate-income persons through activities such as housing counseling, family counseling, and afterschool programs, and by providing programmatic support to the City's affordable housing program, now under development. In particular, through a third-year grant to **Stepping Stones Shelter**, low-income residents will receive housing counseling through the services of an experienced housing counselor, who will work closely with residents to help them obtain and maintain appropriate housing, prevent eviction, and become better tenants.

A grant to **GUIDE Youth Services,** being re-located this year as the result of the pending sale of a City-owned property leased for many years by GUIDE at a nominal $1/year, will provide approximately $15,000 in rental assistance to an organization that has long served Gaithersburg youth and families. With this rental assistance, GUIDE will be able to continue providing much-needed counseling services to some of the City's neediest youth and families. Prevention, early intervention, and treatment services are available to youth and families through GUIDE's three youth service centers, one of which is located in Gaithersburg and will soon move to a nearby location also within City limits. GUIDE's mission is to strengthen families and promote positive youth development, and its Gaithersburg youth service center offers youth and family counseling, school-based psycho-educational and skills development groups, after-school activities, drug and alcohol prevention and education services, tutoring, crisis intervention services, and information/referral services. GUIDE youth service centers play an important role in Montgomery County's Linkages to Learning Program and Montgomery County Public School's Kids First Alliance initiative. Through these partnerships, and in collaboration with the Family Services Agency of Montgomery County, GUIDE provides mental health treatment and social services to children, youth, and families in area public schools. GUIDE's new location, in fact, is a 3,600-square foot office space just off of East Diamond Avenue owned and operated by Family Services.

The City's under-served needs also will also be met in the year ahead through CDBG public service funding for the City's new **affordable housing program**. Although not yet finalized, this program will be based on a City policy being established to ensure an adequate number of affordable housing units for low- and moderate-income residents.

As the City anticipates a need for programmatic support for this program, it has budgeted $30,000 in public service funding to the program.

In addition to the CDBG funding being allocated to provide direct program support for the City's Affordable Housing program, several other housing initiatives undertaken or in the planning stages are intended to meet under-served needs of City residents. Among its most innovative housing initiatives is Gaithersburg's newly created homeownership and downpayment assistance program, which provides qualified residents up to $10,000 in downpayment and/or closing cost assistance in the form of a grant from the City. The assistance will allow approximately 20 City residents, mostly first-time homebuyers who would otherwise be unable to afford a house in Montgomery County, to become homeowners. Under an agreement executed in December 2005, the Housing Opportunities Commission of Montgomery County is administering this pilot program for the City and helping residents complete the process of homeownership. To date, two City residents have received downpayment assistance through this program and two are currently working with HOC. Assistance remains available to eligible City residents under the homeownership and downpayment assistance program through December 2006. Although a considerable number of residents meet the program's income guidelines, the City has found that many have poor credit and other financial issues (e.g., IRS tax liens and bankruptcy filings) that must be addressed before they can pursue homeownership. Unlike Montgomery County's MPDU program, Gaithersburg's homeownership and downpayment assistance program requires a minimum credit report score of 500.

Selection of CDBG Projects

An internal team, consisting of Gaithersburg's City Manager, Assistant City Manager, Director of Community Development, and Grants Writer, carefully reviews any proposals for CDBG public service funding that the City receives. The team considers factors including eligibility, timeliness, cost-effectiveness, and benefit to the population. Between February and March 2006, the City received only one application for CDBG public service funding, which is being recommended for funding (see description below).

Several programs funded with CDBG public service grants last year will be served through the City's nonprofit grant program in the year ahead. These include Home Care Partners; Mobile Medical Care, Inc.; and Mercy Clinic. One grantee, Montgomery College, decided not to pursue second-year funding for its Workplace English program.

In addition to the public service projects, CDBG funds in the year ahead will be used to cover pre-development and design costs for the Olde Towne Youth Center project, now in the development phase. The Olde Towne Youth Center is being relocated from 402 East Diamond Avenue, Gaithersburg, Maryland to 2 Teachers Way, Gaithersburg, Maryland. The new youth center will be built on an almost one-acre site at Gaithersburg Middle School that the City expects to be able to lease from Montgomery County Public Schools for a nominal fee of $1/year. A new youth center is necessary not only to address space constraints of the current center but as part of revitalization efforts about to

take place in historic Olde Towne Gaithersburg. The recently completed west side youth center at Robinson Park was designed and built to meet the specifications of the LEED (Leadership in Energy and Environmental Design) "green building" rating system, which emphasizes state-of-the-art strategies for sustainable site development, water savings, energy efficiency, materials selection, and environmental quality. The construction contract for that center, awarded in August 2004, in the amount of $2,400,000, specifically included LEEDs design and is currently under review for such certification. Given significant cost increases and construction delays resulting from the LEEDS design of the west side youth center, the Olde Towne Youth Center's design and construction will include some elements consistent with the LEED green building rating system. However, the City will not pursue LEEDS certification for this project.

The other CDBG-funded capital project this year is the Olde Towne Gaithersburg Rolling Stock Restoration Project, which involves renovating and refurbishing two historic rail cars, replacing a third car with a more suitable caboose, and completing repairs to several baggage cars, and to the City-owned "guest" track to host visiting trains for special events. The City will make the area handicapped accessible and replace the existing decking materials, thereby enhancing public use and attracting additional visitors to the site. While emphasizing the central role of the railroad in Gaithersburg's history, the Rolling Stock Project also showcases Olde Towne Gaithersburg as a source of civic pride and will reinforce the forward momentum of urban revitalization and economic growth efforts in the Olde Towne District. As detailed elsewhere in this Action Plan, the CDBG capital funding for this project will be leveraged by approximately $430,000 in federal funding the City has been awarded through the State Highway Administration's Transportation Enhancement Program (TEP).

Allocation of CDBG Award

Of Gaithersburg's $468,435 CDBG award for the year beginning July 1, 2006, 20 percent of the funds ($93,088) will be allocated to planning and administration, $68,500 to public service projects (capped by statute at 15 percent), and the balance ($303,850) to eligible capital projects.

Public service projects. The following projects were selected for public service funding through CDBG this year:

(1) Stepping Stones Shelter: $23,500 (3rd year of funding, 12-month period)
Housing stability for low- and moderate-income Gaithersburg residents remains very tenuous. Rising rents, poor credit, and insufficient income combine to make this population susceptible to housing crises. According to the Comprehensive Housing Affordability Strategy (CHAS) report prepared by HUD using 2000 Census data for Gaithersburg, 54 percent of elderly and small related City households at or below median household income pay an unacceptably high monthly housing cost (rent and utilities) in relation to their income. Thirty-six percent of all households (renter and homeowner occupied) at or below median household income pay too much towards their housing costs.

Given the significant need for housing counseling services to obtain or maintain housing or avoid eviction, the City decided to fund Stepping Stones' housing counseling program for a third year. Stepping Stones Shelter initially received public service funding (in FFY 2004) to replace the loss of the Upper Montgomery Assistance Network's housing counseling program for renters. During its first year as a grantee, Stepping Stones provided 15 hours of housing counseling service a week, 10 of which were devoted to working with and on behalf of homeless families and families facing eviction to obtain and maintain housing. Five hours a week were spent developing relationships with landlords, management companies, and realtors to benefit both City residents and staff. Outreach to landlords included holding a landlord breakfast and providing City landlords with comprehensive information on housing and utilities.

With its second year of funding (being used over a 10-month contract period), Stepping Stones is required to provide approximately 756 hours of housing counseling to 37 low-income City residents. Although the program year does not end until June 30, 2006, Stepping Stones is currently on target to meet those goals—having provided 517 hours of housing counseling to 31 residents during the first 7 months of the contract. In addition to providing housing counseling, Stepping Stones may also, as necessary, provide direct advocacy on behalf of a client and/or recommend that a client receive direct financial assistance through emergency housing assistance made available through this program. Under Stepping Stone's Year 2 agreement with the City, up to $4,167 may be used for emergency financial assistance. These funds were made available to Stepping Stones Shelter during its first year of funding for use as a last resort for City of Gaithersburg families and households facing eviction and only upon referral by the Stepping Stones housing counselor and the review and approval of City staff from Human Services, and the City Manager's Office. During its second year of funding, Stepping Stones continued to refer households for emergency assistance on an as-needed basis. During Stepping Stones' first year of funding, $2,550 in emergency assistance was provided to 8 clients, and to date this program year, $2,184 in emergency assistance has been provided, serving 5 clients.

(2) GUIDE Youth Services (Rental Assistance) $15,000 (1st year of funding, 12-month period)

As noted earlier in this Plan, a grant to GUIDE Youth Services, being re-located this year as the result of the pending sale of a City-owned property leased for many years by GUIDE at a nominal fee, will provide approximately $15,000 in rental assistance. This funding will enable an organization that has long served Gaithersburg youth and families to continue providing much-needed counseling services to some of the City's neediest youth and families. During FFY 2006, GUIDE will provide services to approximately 125 low- to moderate-income City residents. These services include prevention, early intervention, and treatment services for youth and families through GUIDE's three youth service centers, one of which is located on Diamond Avenue in Olde Towne Gaithersburg and will soon move to a nearby location also within City limits.

