ESG & ESG-CV Office Hours 11/17/2021



How to ask a question...

- Question Format:
 - All questions must be submitted in the chat box
 - Please type your organization and question into the chat box
 - The team will read questions out loud at the end of the presentation and will provide answers if possible throughout the presentation
 - All questions and answers entered into the chat box will be recorded as part of the public record



Agenda

- ESG Updates
- ESG-CV Updates
- Upcoming Webinar Trainings: Landlord Engagement Workshop
- Monitoring Your Sub-subrecipients
- Q&A Session

Upcoming Office Hours Topics

- 11/24/21: CANCELED Due to Thanksgiving Holiday
- 12/01/21: Request for Funds Overview

ESG Updates

- 2021 ESG applications are currently under review.
- 2018 ESG Contracts: Expenditure Deadline was: 09-12-21
- 2019 ESG Contracts: Expenditure Deadline was: 10-22-21
 - Please submit your final Request for Funds (RFFs) for 2018 AND 2019 as soon as possible.
 - Detailed Expense Reports (DERs) are always required with each RFF
 - Submit your Close Out Certification
 - The ESG team is here to help: <u>ESGNOFA@hcd.ca.gov</u>

ESG-CV Reminders & Updates

• A reminder that those filing monthly RFFs should be in the final stages of preparation for November's submission. If you do not file monthly you are still responsible for knowing totals per component spent in October based on the terms in your fully executed Standard Agreement.

ESG-CV Reminders & Updates

- Indirect Cost Update:
 - Indirect Costs training was held yesterday. This training focused on the ESG/ESG-CV management of indirect costs. It provided a high-level overview of the federal requirements around indirect costs and detail how CA HCD will manage the reimbursement of indirect costs.
 - HCD has initiated the process of properly accounting for direct and indirect costs in Grants Network and
 Subrecipient Agreements in order for your agency to seek reimbursement for indirect costs in arrears and
 moving forward in connection with your ESG-CV Subrecipient Agreement with HCD. To aid in this process, please
 complete and submit the Budget Template (provided by your Grant Administrator) using the Budget Template
 Training Materials as a resource to complete the Budget Template.
 - If your agency is using a method other than the De Minimis Indirect Cost Method, please submit a copy of your agency's current Cost Allocation Plan or Negotiated Indirect Cost Rate Agreement (NICRA), including the signature page (signed by the US Department of Health and Human Services (HHS) or another authorized agency) that contains your indirect cost rate(s) during the period of performance of your Subrecipient Agreement with HCD.
 - If your agency is NOT seeking reimbursement for indirect costs, please indicated as such on the Budget Template and complete the Budget Template.
 - Please complete this request no later than Wednesday, November 24, 2021.

Upcoming Training for ESG-CV: Landlord Workshop series

- HCD is announcing a training course through the ESG-CV Consulting and Staffing Services ICF contract, titled "Landlord Engagement, Recruitment, and Retention Workshop series".
 - The series is designed to be "a la carte", meaning you only sign up for the in-depth workshops that are relevant to your local landlord engagement, recruitment, and retention efforts. Each workshop will vary in length by topic and audience size. Workshops are designed as a progressive series with hands on Training and Technical Assistance (TTA) offered post workshop session for more hands-on landlord engagement, recruitment, and retention TTA.
 - The intended audience of this workshop series is ESG-CV Administrative Entities, CoC leadership and Board, permanent housing providers (RRH, PH, PSH) and other stakeholders involved with landlords. Each community is expected to select no more than 3-5 participants for each workshop.
- Workshop topics include: Landlord Engagement Nuts & Bolts; Centralized Landlord Engagement;
 Landlord Recruitment and Retention Boot Camp; and Landlord Engagement Community Events

