

**City of Gaithersburg
Consolidated Annual Performance
Evaluation Report (CAPER)
July 1, 2005 – June 30, 2006**

Mayor
Sidney A. Katz



September 13, 2006

City Council Vice President
John B. Schlichting

Council

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

City Manager

David B. Humpton

City Manager's Office
31 South Summit Avenue
Gaithersburg, MD 20877
(301) 258-6310
(301) 948-6149 (fax)

lkauffmann@gaitthersburgmd.gov
nwalsh@gaitthersburgmd.gov

INTRODUCTION

Overview of Report

This document is the City of Gaithersburg's Consolidated Annual Performance and Evaluation Report (CAPER) for program year 2005 (July 1, 2005 to June 30, 2006),¹ which the City is required to submit as a Community Development Block Grant (CDBG) entitlement community and a Housing Opportunities for Persons With AIDS (HOPWA) formula grantee. The CAPER is submitted to help the U.S. Department of Housing and Urban Development (HUD), local officials, and the public evaluate Gaithersburg's overall performance.

The CAPER describes actions taken during the year to address Gaithersburg's objectives and areas of high priority identified in its five-year Consolidated Plan (July 2003 – June 2008). A summary of the City's Priorities, Objectives, and Proposed Accomplishments, as set forth in its Strategic Plan, is included in table format for each objective, showing *actual* accomplishments in meeting the objective. Gaithersburg's CAPER also includes a self-evaluation that assesses performance and identifies ways the City can improve, based on its experiences during its first three years as a CDBG entitlement community and its second year as a HOPWA formula grantee. A separate HOPWA narrative provides information on the City's use of HOPWA funds during 2005.

This document focuses on activities undertaken with CDBG and HOPWA funds; however, it also discusses the activities and programs of various public and private organizations that affect the City's ability to achieve its Consolidated Plan objectives. Such entities use (non-CDBG and non-HOPWA) federal funds, as well as state and local funds, and they are not under the direct control of the City. However, because their activities may help further the City's objectives, this report identifies those activities and describes City efforts to coordinate with these organizations to ensure an effective use of resources.

HOPWA

Separate Narrative. Consistent with HUD's January 2006 Report, "HOPWA Formula Grantee Annual Reporting – Measuring Performance Outcomes in the CAPER Narrative and Charts" (OMB Number 2506 0133), Gaithersburg has elected to submit a separate HOPWA-specific narrative that includes the information outlined in that report (see pages XX-XX), rather than integrating HOPWA elements of this report into the City's standard CAPER report. A HOPWA spreadsheet and two performance charts are included in the Accomplishment Data section of the HOPWA narrative.

¹ Please note that this time period corresponds to federal fiscal year 2005 but the City of Gaithersburg's fiscal year 2006. To prevent confusion and to be consistent with HUD's labeling of fiscal years, the City refers to the time period interchangeably as "the previous program year" and "FFY 2005" throughout this report.

CAPER Reports on FFY 2004 Funds. Although federal fiscal year (FFY) 2005 was the City's second year as a HOPWA formula, it was the first year during which the City spent HOPWA funds on program activities. During FFY 2004, clients in the Division continued to be served by HOPWA funds available to the previous grantee. Accordingly, Gaithersburg used its FFY 2004 HOPWA formula award to serve clients in the Bethesda-Frederick-Gaithersburg Metropolitan Division during program year 2005 (July 1, 2005 to June 30, 2006). This CAPER reports fully on the use of FFY 2004 during program year 2005 and describes why FFY 2005 were not used this year and how we expect them to be spent in program year 2006.

Part I: Background and Overview of Program Year 2005

Consolidated Plan: City's Priorities and Objectives

After being designated a HOPWA formula grantee, Gaithersburg in August 2004 submitted an Amended Consolidated Plan to HUD. Amendment of its original Consolidated Plan was required under HUD Regulations (24 CFR 91.105) when the City was designated the HOPWA formula grantee for the Bethesda-Frederick-Gaithersburg Metropolitan Division. Gaithersburg's Amended Consolidated Plan addresses a four-year period (2004 through 2008). The City's Action Plan for program year 2005 (covered by this CAPER) outlined activities the City intended to undertake with CDBG and HOPWA funds to address priority needs and local objectives identified in its Strategic Plan and estimated the number and type of families to benefit from such proposed activities. This CAPER evaluates the City's accomplishments—and describes challenges the City encountered—in light of such priorities and objectives.

Part II: Required Narrative Statements

Assessment of Goals and Objectives from Strategic Plan

This section of the CAPER examines the status of the priorities outlined in Gaithersburg's Strategic Plan (Chapter 4 of the Amended Consolidated Plan):

- A. Rental Housing and Owner-Occupied Housing Needs.
- B. Economic Development.
- C. Public Facilities.
- D. Public Services.
- E. Infrastructure.
- F. Planning/Administration.
- G. Other.

This section lists each priority in Gaithersburg's Amended Consolidated Plan, identifies the objectives for each priority, and describes actions taken this year to further the objective. See Appendix 1 (page XX) for a summary of the objectives, performance measures, and actual accomplishments for FFY 2005.

Priority A: Rental Housing and Owner-Occupied Housing Needs

Objective A1: Maintain and Preserve the Stock of Affordable Rental Housing for Extremely Low- and Low-Income Households

Actions Taken. During its third year as an entitlement community, the City completed several activities to further its objective of maintaining and preserving the stock of affordable rental housing for low-income residents.

Among Gaithersburg’s key efforts in the area of preserving affordable rental housing was its work monitoring the ongoing Stepping Stones housing counseling and emergency assistance programs. The Human Services program manager, together with City grants staff, reviewed all cases and talked regularly with program staff at Stepping Stones about City residents being referred for housing counseling. City staff also reviewed and approved all requests for emergency assistance, ensured that the program was well-advertised, and assisted with and made numerous referrals, provided ongoing public relations and client support and follow-up, helped develop performance outcome measures, and conducted annual site visits.

Through Stepping Stones’ program, low-income City residents this year were able to receive much-needed housing counseling services. As the following table reflects, Stepping Stones served a significantly higher number of households than projected (51 versus 37) during its 10-month contract term (from September 1, 2005 through June 30, 2006). With a higher number of households receiving housing counseling services, the per-household number of hours of counseling provided this year was slightly lower than projected. Stepping Stones’ goals, for example, called for an average of approximately 20 hours of housing counseling per household, and Stepping Stones actually provided approximately 15 hours per household (773 hours to 51 households over 10 months).

In addition to providing housing counseling, Stepping Stones’ CDBG-funded program makes emergency housing funds available, on a case-by-case basis, to low- and extremely low-income City residents. When such assistance is determined appropriate and necessary, Stepping Stones submits a completed Request for Emergency Housing Funds form to the Office of the City Manager, outlining the need for assistance and describing the client’s exhaustion of other sources of emergency assistance prior to the submission of the Request for Emergency Housing Funds. During 2005, \$4,143 in emergency assistance was provided, serving 10 clients. Emergency assistance funds have helped clients with rent payments and moving and storage costs. In addition, they have been used for eviction prevention.

The households that Stepping Stones assisted this year continued to present complex housing issues that required a fairly high number of hours of counseling per household. In the upcoming year, the City projects that Stepping Stones will be able to provide 825 hours of housing counseling services (approximately 16 hours/week) to 44 City residents during its 12-month contract term.

Specific Projects: Goals/Actual Accomplishments, Objective A1

Grantee	Goals for Year	Accomplishments
---------	----------------	-----------------

Stepping Stones	756 hours of housing counseling 37 households	773 hours 51 households
--------------------	--	----------------------------

Actions taken this year to maintain and preserve the stock of affordable rental housing for extremely low- and low-income City residents also included continuing building a working relationship between members of the Gaithersburg Coalition of Providers (including the City’s CDBG-funded housing counseling programs) and area apartment owners and onsite personnel. (The Gaithersburg Coalition of Providers is made up of representatives from 80 nonprofit organizations that serve the City in the areas of health, youth programs, counseling, and emergency assistance of many types.) Through activities such as this, the City is working closely with landlords to facilitate the sharing of information between property managers and the nonprofit social service providers. Information was provided on such housing-related topics as renter’s insurance, the Maryland State renter’s tax credit program, eviction prevention and utility cutoff prevention resources, and information on “becoming a good tenant.”

City staff also continued to monitor the status of Forest Oak Towers, a project-based Section 8 property with all 175 units restricted to low-income elderly, frail elderly, and disabled persons. As a result of case management services provided by a 20-hour-per-week City-funded staff person (who devoted two-thirds of her hours to Forest Oaks Towers and the remainder to the Gaithersburg Senior Center), Forest Oaks Tower residents this year received assistance with referrals and intake as well as case management. This property, like other income-restricted properties that receive HUD financing, could be sold and converted to market-rate units. The City’s Mayor and Council, however, are committed to preserving this affordable housing community for the elderly in Gaithersburg. **[Check with Maureen for Forest Oak updates.]**

Objective A2: Promote and Retain Homeownership for Moderate-Income Persons

Actions Taken. Consistent with this objective, the City took several actions this year to promote and retain homeownership for moderate-income residents. Of particular significance was Gaithersburg’s development of an affordable housing program. 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 determine the availability and affordability of its housing inventory relative to the incomes of Gaithersburg residents. Staff also was 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 affordable housing, outlined housing policy issues for the Mayor and Council’s consideration, and described possible housing programs the City could implement for households with incomes at or below 120 percent of median family income. Following that meeting, staff members developed specific housing program recommendations and presented those recommendations to the Mayor and Council at a public work session in May 2006.

At that work session, staff recommended adoption of a multi-program approach to increasing the stock of affordable housing for City residents. Recommended programs include a required set-aside of affordable units (to be split between moderately-priced

dwelling units and workforce housing) 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.

Actions intended to promote and retain homeownership also included the City's continued participation in and co-sponsorship of the annual Montgomery County Housing Fair. For the fifth year in a row, this Housing Fair—unique in Montgomery County—was held in Gaithersburg and included housing-related workshops on topics such as “fair housing and your rights as tenants” and “homeownership assistance programs,” offered free on-site credit counseling, and provided valuable homeownership assistance. All workshops were conducted in English and Spanish, and attendees had an opportunity to receive one-on-one assistance from vendors and free credit reports. Translation services were available on-site for non-English speaking attendees, and six winners received a \$500 prize towards their rent or mortgage. The sixth annual housing fair, scheduled for October 7, 2006, will again be held at Gaithersburg's Bohrer Activity Center.

Several other housing initiatives undertaken or planned in FFY 2005 helped promote and retain homeownership for moderate-income persons this year. Among the City's most innovative housing initiatives this year was the creation of a 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. This assistance is intended to 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 (HOC) of Montgomery County is administering this pilot program for the City of Gaithersburg 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. [Louise update.]**

Assistance remains available to eligible City residents under the homeownership and downpayment assistance program through December 2006 and possibly longer should the City decide to extend the program beyond that date. 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 moderately priced dwelling unit (MPDU) program, Gaithersburg's homeownership and downpayment assistance program requires a minimum credit report score of 500.

Objective A3: Adopt a Comprehensive Approach to Assist the Homeless and Those At Risk of Becoming Homeless by Providing Emergency and Transitional Housing with Appropriate Supportive Services

Actions Taken. To further this objective, the City this year funded several programs that help the homeless and those at risk of becoming homeless. Through funding provided through the City’s nonprofit grant program, these programs (listed below) provided emergency, transitional, and permanent supportive housing; eviction prevention assistance; and other necessary services to more than **XXX City residents in FFY 2005**. Serving single adults as well as children and families and providing a range of services, these programs delivered much-needed services to homeless City residents and others at risk of becoming homeless. The Dwelling Place, for example, not only provided emergency housing to homeless families, but case management to heads of family to develop and carry out personal action plans for achieving family independence. Chase Partnership House, which serves homeless adult men in addiction recovery, provided transitional housing and transportation tokens, case management, meals, referrals, and other services. Sophia House served homeless women who are substance involved and/or mentally ill by providing emergency housing, meals, tokens, case management, and other supportive services, and UMAN (the Upper Montgomery Assistance Network) provided eviction prevention assistance to those at risk of losing their housing.