Consistent with GUIDE's mission to strengthen families and promote positive youth development, its Gaithersburg youth service center offers youth and family counseling, school-based psycho-educational and skills development groups, after-school activities, drug and alcohol prevention and education services, tutoring, crisis intervention services, and information/referral services. GUIDE has long played an important role in Montgomery County's Linkages to Learning Program and Montgomery County Public School's Kids First Alliance initiative. Through these partnerships, and in collaboration with the Family Services Agency of Montgomery County, GUIDE provides mental health treatment and social services to children, youth, and families in area public schools. GUIDE's new location, in fact, is a 3,600-square foot office space just off of East Diamond Avenue owned and operated by Family Services.

(3) Gaithersburg Affordable Housing Program (Program Support) $30,000 (1st year of funding, 12-month period)

During the upcoming year, the City will use $30,000 in CDBG public service funding to provide direct program support to its newly created Affordable Housing Program. In particular, the City intends to contract with a private nonprofit organization experienced in managing affordable housing units, particularly units offered to low- to moderate-income residents as part of the City's new program. Because the City's policy is not yet finalized, and will not be finalized until after July 1, 2006, the City has not yet identified the organization that it will fund to manage affordable housing units created through the City's Affordable Housing Program and/or to provide other programmatic support necessary under this program.

Capital projects.

Location: Demographic Information

Both of the City's capital projects for the upcoming year—the Olde Towne Youth Center and the Olde Towne Gaithersburg Rolling Stock Restoration Project—are located within the City's Olde Towne District, where the vast majority of the families, many of whom live in aging multi-family apartment buildings, are low income, according to U.S. Department of Housing and Urban Development (HUD) standards. As the second largest municipality in the State, Gaithersburg also has the highest percentage of Hispanic households in Maryland. Based on the 2000 Census, nearly 20 percent of City residents are Hispanic, and the percentage is much higher for Olde Towne, where approximately 43 percent of residents are Hispanic. According to information gathered by the schools and non-profit agencies working in this community, many immigrants arrive in this country without their children. When children join their parents—often after more than a year—such "reunification" can pose tremendous challenges to both parents and children. The successful efforts of school and community can, however, help mitigate these challenges.

The attached maps (see pages 5-XX and 5-XX) indicate the location of the proposed capital projects and provide demographic information on the Census tract (7007.08,

Block Group 4) where the proposed youth center will be constructed and the site of the Rolling Stock Restoration project, confirming that it is a low-income area with a significant percentage of minority residents.

As shown on the Olde Towne Demographics map (page 5-XX), 63.29 percent of families in Census tract 7007.08, Block Group 4 are low to moderate income and most residents in that area are minorities. The attached map displaying concentrations of minorities and low-income families similarly reflects the low income level and significant proportion of minorities in the Census tract. Information available from the 2000 Census provides additional detail on the demographics of the residents in Census tract 7007.08, revealing that approximately 70 percent are non-white (29.84 percent are non-Hispanic white, according to such data).

Part of Olde Towne Revitalization Efforts

The Olde Towne Youth Center and the Rolling Stock Restoration Project are important components of the City's ongoing efforts to revitalize Olde Towne Gaithersburg. Since adopting the 1995 Downtown Plan for Olde Towne, the City has worked steadily to revitalize the area and transform it into a vibrant, safe, and renewed urban center. A new parking garage was constructed in Olde Towne, and the City has entered into numerous public-private partnerships, resulting in increased commercial, office, and retail space and nearly 500 new rental housing units—all within walking distance of public transportation. Revitalization efforts also have brought educational opportunities to Olde Towne, improved aesthetics, and enhanced the quality of life for City residents and those who work in Olde Towne.

In March 2004, the City initiated a study to update the original Downtown Plan, and in November 2004, held an Olde Towne Charrette at City Hall to discuss and update the City's vision for the central business district. With the participation and input of more than 250 businesses and residents, City staff and its consultant, Torti-Gallas, Inc. crafted a plan that would reenergize this town center. Under this plan, new commercial infill development will extend the "Main Street" character of South Summit and East Diamond Avenues north to Brookes Avenue and west to Chestnut Street. This area includes the stretch of East Diamond where the Olde Towne Youth Center. At the heart of the Central Business District, close to the intersection of East Diamond and South Summit Avenues, is the site of the historic B&O Railroad Station and the three railroad cars that comprise Gaithersburg's "Rolling Stock" are located on this historic site.

Additional information on each capital project is provided below.

(1) Olde Towne Youth Center $70,000

Gaithersburg's newest youth center, about to enter its design phase, will be located at 2 Teachers Way, on the property of Gaithersburg Middle School and within walking distance of a nearby high school. With just 3,600 square feet of interior space and virtually no useable outdoor space, the current Olde Towne youth facility is inadequate to

meet the needs of the City's youth. At approximately 7,500 square feet, the spacious new facility will double the size of the existing Olde Towne Youth Center, and will offer an expanded range of activities and far greater indoor and outdoor space for activities for middle and high school youth, the age group most vulnerable to crime and delinquency between the after-school hours of 3:00 and 7:00 p.m. The new building will also be configured to accommodate a wider variety of activities, including a fully equipped audio-video recording studio, a private study and computer area, and space for games and other recreational activities.

Therefore, to better protect and support these vulnerable youth, the City is designing its newest center to accommodate ongoing recreation and tutoring programs and to create additional space for innovative programs and partnerships with non-profit agencies working with this population. The City has requested $400,000 in federal funds to outfit and equip a recording studio for the Center, and for programming activities at the facility. Funds will also be used to furnish the recording studio with the latest audio, video, and live sound equipment. In the fully outfitted recording studio, middle school students, ages 12 – 14, and older students from a nearby high school will create multi-media projects in which students write and produce their own arts and music projects.

Need for Project: Limitations of Current Center and Expanded and Improved Programming at New Center

Limitations at Current Center. The Olde Towne Gaithersburg Youth Center, currently located at 402-B East Diamond Avenue in Olde Towne Gaithersburg, offers a range of afterschool and evening activities for middle school students. Activities include a theater program, dances, activity nights, and field trips, as well as educational and service programs throughout the year.

For an annual membership fee of $10, participants are able to enjoy safe, well-supervised, and enjoyable activities during their off-school hours. As set forth in the letter from Acting City Manager Frederick J. Felton submitted with this Plan, it is the City's policy to charge a flat annual membership. Following a careful review of family incomes of the students who participate in activities at this Center, most of whom live in the surrounding low-moderate income Census tract and attend schools with higher levels of poverty than those at other Montgomery County schools, the City determined that a $10 annual membership was both affordable and reasonable. Notwithstanding this policy, however, the City is willing, upon request, to consider requests to waive the fee based on financial hardship.

While the Olde Towne Youth Center has pool and ping pong tables, video games, computers, and other amenities, space is limited at the current location. The facility, located in a former garage, is only 3,600 square feet. The design of the current center's interior space presents additional challenges. The center basically consists of two rooms, and within this space, it is difficult for youth to study or complete other activities that require quiet and concentration.

Greater Space at New Center. The new, 7,500-square foot facility (double the size of the current Olde Towne youth center and the same size as the City's newly constructed youth center on the west side of the City at Robertson Park) will offer far greater space for activities. This space will be configured to accommodate the expanded range of indoor activities and programs to be offered there (discussed below).

In addition to offering smarter design and far greater space for indoor activities, the new, 7,500-square foot facility will provide City youth a variety of outdoor activities unavailable at the current location. Given outdoor space constraints, and its location on a busy road, the current youth center has virtually no outdoor, useable space. Activities, therefore, are almost entirely limited to those that can be completed inside the small facility. The new center, by contrast, will be located on an almost one-acre site.

Expanded Hours, Programs, and Ages Served at New Center. The City has partnered with Identity, Inc., a local non-profit agency that provides after-school mentoring and family counseling programs for at-risk Latino youth at Gaithersburg Middle School and Gaithersburg High School. Identity is conducting a survey among the youth at these two schools to identify the kinds of programming that will provide the greatest draw to the Youth Center. For example, at the urging of some staff members, Gaithersburg had initially proposed adding a separate, fully equipped kitchen facility in the building for use to provide culinary training opportunities for the restaurant industry. However, through its interactions with middle and high school students and as a result of student surveys completed by youth likely to use the new center, Identity learned that job training for the restaurant business does not interest these students; they would much prefer to develop auto mechanics or construction management skills. Accordingly, in addition to a fully equipped recording studio, the City is also proposing a mentoring program at the Center, in which staff would work to bring local businesses together with these young people, with the City coordinating these efforts.

Unlike the current Olde Towne Youth Center and Gaithersburg's recently constructed west side youth center at Robinson Park, the City's newest youth center will expand programming to include high school students. Given these students' need for structured activities, recreational opportunities, and a place to complete homework, receive tutoring, and participate in programs after school and in the evening, the new center will serve this population as well as middle school youth traditionally served by our youth centers. Also factoring in the City's decision to expand programming to include high schoolers is this group's particular susceptibility to delinquency and youth crime in the absence of structured activity and adult supervision in the hours after school releases. After-school programs, such as those the Olde Towne Youth Center will offer, may help prevent problems that can arise from high school students' lack of home supervision during after-school hours, low family income, and the absence of positive adult role models and mentors.