Upcoming Training for ESG: Landlord Workshop series

- The first session is on 11/30 session from 9:00am-11:45am PST and is titled "Landlord Engagement Nuts and Bolts: Things to Consider"
 - This session will provide discussion on the use of landlord incentives that may be offered through your engagement efforts and how to create a tailored landlord incentive package for your community or program. This session will also focus on the policies, procedures, and forms that may be useful to streamline and guide your landlord engagement efforts.
 - Note: This session discusses how to mitigate landlord concerns related to habitability inspections and features Peerto-peer opportunities on the nuts and bolts of Landlord Engagement, Recruitment and Retention.
 - To register, click here: <u>Registration Link</u>
- The Balance of the Landlord Engagement Nuts and Bolts will be scheduled in the coming weeks:
 - Session II: Office Hours
 - Session III: Master Leasing and Sponsor-Based Rental Assistance (SBRA)
 - Session IV: Using the Existing Rental Market

Monitoring Your Sub-subrecipients

Monitoring Overview

- The State of California's Department of Housing and Community Development (CA HCD)
 is <u>required</u> to monitor each program, function, or activity funded by its ESG & ESG-CV award
 - In turn, HCD contracts state that all sub-recipients will monitor their sub-subrecipients.
- Monitoring is not limited to a one-time event but is rather an ongoing process that assesses
 the quality of ESG & ESG-CV funded program performance over the life of the Standard
 Agreement and involves continuous communication and evaluation
- The goal of this process is to assist ESG & ESG-CV funded programs with improving performance, increasing capacity, and avoiding or remedying instances of non-compliance

Monitoring Overview

- Sub-recipients are required to monitor and report on the performance of their ESG & ESG-CV funded programs, including those implemented by:
 - Internal departments and divisions
 - Service providers and contractors
- Subrecipients are expected to make all program records available to CA HCD for, and to participate in, regular monitoring events
 - In turn, subrecipients are expected to monitor/collect program records from their subsubrecipients

Roles & Responsibilities



Process & Outcomes

Monitoring

Monitoring

Preparation Fieldwork Response Plan Report **Potential Monitoring Outcomes** No violation of the program regulations or Standard Agreement requirements **Clearance:** A condition, that if not corrected, may result in a violation of the program regulations or Standard Concern: Agreement requirements Finding: A violation of the program regulations and/or Standard Agreement requirements *Failure to address findings in accordance with the recommended corrective action may result in the temporary denial of reimbursement, repayment of previous reimbursements, or termination of the agreement

Monitoring

Monitoring

Monitoring

Monitoring Plan



Develop Plan

Finalize Plan

- The monitoring plan serves as a roadmap for monitoring.
- Subrecipients are encouraged to develop a plan that prioritizes monitoring higher risk sub-subrecipients
- Subrecipients may want to complete a Monitoring Plan Tracker to identify:
 - All sub-subrecipients in order from highest to lowest risk
 - The projected timeline of the monitoring events
 - Sub-subrecipient contact information
 - The type of monitoring event (on-site or desk) to be conducted and the area(s) that will be reviewed

Monitoring Plan

Monitoring Preparation Monitoring Monitoring Report Monitoring Response

Develop Plan

Finalize Plan

- All sub-recipients should have a Monitoring Plan/Policies & Procedures that outlines how they will monitor their sub-subrecipients. Plan may include:
 - On-site/desk procedures
 - Monitoring process (i.e. notification to sub-subrecipients, document collection, follow-up/summary of findings)
 - Frequency of monitoring
 - Tool/checklist/questions to be used/asked
- HUD is working on an ESG Virtual Binder on Monitoring.
 - Sign up for HUD email lists to be notified when virtual binders are released.
 https://www.hudexchange.info/mailinglist/subscribe/

Monitoring Plan



Develop Plan

Finalize Plan

A **Desk Monitoring** consists of an in-depth financial review of at least one Request for Funds (RFF) per grantee, per quarter, to ensure appropriate source documentation is maintained

An **On-Site Monitoring** is a comprehensive review of high-risk grantees and their compliance with one or more program requirements including, but not limited to, activity and participant eligibility, data collection and reporting, as well as other federal requirements

