



ESG State Recipient Consultation with Continuums of Care

The Emergency Solutions Grants (ESG) program Interim Rule, published December 5, 2011, establishes new requirements for ESG recipients, related to consultation with community partners and Continuums of Care (CoCs) in their plans for spending ESG funds, including the development of Substantial Amendments, Annual Action Plans, and 3-to-5-Year Consolidated Plans. Specifically, all ESG recipients—including **State ESG recipients—must now consult with all CoCs in their geographic area** in preparing both their homelessness strategy and plan for allocation of resources to address the needs of homeless individuals and families and persons at risk of homelessness (see 24 CFR 91.110). For State ESG recipients, this includes all CoCs in the State.

This document is intended to provide **State agencies** responsible for administering ESG with a range of suggestions on how to approach required consultation with both local and “Balance of State (BOS)” CoCs. This guidance document includes:

- A background discussion of consultation requirements;
- Topics to consider addressing in discussions and consultation with stakeholders;
- Potential mechanisms for consultation; and
- Potential challenges in the consultation process and solutions to address these challenges.

Although many States have already begun consulting with their CoCs, these suggestions can expand the consultation plan or replace approaches that are not working as the ESG implementation adjusts and changes over time. This product provides suggestions that can be implemented immediately, as well as during future phases of collaboration.

Background

The changes to the ESG regulations are intended to meet Congressional intent in the HEARTH Act and the principles and priorities put forth in [*Opening Doors: the Federal Strategic Plan to Prevent and End Homelessness \(FSP\)*](#). This requirement is meant to foster increased coordination among ESG and other HUD entitlement program recipients, and the CoC agencies in their areas. It also encourages greater engagement by nonprofit and mainstream housing and service programs in order to increase the level of resources committed to assisting homeless individuals and families and those at imminent risk of becoming homeless.

According to the ESG Interim Rule, at 24 CFR 91.110, a State’s consultation with CoCs must address three specific substantive areas:

- Allocation of resources (both by type of activity and geographic distribution).
- Development of performance standards for, and evaluating outcomes of, projects and activities assisted by ESG funds. The ESG recipients will use these

performance standards for evaluating the activities carried out with ESG funds, including how well subrecipients succeed in: (1) targeting those who need the assistance most; (2) reducing the number of people living on the streets or emergency shelters; (3) shortening the time people spend homeless; and (4) reducing participants' housing barriers or housing stability risks.

- Development of funding, policies, and procedures for operating and administering any Homeless Management Information System (HMIS) in which State subrecipients will be required to participate.

Although States were already expected to meet these consultation requirements when preparing their Substantial Amendments to the second allocation of FY 2011 funding, it is important to keep in mind this was only the first step in a longer-term planning process. HUD recognizes that the tight timeline for submission of FY 2011 Substantial Amendments may not have allowed for a complete implementation of the consultation process. The processes used to consult with CoCs should be appropriate to the current circumstances in each state and should continue to evolve over time to address changing relationships, opportunities, and challenges. In the box below are excerpts from 24 CFR 91.110(b) Consultation; States, containing only the requirements that pertain to the State ESG recipient consulting with the CoC:

§ 91.110(b) Consultation; States

(b) When preparing the portions of the consolidated plan describing the State's **homeless strategy** and the **resources available to address the needs of homeless persons** (particularly chronically homeless individuals and families, families with children, veterans and their families, and unaccompanied youth) and persons at risk of homelessness, the State must consult with: (1) **Each Continuum of Care within the state**; (2) Public and private agencies that address housing, health, social services, victim services, employment, or education needs of low-income individuals and families; of homeless individuals and families, including homeless veterans; youth; and/or of other persons with special needs; (3) Publicly funded institutions and systems of care that may discharge persons into homelessness (such as health-care facilities, mental health facilities, foster care and other youth facilities, and corrections programs and institutions); and (4) Business and civic leaders.

(e) The State must also consult with each Continuum of Care within the State in determining **how to allocate its ESG grant** for eligible activities; developing the **performance standards** for, and evaluating the outcomes of, projects and activities assisted by ESG funds; and developing **funding, policies, and procedures for the operation and administration of the HMIS**.

Topics of Consultation

As discussed above, the regulations specify certain topics on which the state **MUST** consult with the CoC. This section lists some of the issues within each of the required areas of consultation that can help guide discussions with local CoC leadership and planning groups. Suggestions are provided for additional areas of consultation that are not required but may be beneficial.