[Add updates re: nonprofit grants and secure updated table from Crystal Human Services.]

Specific Projects: Goals/Actual Accomplishments, Objective A3

Nonprofit Grants to Organizations Providing Emergency, Transitional, and Permanent Supportive Housing [NEEDS UPDATES FOR FFY 2005]

Agency /Program Name	Amount of Funding	City Residents Served	Housing/Shelter Type
Community Ministries Horizon House	\$8,000	20 clients	Permanent supportive
Community Ministries Sophia House	\$8,000	4 clients	Transitional
Chase Partnership	\$12,000	4 clients	Transitional
Dwelling Place	\$ 7,000	3 adults 8 children	Transitional
Rainbow Shelter	\$ 7,000	7 clients	Emergency
Greentree Shelter	\$20,000	2 adults, 4 children	Transitional
Stepping Stones Shelter	\$15,000	3 adults, 7 children	Transitional
Men’s Emergency Shelter	\$15,000	53 adults	Emergency
Upper Montgomery Assistance Network (UMAN)	\$28,000	108 families	eviction prevention
Total	\$102,000 [\$114,000?]	115 individuals and 108 families	

Continuing to support homeless facilities and programs remained a high priority for the City this year. In addition to the shelters and other organizations receiving nonprofit grants, the City supported Seneca Heights Apartments, a facility located at a 100-unit former motel in Gaithersburg that was purchased by the Montgomery County Department of Housing and Community Affairs and converted into a permanent housing facility for 41 disabled adults and a short-term housing facility for 17 families coming out of the shelter system. These families receive additional support to enable them to acquire enhanced living skills and job training. During program year 2005, the City also continued to fund the homeless advocate who works the streets of Gaithersburg to bring unsheltered homeless persons into mainstream homeless programs.

The City operates two homeless programs, the McKinney Transitional Housing Program at Wells/Robertson House and the DeSillum House permanent supportive housing program. The City owns both facilities and provides the majority of funding for staffing, case management, and other supportive services to this population. The Wells/Robertson program, also supported in part by HUD, the State of Maryland, and the Department of Health and Human Services of Montgomery County, provides housing and supportive services to 14 single disabled adults in a City-owned building. Successful graduates of this program can move into permanent housing, either at Seneca Heights Apartments or the City-owned DeSillum House. The majority of the residents who have graduated from the Wells/Robertson program within the past two years remain clean and sober and in stable housing. DeSillum House provides permanent supportive housing for graduates of Wells/Robertson House. The four residents and one staff person at DeSillum share a City-owned house. This program, funded entirely by the City, has an 80-percent success rate.

Gaithersburg is also a member of the Montgomery County Continuum of Care planning group, which is made up of all homeless service providers in the County. Each year this group conducts a point-in-time survey, the results of which are used to evaluate needs and gaps in the County's homeless system. **According to preliminary results of this year's point-in-time survey (conducted January 25 and 26, 2005), 57 homeless single adults and 49 homeless families are Gaithersburg residents. All of these adults and families were sheltered in City or County facilities at the time of the survey. [Needs update.]** This and other surveys of the homeless determine residence based on the last permanent address that an individual or family reports. Therefore, adults or families being housed at a facility within the City of Gaithersburg's corporate limits are counted as City residents only if the last address they report (before entering the shelter system) was within City limits. Similarly, many of the City's homeless may have been housed in facilities outside City limits at the time of the survey; however, according to self-reports, their last permanent address was in Gaithersburg.

In addition to the activities and programs discussed above, the City in 2005 awarded CDBG public service funds to Stepping Stones Shelter to provide housing counseling and emergency assistance. Goals and accomplishments for this program, which assists, among others, the homeless and those at risk of becoming homeless by providing appropriate supportive services, are listed under Objectives A1 and/or A2.

Priority B: Non-Housing and Economic Development

Objective B1: Protect Historic Resources in the City, Particularly in the Olde Towne Historic District

In its Strategic Plan, the City proposes that during the years covered by its Consolidated Plan, it will continue to preserve and maintain historic resources within the City of Gaithersburg and that, if appropriate, CDBG funds would be used for restoration of historic resources. CDBG funds were not used in program year 2005 to further this specific objective. However, the City is committed to the preservation of its historic resources. In 2004, the City submitted an application through the State of Maryland's Transportation Enhancement Program (TEP) to secure \$430,182 in TEP funds (to be matched with at least the same amount in City funds) for the Olde Towne Gaithersburg Rolling Stock Restoration Project. In June 2005, the City received notification that its funding request was approved.

The City's Rolling Stock project involves 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 car with a more suitable caboose and repairing a "guest track" to allow the City to host visiting trains for special events. In addition, to provide handicapped accessibility, the City will expand and improve the deck area near the cars, thereby enhancing public use and attracting additional visitors to the site. Through these activities, the Rolling Stock Restoration Project will showcase historic Olde Towne Gaithersburg while reinforcing urban revitalization and economic growth efforts in Olde Towne that have been ongoing for more than 10 years.

Objective B2: Pursue Economic Development Programs and Strategies

Actions Taken. CDBG funds were not used this program year specifically to pursue economic development programs/strategies. As described above, however, the City's application for and award of \$430,182 in TEP funds for its Olde Towne Gaithersburg Rolling Stock Restoration Project will help further economic development programs and strategies in years ahead. Because the historic rail cars are an attraction for visitors to Olde Towne Gaithersburg, the City—and the local merchants—believe that improvements to this area will have a beneficial economic impact on the surrounding business community.

One of the City's 10 overarching goals, reviewed and approved by the Mayor and Council on an annual basis, is to "*actively pursue economic development programs and strategies.*" Furthermore, Gaithersburg's geographic location in the Washington metropolitan region supports a strong employment base. The City employs a number of strategies in support of this strong economy, some of which include: a focus on retaining businesses currently in Gaithersburg and helping them grow and prosper; attraction of new industries, particularly those related to the technology field; tracking office space vacancy rates and analyzing such rates as an indicator of economic activity; ensuring that Gaithersburg is competitive with other jurisdictions by maintaining an attractive business

environment in which the City is visible and approachable and facilitates sustainable development.

The City recently completed a review and update to its Olde Towne Master Plan. This Plan, recently adopted by the Mayor and Council, will strengthen the City’s ability to substantially redesign several key locations within Olde Towne, creating new housing and job opportunities within the historic area.

Objective B3: Improve the Safety and Livability of Neighborhoods

Actions Taken. CDBG funds were not used this project year to further this objective. Non-CDBG activities undertaken to further the objective included providing diverse cultural, artistic, and recreational programs and awarding scholarships for the City’s summer camp programs to income-eligible families. In addition, with grant funding from the U.S. Department of Justice under the Community Oriented Policing Services program, the City has increased its number of street officers to 43.

Objective B4: Address Issues Related to Special Needs Populations

Actions Taken. Several CDBG-funded projects and other actions taken this year addressed the needs of the City’s special needs populations, including the elderly and frail/elderly. Special needs populations also include developmentally disabled persons, mentally ill persons, persons with HIV/AIDS, persons with drug and alcohol addictions, and other persons with disabilities.

As indicated in the City’s Strategic Plan (Table 1B), the City has identified the elderly and frail/elderly as high-priority special needs populations. It was, in fact, the need for increased services for the City’s frail elderly and disabled populations—reflected by calls and requests from seniors and disabled residents requesting assistance with housekeeping, home maintenance, yard work, and shopping—that prompted the City’s Human Services office in 2003 to create the “Safe Homes Pilot Project.” Through this project, the City awarded CDBG public service grants to three organizations, the American Red Cross, Home Care Partners, and Rebuilding Together. Each of these organizations received second-year CDBG public service grants in 2004, and one organization, Home Care Partners, received funding for a third year in 2005. The goals and annual accomplishments of Home Care Partners’ program during the year covered by this CAPER appear below. They are also reflected in Appendix 1.

Specific Projects: Goals/Actual Accomplishments, Objective B4

Grantee	Annual Goals*	Accomplishments
Home Care Partners	18 persons receive home care assistance 1,547 hours of home care assistance	18 1,375 hours

*Goals listed are annual goals included in Home Care Partners’ 11-month contract, effective October 1, 2005-August 30, 2006. Accomplishments reported are for the 9-month period from October 1, 2005 through June 30, 2006.

The City also serves many elderly and frail/elderly through activities offered at the Gaithersburg Senior Center, one of only two Senior Centers in Montgomery County. An average of 100 persons attend the center each day, 60 percent of whom are non-City, but County residents, and 40 percent of whom are City residents. The center offers a variety of activities and special programs and one mid-day meal five days a week, and the City provides bus transportation to the center every day. Montgomery County's Department of Aging and Disability Services provides a case manager/social worker one day a week at the Gaithersburg center, which is the only upcounty drop-in facility for elderly persons. This year, as discussed earlier in this report, the McKinney Transitional Housing Program at the City-owned Wells/Robertson House and the DeSillum House continued to provide services to single disabled adults in recovery from chemical and alcohol abuse. The City owns both facilities and provides the majority of funding for staffing, case management, and other supportive services to this population. Some funding for these programs is provided by HUD's supportive housing program, the State of Maryland, and Montgomery County. Rents paid by the residents also contribute to operating costs.

Among the actions the City indicates it will undertake during the five-year period covered by its Consolidated Plan to help further Objective B4 and meet the needs of special needs populations is to keep HIV/AIDS-infected persons housed and assist such persons with home health care, maintenance, and prescription drugs. This year, actions taken to help meet the needs of HIV/AIDS-infected persons included the City's ongoing support of Seneca Heights Apartments, a Montgomery County facility for homeless persons that opened in Gaithersburg in 2004. Montgomery County purchased the facility, a 97-room motel, at the end of March 2003 for use as a homeless facility for 41 disabled adults and 17 homeless families. Through a competitive grant awarded by the State of Maryland, five units are set aside for persons with HIV/AIDS. Following extensive renovation of the facility, families and singles began to move in during spring 2004. City staff members have been involved in the planning of this facility and are represented on the project's Board of Governors.

As the HOPWA formula grantee for Montgomery and Frederick Counties, Gaithersburg this year worked closely with the State of Maryland Department of Health and Mental Hygiene's AIDS Administration, the Montgomery County Department of Health and Human Services, the Housing Authority of the City of Frederick, and others to ensure that HOPWA clients in the two counties continued to receive tenant-based rental assistance once Gaithersburg began serving such clients with HOPWA funds effective July 1, 2005 (see HOPWA Narrative for detail).

Objective B5: Enhance Economic and Educational Opportunities for Low-Income Adults

Actions Taken. During FFY 2005, Gaithersburg's third year as an entitlement community, the City used CDBG funds to promote increased education and job training for low- and moderate-income households by funding Montgomery College's Workplace English program. Under this program, Montgomery College offered Workplace English instruction at the Gaithersburg Business Training Center of Montgomery College.

Montgomery College’s classes featured the English language and workplace skills needed for a successful transition into employment in the United States, and the classes targeted beginning and intermediate-level adult ESOL learners. Although the program was intended to serve 60 students during the 11-month contract period, only 27 students were served as Montgomery College was unable to enroll a sufficient number of eligible City residents in the courses during the fall 2005 semester; therefore, no classes were offered that semester.

Efforts to enroll students in the fall classes included distribution of program fliers and registration information during the months of September and October 2005 to adults in the City of Gaithersburg. This was done through visits at the local churches and other community groups. As advertised, registration and testing was conducted October 5, 2005, at Montgomery Village Middle School. Twenty one individuals reported that they lived within the appropriate areas of Gaithersburg and took the placement test. However, after completing the initial assessment and placement, during follow-up interviews, the College determined that only three (3) students were eligible and these students were referred to the regular ESOL classes offered by Montgomery College and a new registration session was scheduled for January 31st, 2006, following further recruiting. Fliers for these classes were distributed, and 27 students took classes in the spring semester.