To accommodate the addition of high school students into Youth Center programs, the facility will offer expanded hours. The Center will be open from 2:45 to 6:00 p.m. for students from two Gaithersburg middle schools, and students from the nearby high school

will have use of the Center from 5:00 to 8:00 p.m., Monday through Friday. With the current Olde Towne Youth Center serving approximately 75 middle school students per day, the new facility, at twice the square footage of the existing building, will be able to serve between 125 and 150 middle school and high school students per day.

Continuing Work With Non-Profit Agencies. Activities at the City's new Youth Center, including those offered at the newly outfitted recording studio, will be part of Gaithersburg's continuing work with local non-profit agencies working with youth most at risk of gang recruitment. In addition to supporting this community with grant funds through annual budget appropriations, the City is currently organizing a "Youth Providers Consortium" to include Gaithersburg and Upper-Montgomery County agencies involved in intervention and prevention programs for this population.

(2) Olde Towne Gaithersburg Rolling Stock Restoration Project $233,850

The City's Rolling Stock project will involve renovating and restoring two historic rail cars located in the heart of Olde Towne Gaithersburg, immediately adjacent to the City's MARC train station and Community Museum, as well as replacing a third with a more suitable caboose and repairing a "guest track" to allow the City to host visiting trains for special events. In order to make the most of these refurbished cars, and allow for handicapped accessibility to the Troop Kitchen Car, the building will be fully handicapped accessible. Other improvements to the site will include the installation of brick materials to accommodate a higher number of visitors, student and educational groups, and tours of the project site. To minimize the hardscape of the much larger platform, features such as new shrubbery, period lighting, and benches will be added to the deck and surrounding areas. Finally, the City proposes repairs to its visitor track to allow for guest rail cars for special events and loans to the City as appropriate.

An important aspect of the City's Rolling Stock Restoration project is its location on a National Register Site that includes the City-owned Gaithersburg Train Station as well as the Freight House, which houses the Gaithersburg Community Museum. The museum is operated by the City's museum coordinator with volunteer assistance from the Gaithersburg Historical Association, a private nonprofit organization dedicated to preserving and showcasing the City's history. The recently completed interpretive History Park is located between the Train Station and the Freight House, with the rolling stock forming a backdrop to the entire area.

Just steps from this site, at the intersection of Summit and Diamond Avenues is the City's Olde Towne Plaza, a spacious urban park currently under design for redevelopment and expansion. Additional enhancements are planned for the Olde Towne Plaza, and once completed, this highly visible area, including the Plaza, History Park, Community Museum, and restored Rolling Stock, will serve as Olde Towne's primary public space. The focal point for this park will be a clock and bell tower, which will showcase the historic four-dial clock owned by the City. Together with the restored Rolling Stock and improvements to the plaza and tower, this expanded area will become a gathering place

for shoppers, visitors, artisans, and street vendors, greatly improving access and visibility to the entire area.

Program Income

Unlike the City's first three years as an entitlement community, the upcoming year is the first year during which the City may receive program income. Such income could result from the pending sale of City-owned property in Olde Towne Gaithersburg that was originally acquired with CDBG funding the City received as "pass through" funding from Montgomery County. The City purchased this property, at 402-402B and 404 East Diamond Avenue, in 1998, using $575,357 in CDBG funds toward the $690,000 purchase price. These funds were part of the City's annual allocation from Montgomery County's Department of Housing and Community Affairs (DHCA) for a five-year period during which funds had been unexpended. The property has been appraised at $2.1 million, and once a sales price has been determined, the City will contact DHCA on the distribution of federal program share.

Monitoring

Overseeing Public Service Grantees

Once this year's public service projects are approved for funding, the City will begin executing contracts with each sub-grantee. Such contracts will include compliance requirements for Federal and local funding. As in previous years, agencies will be required to submit quarterly or semi-annual reports that indicate numbers of persons, households, or families served and the income classifications, as defined by HUD, of those served. An annual report from each agency also will be required, and the City will conduct semi-annual on-site monitoring visits to review procedures and files. An A–133 single audit will be completed by an independent audit firm at the completion of each fiscal year. Agencies must also comply with the requirements of all Federal agencies, including HUD, the U.S. Department of Labor, and the Environmental Protection Agency.

Meeting Goals of Consolidated Plan

The City undertakes various activities to ensure that it is meeting the goals identified in its Consolidated Plan. In addition to careful monitoring and oversight of CDBG public service grantees, through quarterly and annual reporting, the City requires grantees to complete a Performance Outcomes Measures form, identifying initial, intermediate, and long-term outcomes and indicators, as well as project outputs. Each grantee's contract requirements, as well as the performance measures listed in Table 2C of this Action Plan are based on this form. The Outcomes Measures form, along with information provided in quarterly reports and gathered during site visits, helps City staff meet the goals of the Consolidated Plan.

Ensuring Compliance With Program Requirements, Including Timeliness of Expenditures

TIMELINESS The City works carefully to ensure compliance with all program requirements, including the timeliness of expenditures. Timeliness is a factor built into the determination of which activities to fund, and all projects funded are required to have a schedule for the use of projected funds, including key project milestones, allowing the City to measure performance against goals and identify any problems early on. As indicated in a March 22, 2005 communication from Community Planning and Development Representative Donna Clarke, HUD's Timeliness Report confirmed that Gaithersburg had a "ratio of 1.0 and [was] within the 1.5 standard." City staff responsible for administering the CDBG and HOPWA Programs, in the City Manager's Office, will continue to work closely with staff in the Department of Finance and communicate frequently with HUD staff to ensure continuing compliance with all CDBG and HOPWA program requirements, including those governing the timeliness of expenditures.

Ensuring Compliance With Housing Codes

Gaithersburg also undertakes steps to ensure compliance with housing codes. The City's Neighborhood Services Division, under the Department of Planning and Code, is responsible for administering and enforcing City codes regarding property maintenance, rental housing, landlord-tenant relations, and other housing-related matters.

All rental properties, including apartments and single-family dwellings, must be licensed every two years. Prior to issuing a final rental license, staff conduct a complete interior and exterior inspection to ensure that a dwelling is safe and complies with applicable housing codes. In addition, all multi-family rentals units are inspected bi-annually. Housing Choice Voucher units are inspected annually by the public housing authority (HOC) in compliance with Housing Quality Standards. The inspections include the following: general property maintenance; condition of each mechanical unit; condition of plumbing systems and fixtures; condition of foundations, roof, walls, and floors; working order of appliances; functioning of electrical system and outlets; installation and functioning of smoke detectors; paint condition (interior and exterior); and evidence of insect or rodent infestation. Project sponsors for the City's HOPWA program—the Montgomery County Department of Health and Human Services (DHHS) and the Housing Authority of the City of Frederick (HACF)—are required to conduct Housing Quality Standards reviews of all units supported by the HOPWA program, as outlined in 24 CFR Part 574. Both HACF and the Montgomery County DHHS conduct these reviews at least annually.

Housing Programs

Although City residents are eligible for public housing units administered by Montgomery County's Housing Opportunities Commission (HOC), there are no conventional public housing units within the City limits. The City of Gaithersburg has

had a high number of moderately priced housing units within its corporate limits, including a significant number of Housing Choice Voucher (formerly Section 8) units. Under these programs, a household pays 30 percent of the gross rent (including utility costs). In addition to rental subsidy programs, HOC, Montgomery County, and the State of Maryland offer a number of assistance programs for first-time homebuyers. The City works with these agencies to ensure that all City residents are eligible and have access to programs.

The table below demonstrates the lack of potentially affordable rental units for City residents with incomes at or below 80 percent of median. For purposes of this table, we used the Montgomery County median income of $79,115. For purposes of the table above, discussion, we used the Montgomery County median income of $79,115 to determine affordability under a variety of programs available to all County residents, including, of course, City residents. Using that income, 10.1 percent of City residents are extremely low income, 22.8 percent are low income, and another 19.1 percent are between low and moderate income as illustrated in the table below.

Table 5.2: Affordability Gap

Income as percent of County median	Percent of median	30 percent for rent and utilities	Rental Units Potentially Affordable
Up to $23,735	Up to 30 %	Up to $593	None
$23,736 - $39,558	31 – 50%	$593 – 989	Few
$ 39,559 - $63,292	51 – 80 %	$990 - $,1582	Significant Number
$63,293 - $79,115	81 - 100%	$1,583 - $1,978	Vast Majority
$79,116 - $94,938	101 – 120%	$,1979 - $2,373	All

Given sharply rising housing costs in the area and redevelopment plans under way in Olde Towne, Gaithersburg's Mayor and Council this year asked staff to examine the City's current housing stock and to determine the availability and affordability of its housing inventory relative to incomes of Gaithersburg residents. Staff was also asked to review housing programs offered in other cities and jurisdictions and to bring an affordable housing strategy before the Council in early spring. At a Mayor and Council meeting in March 2006, staff presented information on what families can and cannot afford in the City. Staff also outlined housing policy issues for the Mayor and Council's consideration and described various housing programs the City could implement for households with incomes at or below 120 percent of median family income. Following that meeting, City staff members have been actively developing an Affordable Housing Program, to be presented to the Mayor and Council at a public work session mid-May.

