

**U.S. Department of Housing & Urban Development
Buffalo, New York Office**



**Monitoring Report
Emergency Solutions Grant (ESG)**

Erie County, New York
Program Year 2018: E-19-UC-36-0001
Program Year 2019: E-20-UC-36-0001
Program Year 2020: E-21-UC-36-0001

Dates Monitored: June 14, 2022 – June 24, 2022

INTRODUCTION

Monitoring is the principal means HUD uses to carry out its statutorily mandated responsibility to review grantee performance in administering HUD programs. It is a tool that enables the Department to help grantees improve performance. Monitoring helps assure that Federal funds are not wasted or used for fraudulent purposes. It allows the Department to stay informed about the effectiveness of HUD-administered programs.

Dates of Monitoring: June 14 – June 24, 2022

Type of HUD Grants: Emergency Solutions Grant (ESG)

Type of Monitoring: Remote Review

HUD Reviewer: Elizabeth McClam, CPD Representative

Entrance Conference: June 14, 2022

Participants: County of Erie

Paul D'Orlando, Principal Contract Monitor

Andrew Dearing, Senior Housing Specialist

Thomas Baines, Deputy Commissioner of Planning & Economic Development

Housing and Urban Development (HUD)

Elizabeth McClam, Senior CPD Representative

Exit Conference: June 24, 2022

Participants: County of Erie

Paul D'Orlando, Principal Contract Monitor

Andrew Dearing, Senior Housing Specialist

Thomas Baines, Deputy Commissioner of Planning & Economic Development

Housing and Urban Development (HUD)

Elizabeth McClam, Senior CPD Representative

Contact Information:

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Buffalo, New York 14202

SCOPE OF REVIEW

In determining which grantees will be monitored, the Department uses a risk-based approach to rate grantees, programs, and functions, including assessing the Department's exposure to fraud, waste, and mismanagement. This process not only assists the Department in determining which grantees to monitor, but also identifies which programs and functions will be reviewed.

As a result of HUD's analysis of Erie County's Emergency Solutions Grant (ESG) programs, the following areas were identified for review:

- Overall Management Systems (**Exhibit 28-2**)
- ESG Subrecipient Grant Management (**Exhibit 28-3**)
- ESG RRH and Homelessness Prevention Requirements (**Exhibit 28-6**)
- Lead-Based Paint Compliance in Properties Receiving TBRA (**Exhibit 24-3**)

SUMMARY OF RESULTS AND CONCLUSIONS

HUD monitoring may result in the identification of findings, concerns, or exemplary practices. A finding is a deficiency in program performance that is based on a statutory, regulatory or program requirement. A concern is a recommendation to change or provide further information on a current practice in order to avoid future findings. If noted, findings include corrective action and a timeframe for response. An exemplary practice is a noteworthy practice or activity being carried out by a grantee that may be duplicated by another grantee to improve its performance.

This report contains no findings or concerns. The areas that were reviewed are described in this report and in detail with the attached exhibits. Staff interviews, records review and the exhibits were used as a basis for this report.

Your HUD representative is available to discuss the monitoring results and provide technical assistance. If you disagree with any of HUD's determinations or conclusions, please address the issues in writing to the Department within 30 days from the date of this report. Your written communication should explain the reasons why you disagree and include supporting evidence and documentation. All communications should be forwarded to:

U. S. Department of Housing and Urban Development, Buffalo Office
Community Planning and Development Division
300 Pearl Street, Suite 301
Buffalo, NY 14202

AREAS REVIEWED

This section of the report summarizes area and/or program requirements that were reviewed. More detailed information can be found in each Exhibit that is cited and which is included as an attachment to this Report.

ESG Overall Recipient Grants Management

Reference: Exhibit 28-2 Review of ESG Recipient Overall Grants Management

Summary: There are no findings and/or concerns in this area.

This portion of the review examined the County's overall grants management of its Emergency Solutions Grant. In Erie County, the Emergency Solutions Grant program funds Rapid Rehousing, HMIS, and Homeless Prevention services to eligible citizens across the Erie County communities. Emergency Shelter and Outreach services have not been funded in this community in the past five years. Erie County works closely with Homeless Alliance of Western New York to determine the best use of ESG funds, HMIS data collection and evaluation of local projects and activities. The County itself does not provide any direct services but conducts an annual RFP process to determine who the subrecipients will be. The County is diligent in ensuring that no bias or conflict of interest exist between the County, the selection committee evaluators and the applying organizations. Erie County's ESG activities were all carried out through subgrants to private nonprofit organizations. The current subrecipients are: Homeless Alliance of Western New York (HAWNY) and Restoration Society Inc. (RSI).