In addition to Montgomery College’s CDBG-funded program, the City’s nonprofit grant program also provided \$12,000 in funding to the Spanish Catholic Center to pay for the services of a staff person who provides employment counseling. **[Crystal to Update/Confirm.]**

Specific Projects: Goals/Actual Accomplishments, Objective B2

Grantee	Annual Goals (Under Contract)*	Accomplishment
Montgomery College	60 low-income residents	27 residents

*Goals listed are annual goals included in Montgomery College’s contract, effective August 1, 2005 to June 30, 2006.

Priority C: Public Facilities

Objective C1: Construct New Youth Center

Actions Taken. Although the City recently completed a youth center on the west side of Gaithersburg in Robertson Park, it allocated CDBG funding (\$341,094) in FFY 2005 toward the construction of the new Olde Towne Youth Center. This 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 a half-acre site at Gaithersburg Middle School that the City will 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 taking place in historic Olde Towne Gaithersburg. The City had expected construction of the

Olde Towne Youth Center to be under way by now and 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, in turn, will use CDBG funds in the upcoming program year (FFY 2006) 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.

Specific Projects: Goals/Actual Accomplishments, Objective C1

Project	Goals	Accomplishment
Olde Towne Youth Center	Serve 85-100 City youth/day	Building not open

Objective C2: Complete Expansion of and/or Improvements to Senior Center

During the period covered by the City’s Amended Consolidated Plan, the City plans to expand and/or complete other improvements to its Senior Center. Gaithersburg owns and operates one of two Senior Centers in Montgomery County. An average of more than 100 persons attend the center each day, 60 percent of whom are non-City, but County residents, and 40 percent of whom are City residents. The center offers a variety of activities and special programs and one mid-day meal five days a week, and the City provides bus transportation to the center every day. The City was recently notified that it will be receiving federal funds for the purchase of a new paratransit van for the Center, which will enable us to better accommodate patrons’ pick-up and drop-off requests.

Actions Taken. During its first three years as a CDBG entitlement community, the City did not use CDBG funds to begin expansion and improvement activities at the Senior Center. In June of 2004, the City applied for a matching grant through the State Department of Aging and Disability Services to replace a large portion of the roof and to install a new HVAC system at the City-owned and operated senior center. Upon notification by the State that grant funds would not be available in FY06 (but, rather in FY07), the City has decided to move forward with the needed repairs and replacement this year with City funds only. A year’s delay would have adverse effects on the facility.

[Louise: Update/Delete this section? No CDBG funds were allocated in FFY 2005 for Senior Center improvements.]

Priority D: Public Services

Through the use of CDBG public service funding, the City this year provided a variety of public services for low- to moderate-income City residents.

Objective D1: Improve Health Services Available to Low-Income and Uninsured City Residents

Actions Taken. This year, the City continued to provide CDBG funding to Mobile Medical Care, Inc., to provide an additional half day of service to low-income and uninsured persons and families in Gaithersburg. The City also funded an additional clinic, Mercy Health Clinic, that serves a high number of extremely low-, low-, and moderate-income City residents. Such funding allowed medical providers to expand hours and offer additional types of medical services and care to low- and moderate-income patients. With \$9,500 in CDBG funds, Mobile Medical Care, Inc., for example, continued to provide an additional mobile medical van at the Church of the Ascension site for a half day each week. Mobile Medical Care’s third-year (6-month) contract began July 1, 2005, and ended June 30, 2006. Mercy Health Clinic’s contract began June 30, 2005 and ended June 30, 2006.

Specific Projects: Goals/Actual Accomplishments, Objective D1

Grantees	2005 Goals*	Accomplishments
Mercy Health Clinic	342 residents (medical care) 30 residents (Lifestyle Plus)	316 31
Mobile Medical Care	1,248 patient visits 48 residents (6-month goal, additional vehicle alone) 144 residents (6-month goal, whole site) 160 patient visits (6-month goal, whole site)	1,510 35 (6 months) 104 (6-months) 142 (6 months)

*Goals listed are those included in Mobile Med’s contract, which ended December 31, 2005 and included separate goals for the additional mobile medical van funded by the program and the entire Church of the Ascension site.

Objective D2: Help Low-Income Elderly and Disabled Persons Maintain an Independent, Healthy, and Safe Living Environment in Their Homes.

Actions Taken. This year, the City continued to provide CDBG funding to Home Care Partners, which provides home care aide assistance to low-income and/or elderly City residents. Through such funding, the project improves the independence and living environment of low-income senior and disabled persons.

As reflected by the table below, Home Care Partners met its contract goal of serving 18 low-income senior and/or disabled residents and almost had met its goal of providing 1,547 hours of home care aide assistance. As of June 30, 2006, it had provided 1,375 hours of service to eligible City residents (89 percent of contract requirement).

For additional, up-to-date information on the specific contract requirements and accomplishments of the public service this program year, refer to the table, *CDBG Public*

Service Grantees Year 3: Contract Requirements and Accomplishments (Attachment 1, page XX). Upon receipt and review of each grantee’s quarterly and annual reports, City staff record accomplishments on this table, assessing the grantee’s performance against its contract requirements. Such monitoring enables staff to detect and respond to any problems grantees may be having in meeting their goals.

Specific Projects: Annual Goals/Actual Accomplishments, Objective D2

Grantee	Annual Goals*	Accomplishments
Home Care Partners	18 low-income senior/disabled 1,547 hours home care assistance (11 month goal)	18 1,375 (9 months)

*Goals listed are annual goals included in grantee’s contracts, effective October 1, 2005-August 30, 2006. Accomplishments reported are for 9-month period ending June 30, 2006.

This year, the City also furthered its objective of helping low-income elderly/disabled persons maintain an independent, healthy, and safe living environment in their homes by providing case management services for low-income City residents at the Senior Center and Forest Oak Towers. Through the City-funded case manager position, residents received **20 [25?]** hours of case management each week—approximately two-thirds of which was provided at Forest Oak Towers, a project-based Section 8 property, and the remainder of which was provided at the Gaithersburg Senior Center. For those at the Senior Center, the case manager’s services supplemented the services of a Montgomery County social worker assigned to the Center for six hours each week (five for direct service and one for recordkeeping). **[Update, if necessary. Maureen.]**

Priority E: Infrastructure

Objective E1: Rehabilitate City-Owned Facility

The City of Gaithersburg owns a facility in Olde Towne, which has been leased to GUIDE Youth Services at no cost since the City purchased the property in 1998. GUIDE Youth Services is a nonprofit organization that provides mental health and case management services to approximately 200 City families a year. In its Strategic Plan, the City indicated that it would renovate this facility with CDBG funds in program year 2003. Given a substantial amendment in 2004, the City did not complete such renovations.

Actions Taken. The City decided to reallocate 2004 funds from this project to a space planning and feasibility study for a much-needed expansion of the Gaithersburg Senior Center. Given that the City has proposed a sale of this property, purchased in 1998, to a private developer, moving forward with rehabilitation of the GUIDE building is infeasible.

Priority F: Planning/Administration

The City's Office of Economic and Community Development, with assistance from the Human Services Division, the Department of Planning and Code, and the Finance Department, is responsible for administering the CDBG program. The City's Office of Economic and Community Development is also responsible for administering the HOPWA program for the Bethesda-Frederick-Gaithersburg Metropolitan Division, with assistance from the Maryland AIDS Administration. Under the City's agreement with the Maryland AIDS Administration, the AIDS Administration monitors and reports on the implementation of the City's HOPWA formula funds by two designated project sponsors, the Housing Authority of the City of Frederick and the Montgomery County Department of Health and Human Services.

Objectives F1 and F2: Carry Out Planning and Administration and Monitor Projects

Actions Taken. This year, in addition to monitoring three ongoing CDBG public service programs (Mobile Medical Care, Home Care Partners, and Stepping Stones), City staff took on the responsibility of funding and overseeing two new projects: the Montgomery County Workplace English Program (\$8,000) and Mercy Health Clinic's program (\$9,500). The City's Human Services Division program manager remained actively involved in the monitoring and oversight of Stepping Stones this year. Her oversight of Stepping Stones' housing counseling program involved review of all households referred as well as regular communication with program staff at Stepping Stones regarding referrals. She also ensured that the program was well-advertised and assisted with and made numerous referrals, provided ongoing public relations and client support and follow-up, helped develop performance outcome measures, and conducted annual site visits.

For all grantees, City staff oversaw the submission of all grantees' quarterly and annual reports. Upon receipt of applications for CDBG funds, City staff members worked closely to review and analyze applications to ensure compliance with all Federal, state and local requirements. As needed, City staff contacted applicants to secure additional information, clarify program requirements, and discuss budgets, outcome measures, and program goals. Staff also conducted monitoring meetings, completed site visits, and required grantees to submit quarterly reports that indicated the number of persons/households served, race and ethnicity, income, and outcomes of program goals. Upon receipt of each quarterly report, City staff discuss grantee progress, calculate the percentage of required goals met to date (according to both quarterly and annual goals), schedule and hold conference calls with grantee staff to discuss questions and/or request additional information, and verify addresses of City residents being served.

Priority G: Other

Objective G1: Address Fair Housing Impediments

The City this year remained committed to promoting and ensuring fair housing in all City properties and worked closely with the Office of Human Rights to ensure fair housing within the City this year. 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.

Fair housing activities within the City also included 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.

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.

Several Gaithersburg area nonprofit organizations also continue to help overcome impediments to fair housing choice by providing 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, was also made available to residents at this year's Fifth Annual Montgomery County Housing Fair, co-sponsored by the City of Gaithersburg and held in October 2005 at the City's Activity Center.

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.

Objective G2: Reduce Lead-Based Paint Hazards

Actions Taken. This year, Gaithersburg continued to provide 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 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 addition to providing property owners with information on the hazards of lead-based paint, the City has a contract with an agency that works with senior and/or disabled low-income homeowners whose properties have Code violations. The presence of (interior or exterior) chipping or peeling lead paint on a property is a Code violation.

Affordable Housing

Gaithersburg is working hard to improve the stock of affordable housing within City limits. Among its most innovative housing initiatives in 2005 was its 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 HOC is administering this pilot program for the City and helping residents complete the process of homeownership.

Given dramatic increases in housing prices across the area, Gaithersburg is actively pursuing the development of a comprehensive affordable housing program, a key component of which will be the adoption of a local MPDU (moderately-priced dwelling unit) ordinance under which developers will be required to set aside 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 program is in the early development stages, Gaithersburg residents may take advantage of Montgomery County's MPDU program for properties within the County, but outside corporate City limits.

In addition to the County MPDU program, Gaithersburg residents may 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, for instance, 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.

To help meet the needs of extremely low- and low-income households at risk of eviction from rental units, **\$XX in City funds were used in 2005 for eviction prevention through the Upper Montgomery Assistance Network for XX City households.** These funds are often coupled with funds from the Montgomery County Department of Health and Human Services Emergency Assistance program. **[Crystal Update]**

Although the City is extremely limited in its ability to moderate rents (Montgomery County has a voluntary rent increase program), as the local jurisdiction for code enforcement, Gaithersburg does have some ability to use its enforcement tools to persuade landlords and management companies to work with local nonprofit agencies and other government agencies to assist residents at risk of eviction. To that end, the City worked closely with landlords to facilitate information-sharing between property managers and nonprofit social service providers.

The Montgomery County Housing Opportunities Commission (HOC), which manages and operates both public housing programs and the federal Housing Choice Voucher Program in Montgomery County, has an office in Gaithersburg (on Deer Park Road).

