

February 2026 Emergency Solutions Grant (ESG) Substantial Amendment: Full Amendment Text

2025-29 Consolidated Plan

ES-05 Executive Summary

The following text was added:

February 2026 ESG Substantial Amendment: As defined in this 2025-2029 Consolidated Plan for FY 2025-26, the State of Tennessee provided some ESG funding to Continuum of Care (CoC) regions through the designation of Set-Aside Cities as a Geographic Priority (see SP-10 and AP-10), and the remaining ESG funding was available through a competitive application process to eligible entities within CoCs.

This substantial amendment to the 2025-2029 Consolidated Plan would eliminate Set-Aside Cities as a Geographic Priority (see SP-10) through which ESG's funding is distributed beginning in FY 2026-27. Instead, a designated amount of ESG funding will be distributed to all eligible CoCs based on a Pro-Rata Needs Score. The components of this Pro-Rata Needs Score and method of calculation will be detailed in ESG's Program Description and the program year's Annual Action Plan's Method of Distribution (see AP-30). Eligible entities within the CoCs, as outlined in Geographic Priorities (see AP-10), are welcome to apply for a portion of their CoC's designated ESG funding.

This substantial amendment will ensure a more equitable distribution of ESG funding across CoCs and provide a more predictable level of ESG funding so that CoCs can better plan for and implement strategies to address and reduce homelessness in Tennessee.

PR-10 Consultation

The following text was added:

February 2026 ESG Substantial Amendment: The State of Tennessee scheduled a consultation meeting with representatives from Tennessee's Continuums of Care (CoCs) on Monday, February 26, 2026, from 10:00 – 11:00 AM CST to explain the nature of this amendment, answer questions, and provide opportunities for CoCs to submit feedback before the formal public comment period and hearing.

During the feedback session, the Housing Program Manager for the Emergency Solutions Grants (ESG) program delivered a PowerPoint presentation outlining the proposed allocation methodology and pro rata share need indicators, which would be implemented in FY 2026-27. After the presentation, participants were invited to offer comments and ask questions.

Participants sought clarification on several areas, including the allocation distribution, applicable spending caps, and the transparency of pro rata share calculations. Additional questions addressed the application submission and review process, eligibility criteria for applicants, and Continuum of Care (CoC) participation requirements. The session also included discussion of the proposed program timeline and overall lifecycle.

No participants provided feedback indicating disagreement with the proposed allocation methodology.

The details of this amendment were also discussed through the formal public comment period's public notice and public hearing. Please see PR-12 for more information.

PR-12 Participation

The following text was added:

February 2026 ESG Substantial Amendment: See the appendix attachment for information and documentation of public participation and results.

The following text is included in the appendix:

February 2026 ESG Substantial Amendment: The State published newspaper public notices in English- and Spanish-language publications to inform citizens of the public comment period and public hearing for this ESG Substantial Amendment.

Public notices were published in the following newspapers:

- Chattanooga Times Free Press – Chattanooga
- The Commercial Appeal – Memphis
- Azul615 (formerly El Crucero de Tennessee) – Nashville

- Herald-Citizen – Cookeville
- The Daily Herald - Columbia
- The Jackson Sun – Jackson
- Johnson City Press – Johnson City
- Knoxville News Sentinel – Knoxville
- La Campana – Franklin
- La Prensa Latina – Memphis
- The Leaf-Chronicle – Clarksville
- State Gazette – Dyersburg
- The Tennessean - Nashville

The published public notices establish the public comment period from February 6, 2026 to March 9, 2026, and direct the public to THDA's Public Notice and Comment webpage to review a summary of the amendment in English, review a summary of the amendment in Spanish, review the full text of the amendment in English, review details for a virtual and in-person public meeting on Thursday, February 26, 2026, and submit a formal public comment via a SurveyMonkey form.

Notifications of accommodations, such as translation services or interpreter services for people with disabilities, were included and available upon request.

THDA also sent an email blast notifying housing partners of the substantial amendment public comment period.

SP-10 Geographic Priorities

The following text was removed:

~~The ESG program sets aside an amount of funding each year for applicants located within Set-Aside Cities. Applicants within Set Aside Cities also can apply for the funds available to non-Entitlement communities but only up to the amount set as a funding cap.~~

The following text was added:

February 2026 ESG Substantial Amendment:

As defined in this 2025-2029 Consolidated Plan for FY 2025-26, the State of Tennessee provided some ESG funding to Continuum of Care (CoC) regions through the designation of Set-Aside Cities as a Geographic Priority, and the remaining ESG funding was available through a competitive application process to eligible entities within CoCs.

This substantial amendment to the 2025-2029 Consolidated Plan eliminates Set-Aside Cities as a Geographic Priority through which ESG's funding is distributed beginning in FY 2026-27. Instead, a designated amount of ESG funding will be distributed to all eligible CoCs based on a Pro-Rata Needs Score. The components of this Pro-Rata Needs Score and method of calculation will be detailed in ESG's Program Description and the program year's Annual Action Plan's Method of Distribution (see AP-30). Eligible entities within the CoCs, as outlined in Geographic Priorities (see AP-10), are welcome to apply for a portion of their CoC's designated ESG funding.

This substantial amendment will ensure a more equitable distribution of ESG funding across CoCs and provide a more predictable level of ESG funding so that CoCs can better plan for and implement strategies to address and reduce homelessness in Tennessee.

AP-10 Geographic

The following text was added:

February 2026 ESG Substantial Amendment:

As defined in this 2025-2029 Consolidated Plan for FY 2025-26, the State of Tennessee provided some ESG funding to Continuum of Care (CoC) regions through the designation of Set-Aside Cities as a Geographic Priority, and the remaining ESG funding was available through a competitive application process to eligible entities within CoCs. Beginning in FY 2026-27, the State of Tennessee has eliminated Set Aside Cities as a Geographic Priority and will implement a Pro-Rata Needs Scores as part of its method of distribution. Please see the AP-10 and AP-30 sections of future Annual Action Plans.