



Emergency Solutions Grant (ESG)

Subrecipient Orientation | June 28, 2023 | 3:00 pm

Agenda

1. Welcome & Introductions
2. Introductions
3. ESG – HUD Basics
4. Participant Eligibility
5. ESG Income Limits
6. ESG FMRs
7. Subrecipient Agreement
8. Compliance & Reporting
9. Common Challenges
10. Q&A
11. Federal Regulatory Regulations & Resources
12. Closing



Introductions

ESG – HUD Basics

- Moreno Valley (“City”) is an “Entitlement City”
- The City is considered the HUD Grant Recipient (grantee).
- Each of you are Subrecipients (sub-grantees) carrying out activities identified in the City’s 2023-2028 Five Year Consolidated Plan and 2023-24 Annual Action Plan



Participant Eligibility

1. Benefitted person(s) should be City residents.
2. Purpose of Homelessness Prevention is to prevent persons from becoming homeless in a shelter or an unsheltered situation.
3. Eligibility for services applies to individuals and families who are at imminent risk, or at risk, of homelessness.



Participant Eligibility (Cont.)

4. Individuals and families must have an income at, or below, 30% of Area Median Income (AMI)
5. Use HUD 2023 Income Limits (Effective 05.15.23) for Riverside County to qualify applicant.

ESG Income Limits

Maximum Annual Household Income Limits as Determined by HUD effective May 15, 2023

of Persons in Household

**Extremely Low
Income (30%)**

1	2	3	4	5	6	7	8
\$19,600	\$22,400	\$25,200	\$30,000	\$35,140	\$40,280	\$45,420	\$50,560



Participant Eligibility (Cont.)

6. Cannot exceed HUD FMRs
7. Must meet Rent Reasonableness Standards
8. Eligible activities include the following:
 - Housing Relocation and Stabilization Services
 - Short- and Medium-Term Rental Assistance

FY 2023 Fair Market Rents

	Riverside-San Bernardino-Ontario, CA By Unit Bedrooms				
	Efficiency	1	2	3	4
FY 2023 FMR	\$1,281	\$1,398	\$1,751	\$2,376	\$2,922
FY 2022 FMR	\$1,062	\$1,202	\$1,509	\$2,065	2,542

Agreement Walk-Through

Uniform Guidance

UNIFORM GUIDANCE AGREEMENT REQUIREMENTS

Compliance with 2 CFR 200.331(a)(1)	
Subrecipient Name	Neighborhood Housing Services of the Inland Empire
Unique Entity ID#	X75LGCZAGCE6
FEIN #	95-3571587
Federal Award Identification Number (FAIN)	E-23-MC-06-0567
Federal Award Date	[TBD]
Subaward Period of Performance Start and End Date	July 1, 2023 – June 30, 2024
Amount of Federal Funds Obligated	\$39,990
Total Amount of Federal Funds Obligated to the Subrecipient (including the current obligation)	\$39,990
Total Amount of the Federal Award committed to the subrecipient	\$39,990
Federal Award Agency	U.S. Department of Housing and Urban Development
Pass-through Entity	City of Moreno Valley
Contact Information for City of Moreno Valley	Mike Lee, City Manager PH: 951.413.3450 Email: grantsadmin@moval.org
CFDA Number	14.231
CFDA Name	Emergency Solutions Grants Program (ESG)
ESG Eligible Component (IDIS Activity)	Homeless Prevention
R&D Federal Award? Identification #	N/A
Indirect Cost Rate	10% De Minimis on MTDC per 2 CFR 200.414(f)
Federal Award Project Description	
<p>The purpose of NHSIE's Rebuild I initiative is to support residence achieve housing stability. Through education courses, 1-1 counseling and financial assistance the residents of Moreno Valley will be introduced to a step-by-step process designed to equip them with the necessary tool to avoid eviction/homelessness and being a journey toward achieving the dream of homeownership. With the funds from ESG, NHSIE will reach up to 200 clients in direct services and support 52 households with financial assistance (52- \$120 rental application fees/ 27- deposits and moving cost up to \$1250) who are LMI.</p>	

Recitals, Sections: 2, 3, 4

2. PURPOSE. Subrecipient promises and agrees to undertake and assist with the community development activities, as specifically identified in Exhibit "A", by utilizing the sum as provided in Exhibit "B" Line-Item Budget Form to fully implement the scope of services, and by this reference is incorporated herein, together with all provisions incorporated in said Exhibit "A."