Allocation of Funding

- What are the CoCs' relative priorities within the activities eligible under ESG?
- What is the justification for prioritizing certain activities over others?
- What is the recommended division between Rapid Re-Housing and Homelessness Prevention?
- What local plans, studies, and/or local data on needs exist that address the goals of ESG?
- How does local data help to shape local priorities for allocation?
- Does the CoC have recommendations on the use of project-based versus tenant-based assistance?
- Does the CoC have recommendations regarding the general application/RFP process at the state level? What are some recommended roles for local CoC leadership in this process?
- Does the CoC have specific recommendations for selection criteria?
- Are there jurisdictions with significant populations that will not receive their own ESG allocations and are not part of an urban county consortium, and as a result, will not be covered by ESG funding unless the State allocates funds for use in those areas?
- How will the funding priorities support the national priorities in "Opening Doors"?
- Are there any obstacles to addressing underserved needs in specific communities?

Performance Standards

- Are local communities already using performance standards for activities eligible under ESG?
- What are the recommendations for new performance standards for ESG activities?
- How can local and state ESG performance standards contribute to HEARTH goals?
- What challenges are anticipated in implementing performance standards?
- Do CoCs believe that there should be consistency between state and local entitlement performance standards? If the State were to allow each subrecipient to develop its own standards, how would CoCs propose managing that process?
- How will data on performance standards be collected before HMIS data from ESG providers is available?
- How will ESG subrecipients report on performance standards? Should the CoC play any role in monitoring of performance standards?
- Can the performance standards be expected to effectively measure how well service providers are succeeding in: (1) targeting those who need the assistance

most, (2) reducing persons on the street or in shelter, (3) shortening periods of homelessness, and (4) reducing housing barriers and housing stability risks?

- Do the performance standards help or hinder service providers' ability to target and design their programs so that homelessness is effectively shortened and reduced in the recipient's jurisdiction?

HMIS

- Are there existing HMIS Policies and Procedures for ESG subrecipients? What, if any, new HMIS policies and procedures are needed?
- What resources are required for ESG subrecipients to participate in HMIS?
- Will the State have access to HMIS data or reports?
- Are any comparable databases already in use for Domestic Violence Providers? Are there any current problems with existing HMIS vendors and/or possible ways to mitigate those obstacles?

Additional Topics

There are a number of additional topics, not required to be a part of the consultation process, that may inform and improve coordination and planning across the State.

These include:

- Development of written standards for providing services.
- Development of centralized/coordinated assessment systems.
- Creation of local characteristics associated with being at-risk for homelessness.

For more information on these topics and the requirements around them, refer to the ESG Interim Rule.

Potential Mechanisms of Consultation

A number of suggested mechanisms for conducting consultation with CoCs and other key stakeholders are presented below. These mechanisms include:

- Stakeholder Meetings
- Continuum of Care Presentations
- Feedback on Draft Documents
- Stakeholder Survey
- Workgroup or Advisory Groups
- CoC Involvement in Direct Funding Decisions

In many cases, it is beneficial to use a combination of mechanisms. **It should be noted that use of any one or a combination of the suggested mechanisms does not necessarily constitute meeting the requirement of part 91.100.** If you are concerned that you may not be meeting this requirement, contact your local HUD field office.

Potential Mechanism #1: Stakeholder Meetings	
Convene meetings with CoC leaders and participants. It may be helpful to include other key local stakeholders in the meetings as well.	
Strengths	Considerations
<ul style="list-style-type: none"> • Can hold regional meetings in areas where there are many CoCs or large geographic areas within a CoC. • Can get input from other key stakeholders who may not be part of the CoC planning body but are nonetheless instrumental in planning. 	<ul style="list-style-type: none"> • Ensure the appropriate stakeholders attend. • Clarify who is explicitly representing the CoCs, and who is simply sharing personal/professional opinion. • Encourage far-reaching dialogue to elicit creative, best thinking of local leadership. • Include key stakeholders in defining the topics or agenda for the meeting.
Example	
<p>The State of California held four regional stakeholder meetings in different parts of the State. A variety of stakeholders, including CoC representatives, attended meetings. The meetings were each six hours and covered a wide range of topics including allocation of funds for eligible activities, performance standards, written standards, HMIS policies and procedures, reporting, monitoring centralized/coordinated assessment, and building collaboration. The objective of the meetings was to obtain feedback from CoC representatives and other key stakeholders. They asked stakeholders to review the Interim Rule before coming to the meetings.</p>	