On-Site Monitoring may be conducted remotely due to extenuating circumstances

Monitoring Plan Monitoring Monitoring Fieldwork Monitoring Response Response

Develop Strategy

Assemble Records

Send Intent to Monitor Letter

> Entrance Conference Agenda

Complete a **Monitoring Strategy** for each sub-subrecipient being monitored by defining the type of monitoring (on-site or desk) to be performed, the area(s) that will be reviewed, and the checklists to be used

Identify any records that will be reviewed during the monitoring in the **Document Request Checklist**

Monitoring Plan

Monitoring Preparation Monitoring Fieldwork

Monitoring Report Monitoring Response

Develop Strategy

Assemble Records

Send Intent to Monitor Letter

Entrance Conference Agenda

DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT

ESG-CV Monitoring Strategy

Subrecipient Name:	Name	
Subrecipient POC and Contact Information	Name, Title, Address, Phone, Email	
Risk Assessment Score and Rank:	Score:	Rank:

	Type of Monitoring:	On-site / Desk
	Date of Monitoring:	Beginning and End Date
	Location of Monitoring:	Address

Lead Monitor:	Name
Monitoring Team:	Names
Areas to be Reviewed:	Financial Management, Activity Eligibility, National Objective, etc.
Checklists to be Used:	Exhibit 1-1; Exhibit 1-2; etc.
Number of Open Findings:	0
Other Areas of Concern:	Underperformance, high number of citizen complaints, etc.

	Travel Arrangements and Costs:	Driver, hotel or other costs
	Estimated Staff Hours:	<u>Three day</u> event x five monitors @ eight hours per day = 120 hours

Prepared By:

Name: ______ Signature: _____ Date: _____
Approved By:

Name: ______ Signature: _____ Date: _____

DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT

ESG-CV Document Request Checklist

General Administration and Capacity Written Standards related to ESG-CV funded projects and activities Executed Standard Agreement and amendment(s), if applicable Organizational chart including staff working on ESG-CV programs List of key personnel and job descriptions Names of key personnel and resumes Staffing plan for unfilled positions including staff turnover Evidence of training provided to all ESG-CV funded staff

| Approved budget | Requests for Funds (RFFs) submitted to HCD | Invoices and supporting documentation for all costs reimbursed with ESG-CV funds | Accounting records (e.g., chart of accounts, general ledger, expenditure report, etc.)

Contracts and Procurement Subcontracts and other written agreements governing ESG-CV funds Procurement records Project/Activity Records Clientele list (number of clients, status of application, address or location of assistance)

Clientele list (number of clients, status of application, address or location of assistance Evidence of activity delivery per scope of work in Standard Agreement Progress reports submitted to HCD Documentation that project meets a National Objective Evidence of compliance with Duplication of Benefits requirements Environmental Review Records (ERR)

Monitoring and Audits		
	Monitoring and Audit reports issued (HCD, HUD, HUD OIG, or single auditor)	
	Evidence of actions taken in response to findings or recommendations, if applicable	
	Evidence of internal oversight measures	

Citizen Complaints		
Citizen complaint tracker		
Citizen complaints and responses		

*NOTE: Additional documentation may be requested based on the type of activity implemented, the monitor's examination of documentation provided, or discussions with implementing staff or clients

Monitoring Plan Monitoring Fieldwork Monitoring Response Monitoring Response

DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT

ESG-CV Monitoring File Checklist

Subrecipient Name: Name

Type of Monitoring: On-site / Desk

Risk Assessment Worksheet	Date:	
Intent to Monitor Letter	Date:	
Completed Monitoring Review Checklist(s)	Date:	
Copies of Documents Reviewed	Completed Monitoring Report	Date:
Follow-Up Correspondence	Date:	
Clearance Letter	Date:	

Monitoring Review Checklist(s) Used

Enter description (e.g., Exhibit 1-1)

Enter description (e.g., Exhibit 1-2)

Enter description (e.g., Exhibit 1-3)

Enter description (e.g., Exhibit 1-4)

Other

Enter description
Enter description
Enter description
Enter description
Enter description

Assemble a file for each monitoring to be performed utilizing a Monitoring File Checklist

