



TN

Department of
**Mental Health &
Substance Abuse Services**



Announcement of Funding

Creating Affordable Housing

To serve Tennesseans experiencing mental illness, substance use disorders (including opioid use disorder) and/or co-occurring disorder

Tennessee Department of Mental Health & Substance Abuse Services
Division of Mental Health Services

Completed Proposals Due: January 30, 2023



Introduction

Building on the 22-year history and success of the Tennessee Creating Homes Initiative (CHI), which has effectively leveraged over \$992 million to create more than 32,000 housing opportunities, the Tennessee Department of Mental Health and Substance Abuse Services (TDMHSAS), Division of Mental Health Services (DMHS), is requesting proposals from agencies and organizations throughout the state of Tennessee to develop **new** safe, quality, and affordable permanent housing options **for people experiencing mental illness, substance use disorders (including opioid use disorder) and/or co-occurring disorder. An additional focus of this funding announcement is for individuals ready for discharge from Regional Mental Health Institutes (RMHIs), including those who are uninsured.**

Program Goals and Objectives

As part of the Tennessee Creating Homes Initiative (CHI), the **Creating Affordable Housing** grant goals include:

- Increased opportunities for individuals experiencing mental illness, recovery from substance use disorders (including opioid use disorder) and/or co-occurring disorder to obtain safe, quality, and affordable permanent housing.
- Increased opportunities for individuals discharging from the RMHIs, including those who are uninsured, to receive safe, quality, and affordable permanent housing in residential facilities licensed **by TDMHSAS** or will become licensed by TDMHSAS within the first year of the affordability period.
- Provide support to eligible, quality organizations with infrastructure funds needed for development, new construction, acquisition, rehabilitation, renovation, and/or conversion to create **new** housing options for the identified population. Infrastructure needs may include, but are not limited to: sprinkler system, heating/cooling system, roof repair, flooring repair, electrical wiring, plumbing repair, insulation, foundation repair, etc.

TDMHSAS is seeking the creation of safe, quality, affordable permanent housing options and services under this funding opportunity that support the substance use, in particular opioid use, recovery of prospective residents following four dimensions as identified by the Substance Abuse and Mental Health Services Administration (SAMHSA):

1. Health: Overcoming or managing one's disease(s) or symptoms and making informed, healthy choices that support physical and emotional well-being.
2. Home: A stable and safe place to live.

3. Purpose: Conducting meaningful daily activities and having the independence, income and resources to participate in society.
4. Community: Having relationships and social networks that provide support, friendship, love and hope.

Definitions

- Affordability Period: For the purposes of this AOF, an affordability period refers to a set period of time, beginning at the date of closing or when State Grant monies are disbursed to a grantee, for which the State's interest in a given property and the covenant running with the land shall be binding upon Grantee, its successors and assigns. The duration/length of the affordability period is determined by the State.
- Affordable housing: For the purposes of this Announcement of Funding (AOF), "affordable housing" refers to housing that is available to all individuals, regardless of income.
- Affordable housing-related services: For the purposes of this AOF, affordable housing-related services refers to services that will assist or sustain an individual in permanent affordable housing, including but not limited to, the provision of down payment assistance; the delivery of shelter or related services for individuals in opioid use recovery, homelessness, and other special needs populations which improve the housing stability of assisted households.
- Co-Occurring Disorder: For the purposes of this AOF, co-occurring disorder refers to both mental illness and substance use disorder occurring at the same time in the same individual.
- Mental Illness: For purposes of this AOF, mental illness refers to a condition diagnosed by a qualified professional using the Diagnostic and Statistical Manual of Mental Disorders, Fifth Edition (DSM-V), or most current revision.
- Opioid Use Disorder: For the purposes of this AOF, Opioid Use Disorder includes opioid, as well as opioid derivatives, use and dependence.
- Permanent housing: For the purposes of this AOF, permanent housing refers to safe, affordable, quality community-based residential options, for which Tennesseans experiencing mental health, substance use disorders (including opioid use disorder) and/or co-occurring disorders shall have the opportunity to reside for as long as they choose and/or need. While implementation of effort to support or encourage residents to consider, seek, obtain, and sustain housing at a higher level of independent living (if and when appropriate) is allowable, there is no set or specified time limit for when a resident is required to leave the housing. Any lease, rental agreement or sublease should be renewable, and should be terminable only for cause.