This agency works closely with the City on a number of important housing-related activities and facilities, including the upcoming (Sixth Annual) Montgomery County Housing Fair being held at Gaithersburg's Activity Center at Bohrer Park, Forest Oak Towers (a project-based Section 8 facility for elderly and disabled persons), Seneca Heights Apartments, and Diamond Square Apartments at 80 Bureau Drive. Diamond Square Apartments is a single room occupancy building (formerly a hotel) owned through a joint agreement among the City, the Montgomery County Department of Housing and Community Affairs, and HOC. Rents in this building are fixed based on incomes established under low, moderate, or market rents and are significantly lower than comparable efficiency units anywhere in the County.

Continuum of Care

For the 19th consecutive year, the City has received funding from the U.S. Department of Housing and Urban Development for its McKinney Transitional Housing Program at Wells/Robertson House. This program, supported in part by HUD, the State of Maryland, and the Department of Health and Human Service of Montgomery County, provides housing and supportive services to 14 single disabled adults in a City-owned building. Successful graduates of this program can move into permanent housing either at Seneca Heights Apartments or the City-owned DeSillum House. This program, funded entirely by the City, has an 80-percent success rate.

Other Actions

Addressing Obstacles to Meeting Underserved Needs

As detailed throughout this report, the City used CDBG funds for a range of public service projects that help meet the underserved needs of low-income, disabled, elderly, uninsured, and/or other residents. Other actions the City has taken this year to address obstacles to meeting underserved needs included:

- **Plans to Construct the Olde Towne Youth Center.**
- **Steps to Help Public Service Grantees Meet Goals.** City staff worked closely this year to help public service grantees meet projected goals. Such efforts included close oversight and monitoring, frequent meetings, careful review of quarterly reports, and development of performance outcomes. In addition, the City helped grantees promote programs through outreach, referrals, and information dissemination. Staff from the City's Human Services Division, as well as the City's Director of Housing and Community Development and grants staff, have been involved in these activities. (For additional information on the City's efforts to improve grantees' ability to meet goals, see "Ways City May Change Programs, Given Experiences," page XX.)
- **Increased Funding for Nonprofit Grant Program.** Given a drop in CDBG funding from \$545,000 to \$517,174 in FFY 2005, the City increased the level of funding available through its nonprofit grant program by approximately **XX percent [Crystal update]**. Through this program, numerous nonprofit organizations provide a range of services that benefit the City's neediest residents.

Fostering and Maintaining Affordable Housing

This year, the City's efforts to address worst-case housing needs continued to focus on low-income renter households who spend at least half of their income on rent. These activities included housing and homeownership counseling for low-income Gaithersburg residents. The City's Human Services program manager increased hours on behalf of this population and worked closely with county and nonprofit agencies in Gaithersburg to ensure that families would not lose access to housing counseling services. As discussed previously in this report, she also devoted time to the monitoring and oversight of Stepping Stones' CDBG-funded housing counseling program.

In October 2005, for the fifth year in a row, the City of Gaithersburg hosted the Montgomery County Housing Fair, the only event of its kind in the entire county. This event, created in 2000 as the UpCounty Housing Fair by the Upper Montgomery Assistance Network and the City of Gaithersburg and funded through an Empowerment Grant by the Montgomery County Department of Housing and Community Affairs, provides accurate, reliable, and up-to-date housing resources and information to residents of upper Montgomery County, with a particular emphasis on non-white and Hispanic residents, who were "unable to fully participate in the community...." This past year's event, held at the Gaithersburg Activity Center at Bohrer Park, attracted approximately 1,000 County residents looking for information on housing-related topics. Such information was provided through a variety of workshops, all of which were offered in English and Spanish sessions.

As detailed in the City's Amended Consolidated Plan, as a result of stringent inspections, the City has no substandard housing conditions.

The City was able to take a huge step forward in the provision of affordable housing for its most vulnerable residents—homeless families and homeless single adults with disabilities—when Seneca Heights Apartments opened in June 2004. Through a partnership with the Montgomery County Coalition for the Homeless, the Montgomery County Department of Housing and Community Affairs, and the Housing Opportunities Commission, a former 99-unit motel was converted to a 57-unit transitional and permanent housing facility within the City. Forty units are set aside for single adults with disabilities (including several HOPWA units), and 17 units are set aside for families, most of which are made up of single parents with 2-3 children.

Wells/Robertson House, a City-owned and -operated transitional housing program for 14 single adults in recovery from alcohol and chemical abuse is currently in its 19th year of operation. This program provides housing, case management, and chemical-addiction treatment to a very vulnerable homeless population, and it is the only program of its kind in the State of Maryland. Fifty-nine percent of the residents who have graduated within the past two years remain clean and sober and in stable housing. Additionally, homeless single adults and families received financial support through City grants to four City or County shelters and four City or County transitional housing programs. These programs

are in addition to the City-owned and -operated transitional housing program at Wells/Robertson House and Seneca Heights Apartments Personal Living Quarters (PLQ) facility, the first such building in Montgomery County.

Eliminating Barriers to Affordable Housing

The most significant obstacle that City residents face is a lack of affordable housing. A limited supply of affordable rental units, declining vacancy rates, and rising rents create an affordability barrier for many residents. Low-income persons who do not receive a rent subsidy find it difficult to find an appropriate place to live. Based on research by the Gaithersburg Planning Department, approximately 47.6 percent of Gaithersburg's rental housing stock is either "affordable" to low- to moderate-income households, subsidized, or under some kind of rent control. The City has very flexible zoning codes, which allow for a variety of housing types and adaptive reuse of existing developments. The City is limited in its ability to moderate housing costs in this area. Condominium conversion and replacement of aging and obsolete housing are taking place throughout the region. However, as the local jurisdiction for code enforcement, Gaithersburg does have some ability to use its enforcement tools to persuade landlords and management companies to work with developers and nonprofit and other agencies to assist City residents with appropriate relocation.

Montgomery County residents face additional obstacles, given the difficulty of securing housing through HOC's Housing Choice Voucher Program (formerly known as Section 8). In 2003, when HOC opened the list for 5 days, nearly 10,000 residents applied for a place on the list to receive housing subsidies. In 2004 and 2005, HOC voted not to open the waiting list for the Housing Choice Voucher Program at all, citing uncertainty of funding. Although the program's waiting list is currently closed, HOC did open the list for five days in August 2006, the first time since 2003. During those 5 days, HOC received 17,855 applications. HOC, however, expects that it will be able serve only about 500 new households this year.

As for the Housing Choice Voucher Program, demand for public housing in Montgomery County also far exceeds the stock of available units. HOC currently owns 1,550 units of public housing at sites across Montgomery County. For the first time in two years, HOC opened its public housing waiting list this fall. Between September 25 and October 6, 2006, HOC is accepting public housing applications online, by mail, and in person at locations throughout the County. All those currently on the list must reapply. When HOC last accepted public housing applications (in 2004), it received almost 8,000 applications. Once the list closes, applicants' names are put into a pool, from which names are randomly drawn during the year. On average, only about 135 public housing units become available each year. Like recipients of Housing Choice Vouchers, public housing residents typically pay 30 percent of their gross income for rent and utilities.

Overcoming Gaps in Institutional Structure

This year, the City met often with representatives from private industry, nonprofit agencies, and other public and government organizations. The City was also 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 were 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.

CDBG staff shared information and resources with other CDBG grantees, including the Cities of Bowie, Takoma Park, and Annapolis and Montgomery County's Department of Housing and Community Affairs. City staff members also communicate regularly with the Montgomery County Housing Opportunities Commission on housing needs within the City and across Montgomery County. Given City staff's more aggressive outreach since becoming a CDBG entitlement community, staff from HOC's Deer Park office have more regularly attended meetings of the Gaithersburg Coalition of Providers.

Enhancing Coordination

Actions taken this year to enhance coordination included continued collaboration and frequent communication with members of the Gaithersburg Coalition of Providers. The Coalition was established by the City in 1995 to increase coordination and communication among nonprofit service providers, thereby improving the delivery of services and eliminating fragmentation. The City's Division of Human Services is the coordinator of the Coalition, which includes representatives from 80 area nonprofit organizations, most of which serve the entire upcounty area of Montgomery County and all of which include the City of Gaithersburg within their service area.

This year, the City and the Coalition developed and co-hosted a second annual Gaithersburg Landlord-Providers gathering (this year a lunch). Held in fall 2005, the goal of this event was to continue building a working relationship between members of the Coalition (including the City's CDBG-funded housing counseling programs) and area apartment owners and onsite personnel. Through activities such as this, the City has helped facilitate the sharing of information between property managers and the nonprofit social service providers. Information was provided on housing-related topics such as renter's insurance, the Maryland State renter's tax credit program, eviction prevention and utility cutoff prevention resources, and information on "becoming a good tenant."

Steps taken to enhance coordination also included community consultation, public outreach, and public hearings, as required by the City’s Citizen Participation Plan. By consulting with a range of public and private agencies—including State and local health and child welfare agencies, adjacent units of general local government, the Maryland AIDS Administration, the Montgomery County Department of Health and Human Services, the Housing Authority of the City of Frederick, Montgomery County’s Housing Opportunities Commission (the local public housing agency participating in an approved Comprehensive Grant program), and others—the City satisfied the requirements of 24 CFR 91.100(a)–(c).

Our Citizen Participation Plan requires us to:

Provide citizens, units of local government, public agencies, and other interested parties a reasonable opportunity (at least 15 days) to review and submit comments on the annual performance report. As for comments on the proposed Consolidated Plan, comments on the performance report may be provided in writing, in person, or by email, phone, or fax.

Through consultation, the City benefited from the expertise of such agencies and helped ensure that programs and services covered by the City’s Consolidated Plan would be fully coordinated with those provided by other agencies or adjacent units of general local government. Coordination, in turn, will help facilitate the achievement of the City’s community development goals and help further the objectives set forth in our Strategic Plan.

Improving Public Housing and Resident Initiatives

As described in the City’s Consolidated Plan, the City has no conventional public housing units within its geographic borders. However, residents with Housing Choice vouchers (formerly Section 8 vouchers) have access to all City programs and resources, including services provided through the City’s Human Services Office. For example, residents of Forest Oak Towers, a project-based Section 8 facility, may receive home care aide services through one of the City’s CDBG public service programs (approximately 98 percent of residents receiving home care services through this program live in Forest Oak Towers).

Public housing and resident initiatives are also improved through the activities of the Gaithersburg Coalition of Providers. As Gaithersburg’s umbrella organization for nonprofit groups, the Coalition includes representatives from 80 area nonprofit organizations, all of which include the City of Gaithersburg within their service area. As discussed previously in this report, the City’s Human Services Division works closely with Coalition members to facilitate information sharing—on housing and other needs—and to encourage coordination among service providers. The Housing Opportunities Commission of Montgomery County, which has an office within the City limits, participates in the Gaithersburg Coalition of Providers’ quarterly meetings, which are

held in various locations in the City. HOC's mission is to provide affordable housing and supportive services that enhance the lives of low- and moderate-income families and individuals throughout Montgomery County.

Evaluating and Reducing Lead-Based Paint Hazards

As discussed earlier in this report, the City this year continued to provide 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 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.

Reducing the Number of Persons Living Below the Poverty Level

The City made significant progress this year toward meeting the objectives set forth in the Strategic Plan under its Anti-Poverty Strategy. Montgomery College's Workplace English program served 27 City residents. Under the City's Home Care Partners grant (in its third year), 18 City residents received home care aide assistance.

Leveraging Resources

During its third year as a direct entitlement community for CDBG, Gaithersburg continued to make progress in leveraging its Federal CDBG funding with other funding sources, including financial support from the City, Montgomery County, and the State of Maryland.

The \$341,094 in CDBG funds allocated in FFY 2005 for construction of the City's Olde Towne Youth Center, for example, will be supplemented by several other funding sources, including \$400,000 from the State of Maryland. City funds in the amount of \$1,858,906 will also be used to complete the approximately \$2.6 million project. [Louise: Update these figures.] Although the City will contribute a significant amount toward construction of the new center, it will not need to buy the land on which the center is being built. Montgomery County Public Schools has agreed to dedicate a half-acre site on the property of Gaithersburg Middle School, 2 Teacher's Way, to the new youth center, and Gaithersburg will rent the site for a nominal fee (\$1/year).