Develop Strategy

Assemble Records

Send Intent to Monitor Letter

> Entrance Conference Agenda

Monitoring Plan Preparation Monitoring Fieldwork Monitoring Response Monitoring Response

Develop Strategy

Assemble Records

Send Intent to Monitor Letter

Entrance Conference Agenda Once the date of the monitoring is determined, an Intent to Monitor Letter should be sent to the sub-subrecipient at least 30 days before the monitoring event

- The letter should include the following:
- Date(s) of the monitoring event and a statement indicating whether the review will occur remotely/desk or on-site
- Activity(ies) and area(s) to be reviewed
- Attach the Monitoring Checklists to be used during the event
- Attach the **Document Request Checklist**

Monitoring Plan

Monitoring Preparation

Monitoring Fieldwork

Monitoring Report Monitoring Response

Develop Strategy

Assemble Records

Send Intent to Monitor Letter

Entrance Conference Agenda DATE

NAME, TITLE GRANTEE ADDRESS

SUBJECT: Notification of Intent to Monitor the ESG-CV GRANTEE

Dear NAME:

The State of California's Department of Housing and Community Development (HCD) is responsible for ensuring it's ESG-CV funded activities are implemented in accordance with all program regulations and grant requirements. To fuffill our administrative obligations, HCD is notifying you of its intent to conduct A DESK/AN ON-SITE monitoring of GRANTEE (STANDARD AGREEMENT NUMBER) beginning on DATE at TIME. The monitoring visit will take place REMOTELYAT YOUR OFFICES located at ADDRESS.

The purpose of the monitoring is to determine whether GRANTEE is compliant with all regulations governing administrative, financial, and programmatic operations, and is achieving its performance objectives on time and within the budget.

The monitoring will be led by MONITOR NAME. To facilitate your preparation, a copy of the Document Request Checklist is enclosed. To optimize the available monitoring time, please ensure the documentation is submitted within 30 days from the date of this letter VIA DOCUMENT SUBMISSION PROCESS. Be sure to take reasonable measures to safeguard Personally Identifiable Information (PII).

The review may include, but is not limited to, the following areas:

- Subrecipient policies and procedures
- Reimbursement requests
- Performance reports

We appreciate the cooperation of your staff in accommodating this monitoring review. If you have any questions regarding this matter, please contact MONITOR NAME at (XXX) XXX-XXXX

Sincerely,

NAME TITLE

Enclosure

cc: NAME, TITLE

Monitoring Plan Monitoring Fieldwork Monitoring Response Monitoring Response

Develop Strategy Prepare an Entrance Conference Agenda

Assemble Records

Send Intent to Monitor Letter

Entrance Conference Agenda Monitors are encouraged to review the following records before the monitoring to become familiar with the activity(ies) and identify any potential deficiencies:

- Standard Agreement
- Performance Reports
- Written Standards

- Copies of audit reports
- Invoices/Request for Reimbursement

Monitoring Monitoring Monitoring Monitoring Monitoring Plan Preparation **Fieldwork** Response Report

Host Entrance Conference

Perform Monitoring Review

Conduct Exit Conference

Finalize Records

An entrance conference shall be held at the start of the monitoring event to ensure the sub-subrecipient has a clear understanding of the purpose, scope, and schedule for the monitoring

Confirm key logistics such as availability of key staff and access to the sub-subrecipient's relevant files

Monitoring Plan Monitoring Preparation Monitoring Fieldwork Monitoring Response Response

Host Entrance Conference

Perform Monitoring Review

Conduct Exit
Conference

Finalize Records

Entrance Conference

Date: Time: Location:

Agenda

- 1. Welcome & Introductions
 - a. Overview of entrance conference
 - b. Name, position, role
 - c. Contact information (see Contact List)
- 2. Monitoring Overview
 - a. Purpose
 - b. Scope
 - c. Process
 - d. Timeline
- 3. Logistics
 - a. Office (e.g., restrooms, fire exit, lunch break, etc.)
 - b. Schedule staff interviews (see Appointments Log)
- 4. Questions