- Recovery: For the purposes of this AOF, “recovery” refers to a process of change through which individuals improve their health and wellness, live a self-directed life, and strive to reach their full potential. Opioid use recovery refers to this process where overuse, misuse and/or abuse of prescribed or illicit opioids is primary over any other substance used.
- Recovery Housing: For the purposes of this AOF, “recovery housing” refers to quality, safe, healthy living environments that effectively support individuals in recovery from overuse, misuse or abuse of opioids and other substances. While recovery residences vary in structure, all are centered on peer support and a connection to services that promote long term recovery.
- Substance Use Disorder: For the purposes of this AOF, Substance Use Disorder includes substance use and substance dependence.

Table of Contents

1. GENERAL CONDITIONS

- 1.1 Funding Information
- 1.2 Timelines
- 1.3 Proposer Eligibility
- 1.4 Scope of Services
- 1.5 Communications
- 1.6 Proposal Preparation, Formatting, Submission, Withdrawal, and Rejection
- 1.7 Proposal Review, Components, Scoring, and Selection
- 1.8 State’s rights and obligations under this Announcement

2. PROPOSAL NARRATIVE

- 2.1 Relevant Experience
- 2.2 Project Design
- 2.3 Affordability to Residents
- 2.4 Services Available
- 2.5 Community Integration & Participation
- 2.6 Community/Key Partners
- 2.7 Safety Measures
- 2.8 Project Sustainability

3. ATTACHMENTS

Attachment A Cover Sheet
Attachment B Organizational Chart
Attachment C Attestation for Acknowledgement of Cost Reimbursed Budget
Attachment D Proposed Budget
Attachment E Budget Justification
Attachment F Existing Agreements and Third-party Revenue Source(s)
Attachment G Letters of Support
Attachment H CHI Regional Map
Attachment I Scope of Services
Attachment J Sample of Grant Note and Restrictive Covenant Documents

GENERAL CONDITIONS

1.1. *Funding Information*

1.1.1 Project Period: Funding term for selected proposals will be April 1, 2023 – June 30, 2024. There is no recurring funding for this Announcement.

1.1.2 Funding Amount: State of Tennessee Cost Reimbursement Grant Contracts may be available to eligible proposers with a minimum of \$100,000 in requested funds. There is no set limit on the amount of requested funds for a submitted proposal. TDMHSAS estimates that the total available funds for new CAH awards will be \$5,000,000 in FY23. It is estimated that up to 15 awards will be made. This grant is intended to fund projects for the development, new construction, acquisition, rehabilitation, renovation and/or conversion of infrastructure to create **new** housing options in Tennessee for individuals experiencing mental illness, substance use disorders and/or co-occurring disorders. There are no operational funds included as part of this funding announcement. An additional focus for this grant is for the development, new construction, acquisition, rehabilitation, renovation and/or conversion of infrastructure to create **new** TDMHSAS-licensed housing options in Tennessee for individuals ready for discharge from RMHIs, including those who are uninsured. Proposers should submit a budget based upon the full funding term as indicated in section 1.1.1 of this Announcement.

Unallowable uses of funding associated with this Announcement:

- Development of transitional housing; or
- Support for tax-exempt borrowing by local grantees; or
- Provision of off-site improvements or neighborhood infrastructure of public facility improvements; or
- Implementation of homeowner rehabilitation projects; or
- Implementation of homeownership related activities, including down payment assistance programs, development of units for homeownership, or homeowner rehabilitation projects; or
- Acquisition, rehabilitation or construction of rental housing that is a treatment, hospice, nursing home or convalescent facility; or
- Costs incurred prior to the Creating Affordable Housing grant contract start date or after the end date of the contract.