Public service grants, totaling \$72,645 (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 grant will be leveraged by other City, county, State, federal, or private-foundation grants. For example, the City of Gaithersburg provides a nonprofit grant for health services to Mobile Medical Care, Inc., an organization that also receives CDBG public service funding. United Way and foundation grants, combined with private donations, similarly leverage CDBG funds to Home Care Partners, Inc., allowing 15 low-income and elderly City residents to receive home care aide assistance in their homes. Sub-grantees' ability to leverage other non-federal funds was a significant ranking factor in determining awards.

This year's public service grants (capped by statute at 15 percent of the \$517,174 annual award) were used for a range of projects that benefit homeless, low-income, and special needs populations, including the elderly and frail elderly. These CDBG grants were leveraged by other (non-CDBG) Federal, State, County, City, and/or private-foundation grants. For example, given the high demand for home care aide services, the City of Gaithersburg provided \$13,432 in City funds to Home Care Partners, Inc., bringing its total FFY 2005 funding to \$32,127 (with its \$18,695 CDBG public service grant). Mobile Medical Care, Inc. similarly received \$XXXX in funding through the City's nonprofit grant program in 2005, in addition to its \$9,500 CDBG public service grant. Montgomery College, which received \$8,000 for Workplace English courses through CDBG, donated all administrative services, allowing CDBG funds to be used exclusively to offset staff costs for the courses. Sub-grantees' ability to leverage other non-federal funds was a significant ranking factor in determining public service grant awards. **[Update nonprofit grant amount for MM. Crystal.]**

Public Participation

Prior to submitting this report to HUD, the City of Gaithersburg made a draft of the report available for comment and review for 15 days and, in accordance with our Citizen Participation Plan, took several steps to encourage public input on the information reported in the CAPER. This section provides an overview of the requirements of Gaithersburg's Citizen Participation Plan and summarizes the additional steps the City took before submitting this report to make the report widely available and ensure that residents would have an opportunity to review and comment on the draft. It also describes community consultation efforts.

Citizen Participation Plan Requirements. The City's Citizen Participation Plan includes requirements intended to make the public aware of information included in the Annual Performance Report. In particular, the Plan requires that the City provide citizens, units of local government, public agencies, and other interested parties a reasonable opportunity (at least 15 days) to review and submit comments on the annual performance report. As for comments on the proposed Consolidated Plan, comments on the performance report may be provided in writing, in person, or by email, phone, or fax and the City will consider and summarize all comments received.

Public Comment Period and Community Consultation. To ensure widespread availability of its draft Annual Performance Report and to encourage public input on the

draft, the City made it available for review at five public places in the City, as well as two locations in Frederick County. A notice of the draft CAPER's availability for review and comment appeared in the *Gaithersburg Gazette* on Wednesday, September 13, 2006 (Attachment 2).

In addition to City Hall, the Senior Center, and the public library, Gaithersburg locations included the City's Human Services Division and the Activity Center at Bohrer Park. The City's Human Services Division works closely with a large number of agencies to which City residents can be referred for many different kinds of help, and its offices are located in the Wells/Robertson House, which provides transitional housing for homeless adults. The Activity Center is a centrally located facility close to Olde Towne Gaithersburg that includes offices for the Department of Parks, Recreation and Culture and also is open to the public for a range of fitness and wellness programs, open gym activities, afterschool programs, recreation classes, arts programs, and special events. By making the draft CAPER available at these locations, the City expanded awareness of information in the report and provided greater opportunity for public interest and comment.

Copies of the draft CAPER were available at the following locations from September 13 to September 28, 2006:

Gaithersburg

City of Gaithersburg
City Hall
31 South Summit Avenue
Gaithersburg, MD 20877

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

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

Gaithersburg Library
18330 Montgomery Village Avenue
Gaithersburg, MD 20879

Activity Center at Bohrer Park
Summit Hall Farm Park
506 South Frederick Avenue
Gaithersburg, MD 20877

Frederick

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

The notice—which also appears as a “Related News” item on the Office of the City Manager, Economic and Community Development, and Human Services Division pages of Gaithersburg's web site—provides instructions on how to submit comments (accepted in person or by phone, email, or fax) or request a hard copy of the report. (See

Attachment 3.) This online announcement also identifies the level of CDBG and HOPWA funding the City received during the program year covered by the report and includes a link to an electronic version of the draft CAPER, which can be viewed or downloaded from the City's web site.

The City also made the draft report available to several State and local public agencies. Such agencies included the Maryland AIDS Administration, the Montgomery County Departments of Housing and Community Affairs and Health and Human Services, the Housing Authority of the City of Frederick, the Frederick County Health Department, and the Frederick County Department of Social Services.

[UPDATE AFTER REVIEW PERIOD RE: COMMENTS]

Self-Evaluation

Although the execution and monitoring of public service grants (in program year 2005, the City executed five public service contracts) continued to be time-consuming for staff, the City remains committed to using its entire public service allocation to provide these services. Unlike the City's own non-profit grant program, funded with local dollars from the City's operating budget, and which provides funding each year to support ongoing non-profit programs, CDBG public service funds may be used only to either increase the level of services or to establish new programs.

One challenge the City continued to face this year was the timing and marketing of new programs. The City, for example, expected new programs such as Montgomery College's Workplace English program to begin the process of marketing its programs prior to the execution of the grants. Unable to secure enough students to offer courses first semester, Montgomery College ended up serving only 27 students this year, rather than the projected 60. New grantee Mercy Health Clinic, on the other hand, had no trouble with marketing or program startup, easily meeting its projected goal of serving at least 312 City residents and providing 1,248 patient visits in the year.

Many capital projects, such as the Olde Towne Youth Center, have been slow to undertake within the City. The City experienced similar delays with the Gaithersburg Youth Center, near Robertson Park. The delay with that project arose actual bids were so much higher than originally estimated, and, therefore, budgeted.

Part III: Community Development Block Grant (CDBG) Narratives

CDBG Funds Available in 2005

The City of Gaithersburg's CDBG Grant for the 2005 Grant Year was \$517,174 (down about 5 percent from \$545,000 in 2004).

Assessment of Relationship Between How CDBG Funds Were Used and Priorities, Needs, Goals, and Specific Objectives in City's Consolidated Plan

As reflected by the extensive discussion of the objectives set forth in the City's Strategic Plan, a range of CDBG-funded projects this year helped further those objectives.

For a direct comparison of expected and actual units for each objective, refer to Appendix 1, which presents a summary of the accomplishments this year as they relate to the specific goals and objectives in the City's Consolidated Plan. In addition, Attachment 1 (page XX), *CDBG Public Service Grantees Year 2/FY 2005: Contract Requirements and Accomplishments*, provides a summary of all CDBG public service grantees' accomplishments this year, comparing all such accomplishments against each grantee's specific contract requirements.

Ways City May Change Programs, Given Experiences

During the City's first three years as an entitlement community, we have contracted with 12 nonprofit agencies to provide services to the City's low- to moderate-income households, although the vast majority of residents served have been extremely low- to low-income (See Figure 1. NEED UPDATING).

In several instances, public service grantees have been unable to complete proposed projects, specifically those involving medical and housing-related services, forcing the City to work with other agencies to develop projects that would meet the needs of the target populations. This unexpected discontinuation of proposed programs—and the resulting need to develop new programs mid-program year to serve target populations—has resulted in lower-than-projected performance for several grantees, or a re-design of services mid-year. Considerable staff time has been devoted to addressing these situations.

As reflected by Attachment 1, new grantee Montgomery College's Workplace English program was implemented slowly as the grantee completed significant start-up activities, including community outreach, recruitment of eligible low-income City residents to participate in the program, and documentation of income and residency requirements. This project, therefore, did not meet some of the goals outlined in its contract. Given the extensive and unexpectedly high level of monitoring these projects have required, the City may consider awarding fewer public service projects in the years ahead.

Furthermore, the development of Outcome Measures (also called performance measures) for sub-grantees (and for the City itself) has also proved to be extremely time-consuming and ultimately not very useful – at least thus far. In helping sub-grantees develop these measures, City staff have met and conferred frequently with sub-grantees and, for most of them, assisted in several rounds of revisions in an effort to develop meaningful measures. The City is committed to developing useful outcome measures in its public service grant program. However, in order to be useful, long-term measures are most meaningful. Because the City is still in the early stages of outcome models, we have not yet received data (other than numbers served) that indicate real success in achieving self-sufficiency, housing and economic stability, and/or improved health. The City will continue to

require performance outcome measures and to the extent possible will try to track outcomes over a longer (12- to 24-month) period.

All programs were monitored carefully, in a fair and impartial manner, and implementation of the Consolidated Plan was not hindered by action or willful inaction on the part of the City. Additional information on efforts to carry out activities described in the City’s Action Plan appears in the sections that follow.

Timeliness

The City met the timeliness test of having no more than 1.5 times the annual grant and program income on hand as of May 1, 2006 (60 days before the end of its 2005 program year).

Households and Persons Assisted in 2005

The vast majority of households and persons served through CDBG public service funding this year were extremely low and low income. As to race and ethnicity, public service grantees served primarily minority persons and households.

Acquisition, Rehabilitation, or Demolition Activities

The City has undertaken no acquisition or demolition activities in this program year. .

Limited Clientele: Geographic Distribution and Location of Investments

Gaithersburg’s CDBG expenditures in program year 2005 were concentrated in Census block groups with high percentages of minorities and low- to moderate-income families (see Attachments 4, 5, and 6 at pages XX-XX). Locations of Gaithersburg’s actual CDBG expenditures, for public service as well as capital projects, in the period from July 1, 2004 to June 30, 2005 were as follows:

Table 1: Location of Projects	
Grantee	Location and Description
Montgomery College Business Training Center 12 South Summit Avenue Gaithersburg, Maryland 20877	Training Center located at Census Tract 7007.05, Block Group 1, Block 1000 Workplace English courses benefited low-income City residents throughout City. Grantee verifies and reports addresses of students.
Home Care Partners 1234 Massachusetts Avenue, NW Suite C-1002 Washington, DC	Majority of clients live at Forest Oak Towers, 101 Odenhal Avenue, Gaithersburg, MD 20877, Census Tract 7007.14, Block Group 2, Block 2005

	Grantee verifies addresses of clients served and reports addresses on quarterly reports.
Mobile Medical Care, Inc. Episcopal Church of the Ascension 205 South Summit Avenue Gaithersburg, Maryland 20877	Area Benefit Activity in Census Tract 7007.05, Block Group 2, Block 2000
Stepping Stones Shelter P.O. Box 712 Rockville, Maryland 20850	Program provides housing counseling and tenant education to low-income residents throughout City. Grantee verifies addresses and lists on quarterly reports
Olde Towne Youth Center Teacher's Way Gaithersburg, Maryland 20877	Area Benefit Activity in Census Tract XX, Block Group X, Block XX [Update from Kirk]

Performance Outcome Measures

Background

Although the City has not yet begun to implement a Performance Measurements System, it was part of a local collaboration in which such a system was devised. In recognition of an economic downturn and reduced grant funding, the Cities of Gaithersburg and Rockville, the Montgomery County Department of Health and Human Services, and the United Way of Montgomery County formed a partnership to seek ways to improve results and increase capacity. This group, calling itself the Montgomery Organization Development Group (MODG), collaborated with Montgomery College to achieve the following goals through outcomes measurement:

- To create a culture of measurement and evaluation to improve services and results;
- To apply a common evaluation and reporting system to reduce redundancy and inefficiencies; and
- To improve accountability.

Once implemented, this model will have the following results:

- All grantees receiving CDBG funding will have implemented the MODG Outcomes Assessment Model.
- All reports submitted by grantees will be evaluated based on stated outcomes and results.
- The majority of grantees will rate the program as having direct benefit to their ability to manage their program and measure results.