Potential Mechanism #2: Continuum of Care Presentations	
Invite representatives from the CoC to present information about their needs and priorities to the appropriate representatives of the State ESG program.	
Strengths	Considerations
<ul style="list-style-type: none"> • Able to gather the information needed from CoCs with enhanced efficiency. • Able to gain a clear understanding of the perspective and needs of each specific CoC. • Allows CoCs to use local data (when possible) to support their recommendations and/or funding justifications. • Enables feedback from CoCs in person or in a formal written document. 	<ul style="list-style-type: none"> • Clearly articulate goals of the presentation and types of information expected. • Clarify expectations about how information will be used. Ensure CoCs do not have unrealistic expectations. • CoCs may vary widely in their capacity to compile and present accurate and relevant information. It may become clear that some CoCs need additional assistance. Process can help identify ways to increase local capacity to improve participation in consultation.
Example	
<p>The State of North Carolina asked each of their local CoCs to develop a presentation on its needs and priorities. In addition to hearing from formally constituted CoCs, local regional planning groups within the BOS were invited to make presentations. The State asked CoCs to use local data to justify needs. Before these presentations, the State provided training for CoCs and local planning groups on the new ESG Interim Rule and requirements as well as orientation to the State's general approach to implementing ESG.</p>	

Potential Mechanism #3: Feedback on Draft Documents	
Share a first draft of allocation priorities, performance standards, HMIS policies, and other documents with CoC stakeholders and ask for written or verbal feedback on the draft.	
Strengths	Considerations
<ul style="list-style-type: none"> • Provides concrete information to which CoC stakeholders can react. • Increases likelihood that feedback related to the topics of greatest importance for the state planning process will be received. • Clearly spells out and answers questions about how and where the funds should be utilized. 	<ul style="list-style-type: none"> • Be clear about the type of review and comments desired. • Provide adequate background information to stakeholders, ensuring that they understand existing ESG processes, and new ESG requirements. • If this is the primary mechanism of consultation, need to be open to hearing and responding to all feedback on drafts of documents. It may be helpful to schedule a dialogue by phone or in person to discuss the CoC's response to the documents.
Example	
<p>The State of New Mexico asked the lead agency for the Albuquerque and BOS CoC to review its allocation plan and the ESG competitive request for proposals. The CoC lead agency then provided feedback in writing, in person, and via phone discussions. The State used the CoC's recommendations in making allocation decisions and in shaping its requests for proposals. The State of New Mexico also followed the same process to gather feedback on its substantial amendment draft.</p>	

Potential Mechanism #4: Stakeholder Survey	
Conduct a survey and summarize the responses both by CoC and statewide, especially when there are a large number of CoCs or stakeholders.	
Strengths	Considerations
<ul style="list-style-type: none"> • Ability to collect information from a large number of people. • Easy-to-use and free/inexpensive survey tools are available online. • Feedback can be organized and documented automatically. 	<ul style="list-style-type: none"> • Surveys may not obtain the exact information desired and may require follow-up clarification. • May have conflicting perspectives from stakeholders and will have to reconcile the differences without any discussion. • May not get responses from all relevant stakeholders. • May need to conduct follow-up meetings by phone or in person to discuss the reactions to the survey results.
Example	
<p>The Commonwealth of Massachusetts convened a meeting of ESG implementation stakeholders, including representatives from ESG entitlement communities, CoCs, the State's Interagency Council on Housing and Homelessness (ICHH), Regional Housing Networks and the Veteran's Administration. As a follow up, participants completed a survey after consulting with their local and regional partners, focusing on several main areas including: a) feedback on proposed Performance Measurements; b) interaction between CoCs and ESG recipients; and c) priorities for funding and populations to be served, including justification for these priorities.</p>	

Potential Mechanism #5: Workgroups or Advisory Groups

Because the consultation requirements span several topics, it can be helpful to establish workgroups or advisory groups around one or more topics. For example, recipients could create an Allocation Advisory group that includes representation from key stakeholders from each of the CoCs. Other topics on which advisory groups could focus may include HMIS and performance standards.