1.1.3 Allocations: Funding allocations will be awarded on the basis of how well a Proposer addresses guidelines and criteria of this Announcement. The actual amount available for a Grant Contract may vary depending on the number and quality of proposals received.

1.1.4 Subject to Funds Availability: Grant contracts awarded as a result of this announcement of funding are subject to the appropriation and availability of funds. In the event funds are not appropriated or otherwise unavailable, the State reserves the right to terminate Grant Contracts upon written notice to the Grantee.

1.1.5 Grant Contract Requirements: Grant contracts awarded as a result of this announcement of funding must comply with all contract requirements and will be subject to both programmatic and fiscal monitoring. Proposers should review the TDMHSAS Grantee Manual located on the Grants Management section of the department's website, located [here](#). This manual includes resources about the grant contracting process, highlights key contract provisions, reviews the programmatic and fiscal requirements for grant contracts, outlines the department's monitoring process, and provides resources related to grant management. Any selected Grantee will be subject to monitoring by the Department as required by [Department of General Services, Central Procurement Office Policy 2013-007](#) and state and federal regulation.

1.1.6 Cost-Reimbursement Grant Contract: This award will result in a grant, cost-reimbursement contract between the State and awarded Grantee. All invoices paid or payments made by the State are to be cost reimbursed; specifically, awarded Grantees must first pay for a given cost out-of-pocket first, and then the State reimburses the Grantee for such cost. Proposers are required to sign an attestation form acknowledging awareness that all invoices paid or payments made by the State to awarded Grantees are to be cost reimbursed (Attachment C).

1.1.7 Grant Note, Restrictive Covenant, and Property Deed: To protect State's interest in a property purchased and/or renovated using State funds provided through this grant, the following three (3) documents will be required from each awarded Grantee:

- Grant Note for the amount of State funding involved, signed by an authorized agent of Grantee and notarized, wherein the buyer acknowledges its obligation to assure

- the property is used to serve the specified service requirements, to be indicated in Scope of Services of the Grant Contract, for a specified Affordability Period; and
- Restrictive Covenant, signed by an authorized agent of Grantee and so notarized, and properly recorded in the appropriate county acknowledging the State's interest in the property, and to make the property available for service recipients for the duration of the Affordability Period; and
 - A copy of the most recently filed property deed showing the property is owned by the Grantee.

Grant Note and Restrictive Covenant documents for each awarded property will be provided to the grantee during the contract development period for signature and notarization. See Attachment J for a sample template of the Grant Note and Restrictive Covenant documents.

In no case shall a grantee draw any funds from this grant prior to completion of the following:

- Signing a Grant Note with notarization; and
- Signing a Restrictive Covenant with notarization; and
- Submittal of the original signed and notarized Grant Note, the original signed and notarized Restrictive Covenant, and a copy of the most recently filed property deed to TDMHSAS.

The State's interest in a funded Property will be assigned upon award but the affordability period is typically from 5 – 25 years, depending on the capital investment.

1.1.8 Licensed Provider Requirements: For projects that intend to serve individuals discharging from RMHIs, grant contracts awarded as a result of this announcement must be licensed by TDMHSAS or become licensed by TDMHSAS within the first year of the affordability period. More information about the TDMHSAS licensure process can be located on the Licensing section of the website <https://www.tn.gov/behavioral-health/licensing/become-a-licensed-provider.html>.

1.1.9. Property Standard Requirements: For any proposed project selected for grant award, one of the following is required:

- All contractors performing infrastructural work on TDMHSAS grant funded properties must be appropriately licensed for the type of work being performed; or

- Infrastructural work completed by contractors toward construction, renovation, rehabilitation, and/or conversion must be bonded and insured.

All housing must meet all applicable local codes, rehabilitation standards, and zoning ordinances at the time of project completion.

Following project completion, all assisted properties must meet Housing Quality Standards throughout the compliance period.

Building Permits. The Grantee must ensure that building permits are pulled on all new construction and rehabilitation projects as required by the state or local jurisdiction, including mechanical, plumbing, and or electrical permits.