Foster and Maintain Affordable Housing

City of Gaithersburg Affordable Housing Program

As discussed previously in this Action Plan, given the extremely limited stock of affordable housing available to low- and moderate-income residents, the City of Gaithersburg is developing a housing policy to better meet the housing needs of our

residents and to address the housing effects of redevelopment projects taking place in Gaithersburg, many of which involve the conversion and demolition of affordable apartment complexes City-wide. City staff appeared before the Mayor and City Council in March 2006 and provided an overview of different types of housing programs and approaches and highlighting policy questions for the Mayor and Council to consider. Since that time, staff members have been developing specific housing program recommendations.

Within the next two months, staff will appear before the Mayor and Council and recommend that the City adopt a multi-program approach to increasing the stock of affordable housing for City residents. Recommended programs will include a required set-aside (12.5 percent) of affordable units in new developments, rehabilitation and conversion of low-income apartments into moderately priced dwelling units (MPDUs), and redevelopment of existing housing.

Although not yet final, Gaithersburg's Affordable Housing Policy is expected to consist of several different program elements, all intended to significantly increase the stock of housing in the City that is affordable to low- and moderate-income residents. In particular, staff has developed the following elements of a comprehensive affordable housing policy to be presented to the Mayor and Council in May:

Program I: Developer Set Aside

Staff recommends that the City's housing policy require that developers set aside 12.5 percent of all new dwelling units as affordable housing. While precise percentages may vary, depending on factors such as location and other components of the development negotiation, the general goal is to offer half of the affordable units in each project as MPDUs and the other half as workforce housing.

Key components of developer set-aside include the following:

1. To be administered by City of Gaithersburg;
2. Twenty-year control period, with resets only within the first 10 years;
3. Available only to first-time homebuyers;
4. Required in any new construction project and in major renovations with more than 10 units of single-family, condominium structures, and townhouse units;
5. Equity to increase at CPI for first 10 years for original owner; beginning with year 11, equity to increase at market rate;
6. Purchasers to be selected by a lottery for each project that generates 10 or more affordable housing units. A waiting list will be developed for re-sales and projects under 10 units. Twenty-five percent of all affordable housing units will be set aside for income-qualified individuals who are City employees, public safety workers (federal, state, or local law enforcement; EMTs; fire fighters, having some jurisdiction in Gaithersburg; and teachers at Montgomery County schools). The remaining affordable units will be made available to individuals who have worked or rented in the City of Gaithersburg for the previous year;

7. If units are not expected to be reasonably affordable due to condominium fees, the City may accept a contribution to the Gaithersburg Housing Initiatives Fund (HIF) at the same level as would be required by Montgomery County;
8. Developers will be required to incorporate sustainable design (green building components) into the construction of MPDU and workforce housing units to minimize utility costs.

Program II: Creation of Affordable Housing in Existing Neighborhoods.

The Gaithersburg HIF will be used to subsidize home purchases in existing neighborhoods. This subsidy will allow a unit to be purchased at a price comparable to MPDU or workforce housing pricing. Via lottery drawing with same 25 percent public employee set-aside outlined above, individuals will be selected, and assistance will be provided at settlement. As a requirement of receiving this subsidy, purchasers will be required to place a deed restriction on the property rendering it an MPDU or workforce housing unit as outlined in Program I above.

Program III: Rehab and Conversion of Low-Income Apartments to Affordable Housing Units

The City's housing program could include a partnership with Montgomery County and the State of Maryland under which the City would offer developers incentives to purchase existing apartments and convert them to affordable condominiums. Incentives could include low-interest financing from CDA or County housing initiative funds, expedited planning and permitting and/or fee waivers from the City. Depending on the level of public subsidy, control period for workforce and MPDU units would be negotiated.

Program IV: Redevelopment of Existing Housing (For Future Redevelopment Projects, i.e., those not currently under negotiation).

Under this program, the City would require a developer to pay an amount equal to 3 ½ months' rent as a relocation payment. In additionally, those tenants displaced by the redevelopment would have first priority for the affordable units created at the project via Program I. In some cases, it is likely that it would be desirable to have a larger percentage of MPDUs than workforce housing units on a redevelopment project. Additionally, the permit revenues generated by the redevelopment could be added as a restricted account in the Gaithersburg HIF and displaced tenants, by lottery, could receive a subsidy as outlined in Program II above to purchase MPDUs or workforce housing units in existing neighborhoods.

Program V: Developments at City-Owned Properties

By accepting a lower purchase price on the sale of City-owned real estate, the City could require a higher percentage of affordable units as outlined in Program I above. Staff recommends 12.5 percent MPDU and 12.5 percent Workforce housing.

Program VI: Other Public Private Funding Rental Opportunities

The City could identify apartment complexes that it wants to remain affordable, and work with HOC and DHCA to finance major renovations or refinance the mortgage in exchange for a contractual obligation to maintain rents at affordable rents.

Remove Barriers to Affordable Housing

As discussed in the Housing Market Analysis chapter of the City's Amended Consolidated Plan, market factors such as the high cost of land suitable for residential development and high construction costs tend to be the most significant constraints on the development of affordable housing in Gaithersburg. Market forces in the Washington, DC metropolitan area continue to drive up both rental and homeownership costs. As described in the City's Consolidated Plan, median gross rent in Gaithersburg in 1999 was $904 per month, which exceeds the highest affordable rent for extremely low- and low-income households ($500 and $833, respectively). It is this population that is most at risk of eviction, and which eventually overburdens the shelter and emergency services systems in the County.

Gaithersburg has made substantial progress and satisfied its regulatory obligations in the area of fair housing and removing barriers to affordable housing. This section of the Action Plan describes activities and programs within Gaithersburg corporate limits and across the County and State, all of which further fair housing choice and/or seek to remove barriers to fair housing. These recent efforts, together with the City's multi-component Affordable Housing Program now under development, reflect our strong commitment to protecting fair housing.

City Efforts. Gaithersburg is working hard to further fair housing choice and improve the stock of affordable housing within City limits. Among the City's most innovative housing initiatives is Gaithersburg's newly created homeownership and downpayment assistance program, which provides qualified residents up to $10,000 in downpayment and/or closing cost assistance in the form of a grant from the City. The assistance will allow approximately 20 City residents, mostly first-time homebuyers who would otherwise be unable to purchase a house in Montgomery County, to become homeowners. Under an agreement executed in December 2005, the Housing Opportunities Commission of Montgomery County is administering this pilot program for the City and helping residents complete the process of homeownership.

As discussed above, given dramatic increases in housing prices across the area, Gaithersburg is developing its own Affordable Housing Policy, which will include several different components, including a requirement that developers set aside a specified percentage of "affordable" units in new developments; programs to establish "workforce housing" for income-eligible City residents, City employees, and certain public service workers (e.g., County teachers and police officers); and efforts to develop City-owned properties to include affordable housing. The developer set-aside will

require developers to offer a certain percentage of units for sale to qualified residents; in turn, residents purchasing such units will be required to occupy them as their primary residence during a specified control period. Although the City's affordable housing program is still in the development stage and all programs are subject to the Mayor and Council's approval, Gaithersburg residents currently may take advantage of Montgomery County's MPDU program for properties within the County, but outside corporate City limits.

Fair housing activities within the City also include the efforts of several Gaithersburg area nonprofit organizations that provide housing counseling, fair housing education, homeownership education, legal assistance, and information on tenant rights and responsibilities. Information on a range of housing-related issues, including fair housing and discrimination, avoiding consumer scams, and buying a home, is distributed to residents at the Annual Montgomery County Housing Fair, co-sponsored by the City of Gaithersburg each fall. Approximately 1,000 persons attended the fifth annual fair, held October 1, 2005 at the City's Activity Center.

A City staff member serves on Montgomery County's Interagency Fair Housing Coordinating Group (IFHCG), which meets quarterly to review fair housing practices. IFHCG's actions affirmatively further housing choices for all County residents, including those residing in the City of Gaithersburg. IFHCG activities intended specifically to address impediments to fair housing include:

> Testing to identify and address discrimination in rental and sales housing and in lending practices;
> Education and outreach to increase general public awareness of fair housing laws;
> Training and technical assistance for real estate professionals, including builders, landlords, agents, and managers, on ways to provide equal housing opportunities and prevent housing discrimination;
> Support for the expansion and retention of housing that is affordable and accessible to lower income residents; and
> Continued efforts to identify and address impediments to housing choice through management and coordination of fair housing programs and activities and ongoing monitoring of legislation, policies, and procedures.