This Outcomes Measurement or Performance Measurements System has had limited application within Montgomery County. To date, only non-profit agencies operating in the County have been required to receive training in, and implement, this system. Staff within the City's Human Services Division have received training in this specialized

curriculum. Following completion of the training, which was based on the United Way of America's Outcomes Measurement manual, Human Services staff began to identify and select appropriate outcomes for each of its non-profit grantees, followed by collecting data to measure outcomes.

Implementation

This program year, all organizations that applied for CDBG public service grants were required to complete an outcomes measurement form that included performance measurement indicators as follows:

- Long-term (multi-year) goals/objectives;
- Short-term (annual) goals objectives;
- Expected units of accomplishment upon completion of project/activity;
- Actual units of accomplishment upon completion of project/activity;
- Expected units of accomplishments during each program year of the project/activity;
- Actual units of accomplishments during each program year of the project/activity;
- Aggregation of actual units of program year accomplishments to short-term and long-term numeric goals/objectives;
- Outputs resulting from HUD funding;
- One or more proposed outcomes, including indicators; and

Organizations that received CDBG public service grants this year, in turn, re-submitted such forms with actual outcomes for FFY 2005. Completed forms for public service grantees are attached (see Attachment 7, page 48). For grantees whose contract terms were shorter than 12 months—or whose contract years were not yet complete at the time this report was submitted to HUD—such forms cover less than a 12-month period.

Part IV: HOPWA Narrative

This narrative includes an Executive Summary and a Specific Objectives narrative that consists of a grantee/community overview, a discussion of performance under the City's Action Plan, and an overview of any barriers encountered and expected trends facing the community in meeting the needs of persons living with HIV/AIDS.

Executive Summary

Overview

Although Gaithersburg became the HOPWA formula grantee for the Bethesda-Frederick-Gaithersburg Metropolitan Division in federal fiscal year (FFY) 2004, it had no grantee obligations over HOPWA clients that year. Instead, HOPWA clients in Montgomery and Frederick Counties continued to be served by the former HOPWA grantee—the District of Columbia Division of HIV/AIDS Administration (DC HAA), which had sufficient HOPWA funds remaining to serve clients in Montgomery and Frederick Counties in FFY

2004. Based on information the City received from Prince George's County Department of Housing and Community Development—which served as DC HAA's administrative agency—the City reported to HUD in May 2006 on how many households in each county were served in FFY 2004, how much HOPWA funding each county received, and what types of services were provided. For HUD's information, and as additional background, the City is providing information in this report on how clients were served by the previous grantee during FFY 2004 as well. Because Gaithersburg did not spend its own FFY 2004 HOPWA formula grant award during FFY 2004, its FY 2004 CAPER included only background information and a brief narrative description of how HOPWA clients in the Division were served by DC HAA that year.

For FFY 2005, by contrast, the City's CAPER includes the background information described above as well as a complete discussion of HOPWA project activities and accomplishments. In particular, for FFY 2005, it details: (1) how Gaithersburg spent its first-year (FFY 2004) HOPWA award during FFY 2005 to serve low-income persons with HIV/AIDS in the Frederick-Bethesda-Gaithersburg Metropolitan Division, (2) why Gaithersburg's FY 2005 HOPWA formula allocation was not spent this program year, and (3) how such FFY 2005 HOPWA funds will be used in the upcoming (2006) program year.

As discussed in the narrative that follows, Gaithersburg spent HOPWA formula funds this year to provide tenant-based rental assistance to HOPWA clients in Frederick and Montgomery County. Through two project sponsors, the Housing Authority of the City of Frederick and the Montgomery County Department of Health and Human Services, 37 low-income persons with HIV/AIDS in Frederick and Montgomery Counties received such assistance. With funds made available by the previous grantee, an additional 22 Montgomery County clients received TBRA.

Background: How Montgomery and Frederick Clients Were Served in FFY 2004

During the City's first year as HOPWA formula grantee (FFY 2004), clients in Montgomery and Frederick Counties were served by funds that remained available to the previous grantee, DC HAA. Below is a summary of households served and services provided.

- Total number of households assisted: 64 (58 in Montgomery, 6 in Frederick).
- Total HOPWA funding: \$732,719 (\$662,090 in Montgomery, \$70,629 in Frederick).
- HOPWA funds were spent as follows:
 - Montgomery County: \$591,636 for TBRA, \$51,447 for emergency assistance, and \$19,007 in administrative costs.
 - Frederick County: \$63,113 for TBRA, \$5,488 for emergency assistance, and \$2,028 in administrative costs.

In FFY 2004, DC HAA used no HOPWA funds to provide supportive services. Montgomery County's records reveal that the clients it case-managed were all low to extremely low income, with yearly incomes ranging from \$0 to \$33,000, depending on

household size. Information provided by the Executive Director of the City of Frederick Housing Authority indicates that all Frederick County HOPWA clients receiving TBRA in FFY 2004 were extremely low income, with yearly incomes ranging from \$6,084 to \$18,852.

As DC HAA's administrative agency, Prince George's County executed agreements with a project sponsor in each county, and funding was divided among the counties, based on the number of reported AIDS cases. Montgomery and Frederick Counties now fall within the new Bethesda-Frederick-Gaithersburg Metropolitan Division, for which the City of Gaithersburg is the formula grantee.

In Frederick County, the Housing Authority of the City of Frederick was the project sponsor during FFY 2004 and the Frederick County Department of Social Services (FCDSS) was the point of first access for HOPWA assistance and maintained a HOPWA waiting list for the County and completed an intake/screening process for applicants, prior to referring them to the City of Frederick Housing Authority to issue the TBRA and emergency assistance payments. In FFY 2004, five to six Frederick County clients were on the waiting list. FCDSS and the Frederick County Health Department provided case management, as needed, upon enrollment, and the City of Frederick Housing Authority certified client income.

In Montgomery County, Whitman-Walker Clinic of Suburban Maryland was the HOPWA project sponsor and provided TBRA and emergency assistance during FFY 2004. Whitman-Walker did not maintain a waiting list of persons seeking HOPWA assistance in Montgomery County. During FFY 2004, 45 of the 58 Montgomery County clients served by HOPWA were case managed through Montgomery County's Department of Health and Human Services, and the remainder were case-managed through Whitman-Walker.

Specific Objectives Narrative

A. Grantee and Community Overview

A brief description of your organization, the area of service, the name of each project sponsor, and a broad overview of the range/type of housing activities and related services.

In late 2003, following the Office of Management and Budget's issuance of revised definitions of Metropolitan Statistical Areas (MSAs), HUD notified the City of Gaithersburg that it would be the HOPWA formula grantee for the newly configured Bethesda-Frederick-Gaithersburg Metropolitan Division, which consists of Frederick and Montgomery Counties, Maryland. The City of Gaithersburg, which occupies 10 square miles in the heart of Montgomery County, Maryland, approximately 13 miles from Washington, D.C., was designated the HOPWA grantee for the new Metropolitan Division, because it was the most populous city in that Division, according to the 2002 and 2003 Census Update Estimates. This section provides basic demographic

information on the Division as well as recent data from the Maryland AIDS Administration on the incidence and prevalence of HIV/AIDS across the State and in Frederick and Montgomery Counties and a discussion of how project sponsors are selected and monitored.

1. Demographics

According to the U.S. Census Bureau's 2005 Census Update Estimates released August 21, 2006, the Bethesda-Frederick-Gaithersburg Metropolitan Division's population as of July 1, 2005 was 1,148,284. Montgomery County accounts for approximately 81 percent of that total. (2005 Census Update Estimates released this spring estimated Montgomery County's population at 927,583 and Frederick County's at 220,701.) According to the 2005 Update Estimate for cities released this summer, the City of Gaithersburg's population as of July 1, 2005 was 57,698, making it now the second most populous city in the Division. (The City of Frederick's population is estimated at 57,907.)

In Montgomery County, residents enjoy a significantly higher average income than in Frederick County; 2000 Census data reveal that in 1999 median family income in Montgomery County was \$84,035, compared with \$67,879 in Frederick County. Census data also reveal significant racial and ethnic diversity in the Metropolitan Division. For example, 2000 Census data indicate that 40.5 percent of Montgomery County residents are non-white; in Frederick County, 10 percent of residents identified themselves as non-white. Census data (2000) reveal a high percentage of persons below the federal poverty level (21 percent in both Montgomery and Frederick County).

2. HIV/AIDS Cases: Statewide and in Frederick and Montgomery Counties

Since the AIDS epidemic was recognized in 1981, a total of 29,372 persons have been diagnosed with AIDS in Maryland. The number of AIDS cases diagnosed each year in the State increased every year from 1981 to 1993. From 1993 to 1998, however, the number of new AIDS cases each year declined, partly as a result of new therapies introduced in 1996. Since 1998, the number of deaths among AIDS cases and the number new AIDS diagnoses across the State have both remained relatively steady.

In 2005, the most recent year for which incidence and prevalence data are available, Maryland had 2,226 newly diagnosed HIV cases and 1,209 newly diagnosed AIDS cases; about half of all new HIV and AIDS cases were residents of Baltimore City at the time of diagnosis. Montgomery County cases accounted for 9.1 percent of new HIV cases and 10.0 percent of new AIDS cases that year.

Frederick County, by contrast, accounted for only 1.2 percent of new HIV cases and 0.1 percent of new AIDS cases in the State in 2005. HIV/AIDS prevalence data similarly reveal that Montgomery County has a far greater percentage of Maryland's HIV and AIDS cases than Frederick County; Montgomery County accounted for 7.3 percent of the HIV and 9.4 percent of the AIDS prevalent cases statewide; Frederick had only 0.8 percent of both HIV and AIDS.

According to 2005 data, the two-county Bethesda-Frederick-Gaithersburg Metropolitan Division has 2,815 prevalent HIV/AIDS cases, the vast majority (91.3 percent) of whom are Montgomery County residents (see table below). Only 8.7 percent of the cases (245) are Frederick County residents.

Number of HIV/AIDS Prevalent Cases, Montgomery and Frederick Counties, 2005			
County	Population (by 2005 Census Update Estimate)	2005 HIV/AIDS Prevalent Cases	
		Number	Percentage of Division's Total
Montgomery	927,583	2,570	91.3%
Frederick	220,701	245	8.7%
Metropolitan Division	1,148,284	2,815	100.0%

Source: Maryland 2005 HIV/AIDS Data (Maryland AIDS Administration, August 2006).

3. Project Sponsors and Administrative Agency

Two project sponsors, one in Montgomery County and the other in Frederick County, Maryland, serve HOPWA clients in the Bethesda-Frederick-Gaithersburg Metropolitan Division. Required information for each is provided in the tables that follow.

Project Sponsor 1: Montgomery County	
Agency Name:	Montgomery County Department of Health and Human Services
Name and Title of Contact at Project Sponsor Agency:	Dale G. Schacherer, MSW, LCSW-C Program Manager/Social Worker IV Client Services/ Public Health Services Ruth Ann Augustine, Administrative Specialist III
Email Address:	Dale.Schacherer@montgomerycountymd.gov RuthAnn.Augustine@montgomerycountymd.gov
Business Address:	2000 Dennis Avenue
City, State, ZIP:	Silver Spring, MD 20902
Phone:	(240) 777-1739
FAX Number:	(240) 777-1754
Web site:	www.montgomerycountymd.gov/hhstmpl.asp
Total HOPWA Subcontract Amount for this Organization:	\$467,055
Primary Service or Site Information (Project ZIP Codes):	Montgomery County 20902-4192
Is the Sponsor a Nonprofit Organization?	No

Project Sponsor 2: Frederick County	
Agency Name:	Housing Authority of the City of Frederick

Name and Title of Contact at Project Sponsor Agency:	Teresa Justice, Executive Director
Email Address:	tjustice.hacf@adelphia.net
Business Address:	209 Madison Street
City, State, ZIP:	Frederick, MD 21701
Phone:	(301) 662-8173, extension 118
FAX Number:	(301) 663-1464
Web site:	http://www.housingauthoritycityoffrederick.com/
Total HOPWA Subcontract Amount for this Organization:	\$51,895
Primary Service or Site Information (Project ZIP Codes):	21701
Is the Sponsor a Nonprofit Organization?	Yes, the Housing Authority is a public nonprofit organization.