Energy Code. New construction projects must also meet the current edition of the International Energy Conservation Code.

Inspections. All rehabilitation or new construction work must be inspected by a licensed inspector based on the rules applicable for the local jurisdiction in which the units are located. Licensed inspectors are certified by the Tennessee Department of Commerce and Insurance – State Fire Marshal’s Office.

If a building permit is issued by a local jurisdiction or the state, inspection by a state certified inspector of that jurisdiction is required.

If the work is exempted by the state or local code and a permit is not required, then documentation from state or local code officials must be provided confirming that exemption. If exempted, a qualified inspector may be used. A “qualified inspector” is defined as an individual with credentials appropriate for the type of work being performed, such as inspectors licensed by the State of Tennessee as Building, Mechanical, Plumbing, or Electrical Inspectors.

For an activity where the state or local code officials do not issue a building permit, a qualified inspector may include home inspectors as appropriate for the work performed, including individuals certified as a housing inspector by a national organization such as the International Code Council, the National Fire Protection Association, or the Standard Building Code Congress.

1.2. Timelines

The following schedule of events represents the State's best estimate of the schedule that shall be followed. The State reserves the right in its sole discretion to adjust this schedule as it deems necessary. In the event such action is taken, notice of such action will be posted on the State's website located [here](#) and notice of the posting will be distributed via the proposer e-mail list.

SCHEDULE OF EVENTS:

December 20, 2022	TDMHSAS Releases Announcement.
December 28, 2022	Proposers Written Questions Regarding the Announcement are due on 12/28/2022.
January 5, 2023	TDMHSAS hosts a conference call to respond to questions AND/OR TDMHSAS issues written responses to questions posted on here .
January 30, 2023	Proposals are due via email on 1/30/2023.
February 17, 2023	TDMHSAS makes announcement of accepted proposals.
April 1, 2023	Contract shall be effective upon gathering all required signatures and approvals from the State in accordance with grant contract section D.1. Required Approvals.

1.3 Proposer Eligibility

1.3.1 The proposer, for purposes of this Announcement, must:

- Be registered with the Tennessee Secretary of State as a legal business entity in active status; must submit a copy of documentation verifying registration as an

attachment to the proposal; documentation must include the entity's SOS control number;

- Have IRS Form 990 (Return of Organization Exempt from Income Tax); must submit most recently filed form as an attachment to the proposal;
- For nonprofit or 501(c)(3) organizations, must be registered with TN Department of Revenue for sales tax exemption – TDMHSAS does not reimburse sales tax expenses with grant funds to a nonprofit or 501(c)(3) organization; must submit documentation to verify registration as an attachment to the proposal. More information can be found using the following link:
<https://www.tn.gov/revenue/taxes/sales-and-use-tax/exemptions-certificates-credits.html>
- Demonstrate experience providing affordable housing or affordable housing-related services in the state of Tennessee. Affordable housing-related services are services that will assist or sustain an individual in permanent housing, including but not limited to, provision of rental or utility payment assistance; delivery of shelter and related services for individuals experiencing mental illness or co-occurring disorders, homelessness or other special needs which improve the housing stability of assisted households.
- Demonstrate good relational standing with TDMHSAS as well as stakeholders, including, but not limited to mental health treatment and/or co-occurring disorder services providing entities within Tennessee.
- Demonstrate a history of successful programmatic and financial responsibility.
- For proposers intending to develop new housing options for individuals ready for discharge from the RMHIs, the proposed residential facility(ies) must be either currently licensed by TDMHSAS or will become licensed by TDMHSAS within the first year of the affordability period.
- Be the owner* of the proposed project by no later than the contract start date.

Program funds for this grant may be expended for capital purchase and/or professional fees for the purpose of development, new construction, acquisition, rehabilitation, and/or conversion of infrastructure to create safe, quality, affordable permanent housing for Tennesseans experiencing mental illness or co-occurring disorder.

*The project owner must be the same entity that submits the proposal for this AOF. Frequently, there are various community stakeholders involved in a housing project.