3. TERM OF AGREEMENT. The term of this Agreement shall be for a period of [] months, retroactive to [] and expiring on []. If compliance with the completion schedule determination of the City, the schedule for the project(s) may be extended by written consent of an authorized representative of the City. If substantial progress toward completion, as determined by the City, of a project(s) is not made during the term of this Agreement, the entitlement funds associated with the project(s) may be reprogrammed after appropriate notice is given to Subrecipient.

4. DISPOSITION OF FUNDS. The City shall make payment of the grant funds to Subrecipient as designated in Exhibit "A" and monitor the performance of the prescribed program to ensure compliance with applicable federal regulations and the terms of this Agreement. The budget as mutually agreed upon by both parties is included as Exhibit "B". It is expressly agreed and understood that the total amount to be paid by the Grantee under this Agreement shall not exceed the amount

Recitals, Sections: 7, 8

7. REPORTS. The Subrecipient will submit via email to grantsadmin@moval.org all monthly reports on financial, performance status, and compliance. Failure to provide such monthly reports will prevent the processing by the City of Subrecipient's request for reimbursement and, in the absence of mitigating circumstances as determined by the City, will be cause for the City to terminate this Agreement. Failure to provide timely reporting and documentation may result in the suspension of either current or future funding for the Subrecipient. Specific report requirements are detailed in the attached Exhibit "A" – Scope of Services, and report forms, as may be applicable, are provided as attached Exhibit "C-1", and Exhibit "C-2".

8. RECORDS TO BE MAINTAINED. The Subrecipient shall maintain all records required by the Federal regulations specified in 24 CFR 570.506 that are pertinent to the activities to be funded under this Agreement. Records shall be maintained for a minimum of 5 years after the expiration or termination of the Subrecipient agreement under 2 CFR 200.333. Such records shall include but not be limited to:

- (A) The Subrecipient shall maintain a separate financial account for CDBG funds.
- (B) Financial records shall be maintained by Subrecipient in accordance with Generally Accepted Accounting Principles, and in a manner which permits City to trace the expenditures of funds to source documentation. All books and records of Subrecipient are to be available for inspection at any time during the business day by an authorized representative of the City, and by any representative authorized pursuant to the Act to audit CDBG programs.
- (C) Standards for financial management systems and financial reporting requirements are established by 2 CFR 200.302 and shall be fully complied with by Subrecipient. Subrecipient acknowledges that the funds provided are federally funded.

Recitals, Sections: 9, 11

9. GENERAL CONDITIONS/ FEDERAL REQUIREMENTS. Subrecipient shall comply with all policies, guidelines, and requirements of 24 CFR 570, effective September 1988; and Uniform Administrative Requirements 2 CFR 200, as applicable and as amended, as they relate to the acceptance and use of federal funds under this Agreement.

By executing this Agreement, the Subrecipient hereby certifies that it will adhere to and comply with the following, as they may be applicable to the CDBG program:

- (A) Section 109 of Title 1 of the Housing and Community Development Act of 1974 concerning nondiscrimination, as amended, and the regulations issued pursuant thereto;

11. PROCUREMENT PRACTICES. The Subrecipient shall not enter into any subcontracts with any agency or individual in the performance of this Agreement without the written consent of the Grantee prior to the execution of such Agreement. The Subrecipient will monitor all subcontracted services if any on a regular basis to assure contract compliance. Results of monitoring efforts shall be summarized in written reports and supported with documented evidence of follow-up actions taken to correct areas of noncompliance. The Subrecipient shall cause all of the provisions of this Agreement in its entirety to be included in and made a part of any subcontract executed in the performance of this Agreement. Provided Grantee shall give its written consent, the Subrecipient shall undertake to ensure that all subcontracts let in the performance of this Agreement shall be awarded on a fair and open competition basis in accordance with applicable procurement requirements as defined in 2 CFR 200.318-326. Executed copies of all subcontracts shall be forwarded to the Grantee along with documentation concerning the selection process.