County and State Efforts. In addition to the County MPDU program, Gaithersburg residents may also benefit from an affordable housing initiative very recently approved by the Montgomery County Council and workforce housing legislation likely to be enacted. The Shady Grove Sector Plan approved by the County Council January 16, 2006 calls for the addition of between 5,400 and 6,340 new residential units, including MPDUs and a variety of other affordable and workforce housing options, near Gaithersburg's Shady Grove Metro station.

On the legislative side, Montgomery County Councilmember Steven Silverman has proposed legislation (Workforce Housing 30-05) to create a workforce housing program to be administered by the Department of Housing and Community Affairs. The proposed

program calls for setting aside 10 percent of homes in developments being built near Metro stations for middle-class households now being priced out of the County's soaring real estate market. The program is designed to benefit households with incomes between 70 and 120 percent of the area median income (roughly $70,000 to $100,000 as area median income for a family of four is $89,000) and is geared, in particular, to County employees—teachers, firefighters, police officers—whose earnings may be too high to qualify for existing housing programs.

City residents also stand to benefit from legislation introduced at the state level (House Bill 123) extending protections such as extended leases to tenants in rental facilities being converted to condominiums. The proposed law includes protections for senior citizens, individuals with disabilities, and households with incomes at or below 80 percent of applicable median income. Other County-level fair housing actions include training lenders, realtors, property managers, homeowners associations, and others; assigning staff to discuss reasonable accommodations for persons with disabilities and the placement of group homes; and implementing advertising campaigns that target minority residents and are produced in several languages, including Spanish and Vietnamese.

Analysis of Impediments. In 1997, Montgomery County's Department of Housing and Community Affairs (DHCA) participated in the development of a regional Analysis of Impediments to Fair Housing; that analysis was updated in 1999 by DHCA and the County's Human Rights Commission. Impediments identified in this analysis included:

Lack of current information about housing discrimination;
Communities underserved by lending institutions;
Lack of performance monitoring of County financial institution;
Lack of County guidance on occupancy standards;
Disparate treatment of group homes;
Problems relating to siting of affordable housing (based on biases against minorities, low-income residents, and recent immigrants);
Inadequate outreach to minority community;
Insufficient efforts to affirmatively further Fair Housing; and
Lack of affordable housing.

In November 2002, the Metropolitan Washington Council of Governments (COG) published an update to the 1997 report. This update, *Regional Analysis of Impediments Update: An Update of Fair Housing Activities in the Region,* provides a comprehensive review of the area's fair housing policies, actions, and plans of each jurisdiction in the area. Although not addressed separately, issues specific to Gaithersburg were included in the overview of Montgomery County's actions.

As reflected in the updated report, Montgomery County has made significant strides in addressing fair housing impediments since 1997. Efforts have included:

Establishing an in-house testing policy in 2000 (the County hired a testing coordinator).

Assigning an assistant county attorney to handle fair housing cases.
Conducting fair housing testing for rental and lending discrimination. (Tests have been conducted on the basis of race, national origin, source of income, and familial status.)

In addition, the County has begun an effort aimed at lending discrimination. A report examining the mortgage lending practices of banks and mortgage lending institutions is being produced. This report, which focuses on the top 15 mortgage lenders and uses Home Mortgage Disclosure Act data and Community Reinvestment Act reports, will be very useful in identifying problem areas.

Most recently, the County has scheduled a meeting with the Office of Human Rights, which receives $40,000 in HOME funds, to discuss the possibility of using some portion of these funds to update the County's analysis of impediments. Such an update would analyze impediments in the context of ensuring full compliance with applicable HUD Regulations, 24 CFR 91.225, to further fair housing for County residents, including those residing in the City of Gaithersburg.

The innovative housing activities and initiatives now under way—as well as those still in the planning stage reflect Gaithersburg's and Montgomery County's concerted efforts to furthering fair housing choice and addressing any barriers to affordable housing.

Other Actions

Evaluate and Reduce Lead-Based Paint Hazards

Information on Lead-Based Paint Provided When Issuing Rental Housing Licenses.

Gaithersburg provides information on the hazards of lead-based paint when issuing rental housing licenses. The information provided describes the hazards of lead in the home and refers landlords to the Maryland Department of the Environment (MDE) for additional information on the safe removal of lead paint. The State of Maryland requires all rental property owners to register any units built prior to 1950 with MDE. Landlords owning units built before 1979 but after 1950 are not required to register their units; however, participating property owners receive liability relief. Under a State law that became effective June 1, 2004, an evidentiary hearing will now be held to determine whether the property owner has immunity before a case proceeds to trial.

Additional provisions of this newly passed law (effective October 1, 2004) require the City, as a local government that regulates residential rental property, to obtain certain written information from owners of residential rental property. Before receiving authorization to engage in the business of renting the property, the property owner must submit the following written confirmation:

That the property is not an affected property under the lead risk reduction provisions (an affected property is a residential rental property constructed before 1950 that is

not exempted because it is lead-free or because it is a hotel, motel, or similar seasonal facility); or

If the property is an affected property, that it is registered as such and that the owner can provide the inspection certificate number for the property.

The statement submitted by the property owner must be made under the penalty of perjury before the City will be able to authorize rental of the property. Another provision of the new legislation, also effective October 1, 2004, authorizes local governments to forward to MDE any information regarding residential property, including any known noncompliance of an affected property. In the upcoming year, the City of Gaithersburg will continue to provide information on the hazards of lead-based paint when issuing rental housing licenses to property owners. Such information addresses the hazards of lead in the home and refers landlords to MDE for additional information on the safe removal of lead paint.

Consultation With State and Local Agencies.

In addition to the actions described above, the City this year, pursuant to its obligations under HUD Regulations 24 CFR 91.100(a)(2) and 91.110, will continue to consult with State and local health and child welfare agencies regarding the hazards of lead-based paint and the extent of childhood lead poisoning reported in Montgomery County, including the addresses of housing units in which children have been identified as lead poisoned. According to information the City received from Montgomery County's Office of Communicable Disease and Epidemiology of the Department of Health and Human Services in 2003, approximately 104 children from the City of Gaithersburg were identified as having elevated lead levels (10 + mcg/dl) and were case-managed by the County between 1993 and 2002.

Through communications with the County Office of Communicable Disease and Epidemiology, City staff learned of procedures in place whereby County staff are notified by the Maryland Department of the Environment (MDE) of all children within Montgomery County reported to have elevated lead levels (10 + mcg/dl). County staff, in turn, case-manage such children, communicating with families, making home visits, ensuring that blood lead tests are repeated within 3 months, and/or discussing dietary and environmental issues with the children's family. For Montgomery County children identified as lead poisoned (20 + mcg/dl), County staff work closely with MDE staff to ensure that necessary inspections and environmental follow-up take place. For such children, a Montgomery County nurse and a sanitation engineer from MDE conduct a home visit and complete necessary environmental testing and inspections. According to the most recent data available from MDE, 53 children from Montgomery County were identified as having elevated lead levels and 9 were identified as being lead poisoned in 2003.

Reduce the Number of Poverty-Level Families

In addition to the CDBG funding available for nonprofit agencies that work with extremely low- and low-income households, the City of Gaithersburg annually awards City funds to nonprofit agencies. In the upcoming year, the City will award grants totaling $854,420 under four broad program categories: shelter, food, health, and self-sufficiency.

The table below indicates, by program type, the total amount of nonprofit grant funding the City will award this year. It also lists the total number of grants for each program type and the projected number of clients to be served by those grants in the year ahead.

Table 5.3: City of Gaithersburg Nonprofit Grant Awards, FFY06

Type of Program	Total Number of Grants	Total Grant Funding	Projected Number of Clients to Be Served
Shelter (including emergency and transitional)	8	$100,785	193
Food	2	$34,150	8,384
Health-related (including mental health)	11	$229,500	1,865
Self-sufficiency (case management, teen parenting, etc.)	12	$232,500	8,431
TOTAL	33	$596,935	18,873*

* Please note that this figure is not an unduplicated count.

The total level of funding under the City of Gaithersburg's nonprofit grant program for the year ahead is approximately 18 percent lower than last year, when grants awarded totaled $730,000. This program year, federal Even Start funds that had been passed through Montgomery County Public Schools to the City for five years are now being spent directly by MCPS on eligible services. Although total funding for the City's nonprofit grant program decreased for FFY06, certain types of programs will receive a higher level of funding in the upcoming program year. Funding for health-related programs, for example, increased from approximately $78,000 in FFY05 to almost three times that amount ($229,500) for FFY06.

In addition to its nonprofit grant program, Gaithersburg each year funds the Education School Grant Program and the GREAT (Gaithersburg Recognizing Education Achievement Today) program Both programs offer funding opportunities to schools where 10 percent or more of the students enrolled are City residents. These programs are administered by the City's Education Committee, which is charged with making recommendations to the Mayor and Council on the School Grant Program, serving as a liaison to and advocate for Gaithersburg schools, and coordinating and implementing the GREAT program. School grants are awarded to school initiatives demonstrating measurable results, and the mission of the GREAT program is to recognize Gaithersburg schools, increase student successes, and promote "best practice" models among schools through the school recognition program and Stretching Supplies project. In FFY06,

$50,645 in Education School Grants will be awarded, and $6,055 in City funds will support the GREAT program.