TDMHSAS will contract only with entities that intend to own, not lease, all capital projects included in the proposal. This includes any property purchased and/or renovated using State funds provided through this grant. Be advised that TDMHSAS will not disburse any grant funds prior to obtaining documentation confirming property ownership by the proposing entity.

The following types of projects are eligible to submit a proposal:

- Proposals that will develop **new** safe, quality, and affordable permanent housing options for people experiencing mental illness, substance use disorders or co-occurring disorders.
- Proposals that support providing TDMHSAS-licensed residential housing for people experiencing mental illness or co-occurring disorders, with focus given to projects serving those ready for discharge from a Regional Mental Health Institute, including those who are uninsured, and can demonstrate residents will have access to support services through community partnerships.
- Proposals that can show additional funding already committed to the project via a shared investment by the proposing entity
- Projects that utilize a Tennessee Regional Housing Facilitator as a resource in some capacity (i.e., consultation, proposal review, writing of the proposal, etc.).
- Proposals which include a detailed timeline for project completion, ensuring the proposed project is completed by June 30, 2023.

Inclusion of Regional Housing Facilitators and CHI 2.0 Regional Substance Use

Housing Facilitators: It is the intent of the State to ensure utilization of the Regional Housing Facilitators and/or the CHI 2.0 Regional Substance Use Housing Facilitators in some capacity (i.e., consultation, review, writing, etc.) for all eligible proposals.

Regional Housing Facilitators and CHI 2.0 Regional Substance Use Housing Facilitators serve as valued resources to solidify and expand new and existing partnerships within the respective regions to educate, inform and expand quality, safe, affordable and permanent housing options for Tennesseans living with substance use disorder. Regional Housing Facilitators' and CHI 2.0 Regional Substance Use Housing Facilitators' contact information and respective regions are identified on the Creating Homes Initiative map found on the TDMHSAS website: https://www.tn.gov/content/dam/tn/mentalhealth/documents/CHI_RHF_Map_Mar_22.pdf

Questions specific to eligibility for this Announcement may be asked in writing at any time. Please email MHSAS.Housing.Homeless@tn.gov for all eligibility-related questions.

1.3.2 A proposer, for purposes of this Announcement, must not be:

- An entity which employs an individual who is, or within the past six (6) months has been, an employee or official of the State of Tennessee in a position that would allow the direct or indirect use or disclosure of information, which was obtained through or in connection with his or her employment and not made available to the general public, for the purposes of furthering the private interest or personal profit of any person; and
- For purposes of applying the requirements above, the State will deem an individual to be an employee or official of the State of Tennessee until such time as all compensation for salary, termination pay, and annual leave has been paid.

1.4 *Scope of Services*

See Attachment I for this program's proposed Scope of Services, which is Section A. of a State Grant Contract. Please note that the State reserves the right to make any changes to the scope of services as deemed necessary before issuing the final Grant Contract.

1.5 *Communications*

1.5.1 The following Coordinator shall be the main point of contact for this Announcement of Funding:

Neru Gobin

Email Address: MHSAS.Housing.Homeless@tn.gov

All proposer communications concerning this procurement must be directed to the Coordinator listed immediately above. Unauthorized contact regarding this Announcement of Funding with other state employees of TDMHSAS may result in disqualification.

1.5.2 Proposer E-Mail List: The State will create an e-mail list to be used for sending communications related to this Announcement. **If you wish to be added to this list,**

please promptly send your contact information, including e-mail address, to MHSAS.Housing.Homeless@tn.gov. Any delay in sending such information may result in some communications not being received. The State assumes no responsibility for delays in being placed on the list.

1.5.3 Questions and Requests for Clarification: Questions and requests for clarification regarding this announcement must be submitted in writing on or before 12/28/2022 to MHSAS.Housing.Homeless@tn.gov. The grant name ("Creating Affordable Housing") or acronym ("CAH") must be included in the subject line of the email. A conference call will be held on 1/5/2023 to respond to questions submitted by 12/28/2022.

