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: ESGNOFA@hcd.ca.gov
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 Peer-to-peer opportunities on the nuts and bolts of Landlord Engagement, Recruitment and Retention.
  ◦ To register, click here: Registration Link

• 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 required 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-sub-recipients.

- 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 sub-subrecipients
Roles & Responsibilities

- **HUD / HUD OIG**: Monitoring, Audit, & Oversight of CA HCD
- **CA HCD**: Monitoring & Oversight of Subrecipients, Internal Monitoring, Audit, & Oversight
- **Subrecipients**: Monitoring & Oversight of Sub-subrecipients, Internal Monitoring, Audit, & Oversight
- **Sub-subrecipients**: Local Program Implementation

Reporting
### Potential Monitoring Outcomes

<table>
<thead>
<tr>
<th>Clearance:</th>
<th>No violation of the program regulations or Standard Agreement requirements</th>
</tr>
</thead>
<tbody>
<tr>
<td>Concern:</td>
<td>A condition, that if not corrected, may result in a violation of the program regulations or Standard Agreement requirements</td>
</tr>
<tr>
<td>Finding:</td>
<td>A violation of the program regulations and/or Standard Agreement requirements</td>
</tr>
</tbody>
</table>

*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*
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

- 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/](https://www.hudexchange.info/mailinglist/subscribe/)
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 Preparation

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 Preparation

## Monitoring Plan

### Monitoring Preparation
- **Develop Strategy**
- **Assemble Records**
- **Send Intent to Monitor Letter**
- **Entrance Conference Agenda**

## Monitoring Preparation

<table>
<thead>
<tr>
<th>Subrecipient Name</th>
<th>Name</th>
</tr>
</thead>
<tbody>
<tr>
<td>Subrecipient POC and Contact Information</td>
<td>Name, Title, Address, Phone, Email</td>
</tr>
<tr>
<td>Risk Assessment Score and Rank</td>
<td>Score, Rank</td>
</tr>
</tbody>
</table>

### Type of Monitoring
- Criminal / Crime

### Date of Monitoring
- Beginning and End Date

### Location of Monitoring
- Address

### Lead Monitor
- Name

### Monitoring Team
- Name

### Areas to be Reviewed
- Financial Management, Activity Eligibility, National Objective, etc.

### Checklists to be Used
- Criter 1-1, Criter 1-2, etc.

### Number of Open Findings
- 0

### Other Areas of Concern
- Underperformance, high number of citizen-complaints, etc.

### Travel Arrangements and Costs
- Drive, hotel or other costs

### Estimated Staff Hours
- Three days x six hours per day = 180 hours

### Monitoring Report
- Monitoring and Audit reports issued (HUD, HUD, HUD-OIG, or single audit)

### Monitoring Response
- Citizen complaint tracker

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## ESG-CV Monitoring Strategy

### General Administration and Capacity
- Written Standards related to ESG-CV funded projects and activities
- Executed Standard Agreement and amendments, if applicable

### Organizational chart including staff working on ESG-CV programs
- List of key personnel and job descriptions

### Names of key personnel and roles
- Staffing plan for critical positions including staff turnover

### Evidence of training provided to all ESG-CV funded staff

### Financial
- Approved budget
- Requests for Funds (RFs) 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

### Requisitions
- Client satisfaction (number of clients, name of organization, address or location of assistance)
- Evidence of activity delivery per scope of work in Standard Agreement
- Program reports submitted to HUD
- Documentation that project meets a National Objective
- Evidence of compliance with obligations of benefits requirements
- Environmental Review Records (DNR)

### Monitoring and Audit
- Monitoring and Audit reports issued (HUD, HUD, HUD-OIG, or single audit)
- 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*
Assemble a file for each monitoring to be performed utilizing a Monitoring File Checklist.
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 Preparation

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 its ESG-CV funded activities are implemented in accordance with all program regulations and grant requirements. To fulfill our administrative obligations, HCD is notifying you of its intent to conduct a DECENTRALIZED monitoring of GRANTEE (STANDARD AGREEMENT NUMBER) beginning on DATE x X at TIME. The monitoring visit will take place REMOTELY AT 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. MONITOR NAME will be in possession of all documentation.

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:

- Subsequent 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 Preparation**

- **Prepare an 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 Fieldwork

- 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 Fieldwork

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 Fieldwork

- 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 Fieldwork

- 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.

<table>
<thead>
<tr>
<th>Client Files (Universe)</th>
<th>Client Files (Sample)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than 50 client files</td>
<td>10 client files</td>
</tr>
<tr>
<td>Between 50-100 client files</td>
<td>20 client files</td>
</tr>
<tr>
<td>More than 100 client files</td>
<td>30 client files</td>
</tr>
</tbody>
</table>
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
Monitor Fieldwork

• 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 Fieldwork

• 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
• 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
• 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.
• Ensure all necessary documentation and correspondence is maintained in accordance with the Monitoring File Checklist

• 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 Response

- 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 sub-subrecipient 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 Response

- 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
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 sub-subrecipient and update the Monitoring Plan Tracker (if you are using one).
The monitoring event is complete once the following two conditions have been met:

1. A Clearance Letter has been issued to the sub-subrecipient
2. 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
Questions?
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:**

- **Disease Risks and Homelessness** - 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