<i>Strengths</i>	<i>Considerations</i>
<ul style="list-style-type: none"> Provides a concrete role for stakeholders. Allows stakeholders to focus attention on certain topics. 	<ul style="list-style-type: none"> If a CoC has limited capacity, it may not have enough stakeholders for each group. Ensure the appropriate stakeholders are engaged on the relevant workgroup.

Example

The State of Utah worked with the local ESG recipients (Salt Lake County and Salt Lake City) in order to create a comprehensive plan for Salt Lake County. Because the three recipients fund so many of the same providers, they divided planning responsibilities so that each focused on a different topic. The State pulled together data and performance, the County gathered input from the CoC providers and stakeholders, and the City identified any existing HUD program issues ensuring compliance with HUD guidelines. The State and local ESG entitlement jurisdictions also collaboratively developed reporting and monitoring procedures in order to provide consistency across funders. The State has also asked Local Homeless Coordinating Committees within the BOS CoC to attend the State's allocation committee meetings in order to provide feedback on community needs and priorities.

Potential Mechanism #6: CoC Involvement in Direct Funding Decisions

There are a number of ways in which local CoC groups can play a key role in the State-level allocation and subrecipient selection process. Among these, the State may:

- Require all subrecipients to obtain written sign-off from the local CoC as part of the application process.
- Create a scale to rate "level of involvement with local CoC" in scoring applications.
- Allocate funding at the CoC level – requiring a "lead" agency at the CoC level to prepare a plan for funding within the CoC (potentially based on a "formula" allocation).

<i>Strengths</i>	<i>Considerations</i>
<ul style="list-style-type: none"> Provides concrete role for the CoC. Increases subrecipients' engagement in CoC processes. Tailors funding to local need and CoC priorities. 	<ul style="list-style-type: none"> Priorities of CoC and State may not match up. May need to create basic guidelines for CoC decision-making in order to ensure consistency across CoCs.

Example

The State of Michigan provides funding to one designated fiduciary agency within each CoC (including locally defined CoC within the BOS) who can issue grants to local sub-grantee(s). The grant applications to the State reflect an approved local CoC funding strategy. The State also requires a Memorandum of Understanding (MOU) between the CoC Decision-Making Body, the Fiduciary agency, and any sub-grantees. This MOU identifies what services will be provided, how services will be coordinated, and how monitoring will be conducted to assure all requirements are met.

General Suggestions for Consultation

Outline the Objectives and Parameters of the Consultation Process

- Clarify the parameters and objectives of the consultation process. Ensure everyone is clear about the topics of discussion, the process that will be used, and the goals of that process.
- Specify the areas in which feedback is desired. This will help to avoid impractical expectations while encouraging genuine feedback and discussion. For example, if you want feedback on the types of activities that will be funded but have no intention of making substantial changes to the competition process, ensure participants are clear from the outset that you are seeking feedback only on the activities to be funded and not the process.

Ensure the right stakeholders are at the table

- Take advantage of existing infrastructure and organization around homelessness planning. If there are already formal CoC planning bodies or local homeless advisory committees, tap into their existing processes for input. For example, it may be important to incorporate the perspective of the local 10-Year Plan planning bodies.
- Through the historical process for awarding Emergency Shelter Grant funding, some ESG recipients and subrecipients/providers may not have a strong connection with the CoC. For example, because the CoC has never funded emergency shelter, shelter providers may not be familiar with how the CoC operates. It will be important to create a mechanism to gather feedback from a variety of providers along the entire continuum of services whenever possible.
- Beyond CoC leadership, consider involving additional stakeholders whose experience can meaningfully inform the ESG planning process. Some of these stakeholders could include local entitlements, HPRP and ESG providers, HMIS staff, local homelessness planning groups, and interagency councils. The Interim Rule requires that when preparing the Consolidated Plan homeless strategy, the State must also consult with public and private service providers, publicly funded institutions of care, and business and civic leaders. If they are not directly included in the CoC consultation, consider ways to involve these stakeholders in the CoC consultation process wherever possible in order to address all the consultation requirements simultaneously.

Start with Context, Background, and Training (as necessary)

- Stakeholders will have varying degrees of familiarity with the ESG Interim Rule and its intentions. For many CoCs, the focus has been on transitional and permanent supportive housing, and thus long-standing ESG activities such as emergency shelter and street outreach, as well as “new” ESG activities such as rapid-re-housing and homelessness prevention, may be relatively new to them. It will be helpful to make sure that all participants start with a common understanding to ensure the consultation is effective.
- Consider using ESG Administrative funds to provide training to partners on new program requirements. For example, an ESG recipient could organize viewing

sessions of the ESG webinars, with time for discussion about how the requirements affect their local community.