Recitals, Sections: 12, 14

12. MONITORING AND REPORTING PROGRAM PERFORMANCE. The City shall monitor the Subrecipient's program activities to assure compliance with applicable federal regulations and that performance goals are being met in accordance with 2 CFR 200.331 (b); and 2 CFR 200.331 (d) – (g), and the CITY's CDBG program.

14. CLOSE-OUTS. The Subrecipient's obligation to the Grantee shall not end until all close-out requirements are completed. Activities during this close-out period shall include, but are not limited to making final payments, disposing of program assets (including the return of all unused materials, equipment, unspent cash advances, program income balances, and accounts receivable to the Grantee), and determining the custodianship of records. Notwithstanding the foregoing, the terms of this Agreement shall remain in effect during any period that the Subrecipient has control over CDBG

Exhibits

Exhibit A

EXHIBIT A BUDGET

EXHIBIT A
Page 1 of 1

Subrecipient: _____

Project Title: _____

Location: _____

Scope of Service: _____

Performance Measurements Outcome Statement:

Objective:

- Creating Suitable Living Environment
- Providing Decent Housing
- Creating Economic Opportunity

Outcome:

- Availability/Accessibility
- Affordability
- Sustainability

Project Budget:

Approved Component(s)	Individuals To Be Served	MoVal ESG Grant	Subrecipient ESG Match
1) Street Outreach		\$0	\$0
2) Emergency Shelter		\$0	\$0
3) Rapid Rehousing		\$0	\$0
4) Homelessness Prevention		\$0	\$0

Exhibit B

EXHIBIT B SCOPE OF SERVICE

EXHIBIT B
Page 1 of 3

I. BACKGROUND

The goal of the program is to prevent homelessness by providing financial assistance to qualified families in the form of application fees and moving cost.

II. SCOPE OF SERVICES

The purpose of NHSIE's Rebuild IE initiative is to support residents achieve housing stability. Through education courses, 1-1 counseling and financial assistance the residents of Moreno Valley will be introduced to a step-by-step process designed to equip them with the necessary tools to avoid eviction/homelessness and begin a journey towards achieving the dream of homeownership. NHSIE will reach up to 200 clients in direct services, support 52 households with financial assistance who are LMI AMI 30% or below.

INCOME LIMITS

Subrecipient shall insure that recipients meet the HUD income limits (30% of the Riverside County Median Income for 2023) as shown below:

Annual Income Level	Number of Persons in Household							
	1	2	3	4	5	6	7	8
HUD 30%	\$19,600	\$22,400	\$25,200	\$27,950	\$30,200	\$32,450	\$34,700	\$36,900
Income Limits								

<https://www.huduser.gov/portal/datasets/il/1/2023/2023summary.pdf>

Exhibits - cont.

Exhibit C

Exhibit D

EXHIBIT C SUBRECIPIENT PAYMENT REQUEST

EXHIBIT C
Page 1 of 6

CITY OF MORENO VALLEY
EMERGENCY SOLUTIONS GRANTS PROGRAM

Subrecipient Payment Request FY ____/____

AGENCY NAME:	DATE:
PROJECT TITLE:	INVOICE NO. :
PREPARER'S NAME:	
EMAIL:	PHONE:

ACCOUNT SUMMARY:

Approved ESG Budget	
ESG Reimbursements Received To Date	
Pending Reimbursements To Date (including this invoice)	
Remaining ESG Balance	\$ -