1.5.4 State's Response to Questions and Requests for Clarification:

Questions and requests for clarification regarding this Announcement should be submitted in writing on or before 12/28/2022 to MHSAS.Housing.Homeless@tn.gov. A conference call will be held on 1/5/2023 to respond to questions submitted. During the call, proposers can request clarification or additional feedback. The State will offer responses to additional requests on the call as appropriate and will add this to the official, written responses.

1.6 *Proposal Preparation, Formatting, Submission, Withdrawal, and Rejection*

1.6.1 Proposal Preparation: The Proposer accepts full responsibility for all costs incurred in the preparation, submission, and other activities undertaken by the Proposer associated with the proposal.

1.6.2 Proposal Formatting Requirements: The State's goal to review all proposals submitted must be balanced against the obligation to ensure equitable treatment of all proposals. For this reason, formatting and content requirements have been established for proposals.

- Proposals must be received via e-mail by the deadline of 1/30/2023.
- Proposals must address all applicable project narrative questions and label the sections accordingly within the proposal.

- Proposals must be typed, single-spaced on standard 8 ½ inch x. 11 inch paper, in font size twelve (12), with 1 inch margins. The spacing and margin requirements do not apply when preparing the attachment worksheets.
- The combined proposal length is limited to ten (10) pages. This limitation does not include the required proposal attachments.
- The proposed budget should include the summary, detail, salary, and budget justification. This may be sent as PDF or Excel. The budget narrative is limited to one page.

1.6.3 Proposal Submission: Proposals should be submitted to the State via email to MHSAS.Housing.Homeless@tn.gov. by January 30, 2023. The proposal's file name must include both the grant name and the agency's name using the following format: "FY23 CAH Grant_Proposal_Agency Name". When submitting the proposal via email, the subject line must use the same naming format: "FY23 CAH Grant_Proposal_Agency Name". Proposals must be complete and comply with all requirements of this Announcement in order to be eligible for review.

1.6.4 Proposal Withdrawal: Proposals submitted prior to the due date may be withdrawn, modified, and resubmitted by the Proposer so long as any resubmission is made in accordance with all requirements and all deadlines of this Announcement.

1.6.5 State's Right to Reject Proposals: The State reserves the right to reject, in whole or in part, any and all proposals; to advertise new proposals; to arrange to perform the services herein, to abandon the need for such services, and to cancel this Announcement if it is in the best interest of the State as determined in the State's sole discretion. In the event such action is taken, notice of such action will be posted on [TN.gov at this link](https://www.tn.gov), and notice of the posting will be distributed via the proposer e-mail list.

1.7 *Proposal Review, Components, Scoring, and Selection*

1.7.1 Proposal Review: Proposals will be scored based on the ability to demonstrate the intended success of the project. Incomplete and noncompliant proposals will not be reviewed. The State recognizes the need to ensure that funding provided for the Creating Affordable Housing grant provides the maximum benefit to the citizens of Tennessee. Grantees are selected in accordance with state policy, department duties,

department powers, and commissioner duties and powers as related to service as the state's mental health and substance abuse authority responsible for planning for and promoting the availability of a comprehensive array of high-quality prevention, early intervention, treatment, and habilitation services and supports that meets the needs of service recipients in a community-based, family-oriented system.

1.7.2 Proposal Components: Each proposal should contain the following sections. Please note, incomplete proposals will not be reviewed:

- Cover letter
- Cover sheet (Attachment A, signed by authorized representative)
- Table of Contents
- Project Narrative
- Organizational Chart(s) (Attachment B)
- Attestation of Acknowledgement of Cost Reimbursed Budget (Attachment C)
- Proposed Budget (Attachment D)
- Budget Justification (Attachment E)
- Existing Agreements and Third-Party Revenue Source (Attachment F)
- Letters of Support (Attachment G)

1.7.3 Proposal Scoring: Each proposal is allocated a maximum point value that determines a range within which reviewers will assign specific points. The number of points allocated to each component below is the maximum number of points the reviewer may assign. Reviewed proposals may receive a total score between zero (0) and one hundred (100).