- It is important to take time to start with the goals of ESG in the community and the history, so that they can fully contribute to the conversation over time about the future of ESG.
- Provide an explanation about how the new Emergency Solutions Grants Program differs from the Emergency Shelter Grant Program. For example, it is important for the CoC to understand the new focus on prevention and rapid re-housing. Discuss ways to build on existing capacities, systems, and lessons learned from the Homelessness Prevention and Rapid Re-Housing Program (HPRP). It may be helpful to provide the CoC with [Homelessness Prevention and Rapid Re-housing Assistance: A Comparison of HPRP and ESG Requirements](#).

Encourage Meaningful Feedback

- The State staff should maintain a neutral and receptive attitude during the consultation process.
- Provide drafts of documents or policies to facilitate feedback whenever possible. Giving people something concrete to react to will make it easier to focus the consultation on the topics of interest and will make it more likely that the desired feedback is obtained.
- Keep a thorough record of comments, suggestions, needs, and alternatives discussed. Many different ideas will come up throughout the consultation process and it is important to document them for reference in future discussions. Nominate someone in the group to take notes during the meetings and then have stakeholders review the notes afterwards to make sure the discussion is accurately documented.

Potential Challenges and Solutions

Based on the structure of CoCs in the State as well as the nature of the existing relationship between the State and the local CoCs, a number of predictable challenges may occur in consulting with the CoCs. Some of these challenges – as well as potential solutions – are listed below.

Potential Challenge #1: Tension between state-level planning goals and local CoC planning priorities.

Potential Solutions: Prioritize state goals if possible and identify where there is flexibility to adapt goals to local needs. Confronting conflicts regarding non-negotiable goals early in the consultation will help to minimize frustration later. As part of the consultation, brainstorm ways the CoC can meet priorities with different resources. Examples include targeting CoC and ESG funds at different populations, or using TANF or HOME TBRA to serve additional populations. It may also make sense to target state and local ESG funds toward different populations. If possible, work with all CoCs and local entitlements in order to achieve coordination of funding statewide.

Potential Challenge #2: Different perspectives in approach to ending homelessness.

Potential Solutions: Ensure the local CoCs and stakeholders understand the reasoning behind the approach the State has taken in ending homelessness, and foster an open discussion about the differences. The State staff should make sure they understand why CoCs may have different priorities. Understanding the reasoning behind stakeholder perspectives can help the group to identify underlying commonalities and shared goals to ending homelessness. Provide background on HEARTH and "Opening Doors" to help stakeholders understand the national context.

Potential Challenge #3: Identifying needs of large Balance of State CoCs

Potential Solutions: If regional planning groups exist within the BOS, they should be engaged in the consultation process. If there is no regional infrastructure for planning, the State could solicit input from providers across the BOS CoC to identify similar, as well as unique, needs.

Potential Challenge #4: Lack of CoC familiarity with ESG and/or ESG providers

Potential Solutions: Ensure that the CoC understands the new ESG program, including eligible activities and participants, and limitations on uses of funds. The consultation process may also provide an opportunity to increase subrecipient participation in the CoC planning process in the long run. Solicit feedback or participation from ESG subrecipients in addition to CoC stakeholders.

Potential Challenge #5: Variable capacity of CoCs

Potential Solutions: Provide adequate background and context at the start of the consultation process. Identify those CoCs that may need more information or assistance to fully engage in meaningful consultation and provide support as available. Connect CoCs with limited capacity with other stakeholders that may be able to provide additional planning support.

Additional Resources

- ESG Resource Page
www.hudhre.info/esg
- CoC Contacts Page of the Homelessness Resource Exchange
<http://www.hudhre.info/index.cfm?do=viewCocContacts>
- ESG Program and Consolidated Plan Conforming Amendments
<https://www.onecpd.info/resource/1927/hearth-esg-program-and-consolidated-plan-conforming-amendments/>
- Notice of the FY 2011 Substantial Amendment Process
<https://www.onecpd.info/resource/1982/emergency-solutions-grants-esg-fy-2011-substantial-amendment-process/>
- Con Plan page of HUD's CPD website
<http://www.hud.gov/offices/cpd/about/conplan/>