Administrative Agency: State of Maryland	
Agency Name:	Maryland Department of Health and Mental Hygiene, Maryland AIDS Administration
Name and Title of Contact at Administrative Agency:	Jacquelyn Jones, Health Services Program Administrator
Email Address:	JMJones@dnhm.state.md.us
Business Address:	500 North Calvert Street, 5 th Floor
City, State, ZIP:	Baltimore, Maryland 21202
Phone:	(410) 767-5434
FAX Number:	(410) 333-6333
Web site:	www.dnhm.state.md.us/AIDS
Total HOPWA Subcontract Amount for this Organization:	None. The AIDS Administration receives no administrative or other fee for its services.
Primary Service or Site Information (Project ZIP Codes):	The AIDS Administration monitors and reports on project sponsors' implementation of HOPWA funds in Montgomery and Frederick Counties (see ZIP codes above).
Is the Sponsor a Nonprofit Organization?	No

4. *Selection of Project Sponsors and Administrative Agency*

In notifying Gaithersburg of its grantee status, HUD encouraged the City to designate an agency to help administer HOPWA funds and monitor the project sponsors. The City asked the Maryland AIDS Administration to serve as its administrative agency. The AIDS Administration, established as part of the Maryland Department of Health and Mental Hygiene in 1987, has as its mission “working with public and private partners to reduce the transmission of HIV, and help Marylanders already infected live longer and healthier lives.” This is accomplished “by promoting and developing comprehensive, compassionate and quality services, for both prevention and care.” The AIDS Administration funds services for persons with HIV or AIDS, operates Maryland’s AIDS

Drug Assistance Program and health insurance premium payment assistance programs, educates the public and health care professionals about HIV/AIDS, and monitors the disease in Maryland. The AIDS Administration also collaborates with local health departments, community-based organizations, established health care institutions, and other State and local government agencies, including those involved in housing issues. In addition, the AIDS Administration conducts program evaluation, health services research and provides resources for over 400 counseling, testing and referral sites in Maryland.

The AIDS Administration agreed to monitor and report on the activities of HOPWA project sponsors in Montgomery and Frederick Counties. The City and the State executed an agreement that remains effective through 2006 (Attachment 8) outlining Gaithersburg's and the State's respective roles and responsibilities.

The Housing Authority of the City of Frederick (HACF) has been the project sponsor for HOPWA since XXXX. The City selected this agency as the Frederick County project sponsor because of its long history of providing quality housing services in Frederick. In addition, upon becoming the HOPWA formula grantee in FFY 2004, the City wanted to ensure the continuous delivery of assistance, and HACF had served as the project sponsor for the County under the previous grantee for several years, through a contract with DC HAA's administrative agency, Prince George's County Government. As in previous years, the Frederick County Department of Social Services (FCDSS) continues to be the point of first access for HOPWA assistance in Frederick County. FCDSS maintains a HOPWA waiting list for the County and completes the intake/screening process for applicants, prior to referring them to the Housing Authority. (Currently there are XX persons on the waiting list for HOPWA assistance and five households receiving TBRA.) FCDSS and the Frederick County Health Department provide case management, as needed, upon enrollment, and the City of Frederick Housing Authority certifies client income.

In Montgomery County, the Department of Health and Human Services is the HOPWA project sponsor. At the request of the Maryland AIDS Administration and the City, the Montgomery County Department of Health and Human Services agreed to assume the role of HOPWA project sponsor for Montgomery County, beginning with FFY 2005 (July 1, 2005 – June 30, 2006). In November 2004, the previous HOPWA project sponsor for Montgomery County, Whitman-Walker Clinic of Suburban Maryland, decided to divest itself of all housing programs, effective July 1, 2005. The Montgomery County Department of Health and Human Services' experience providing HIV/AIDS and case management services to HOPWA recipients was a key factor in selecting the agency as a project sponsor and has helped prevent any interruption of services or gaps in care for these clients.

5. Reporting and Other Obligations of the Project Sponsors and the AIDS Administration

Under their respective agreements with the City of Gaithersburg, each project sponsor:

- Operates its program in accordance with the requirements of 24 CFR Part 574;
- Conducts ongoing assessments of the housing assistance needs and income level of program participants;
- Refers HOPWA clients, if necessary, for appropriate supportive services;
- Conducts Housing Quality Standards (HQS) reviews of all units supported by the HOPWA program, as outlined in 24 CFR Part 574;
- Conducts Environmental Reviews as required by 24 CFR part 574 and pursuant to Handbook 1390.05 Environmental Policy for HOPWA;
- Complies with requirements under Title X (lead-based paint regulations) under the 1992 Housing and Community Development Act;
- Attends regional CARE Consortia meetings with other HIV/AIDS service providers and consumers; and
- Submits quarterly reports, including budget expenditures and performance measures, to the Maryland AIDS Administration.

The City of Gaithersburg facilitates the transfer of funds for reimbursement to the project sponsors. In addition, the City monitors the Maryland AIDS Administration to ensure that it meets its obligations under its contract with the City.

Under the AIDS Administration's agreement with the City, the State is responsible for monitoring and reporting on the implementation of this project in conformance with all laws, regulations, and/or policies of the U.S. Department of Housing and Urban Development, the State of Maryland, Montgomery County, Frederick County and the City of Gaithersburg. In particular, the State ensures that the project sponsors operate their program in accordance with the requirements of 24 CFR Part 574, conduct ongoing assessments of the housing assistance and supportive services needs and income level of program participants, link HOPWA clients with appropriate supportive services, and perform the other duties listed above. The State also reviews the HOPWA project sponsors' invoices to validate reported performance and communicates its recommendation regarding project sponsor payment to the City, providing copies of approved invoices to the City. In addition to tenant-based rental assistance, clients in Frederick and Montgomery Counties may receive other services, assuming the State and City agree on such services and that the services are eligible for implementation under the terms of the award and as listed in 24 CFR 574.300(b).

6. Range/Type of Housing Activities and Related Services

HOPWA formula funds were used during program year 2005 to provide tenant-based rental assistance (TBRA) to 5 clients in Frederick County and 32 clients in Montgomery County. Such assistance was provided by the Housing Authority of the City of Frederick (HACF) in Frederick County and the Montgomery County Department of Health and Human Services (MC DHHS) in Montgomery County. The Maryland AIDS Administration monitored and reported on the project sponsors' activities. See Chart XX for detailed information on services provided and clients served with FFY 2004 HOPWA funds in each county during FY 2005.

In addition to TBRA, and under the terms of the City's agreement with the Maryland AIDS Administration, clients were also eligible to receive other HOPWA services listed in 24 CFR 574.300(b) that the State and the City agreed should be provided to clients in Montgomery and/or Frederick County. In FFY 2005, HOPWA funds were used to provide supportive services, including case management, to clients in Montgomery County and to cover eligible administrative expenses of project sponsors in both counties.

B. Performance under City's Action Plan

1. Actions Taken To Address the Special Needs of Persons who are Not Homeless but Require Supportive Housing, and Assistance for Persons who are Homeless

Several supportive housing activities this year addressed 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.

HOPWA clients in Montgomery and Frederick Counties 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. The Maryland Department of Housing and Community Development and the Department of Human Resources also carry out State programs to provide supportive services and short-term housing assistance to Maryland residents with HIV/AIDS.

In addition to linkages established through case management and State programs for supportive services and short-term housing help, persons with HIV/AIDS who are not homeless are eligible for State and County rental assistance programs, the federal Housing Choice Voucher Program in Frederick or Montgomery County, and rental assistance through the Ryan White Title II program. The waiting list for Frederick County's Housing Choice Voucher Program, administered by the Frederick County Department of Housing and Community Development, is now closed, due to large demand for the program and limited federal funding. Although the waiting list for Montgomery County's Housing Choice Voucher Program is also currently closed, it did open for five days this summer. From August 14 through 18, 2006—the first time the waiting list opened in 3 years—HOC received 17,855 applications. On the first day the list was open, the HOC web site received a record-breaking number of visits (more than 4,700). Notwithstanding the high demand for the program, HOC expects to be able serve only about 500 new households this year. Opening the web site was necessary given the high number of outdated addresses on the old list.

Low-income persons with HIV/AIDS may also be eligible to apply for public housing in Montgomery or Frederick County. HOC currently owns 1,550 units of public housing at sites across Montgomery County. For the first time in two years, HOC is opening its public housing waiting list this fall. Between September 25 and October 6, 2006, HOC is accepting public housing applications online, by mail, and in person at locations throughout Montgomery County. All those currently on the list must reapply. When HOC last accepted public housing applications (in 2004), it received almost 8,000 applications. Once the list closes, all applicants' names are put into a pool, from which names are randomly drawn during the year. On average, only 135 units become available each year. Like recipients of Housing Choice Vouchers, public housing residents typically pay 30 percent of their gross income for rent and utilities.

2. Progress in Meeting Affordable Housing Objectives

By using HOPWA funds to provide tenant-based rental assistance to eligible, low-income persons with HIV/AIDS in Frederick and Montgomery Counties, Gaithersburg is meeting 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. As discussed above, HOC this summer received almost 18,000 applications for the Housing Choice Voucher program when it opened the waiting list for a 5-day period this past August. With HOC anticipating that it will be able to serve only 500 new households this year, the demand clearly far exceeds the limited number of available vouchers. Also as described previously, the stock of public housing units in Montgomery County similarly falls well below the demand, with 135 units typically becoming available each 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.

Since becoming a HOPWA formula grantee, the City has begun to explore alternative housing resources. For example, it has reviewed the names of Montgomery County HOPWA clients receiving tenant-based rental assistance to determine if any are on the Housing Choice Voucher waiting list. Unlike those in Montgomery County, HOPWA clients in Frederick County may be eligible for "local preference set-asides" for disabled persons or persons who are homeless or at risk of homelessness through the Housing Authority of the City of Frederick's Housing Choice program.

3. Assessment of Client Outcomes for Achieving Housing Stability, Reduced risks of Homelessness and Improved Access to Care

4. Use of Committed Leveraging from Other Public and Private Resources to Address Needs Identified in Plan

As described in Gaithersburg's Action Plan for FFY 2005, additional committed leveraging was available to help serve clients in Montgomery and Frederick County

during the past year. This funding included \$195,035 from the District of Columbia Department of Health HIV/AIDS Administration, the previous HOPWA grantee for Frederick and Montgomery Counties. DC HAA provided such funding to serve HOPWA clients in Montgomery County between July 1, 2005 and June 30, 2006, and to prevent existing clients from being removed from the HOPWA rolls. The DC HAA funds allowed 22 additional Montgomery County HOPWA clients to receive tenant-based rental assistance this year (above the number served by Gaithersburg's FFY 2004 funds). 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, notwithstanding a significant drop in HOPWA funding following the June 2003 reconfiguration of the Metropolitan Statistical Areas (MSAs). Detailed information on DC HAA's agreement to make \$195,035 available to serve Montgomery County HOPWA clients this year is available in the attached Notice of Grant Award and Agreement Between the District of Columbia Department of Health HIV/AIDS Administration and the Maryland Department of Health and Mental Hygiene AIDS Administration (see Attachment 9, pages XX to XX).

Additional committed leveraging this year included \$85,600 in Ryan White, Title II funds from the State of Maryland, which covered one month's rent plus personnel costs, for 32 clients in Montgomery County and 5 clients in Frederick County. (State Ryan White Title II funds were not provided to cover the rents of the 22 Montgomery County clients served with DC HAA HOPWA funds this year.) These additional funds were provided under the category of short-term housing assistance, to supplement the City's HOPWA funding and as one-time measure that was necessary as a result of the State's request to renegotiate the terms of its Agreement with the City at the outset of the program year. Without a finalized contract in place at that time, the City was unable to use HOPWA funds for the first month's rent.