Develop Institutional Structure

During the period of this Action Plan, the City will continue to meet frequently with representatives from private industry, nonprofit agencies, and other public and government organizations. The City is well represented in Montgomery County through staff participation in a variety of housing-related committees and organizations, including the Interagency Fair Housing Coordinating Group, the Housing Policy Development Group of the Continuum of Care Planning Committee, the Montgomery County Housing Fair Planning Committee, the Montgomery County Coalition for the Homeless, Community Ministries of Montgomery County Emergency Assistance Coalition, the Montgomery County Homeless Teaming Committee, and the Montgomery County Department of Health and Human Services Econolodge Shelter Committee. In addition, City staff members are actively involved in the Germantown-Gaithersburg Chamber of Commerce, the Gaithersburg Latino Community Providers Group, the Gaithersburg Coalition of Providers, the School-Community Upcounty Partnership Annual Conference Planning Committee, the Upcounty Health Alliance, the Gaithersburg Judy Center Steering Committee, the Montgomery County Volunteer Center Holiday Basket Coordinating Group, the Montgomery County Martin Luther King Commemorative Committee, the Montgomery County Citizen Corps Committee, and the Montgomery County Organizational Development Group.

The City's consultation activities also include continued participation in the CDBG Entitlement Grantees Working Group, which includes the Cities of Bowie, Takoma Park, Westminster, Gaithersburg, and Annapolis and the Montgomery County Department of Housing and Community Affairs. Due to staffing changes and other job responsibilities among its members, the working group has not been able to set up a formal meeting schedule. However, members of the group are in regular communication via email and phone calls. In addition, City staff members have been communicating regularly with the Montgomery County Housing Opportunities Commission (HOC) on housing needs within the City and across Montgomery County. As a result of City staff's more aggressive outreach, staff from HOC's Deer Park office have been regularly attending Gaithersburg Coalition of Providers meetings.

Enhance Coordination Among Public and Private Housing and Social Service Agencies

As noted in the Housing Needs Assessment chapter of the City's Amended Consolidated Plan, the City established the Gaithersburg Coalition of Providers in 1995 to bring together public and social service agencies to discuss the needs of the low-income residents of the City. Coalition members are in regular contact via email with requests and information. This group, which meets quarterly, does an outstanding job of assessing the needs of the community and addressing those needs in a comprehensive manner.

As discussed earlier in this Action Plan, a program funded under this year's CDBG grant will continue to provide housing counseling services for homeless families and families facing eviction. That program also includes efforts to establish partnerships and more positive working relationships with the rental community (landlords, property management companies and realtors). The City's Human Services and Neighborhood Services Divisions also conduct outreach and engage in other activities to help foster positive relationships with property owners, landlords, homeowners associations, and citizens.

Foster Public Housing Improvements and Resident Initiatives

Although the City of Gaithersburg has no public housing units within its corporate limits, resident initiatives through the Housing Opportunities Commission (HOC), such as those under the Family Self-Sufficiency program with Housing Choice Vouchers, are supported by the City. In addition, the City owns and operates two facilities for the homeless, Wells/Robertson House and DeSellum House. Wells/Robertson House, which opened in 1988, is a transitional housing program for single adults in recovery from alcohol and chemical abuse. The program serves 14 adults, and 2 units are reserved for residents with physical disabilities. As indicated earlier in this Action Plan, 59 percent of Wells residents who have graduated within the past two years remain clean and sober and in stable housing. DeSellum House provides permanent supportive housing for graduates of Wells/Robertson House. The four residents and one staff person at DeSellum share a City-owned house.

HOC prepares an annual action plan under the regulations set by HUD (24 CFR 903.5). This action plan outlines the goals and objectives set by the public housing authority for a one-year period. The City reviews this plan to ensure that it adequately addresses the needs of low-income and special needs populations within Gaithersburg.

Concerns that the needs of the low-income Hispanic population of Gaithersburg are not being adequately addressed by the housing authority have prompted the City to invite representatives of HOC to address the Upcounty Latino Network and the Gaithersburg Coalition of Providers and to meet with City staff to discuss this issue. Building on the success of City-organized groups such as the Gaithersburg Coalition of Providers, staff of the Gaithersburg Human Services Division established a committee to examine issues confronting the growing Hispanic/Latino community in the Gaithersburg area. The Latino teaming group is composed of 10 nonprofit, city, and county organizations, and it meets monthly.

Hispanics represent nearly 20 percent of Gaithersburg's population, yet the public housing and Housing Choice Voucher waiting list maintained by HOC includes only 85 Hispanic Gaithersburg residents. HOC's phone system is done entirely in English and, until recently, the preapplication for waiting list eligibility was printed only in English. The City will continue to work with HOC and staff of other government and private agencies to ensure that non-English speaking persons have access to the services for which they are eligible.

Address the Needs of Homeless and Other Special Populations

Homeless

The City will continue to provide transitional and permanent housing services to its homeless residents and to fund homeless providers countywide. City staff members are involved in Montgomery County's initiative to end chronic homelessness by 2012. In addition to its own transitional and permanent housing programs at Wells/Robertson House and DeSellum House, the City provides a significant amount of its own operating funds via its nonprofit grant program to nonprofit groups working with special needs populations including homeless persons and families. In FFY 2005, the City is funding seven housing facilities in the County used specifically to shelter and provide supportive services to City residents. These facilities include the Gude Drive Men's Shelter in Rockville, which served 53 City residents last year, the Dwelling Place, which provided transitional housing and supportive services to 29 City homeless families, three Community Ministries' facilities, including Horizon House (20 City residents), Chase Partnership and Sophia House, which served 6 single homeless men and 4 City women respectively. Stepping Stones Shelter and Rainbow Place Shelter, housed 17 City families between them. In FFY 2006, eight nonprofit grants totaling $100,785 will be awarded to shelter programs (emergency and transitional). The provision of housing and related supportive services to the City's homeless and low-income populations is a high priority for the Community Advisory Board, and the majority of its annual funding recommendations directly or indirectly support these vulnerable residents.

Seneca Heights Apartments, the County's newest facility for homeless persons, opened in Gaithersburg in April 2004. Montgomery County purchased the facility, a 97-room motel, at the end of March 2003 for use as a housing complex for homeless individuals and families. The personal living quarters (PLQs) at the complex provide permanent supportive housing to 41 formerly homeless single adults, and the transitional housing units provide housing, as well as intensive case management services, for 17 families experiencing homelessness. As originally implemented, transitional housing for homeless families was to be available for no longer than 6 months; this year, however, Seneca Heights staff made a recommendation to the Board of Directors that these families be eligible for transitional housing at Seneca Heights for up 24 months, to improve stability for this group. Through a competitive grant awarded by the State of Maryland, five units are set aside for persons with HIV/AIDS. City staff members were involved in the planning of this facility and are represented on the project's Board of Governors. They also continue to be involved in ongoing oversight of activities at the complex.

The City also continues to support eviction prevention programs citywide. Programs providing eviction prevention services are especially important given that, based on information provided by the Sheriff's Department, nearly 900 City residents received eviction notices over a recent 12-month period, and approximately 10 percent were, in fact, evicted. The Montgomery County Department of Health and Human Services (DHHS) is the primary source of government funding to prevent evictions. These and

utility cutoff funds are generally offered one time per year, and, generally, about $1,500 is available to a household depending on need and outside resources from agencies such as the Upper Montgomery Assistance Network, which provides up to $300 per family per year. Last year, UMAN provided funds to 334 City residents in danger of eviction or foreclosure. In the upcoming year, the City will provide emergency assistance to Gaithersburg families and households facing eviction through approximately $5,500 in CDBG public service funds to be made available to Stepping Stones Shelter, a public service grantee that will provide housing counseling services. The emergency assistance funds will be used once all other resources have been provided and after staff from Human Services and the City Manager's Office have reviewed and approved the request.

One of two soup kitchens in Montgomery County is located in Gaithersburg and previously received funding from the City of Gaithersburg for the costs of the kitchen manager and security officer.

Frail Elderly and Disabled

The need for increased services for the City's frail elderly and disabled populations has been identified by several nonprofit agencies and City departments that have daily contact with these populations. Calls and requests from seniors and disabled residents requesting assistance with housekeeping, home maintenance, yard work, and shopping prompted the City's Human Services office to create the "Safe Homes Pilot Project" in 2003.

Given this need, three nonprofit agencies were funded through the City's first-year CDBG program to meet the increased demand for services by this population. All three agencies received continued funding in FFY 2004 and two of the agencies—Home Care Partners, Inc. and American Red Cross—applied for and received continued funding in FFY 2005. Given the City's policy of not awarding CDBG funds to an organization for the same project for more than three years, the projects will not be funded in the upcoming year. Home Care Partners applied for and received $30,000 in funding through Gaithersburg's nonprofit grant program for the upcoming year.