Proposal Component	Score
Cover Letter	0 points, but essential
Cover Sheet (Attachment A)	0 points, but essential
Table of Contents	0 points, but essential
Project Narrative <ul style="list-style-type: none"> • Relevant Experience (5 points) • Project Design (15 points) • Affordability to Residents (10 points) • Services Available (10 points) 	70 points

<ul style="list-style-type: none"> • Community Integration/Participation (10 points) • Community/Key Partners (10 points) • Safety Measures (5 points) • Project Sustainability (5 points) 	
Organizational Chart(s) (Attachment B) <i>Organizational chart for the entity submitting the proposal, demonstrating where the Creating Affordable Housing grant program fits within the overall structural organization of the entity submitting the proposal.</i>	0 points, but essential
Attestation of Acknowledgement of Cost Reimbursed Budget (Attachment C)	0 points, but essential
Proposed Budget and Budget Justification (Attachments D and E) <i>Appropriate and realistic budget must be submitted along with a narrative justifying the budget.</i>	25 points
Existing Agreements and Third Party Revenue Source (Attachment F) <i>Provide documentation of any existing agreements with community stakeholders that provide additional resources to the Creating Affordable Housing grant program. List any current third party revenue sources that contribute to the long term sustainability of the Proposing entity.</i>	0 points, but essential
Letters of Support (Attachment G)	5 points

1.7.4 Proposal Selection: The State will notify all Proposers selected for contracting by close of business February 17, 2023.

All grant proposals are reviewed and evaluated by a group of state employees selected by TDMHSAS. Based upon the evaluations, proposal selections will be made and submitted for final approval to the Commissioner of the Department of Mental Health and Substance Abuse Services and/or Commissioner's designee.

The State reserves the right to further negotiate proposals selected to be awarded funds. Prior to the execution of any Grant Contract, the State reserves the right to consider past performance under other Tennessee contracts.

1.8 State's rights and obligations under this Announcement

1.8.1 The State reserves the right to make any changes to this Announcement of Funding, timeline of events, proposals selected, the scope of services, the amount of

funding, and any other aspect of this process as deemed necessary before issuing the final Grant Contract. In the event the State decides to amend, add to, or delete any part of this Announcement, a written amendment will be posted on TN.gov at this link, and notice of this posting will be distributed via the proposer email list.

1.8.2 The State reserves the right to cancel, or to cancel and re-issue, this Announcement. In the event such action is taken, notice of such action will be posted on TN.gov at this link, and notice of the posting will be distributed via the proposer email list.

1.8.3 The State reserves the right to make any changes to the scope of services as deemed necessary before issuing the final Grant Contract.

1.8.4 The State reserves the right to not issue any Grant Contracts in response to this Announcement.

1.8.5 The State reserves the right to further negotiate proposals selected to be awarded funds prior to entering into a Grant Contract.

1.8.6 State obligations pursuant to a Grant Contract shall commence only after the Grant Contract is signed by the Grantee and the State and after the Grant Contract is approved by all other Tennessee officials in accordance with applicable laws and regulations. The State shall have no obligation for services rendered by the Grantee which are not period within the specified Grant Contract term.

1.8.7 Grant contracts awarded as a result of this announcement of funding are subject to the appropriation and availability of funds. In the event funds are not appropriated or otherwise unavailable, the State reserves the right to terminate Grant Contracts upon written notice to the Grantee.

2. *PROPOSAL NARRATIVE*

Proposal narrative responses should address each of the following items, as applicable. The narrative should be structured and titled consistently according to these narrative selections. There is a maximum of ten (10) pages for the proposal narrative section. If

selected for award, the proposal narrative will be added as an attachment to the grant contract.

2.1. Relevant Experience: Briefly describe your organization's experience, capacity and commitment to provide safe, quality, and affordable permanent housing opportunities to Tennesseans living with mental illness, substance use disorders, and/or co-occurring disorders. Additionally, describe your organization's experience (if any), capacity and commitment to provide safe, quality, and affordable permanent housing opportunities to Tennesseans discharging from the Regional Mental Health Institutes (RMHIs), including those who are uninsured.

