



Coordination and Consultation Requirements for State ESG Recipients

WHAT ARE THE COORDINATION & CONSULTATION REQUIREMENTS FOR STATE ESG RECIPIENTS?

Both the Emergency Solutions Grant (ESG) and Continuum of Care (CoC) Program interim rules, as well as the Consolidated Plan regulations, require coordination and consultation in administering and implementing the programs. These requirements are intended to ensure that recipients effectively strategize about assistance needed to address homelessness and how funding provided under both programs can support provision of that assistance. The requirements apply to **all** recipients.

ESG-Specific Requirements

The ESG Interim Rule (at 24 CFR 91.110) requires that all ESG recipients, including states, consult specifically with Continuums of Care on the following issues:

1. Determining how to allocate the ESG grant for eligible activities (both by type of activity and geographic distribution).
2. Developing 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: (a) targeting those who need the assistance most; (b) reducing the number of people living on the streets or emergency shelters; (c) shortening the time people spend homeless; and (d) reducing participants' housing barriers or housing stability risks.
3. Developing funding, policies, and procedures for operating and administering any Homeless Management Information System (HMIS) in which State subrecipients are required to participate.

The ESG regulations are intended to meet the requirements of the HEARTH Act and to foster increased coordination among ESG and other HUD program recipients, and the CoC agencies in their areas.

Consolidated Plan Regulations and Requirements

The revised consolidated plan regulations require Consolidated Plan (Con Plan) jurisdictions, including states, to consult with CoCs and other key stakeholders in order to foster coordination of services and funding streams.

Who Must the State Con Plan Jurisdiction Consult With?

When preparing the portions of the consolidated plan describing the State's homeless strategy and resources available to address the needs of homeless persons and those at risk of homelessness, the State Con Plan jurisdiction must consult with:

- Each Continuum of Care within the state (including the Balance of State CoC, if one exists)

- Public and private agencies that address housing, health, social services, victim services, employment or education needs of low-income or homeless individuals and families
- Publicly funded institutions and systems of care that may discharge persons into homelessness
- Business and civic leaders

State Con Plan jurisdictions are required to consult with **all** CoCs in the state regarding aspects of the Consolidated Plan related to homelessness as well as on ESG-specific requirements. The Con Plan regulations include requirements related to ESG Written Standards and Coordinated Entry and reinforce the ESG Interim Rule requirements concerning Performance Measurement and Resource Allocation described below.

WHAT ARE THE REQUIRED COORDINATION & CONSULTATION WORK PRODUCTS/ OUTPUTS FOR STATE ESG RECIPIENTS?

Written Standards

All ESG recipients are required to develop written policies and procedures for subrecipients to use in providing ESG assistance. The requirements for states differ slightly from those that apply to local governments, in order to accommodate the restrictions on states' use of ESG funds and the variety of areas and CoCs their programs encompass.

State recipients may allow subrecipients to develop their own written standards (see 24 CFR 576.400(d)). Thus, under the state programs, the written standards for providing ESG assistance may vary by subrecipient, Continuum of Care, or the geographic area over which services are coordinated. However, States are required to establish and consistently apply, or require that subrecipients establish and consistently apply, written standards for providing ESG assistance. Written standards developed by the state must be included in the state's Consolidated Plan. If the state allows written standards to be developed by its subrecipients, the state must describe its requirements for the establishment and implementation of those standards in the state's Consolidated Plan.

At a minimum these written standards must include:

- Policies and procedures for evaluating eligibility for ESG
- Standards for targeting and providing essential services related to street outreach
- Policies and procedures for admission, diversion, referral, and discharge by ESG-assisted shelters including standards on length of stay, if any, and meeting the needs of special populations
- Policies and procedures for assessing, prioritizing, and reassessing individuals' and families' needs for essential services related to emergency shelter
- Policies and procedures for coordination among emergency shelter providers, essential services providers, homelessness prevention, and rapid re-housing assistance providers; other homeless assistance providers; and mainstream service and housing providers
- Policies and procedures for determining and prioritizing which eligible families and individuals will receive homelessness prevention assistance and which eligible families and individuals will receive rapid re-housing assistance
- Standards for determining what percentage or amount of rent and utilities costs each program participant must pay while receiving homelessness prevention or rapid re-housing assistance
- Standards for determining how long a particular program participant will be provided with rental assistance and whether and how the amount of that assistance will be adjusted over time
- Standards for determining the type, amount, and duration of housing stabilization and/or relocation services provided to a program participant, including maximum amount of assistance, maximum number of months the program participant may receive assistance; or the maximum number of times the program participant may receive assistance.

Although ESG recipients are not explicitly required to consult with CoCs on the development of written standards for providing ESG assistance, state recipients that do coordinate with CoCs on standards for assistance are likely to achieve more effective results. Many of the ESG standards for prioritizing assistance will influence the development and implementation of the plan to prevent and end homelessness, the implementation of the coordinated entry system, and development of the CoC's written standards. Ideally, CoCs and ESG recipient(s)/subrecipients should coordinate to align their written standards and ensure all populations eligible for assistance within the geographic area are assessed and prioritized for available assistance as consistently as possible.

The processes used to consult with CoCs can vary from state to state and should continue to evolve over time to address changing relationships, opportunities, and challenges.

Coordinated Entry

All CoCs are responsible for developing a coordinated entry system (see [Coordinated Entry Policy Brief and Notice CPD-17-01: Notice Establishing Additional Requirements for a Continuum of Care Centralized or Coordinated Assessment System](#)). ESG-funded programs within a CoC's geographic area must use the Coordinated Entry system developed by the respective CoC. Each State ESG recipient or subrecipient must work with the appropriate CoC to ensure the screening, assessment, and referral of program participants are consistent with ESG written standards when developing the coordinated entry process. Note that victim service providers may choose not to use the CoC's coordinated entry system (see 24 CFR 576.400(d)).

If the CoC for the area has established a coordinated entry system that meets HUD requirements, the Con Plan jurisdiction must describe that system in the ESG-specific section of the Annual Action Plan.

Since ESG recipients and subrecipients are required to use the CoC's coordinated entry process, the consultation requirement for the CoC is intended to ensure the coordinated entry design meets the needs of all ESG-funded projects. HUD expects that consultation between the CoC and ESG Program recipients will be ongoing, as each CoC adjusts the operations of its coordinated entry system to ensure it is meeting the current needs of homeless individuals and families within its geographic area.

Other Requirements

Consistent with the ESG Interim Rule, the Consolidated Plan rule also requires that jurisdictions describe the consultation with each CoC regarding:

- 1.) Determining how to allocate ESG funds each program year;
- 2.) Developing the performance standards for, and evaluating the outcomes of, projects and activities assisted by ESG funds; and
- 3.) Developing funding, policies, and procedures for the administration and operation of the HMIS.

For additional Information on Coordination and Consultation Requirements, see [ESG State Consultation with CoCs](#)

ADDITIONAL RESOURCES

[ESG Interim Rule](#)

[Consolidated Plan Rule](#)

[ESG Action Plan Checklist](#)

[Coordination and Collaboration for CoCs and Con Plan Jurisdictions Guide and Video](#)