Table 5.4: Proposed CDBG Projects: July 1, 2006 – June 30, 2007

Organization Name/Sponsor	CDBG Funds	Program Description	# City residents served (proposed)	Eligibility
Stepping Stones Shelter	$23,500	Housing counseling services and emergency assistance	40/year	Public service 570.201(e)
GUIDE Youth Services, Inc.	$15,000	Rental Assistance	125	Public service 570.201(e)

Gaithersburg Affordable Housing Program	$30,000	Programmatic Support	100-200	Public service 570.201(e)
Olde Towne Youth Center	$70,000	Relocation and construction of youth center for Olde Towne youth	85-100/day	New construction / Public facility 570.201(c)
Olde Towne Gaithersburg Rolling Stock Restoration Project	$233,850	Restoration of historic rail cars and site improvements	300/month	New construction / Public facility 570.201(c)
Planning and Administration	$93,088	Administration of CDBG program	N/A	Administration 570.206

Persons With HIV/AIDS

Several supportive housing activities address the priority housing needs of persons in Montgomery and Frederick Counties with HIV/AIDS who are not homeless. To improve the housing opportunities for persons with HIV/AIDS, the Maryland AIDS Administration and other public and private agencies throughout Montgomery and Frederick Counties deliver and/or oversee the delivery of housing assistance and supportive services to persons with HIV/AIDS.

Low-income Montgomery and Frederick County residents with HIV/AIDS who receive HOPWA assistance receive case management services through their respective project sponsors. Through such case management, linkages with local social service providers are established, and these linkages, in turn, support the social service needs of persons with HIV/AIDS. These needs may include medical care, addiction services/treatment, referrals for counseling, emergency financial assistance, home health care aide services, and assistance with rent, moving, utility, and other expenses.

In addition to linkages established through case management, persons with HIV/AIDS who are not homeless are also eligible for State and County rental assistance programs, the Housing Opportunities Commission's federal housing choice voucher program (not currently open), and rental assistance through the Ryan White Title II program. The Maryland Department of Housing and Community Development and Department of Human Resources also carry out State programs to provide supportive services and short-term housing assistance to Maryland residents with HIV/AIDS.

HOPWA

Maryland AIDS Administration

Many HOPWA formula grantees designate an entity to implement and monitor their HOPWA program (often a county or state agency). These entities, in turn, monitor and

report on the activities of the "project sponsors," which provide assistance directly to eligible low-income persons and families with HIV/AIDS. Since 2004, the Maryland AIDS Administration has administered HOPWA funding for the City of Gaithersburg and will continue to do so in FFY 2006.

The City originally asked the Maryland AIDS Administration to administer the HOPWA program on its behalf given the State's significant experience as a competitive grantee for HOPWA funds. In that role, the State had administered a HOPWA program in 11 rural counties in Maryland. In addition, the State of Maryland became a HOPWA formula grantee in FFY 2004, the same year Gaithersburg became a formula grantee for the Bethesda-Frederick-Gaithersburg Metropolitan Division. After the Maryland AIDS Administration agreed to administer the HOPWA program on Gaithersburg's behalf, the City and State executed an Agreement identifying their respective rights and responsibilities in August 2004. Terms of that Agreement were renegotiated during May and June 2005, and a revised Agreement, valid through June 30, 2006, was executed in July 2005.

Project Sponsors

After becoming the HOPWA formula grantee for the Bethesda-Frederick-Gaithersburg Metropolitan Division, the City of Gaithersburg also identified project sponsors in Frederick and Montgomery Counties who would work with the City and the State to work directly with HOPWA clients in each county. During the City's first year as a HOPWA formula grantee (FFY 2004), the project sponsors for both Counties remained the same as for the previous grantee: the Housing Authority of the City of Frederick for Frederick County and the Whitman-Walker Clinic of Suburban Maryland for Montgomery County. However, in FFY 2005, the first year during which Gaithersburg spent HOPWA funds on program activities, a new project sponsor for Montgomery County was selected (the Montgomery County Department of Health and Human Services). A new project sponsor was selected following Whitman-Walker's November 2004 decision to divest itself of all housing programs, effective July 1, 2005. At the request of the Maryland AIDS Administration, the Montgomery County Department of Health and Human Services agreed to assume the role of HOPWA project sponsor for Montgomery County. The Montgomery County Department of Health and Human Services' experience providing HIV/AIDS services and offering case management services to HOPWA recipients was a factor in choosing a project sponsor and helped prevent any interruption of services or gaps in care for HOPWA clients in Montgomery County. The Housing Authority of the City of Frederick continued to serve as the project sponsor for Frederick County.

In FFY 2005, the project sponsor in each county entered a contract with the City, setting forth the level of funding to be received, identifying how much of such funding would be spent on different categories of spending, establishing invoice and reporting requirements, and projecting the number of clients to be served with the funding during that program year. In the upcoming year, the Montgomery County Department of Health and Human Services and the Housing Authority of the City of Frederick will continue to

serve as the City's HOPWA project sponsors for Montgomery and Frederick Counties, respectively. Detailed information on funding levels and the projected number of clients to be served in each county in the year ahead and a summary of clients served in each county during FFY 2004 and 2005 appear later in this section of the Plan.

Background: Spending in FFY 2004 and FFY 2005

During the City's first year as a HOPWA formula grantee (FFY 2004), Montgomery and Frederick County clients continued to be served with HOPWA funds still available to DCHAA, the previous grantee for the DC Metropolitan Area, including Suburban Maryland the counties of Montgomery and Frederick. Gaithersburg, however, did spend its 3-percent administrative fee ($16,050) on eligible planning and administrative activities in FFY 2004. In FFY 2005, Gaithersburg began spending its allocated FFY 2004 HOPWA funds on program activities. One of Gaithersburg's primary goals during the transition period was to stabilize existing HOPWA recipients and prevent homelessness as a result of the MSA reconfiguration.

As detailed in last year's Action Plan and discussed later in this Action Plan, the remaining or carryover portion of Gaithersburg's first-year (FFY 2004) award ($518,950 or $535,000 minus Gaithersburg's administrative fee) was spent in FFY 2005 on tenant-based rental assistance in Montgomery and Frederick Counties and to pay the eligible 7-percent administrative fee of the project sponsors in each county. Montgomery County received 90 percent of that amount or $467,055.

For Montgomery County, $195,035 in carryover FFY 2004 HOPWA funds was also available to DC HAA, the previous formula grantee serving Montgomery and Frederick Counties, and that funding was spent in FFY 2005 to provide tenant-based rental assistance (TBRA) to 18 households in Montgomery County. Last year, the State of Maryland also made funding available to cover one month's rent for Frederick and Montgomery County HOPWA clients, due to the State's delay in finalizing its renegotiated agreement between the City and the State.

As projected in last year's Action Plan, the City served approximately 55 clients in Montgomery County (18 of whom were served with DC HAA funds) and 5 clients in Frederick County in FFY 2005. The City recently received a budgetary recommendation from the Maryland AIDS Administration (see attached page 5-XX) indicating that the Montgomery County project sponsor should be allowed to spend a higher level of its $467,055 in funding on program costs (tenant-based rental assistance and eligible supportive services costs) than that set forth in the FFY 2005 Action Plan. According to the State, rather than spending $434,362 on TBRA and other eligible HOPWA Activities and $32,693 (7 percent) on administrative costs, the County in FFY 2005 is spending its award as follows: $3,582 (less than 1 percent) on administrative costs and $461,673 on tenant-based rental assistance and support services (case management).

As discussed below, although its budget for the upcoming program (FFY 2006) year is not yet finalized, the Montgomery County Department of Health and Human Services

again intends to spend very little of its award on administrative charges and to dedicate the vast majority of the funding to TBRA and eligible HOPWA activities.

In FFY 2005, five Frederick County HOPWA clients were served with $51,895 in funding, as projected in the City's contract with the Housing Authority of the City of Frederick and detailed in our Action Plan last year.

Planned Activities: FFY 2006

By using HOPWA funds to provide tenant-based rental assistance to eligible, low-income persons with HIV/AIDS in Frederick and Montgomery Counties, Gaithersburg will continue to meet the urgent housing needs of persons with HIV/AIDS that are not being addressed by other public and private resources. With the demand for affordable housing in the Metropolitan Division far outstripping the supply of affordable units, the tenant-based rental assistance meets an urgent need. Montgomery County's Housing Opportunities Commission (HOC), for example, has over 9,000 households on its Housing Choice Voucher Waiting List and will not open its waiting list this year. Like those receiving Housing Choice Vouchers, households receiving TBRA through HOPWA in Frederick and Montgomery County are responsible for only the client's portion of the rent. Absent such assistance, many would risk becoming homeless.

Funding Level and Clients Served: FFY 2004 - 2006

As described earlier in this Action Plan, Gaithersburg will receive $524,000 in HOPWA formula funds for the program year July 1, 2006 to June 30, 2007. As a formula grantee, Gaithersburg is entitled to a 3-percent administrative fee ($15,720), which it will spend this program year on eligible planning and administrative activities. The remainder of its FFY 2006 award ($508,280) will be spent on TBRA and other eligible HOPWA activities *next* year (FFY 2007).