CURRENT REQUEST:

ESG BUDGET LINE ITEM PER APPROVED AGREEMENT <small>(List individual line item costs per approved budget, Exhibit "A")</small>	BUDGET AMOUNT \$	(PREVIOUS REQUESTS)	(CURRENT AMOUNT REQUESTED FOR REIMBURSEMENT)	REMAINING BUDGET BALANCE
COMPONENT:				\$ -
COMPONENT:				\$ -
COMPONENT:				\$ -
	\$ -	\$ -	\$ -	\$ -

EXHIBIT D

EXHIBIT D
Page 1 of 3

COMPLIANCE CERTIFICATION
City of Moreno Valley
2023-2024 ESG Program
Homeless Prevention & Rapid Rehousing

Exhibit D

INVOICE DATE/ INVOICE NO. : _____

[Subrecipient Name] hereby certifies that the below procedures were performed, and policies, guidelines, and requirements (among other regulations) related to the acceptance and use of ESG funds have been adhered to and complied with as stipulated in the executed agreement for the above-mentioned program:

Y/N/NA

An initial evaluation was conducted to determine each individual's or family's eligibility for Homelessness Prevention assistance or Rapid Re-housing and the amount and types of assistance the individual or family needs to regain stability in

There is documentation that all program participants who received Homelessness Prevention assistance:

a. met the eligibility criteria of the "At risk of homelessness" definition or "Homeless" definition categories 2, 3 or 4 in in 24 CFR 576.2;

b. had an annual income (as determined in accordance with 24 CFR 5.609) does not exceed 30% AMI per Notice CPD-20-08.
[24 CFR 576.2, 24 CFR 576.103; 24 CFR 576.401(c); 24 CFR 576.500(b); 24 CFR 576.500(c); 24 CFR 576.500(e); 24 CFR 576.500(f)]; and

Exhibits - cont.

Exhibit G

EXHIBIT "G" SECTION 3 REQUIREMENTS

EXHIBIT G
Page 1 of 3

Economic Opportunities for Section 3 Workers and Section 3 Business Concerns **24 CFR Part 75**

The requirements of Section 3 apply to recipients of HUD funding for Section 3 covered Project(s) in which the total amount of the assistance is more than **\$200,000 on a project by project basis**. HUD defines the term Project as a site or sites together with any buildings and improvements located on the site(s) that are under common ownership, management, and financing. Section 3 applies to an entire Section 3 project, regardless of whether the project is fully or partially assisted under HUD programs that provide housing and community development financial assistance.

Contractors and Subcontractors are also subject to Section 3's requirements when performing **any** type of activity on Section 3 covered projects for which the total amount of funding for a given project is more than \$200,000.

Section 3 Benchmarks

When Section 3 is triggered by the threshold above, all parties must attempt, to the "greatest extent feasible," to meet the minimum numerical goals as follows:

- At least **25%** of all labor hours must be performed by Section 3 Workers
- At least **5** of all labor hours must be performed by Targeted Section 3 Workers

These benchmarks may be updated by HUD every three years.

Exhibit H

EXHIBIT "H" SUPPLEMENTARY GENERAL CONDITIONS

EXHIBIT H
Page 1 of 2

The following provisions, pursuant to 24 CFR 576.407 (c), as it may be amended from time to time, are included in the Agreement and are required to be included in all subcontracts entered into by **NEIGHBORHOOD HOUSING SERVICES OF THE INLAND EMPIRE, a California non-profit corporation**, hereinafter referred to as "SUBRECIPIENT", for work pursuant to the Agreement, unless otherwise expressly provided herein. These provisions supersede any conflicting provisions in the General Conditions and shall take precedence over the General Conditions for purposes of interpretation of the General Conditions. These provisions do not otherwise modify or replace General Conditions not in direct conflict with these provisions. Definitions used in these provisions are as contained in the General Conditions.