The ESG program is administered by three (3) staff persons. The job description provided confirms clear separation of duties. The Principal Contract Monitor provides the day-to-day supervision and management of the ESG grant program including subrecipient oversight, IDIS management, drawdown approvals and staff supervision. The Senior Housing Specialist works closely with the ESG subrecipients to ensure compliance and conducts the on-site monitoring. The Chief Account Clerk processes all ESG payments to vendors and subrecipients and ensures proper linkage between the ESG grant budgets and the County's financial system.

The County's monitoring of its subrecipients is adequate. Financials are reviewed every other year. A review of program participant files is conducted annually focusing on policies, procedures, and compliance with ESG program requirements.

The County did provide adequate and comprehensive written policies and procedures that ensure the ESG funds was expended in compliance with all HUD regulations. The County does comply with all reporting requirements related to IDIS, CAPER, SAGE, and the Uniform Administrative Requirements.

ESG Subrecipient Grants Management

Reference: Exhibit 28-3 Review of ESG Subrecipient Overall Grants Management

Summary: There are no findings and/or concerns in this area.

This portion of the monitoring reviewed the County's overall grants management and oversight of its subrecipients. Erie County's ESG program has two (2) subrecipients:

- *Homeless Alliance of Western New York (HAWNY) – HMIS*
- *Restoration Society, Inc. (RSI) – Homeless Prevention and Rapid Rehousing*

Erie County monitors its subrecipients annually. The most recent monitoring was conducted September 22, 2021 with RSI. For HAWNY, the county for HMIS data collection. All expenses were found to be cost eligible for HMIS data collection. For RSI, Inc., the most recent site review selected 15 program participant files and included confirmation of leases, rental agreements, income certifications, apartment inspections and homeless eligibility. All case files reviewed during the subrecipient monitoring confirmed compliance with the ESG written standards. All ESG funded activities utilize the local coordinated entry system and are coordinated with the local continuum of care. The County does retain copies of all agreements along with documentation of all monitoring and corrective action responses. Records of payments requests by and dates of payments are maintained electronically. The ESG written policies and procedures does adequately address protecting the personally identifying information of every program participant. The County requires subrecipients to keep records for 5 years, and the County keeps their records for 10 years. Records reviewed confirm that all data for ESG program participants is entered into the local HMIS called BASNET. Subrecipients supply the HMIS data to the Homeless Alliance which is used to create the County's annual SAGE and CAPER reports.

ESG RRH and Homelessness Prevention Requirements

Reference: Exhibit 28-6 ESG RRH and Homelessness Prevention

Summary: There are no findings and/or concerns in this area.

This portion of the monitoring evaluated the rapid rehousing and homeless prevention services of subrecipient, Restoration Society, Inc. Documents reviewed confirm that all recipients of homeless prevention assistance met "at risk" of homeless criteria. All program participants receiving RRH assistance met category 1 eligibility of "literally homeless". Participant records did confirm that the program participants are re-evaluated every 3 months. Expenses reviewed were all eligible costs assisting participants with re-gaining housing and/or achieving housing stability. Where ESG funds were used for rental assistance, the case files included housing service plans to achieve stability in housing and were updated periodically. They included budgeting and tasks for improving financial status. The County has outlined very clear termination guidelines in its ESG policies and procedures that requires the subrecipient to follow a review process that examines all extenuating circumstances and provides written notifications to the program participant. All required habitability standards were met and every

RRH household received a lead pamphlet. Case files reviewed during the subrecipient review included copies of check requests for payments to landlord and the supporting documentation for these payments, included dates of occupancy.

ESG Subrecipient Grants Management

Reference: Exhibit 24-3 Lead-Based Paint Compliance in Properties Receiving TBRA

Summary: There are no findings and/or concerns in this area.

This portion of the monitoring review evaluated compliance with lead hazard requirements applicable to ESG programs that provide Tenant-Based Rental Assistance (TBRA). The program participant files reviewed contained signed acknowledgements of receiving the Lead Hazard Information Pamphlet. All subrecipient staff have completed the online visual assessment for lead and these assessments are conducted during every apartment inspection. No children with elevated blood lead levels have been identified. Based on records reviewed and subrecipient staff interview, no program participant households have been denied assistance or services based on familial status of having children under the age of six, having a disability or having a child being inspected or treated for lead poisoning. This remote monitoring did not allow time to verify landlords' lead-based maintenance activities.

END OF REPORT