Monitoring Monitoring Monitoring Preparation Monitoring Fieldwork Monitoring Response

Host Entrance Conference

Perform Monitoring Review

Conduct Exit
Conference

Finalize Records

• Complete the **Monitoring Checklist(s)** by answering each question with a 'Yes', 'No', or 'Not Applicable'

- Each answer must include a written justification for the conclusion
- Relevant source documentation should be referenced with a copy attached in the monitoring file (especially in circumstances where it substantiates a finding or concern)
- Where feasible, interview the sub-subrecipient's staff to assess their understanding of the program requirements and capacity to implement the program in a compliant manner

Monitoring Monitoring Monitoring Fieldwork Monitoring Response

Host Entrance Conference

Perform Monitoring Review

Conduct Exit
Conference

- Depending on the area(s) being monitored, you may need to select a sample of client files to review
- The type of client files subject to review should be based on the parameters of the monitoring event
 - Example: if the monitoring is focused on participant eligibility, monitoring staff should review client files that have been deemed eligible to verify the grantee's eligibility process is compliant with all program requirements
- The number of client files subject to review should be based on the complete list (universe) of all clients reported to date

Client Files (Universe)	Client Files (Sample)
Less than 50 client files	10 client files
Between 50-100 client files	20 client files
More than 100 client files	30 client files

Monitoring Plan Monitoring Preparation Monitoring Response

Host Entrance Conference

> Perform Monitoring Review

Conduct Exit Conference

Finalize Records

 At the conclusion of the monitoring, sub-recipient shall host an exit conference with the sub-subrecipient's key personnel to discuss any preliminary findings and concerns as well as the next steps in the monitoring process

- For each finding or concern, the sub-subrecipient will be provided:
 - An opportunity to correct any misunderstandings
 - A preview of the required corrective action that will be included in the Monitoring Report

Monitoring Plan Monitoring Preparation Monitoring Fieldwork Monitoring Response

Host Entrance Conference

Perform Monitoring Review

Conduct Exit
Conference

Finalize Records

 Before drafting the Monitoring Report, ensure all questions from the Monitoring Checklist(s) have been answered and are supported by source documentation

 All documentation collected prior to, during, and after the monitoring must be saved in the monitoring file

Monitoring Monitoring Monitoring Monitoring Report Monitoring Response

Host Entrance Conference

Perform Monitoring Review

Conduct Exit
Conference

Finalize Records

• Sub-recipient will review the monitoring event file to ensure the source documentation supports the conclusions drawn in the **Monitoring Checklist(s)**

 Upon approval, the Monitoring Plan Tracker (if you are using one) should be updated to reflect the findings, concerns, and observations that will be included in the Monitoring Report

Monitoring Report

Monitoring Monitoring Monitoring Monitoring Preparation Monitoring Fieldwork Monitoring Response

Prepare Monitoring Report

Issue Monitoring Report

Update Records

- Prepare a draft Monitoring Report to the sub-subrecipient outlining the results of the monitoring event including:
 - Date of the monitoring
 - Scope of the monitoring review
 - Any findings, concerns, or observations for the sub-subrecipient
 - Required corrective actions needed
 - Timeline for response

Monitoring Report

Monitoring Monitoring Monitoring Preparation Monitoring Fieldwork Monitoring Response

Prepare Monitoring Report

Issue Monitoring Report

Update Records

- Sub-recipient will review the draft **Monitoring Report** to ensure all findings and concerns include the condition, criteria, cause, effect and required corrective action
- Once approved, the final Monitoring Report should be issued to the sub-subrecipient within 30 days after the monitoring review

Monitoring Report

Monitoring Monitoring Monitoring Preparation Monitoring Fieldwork Monitoring Response

Prepare Monitoring Report Ensure all necessary documentation and correspondence is maintained in accordance with the Monitoring File Checklist

Issue Monitoring Report

Update Records

 Update the Monitoring Plan Tracker to include key information and deadlines associated with each monitoring event, any findings and concerns, and the status of each