- A. SUBRECIPIENT shall be subject to the administrative, contractual, and legal remedies provided in the General Conditions and in pursuant to 2CFR 200.338 in the event SUBRECIPIENT violates or breaches terms of the Agreement.
- B. CITY may terminate the Agreement for cause or for convenience, and SUBRECIPIENT may terminate the Agreement, as provided the General Conditions.
- C. SUBRECIPIENT shall comply with Executive Order 11246 of September 24, 1965, entitled Equal Employment Opportunity, as amended by Executive Order 11375 of October 13, 1967, and as supplemented in Department of Labor regulations (41 CFR Chapter 60).

Exhibits - cont.

Exhibit I

EXHIBIT "I"
SPECIAL CONDITIONS

EXHIBIT I
Page 1 of 2

1. Limits

The individuals to be served per this Agreement are the City of Moreno Valley grantees of Emergency Solutions Grants Program awards. All funds shall be allocated to administering the Homeless Prevention component.

2. Proof of Match

The sub-recipient must provide match documentation in accordance with 24 CFR 576.500 (o) and 24 CFR 576.201 when invoicing for any portion of the award using Exhibit "E".

Match documentation must:

- Clearly identify the source and use of contributions made to satisfy the matching requirement in §576.201.
- must indicate the particular fiscal year grant for which each matching contribution is counted.
- must show how the value placed on third-party, noncash contributions was derived. To the extent feasible, volunteer services must be supported by the same methods that the organization uses to support the allocation of regular personnel costs.

3. Final Reimbursement and Program Closeout Procedures

Unless approved by CITY in writing, all final requests for reimbursement of authorized ESG expenditures under this 2023/2024 Emergency Solutions Grants Program must be submitted to CITY no later than July 15, 2024.

Exhibit J

EXHIBIT J
CONTINUING EDUCATION LOG

EXHIBIT J
Page 1 of 1

Date of Workshop	Time of Workshop	Title of Workshop	Length of time attended in minutes	Name of Person that Attended Workshop



Reporting & Monitoring

- Participant Eligibility
- Monthly Performance Statistics
- Request for Reimbursement
- Monitoring

Common Challenges

- Monitoring identifies non-compliance of HUD regulations resulting in a Finding. Common Findings include:
 - Inadequate record keeping; Lack of adequate accounting policies and procedures and internal controls.
 - Monitoring identifies non-compliance of City Agreement resulting in a Concern. Common Concerns include:
 - Late filing of invoices; Incomplete reporting; Lack of promotion

Q & A



Federal Regulatory Requirements

- Title 2 of Code of Federal Regulations Part 200 ([2 CFR Part 200](#))- Uniform Administrative Requirements:
 - Conflict of Interest ([200.112](#))
 - Standards of Financial Management ([200.302](#))
 - Internal Controls ([200.303](#))
 - Program Income ([200.307](#))
 - Procurement Standards ([200.320](#))
 - Monitoring ([200.329](#))
 - Direct & Indirect Cost Principles ([200.412](#) & [200.413](#))
 - Audit Requirements ([200.501](#))

Federal Regulatory Requirements cont.

- Title 24 of Code of Federal Regulations Part 576 ([24 CFR Part 576](#))-
Basic provisions for all ESG grants:
 - Eligible Activities;
 - Records to be maintained
 - Labor standards (Davis-Bacon Prevailing Wage)
- Section 3 requirements for HUD awards in excess of \$200,000 for Covered Projects. Most ESG and CDBG programs are exempt.
- Various non-discrimination and affirmative action regulations.

HUD Exchange – ESG Resources

- Register for [HUD Exchange Account](#)
- [Updated ESG Interim Rule \(2017\)](#)
- [ESG Services Matrix](#)
- [Homeless Definition Matrix](#)

We're Here to Help!

Moreno Valley

Call: 951.413.3450

Email:

grantsadmin@moval.org

Avant Garde

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Melissa Aguilar, Program Manager

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