Although Gaithersburg is beginning its third year as a HOPWA formula grantee, it will use $502,460 of its second-year (FFY 2005) HOPWA award—$518,000 less its 3-percent administrative fee—on program activities this year. The City used its 3-percent administrative fee on that award last year ($15,540).

How HOPWA funds will be used to benefit low-income persons with HIV/AIDS in Montgomery and Frederick Counties in the upcoming program year is set forth below.

FFY 2006 Budget Estimate

$502,460 in FFY 2005 HOPWA formula funds ($518,000 less the City's 3-percent administrative fee) will be used to serve clients in Montgomery and Frederick County. Because Montgomery County accounts for approximately 90 percent and Frederick County approximately 10 percent of HIV/AIDS cases in the Metropolitan Division, 90 percent of these funds will be used to serve Montgomery County clients and the remaining 10 percent to serve Frederick County clients. (See equation that follows.)

City's FFY 2005 HOPWA Award ($518,000) Being Spent in FFY 2006
$452,214 (90 percent): Montgomery County
$ 50,246 (10 percent): Frederick County
$502,460 total: Program Activities and Administrative Fee for Project Sponsors
$15,540: Gaithersburg Administration (3 percent used for eligible admin. in FFY 2005)
$518,000: Total FFY 2005 HOPWA Award

The tables and discussion below review and provide a summary of HOPWA spending on behalf of clients in Montgomery and Frederick Counties during our first two years as the formula grantee—FFY 2004 and FFY 2005. In addition, we have provided a projection of how HOPWA funds will be spent on behalf of clients in the two counties in the year ahead (FFY 2006).

Montgomery County

During FFY 2004, Gaithersburg's first year as the HOPWA formula grantee, Montgomery County HOPWA clients were served through a contract between DC HAA's administrative agent, Prince George's County Government, and project sponsor Whitman-Walker Clinic of Suburban Maryland. Under that contract, $662,090 in HOPWA funds was used to provide tenant-based rental assistance to approximately 60 low-income persons with HIV/AIDS and their families in Montgomery County. According to Whitman-Walker, monthly rental assistance payments for Montgomery County HOPWA clients ranged from $231 to $1,559 in FFY 2004; the average payment was approximately $731 per month.

As the project sponsor for Montgomery County clients, Whitman-Walker did not maintain a waiting list of persons seeking HOPWA assistance. The City determined, after forwarding a list of Montgomery County HOPWA clients to the County's Housing Opportunities Commission (HOC), that none of these clients was on the waiting list for a Housing Choice Voucher through HOC. During discussions with Whitman-Walker staff, City staff also learned that Whitman-Walker had originally regarded the HOPWA program as a permanent housing option for clients, which may account for the fact that these clients are not on the waiting list for HOC's Housing Choice Voucher program. As Whitman-Walker, Gaithersburg, and the new project sponsor for Montgomery County have come to regard HOPWA as a program that will provide temporary housing assistance, rather than a permanent housing option, steps will be taken to ensure that County clients get on the HOC waiting list. Although the waiting lists for HOC's Housing Choice and Housing Choice Voucher programs are currently closed, case managers for Montgomery County clients continue to take all necessary steps to ensure that Montgomery County clients sign up as soon as the HOC list opens again.

As the project sponsor in Montgomery County, Whitman-Walker Clinic of Suburban Maryland provided only Tenant-Based Rental Assistance, and no Short-Term Rent, Mortgage, or Utility Assistance, to HOPWA clients. Whitman-Walker, however, did use HOPWA funds to cover salary and benefits of staff working directly with Montgomery

County HOPWA clients (approximately $25,000 in FFY 2004). Such funds were not included in Whitman-Walker's 7-percent administrative fee.

In FFY 2005, Gaithersburg's second year as the HOPWA formula grantee, Montgomery County received only $467,055 in HOPWA formula funds from the City of Gaithersburg; however, DC HAA agreed to provide $195,035 in additional HOPWA funding to ensure that the funding available for Montgomery County clients in FFY 2005 would remain constant at $662,090. DC HAA agreed to provide the Maryland AIDS Administration such funding to maintain the current number of households supported in Montgomery County for one year. Under the terms of DC HAA's agreement with the AIDS Administration, executed in April 2005, DC HAA designated $195,035 in FFY 04 HOPWA funds for Montgomery County to cover rental assistance for 18 households during the 12-month period from July 1, 2005 to June 30, 2006.

HOPWA Funding Levels and Persons Served, Montgomery County FFY 2004 (7/1/04-6/30/05) and FFY 2005 (7/1/05-6/30/06)

Year	Funding (includes admin)	Source of Funds	Project Sponsor	# Served
FFY04	$662,090	DC HAA	Whitman-Walker	60
FFY05	$662,090 (total)	Gaithersburg and DC HAA	Mont. County HHS	55
	[$467,055]	Gaithersburg FFY04 award	Mont. County HHS	[37]
	[$195,035]	DC HAA (carryover FFY04 HOPWA funds)	Mont. County HHS	[18]

As the new project sponsor last year, the Montgomery County Department of Health and Human Services had the same level of total funding available for program activities for Montgomery County clients in FFY 2005 as Whitman-Walker had available in FFY 2004 ($662,090). Like Whitman-Walker, the Montgomery County Department of Health and Human Services used some of its award to cover personnel costs of a staff member hired to work directly with County HOPWA clients. Unlike Whitman-Walker, however, the County used far less of its award on administrative costs, charging less than 1 percent (0.0077 percent) of its award ($3,582) to administrative costs. Montgomery County, by contrast, used approximately $45,000 of its award for supportive services (case management), as authorized by 24 C.F.R. Part 300(7).

FFY 2006 HOPWA Spending and Service Projections: Montgomery County (7/1/06-6/30/07)

Year	Total Funding	Administrative Costs*	TBRA and Supportive Services	# to be Served
FFY06	$452,214	$3,482 (0.0077%)	$448,732	37

*Because Montgomery County has not finalized its budget, this amount is an estimate, assuming the same percentage of the upcoming year's award is spent on admin as in FFY 2005.

Frederick County

In Frederick County, the Housing Authority of the City of Frederick (HACF) will continue to serve as the HOPWA project sponsor in FFY 2006, with the Frederick County Department of Social Services (FCDSS) continuing to act as the point of first access for HOPWA assistance. FCDSS maintains a HOPWA waiting list for Frederick County and completes an intake and screening process for applicants, prior to referring them to HACF to issue the tenant-based rental assistance (TBRA). (Currently there are five to six persons on the waiting list for HOPWA assistance and five households receiving TBRA in Frederick County.) FCDSS and the Frederick County Health Department provide case management, as needed, upon enrollment, and the Housing Authority of the City of Frederick certifies client income.

Number of Frederick County Clients Served

During FFY 2004, Frederick County HOPWA clients were served through a contract between DC HAA's administrative agent, Prince George's County Government, and project sponsor HACF. Under that contract, $70,629 in HOPWA funds was to be used to provide tenant-based rental assistance to 8 low-income persons with HIV/AIDS and their families in Frederick County. Although HACF's contract required the Housing Authority to provide tenant-based rental assistance to eight HOPWA clients, only six received such assistance in FFY04. In FFY 2005, five HOPWA clients received tenant-based rental assistance in Frederick County, as one client from FFY 2006 left the program (voluntary forfeiture), according to the Executive Director of the Housing Authority. Given the lower level of funding in FFY 2005, HACF used funding entirely for tenant-based rental assistance, while in previous years HOPWA funds had been available for emergency assistance, as needed.

In the upcoming year, Frederick County's funding will drop slightly lower than last year's ($51,895 to $50,246) but HACF will provide tenant-based rental assistance to only five low-income persons with HIV/AIDS in Frederick County. (See tables that follow for a summary of funding levels and number of clients served in Frederick County in FFY 2004 and 2005 and a projection of clients to be served in FFY 2006.)

HOPWA Funding Levels and Persons Served, Frederick County FFY 2004 (7/1/04-6/30/05) and FFY 2005 (7/1/05-6/30/06)

Year	Funding (includes 7% admin)	Source of Funds	Project Sponsor	# to be Served
FFY04	$70,629	DC HAA	HACF	8
FFY05	$51,895	Gaithersburg FFY04 Award	HACF	5

FFY 2006 HOPWA Spending and Service Projections: Frederick County (7/1/06-6/30/07)				
Year	**Total Funding**	**Administrative Costs**	**TBRA and Supportive Services**	**# to be Served**
FFY06	$50,246	$3,517 (7%)	$46,729	5

Citizen Consultation and Participation

As described in detail in Chapter 6 of the City's Amended Consolidated Plan, since being notified of its status as a HOPWA formula grantee, City staff have been meeting and speaking regularly with representatives from HUD, Montgomery County, the City of Frederick, Frederick County, Whitman-Walker Clinic, the Housing Authority of the City of Frederick, and the District of Columbia Department of Health, HIV/AIDS Administration. Communications include regular conference calls with the Maryland AIDS Administration, which works directly with the project sponsors for Montgomery and Frederick Counties.