Monitoring Plan Monitoring Monitoring Monitoring Response Monitoring Response

Review Response

Issue Non-Compliance Letter

Issue Clearance Letter

- Sub-subrecipients have 30 days to respond to all findings in the Monitoring Report, unless otherwise specified
- Sub-recipient will review the response to ensure the subsubrecipient has addressed each finding as described in the corrective action
- If all findings are not adequately addressed, schedule a meeting with the sub-subrecipient to provide technical assistance and map out a strategy for resolving open findings and concerns

Monitoring Monitoring Monitoring Monitoring Preparation Monitoring Fieldwork Monitoring Response

Review Response

Issue Non-Compliance Letter

Issue Clearance Letter

- If a written response is not received within 30 days of the Monitoring Report being issued, you may want to consider issuing a Non-Compliance Letter to the sub-subrecipient requesting their response within 15 days
- Sub-recipient may choose to take one or more of the following actions if a grantee fails to correct identified deficiencies:
 - Temporarily withhold reimbursements until findings are addressed
 - Request the repayment of previous reimbursements for disallowed costs
 - Wholly or partly suspend or terminate the award

Monitoring Preparation Monitoring Monitoring Report Monitoring Response

Review Response

Issue Non-Compliance Letter

Issue Clearance Letter

- Once all findings have been remediated, prepare a draft
 Clearance Letter to the sub-subrecipient
 - If the monitoring did not result in any new findings or concerns, the Monitoring Report will serve as the Clearance Letter
- Sub-recipient will review the Clearance Letter and the documentation supporting the resolution of the open findings
- Upon approval, send the Clearance Letter to the subsubrecipient and update the Monitoring Plan Tracker (if you are using one)

Monitoring Monitoring Monitoring Monitoring Report Monitoring Response

Review Response

Issue Clearance Letter

> Issue Non-Compliance Letter

- The monitoring event is complete once the following two conditions have been met:
 - 1. A Clearance Letter has been issued to the sub-subrecipient
 - The monitoring file contains all correspondence and documentation collected throughout the monitoring process as specified by the Monitoring File Checklist

What does California HCD want to see to show you are monitoring?

- When it comes time for you to be monitored as the sub-recipient of ESG/ESG-CV funds, HCD will request to review one full monitoring package completed for one sub-subrecipient.
- Your monitoring package may include:
 - Your monitoring policies/procedures/plan
 - Copies of monitoring letters
 - Monitoring tool/checklist used
 - Findings/summary reports



ESG Resource Links

- ESG Regulations (update published April 2017)
- ESG-CV Notice
- General ESG Information:
 - HUD ESG Landing Page
 - ESG Program Overview
 - ESG Program HMIS Manual
 - ESG Minimum Habitability Standards ES and Permanent Housing
 - ESG Standards and Inspections
 - Habitability Example Checklist

TA Resources:

- <u>Disease Risks and Homelessness</u> landing page for resources on a wide range of topics
- ESG-CV Notice Summary
- Flexibilities/Waivers Granted by the CARES
 Act + Mega Waiver and Guidance applicable
 Waivers on pages 11-14
- Strategies to Design and Implement a Successful ESG-CV Program
- IDIS Fact Sheet for ESG and ESG-CV Funds Setup
- ESG-CV Quarterly Reporting Calendar
- National Alliance RRH Toolkit

COVID Response Resources

Standing Up Infection Control Measures:

- Alternative Approaches to Sheltering
- Shelter Preparedness Checklist
- Creative Staffing Solutions (See Appendix 1)
- COVID Informational Flyers
- Vaccine Messaging Toolkit
- Eligible ESG Program Costs for Infectious Disease Preparedness

CDC and NHCHC Guidance:

- Strategies for Proactive Universal Testing
- Guidance for Service Providers to Respond to COVID

Contact Us

- If you have any further questions, please contact us:
 - Annual ESG Please reach out to your ESG Representative or ESG@hcd.ca.gov
 - ESG-CV Please reach out to your Grant Administrator