Montgomery and Frederick Counties each also receive Ryan White Title I funds through the District of Columbia Metropolitan Statistical Area. Major services funded under Title I are outpatient health care and support services, including case management, home health, hospice care, housing, transportation, and nutrition.

In addition to the DC HAA and the Ryan White funds described above, 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 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.

5. Other Accomplishments Resulting From HOPWA Funds, Including Any Projects in Developmental Stages

Not applicable.

6. Distribution of HOPWA Funds Among Categories of Housing Needs, Consistent With Consolidated Plan

As set forth in the City's Action Plan, the City provided tenant-based rental assistance in both Counties, as well as supportive services and case management in Montgomery County. In determining how to allocate funds to the two counties, Gaithersburg relied on the distribution of the Metropolitan Division's total number of HIV/AIDS cases in Montgomery and Frederick Counties (approximately 90 and 10 percent, respectively). Given this distribution, the City allocated 90 percent of its \$535,000 FFY 2004 HOPWA award (less the City's 3 percent administrative fee of \$16,050) to Montgomery County (\$467,055) and 10 percent to Frederick (\$51,895).

C. Overview of Barriers Encountered and Expected Trends Facing the Community in Meeting the Needs of Persons Living with HIV/AIDS

1. Barriers

The most significant barrier encountered this year is a demand for the HOPWA program that far exceeds the level of service that could be fulfilled with the available HOPWA funds. This barrier is compounded by the extremely limited availability of housing options through other programs, such as the federal Housing Choice Voucher Program

and public housing programs. Even if alternative programs did have available units, State staff explain, many clients would be ineligible for such programs.

For example, for many low-income persons with HIV/AIDS, addiction is a barrier to securing housing. In Maryland, a leading HIV exposure category is injection drug use. As a result many clients eligible for HOPWA assistance are unable to access other housing programs due to current substance use, a history of incarceration, drug related convictions, and/or an inability or unwillingness to achieve and maintain sobriety. As a result, although initial applications are submitted to other housing programs, frequently these individuals remain on HOPWA for extended periods.

2. Expected Trends in Meeting Needs of Persons Living with HIV/AIDS

As in the current year, the City anticipates a continuing lack of sufficient funding to meet the need for HOPWA services. In the upcoming program year, an even lower level of funding will be available to serve Montgomery and Frederick Counties. The City's FY 2005 HOPWA award (\$518,000) will be spent in the upcoming year. Once the City's 3 percent administrative fee (\$15,540) is deducted, approximately \$452,214 will be available to serve Montgomery County clients and \$50,246 (approximately 3 percent less than the amounts available to serve clients in those counties during FY 2005).

Although certain State and Ryan White funding will be available to serve Frederick and Montgomery County clients in FY 2006, the overall level of non-HOPWA funds available in FFY 2006 will be significantly lower than in FFY 2005. Additional committed HOPWA funding from DC HAA, for example, will not be available during the upcoming year. As discussed previously, the former HOPWA grantee for the D.C. Metropolitan Area, which included Suburban Maryland and Frederick and Montgomery Counties provided approximately \$195,000 in HOPWA funds during FY 2005 to serve clients in Montgomery County between July 1, 2005 and June 30, 2006, thereby allowing the same number of Montgomery County HOPWA clients to receive tenant-based rental assistance during FFY 2005 as in FFY 2004, notwithstanding a significant decrease in HOPWA formula funds resulting from reconfiguration of the MSAs. Nor will an additional \$85,600 in Ryan White Title II funds be provided in FFY 2006 by the Montgomery County Unified Grant Award. Such funds were provided to both counties in FFY 2005, under the category of short-term housing assistance, to supplement the City's HOPWA funding. This funding was a one-time measure.

When the HOPWA program was created, the disease progression of HIV was very different, with the majority of those living with HIV progressing to AIDS more quickly, and once diagnosed with AIDS, dying in a much shorter time span. With the advent of more effective therapies, people infected with HIV are living longer lives. In some cases HAART (highly active anti-retroviral therapy) means that individuals are able to be work at a level at which they no longer need or are eligible for HOPWA assistance. More frequently, it means clients are living longer and require HOPWA assistance for a longer time period. As the program loses clients to death at a significantly reduced rate, the epidemic continues to spread, creating new infections.

As a result of these factors, the population eligible for the HOPWA program will continue to grow. Attrition of HOPWA recipients will remain low. Rents will continue to rise. With the HOPWA dollars available to serve this growing pool of eligible individuals facing, program expansion is not possible, and eventually rent costs will outpace the grant funds. Ultimately, unless the HOPWA program receives a significant increase in funding, the program will need to consider tightening eligibility requirements. These restrictions may include moving the income standard from 80% of median income to a lesser percentage. Measures such as this should be avoided giving the growing unmet need for stable housing.

3. Any Evaluation, Studies, or Other Assessments of HOPWA Program Available to the Public

Although no evaluations, studies, or other formal assessments of the HOPWA program are available to the public, basic quality assurance audits are completed annually by Montgomery County. In addition, each of the five regions of Maryland has an HIV/AIDS advisory group, called Regional CARE Consortia, composed of providers, consumers, and HIV-affected members of the local communities. The regional consortia provide guidance about service priorities, gaps in care, emerging trends, and quality/access to care barriers. The feedback is used to inform both the Ryan White Title II and the HOPWA programs in the State. Each regional consortium meets four times a year. One of these meetings is an Open Forum during which the local communities, predominately consumers of HIV services, are encouraged to share their experiences with receiving services in their region. About one month after the Open Forum, the Consortia meet again to establish regional priorities. During the Open Forum meetings for the previous three years, housing is consistently ranked in the top five service needs for persons living with HIV/AIDS in the Eastern region. These priorities are established in relation to all HIV-related services needed in the region and are used by the AIDS Administration to guide decision making and funding allocations.

In addition to feedback received through the Open Forum meetings, Baltimore City has been participating in a HUD study examining HOPWA services' effect on clients. According to AIDS Administration staff, this study demonstrates that the program improves clients' linkage to care, which in turn improves long-term health outcomes.

PART V: HOPWA Accomplishments Data

A. Required FFY 2005 HOPWA Spreadsheet

The following spreadsheet (see pages XX-XX) provides detailed information on the 32 Montgomery County and 5 Frederick County households served during FFY 2005 with Gaithersburg's FFY 2004 HOPWA allocation. It also provides information on 22 additional Montgomery County households served this year with funds that remained available to the previous HOPWA grantee, DC HAA.

B. Additional Performance Outcomes Charts

CAPER Chart 1 (planned goal) and Chart 2 (actual)

Completion of HOPWA Performance Charts 1 – 4, and the corresponding Appendix, is not yet required for grantees whose program years began July 1, 2005. Gaithersburg, however, is able to complete Charts 1 and 2 (below). As of July 1, 2006, the City’s project sponsors were collecting all information needed to complete the remaining charts and the appendix for program year FY 2006. Fully completed charts will be submitted with Gaithersburg’s FY 2006 CAPER in September 2007.

Instructions: Please enter the performance information for all activities during the operating year in the following chart. Generally, the grantee’s operating year and Consolidated Plan year are the same. Output performance is measured by the number of households and units of housing that were supported with HOPWA or other federal, state, local and private funds for the purposes of providing housing assistance or residential support to persons living with HIV/AIDS and their families. Note that the number of households reported, receiving support from HOPWA funds must be the same as reported in the annual year-end IDIS data.

<p style="text-align: center;">HOPWA Performance Charts 1 (planned goal) and 2 (actual)</p>		Outputs Households				Funding		
		HOPWA Assistance		Non-HOPWA		e.	f.	g.
		a.	b.	c.	d.			
		Goal	Actual	Goal	Actual	HOPWA Budget	HOPWA Actual	Leveraged Non-HOPWA
1.	Tenant-based Rental Assistance	42	37	60	59	465,920	241,116	280,635
2.	Units in facilities supported with operating costs: <u>Number of households supported</u>	0	0	0	0	0	0	0
3.	Units in facilities developed with capital funds and placed in service during the program year: <u>Number of households supported</u>	0	0	0	0	0	0	0
4.	Short-term Rent, Mortgage and Utility payments	0	0	0	0	0	0	0
Housing Development (Construction and Stewardship of facility based housing)		Output Units						
5.	Units in facilities being developed with capital funding but not yet opened (show units of housing planned)	0	0	0	0	0	0	0
6.	Stewardship (developed with HOPWA but no current operation or other costs) Units of housing subject to 3- or 10- year use agreements	0	0	0	0	0	0	0
7.	Adjustment to eliminate duplication (i.e., moving between types of housing)	0	0	42	37	0	0	0
Total unduplicated number of households/units of housing assisted		42	37	18	22			
Supportive Services		Output Households						
8.	i) Supportive Services in conjunction with <u>HOPWA</u> housing activities ¹	42	37	0	0	45,815	33,580	0
	ii) Supportive Services <u>NOT</u> in conjunction with <u>HOPWA</u> housing activities ²	0	0	0	0	0	0	0
9.	Adjustment to eliminate duplication	0	0	0	0	0	0	0
Total Supportive Services		42	37	0	0	45,815	33,580	0
Housing Placement Assistance³								
10.	Housing Information Services	0	0	0	0	0	0	0
11.	Permanent Housing Placement Services	0	0	0	0	0	0	0
Total Housing Placement Assistance		0	0	0	0	0	0	0
Housing Development, Administration, and Management Services								
12.	Resource Identification to establish, coordinate and develop housing assistance resources					0	0	0

13.	Grantee Administration (maximum 3% of total) (i.e., costs for general management, oversight, coordination, evaluation, and reporting)					16,050	16,050	0
14.	Project Sponsor Administration (maximum 7% of total) (i.e., costs for general management, oversight, coordination, evaluation, and reporting)					7,215	6,101	0
Total costs for program year						535,000	296,847	280,635

1. Supportive Services in conjunction with HOPWA Housing Assistance: if money is spent on case management and employment training, outcomes must be reported in Access to Care and Support (See Chart 4-a).
2. Supportive Services NOT in conjunction with HOPWA Housing Assistance: if money is spent on case management and employment training, outcomes must be reported in Access to Care and Support (See Chart 4 –c).
3. Housing Placement Activities: if money is spent on housing placement activities in conjunction with HOPWA Housing Assistance, outcomes must be reported in Access to Care and Support (See Chart 4-a); if not in conjunction with HOPWA Housing Assistance, outcomes must be reported in Access to Care and Support (See Chart 4-c).

Part VI: Appendix and Attachments

Appendix 1: Summary of Specific Housing/Community Development Objectives, 2005

Attachment 1: *CDBG Public Service Grantees Year 3: Contract Requirements and Accomplishments*

Attachment 2: Public Notice, *Gaithersburg Gazette*, September 13, 2006

Attachment 3: *Consolidated Performance Evaluation Report Now Available*, September 15, 2006 (and City of Gaithersburg Web Site)

Attachment 4: Gaithersburg Map, Percent of Families With Incomes Less Than or Equal to 80 Percent of Median Family Income, by Block Group

Attachment 5: Gaithersburg Map, Concentrations of Minorities and Low-Moderate Income Families, by Block Group

Attachment 6: Gaithersburg Map, Proposed CDBG Capital Projects

Attachment 7: Performance Outcomes Measures for FFY 2005 Public Service Grantees

Attachment 8: Agreement Between Maryland Department of Mental Hygiene AIDS Administration and City of Gaithersburg

Attachment 9: Notice of Grant Award and Agreement Between the District of Columbia Department of Health HIV/AIDS Administration and the Maryland Department of Health and Mental Hygiene AIDS Administration (DC HAA Notice of Grant Award and Agreement)