2.2. Project Design: Specify the address, county, and region (see Attachment H for regional map) of the proposed project site and the proposed number of beds to be made available for the purposes of this grant. Specify whether the proposed project intends to serve individuals discharging from one or more of the Regional Mental Health Institutes (RMHIs). Please include property site information (e.g., appraisal documentation, floor plan, renderings, etc.) as attachments (NOTE: these attachments will not be counted toward the 10-page limit for the narrative section). Please include any information about the proposed property and if it will be able to support housing for individuals with restrictions on housing (ex: individuals on sex offender registry).

If the proposing entity currently owns the property, please include a copy of the property deed as an attachment to the proposal. If the proposing entity does not currently own the property, please explain the plan for property acquisition and ownership, including a timeline through property acquisition and closing. Additionally, specify whether the proposed project is for either: new construction; acquisition; rehabilitation; or conversion of infrastructure to create **new** housing options for the targeted population.

Also, describe ADA accessibility features (including but not limited to features to support vision and hearing impairment) to be included in the project design. Also, identify the anticipated start date for service provision. All expenses related to infrastructure must be completed by licensed, bonded, and insured contractors and subcontractors.

2.3. Affordability to Residents: TDMHSAS intends to support opportunities to provide affordable housing to the targeted population indicated in this Announcement. Indicate

whether residents of the newly developed housing will be expected to pay rent, and indicate the amount and frequency (e.g., monthly, weekly, etc.) of rent payments. Describe in detail what these rent payments will cover for the benefit of residents (as an example: does the rent payments cover utilities, or will residents be expected to pay utilities in addition to rent payments?). In addition to rent, will residents be required to pay an initial deposit, fee, or other additional expense (such as first month's and/or last month's rent) to move in? Explain how the grantee will ensure residents are able to cover other essential needs to sustain quality living and self-care in the community after they've paid rent from their limited income, if any. Additionally, indicate whether the newly developed housing will provide residential opportunities for qualifying individuals who may not have the means to pay rent, and describe how this would be implemented.

2.4. Services Available: List and describe the array of support services to be offered and made available to residents of the newly developed housing and explain how these services will be made accessible and delivered to residents.

2.5. Community Integration & Participation: Describe, with detail, the availability, accessibility, and proximity to community resources that sustain successful community living and recovery, including but not limited to employment opportunities, community activities, primary healthcare, grocery and retail stores, transportation, etc. Additionally, describe the strategy/plan to encourage residents to participate in and ensure successful integration with the community.

2.6. Community/Key Partners: Please describe all local organizational and referral agencies committed to providing residents supported with funding from this project with prompt access to mental health, substance use/abuse, employment, peer wellness, peer support, SSI/SSDI, Outreach, Access, and Recovery (SOAR), and other related housing services in the proposed service region. Additionally, please identify any key partnerships and third-party resources, existing or otherwise, that would positively impact the competitiveness and quality of this project. Include any relevant letters of support from regional community stakeholders, including housing development entities, affordable housing providers, funding source entities and substance use service providers. Letters of support are to be included as Attachment G, and its documentation does not count toward the ten (10) page limit of the Proposal Narrative.

2.7. Safety Measures: Please describe your plan to implement features, amenities, standard operating procedures and/or plans that help to ensure the safety and wellbeing of residents. How will your project utilize these resources and community partners to enhance safety and optimize wellbeing of all residents?

2.8. Project Sustainability: Please detail any organizational plans for sustainment of this project once project-funding has been extinguished. Further, please detail any additional funding sources that will be used for the planning, construction, rehabilitation, services, and/or sustainment of this project. For information regarding the Grant Note, Restrictive Covenant and Affordability Period, refer to Section 1.1.7 of this Announcement.

Attachment A

COVER SHEET | *Creating Affordable Housing*

Legal Name of Proposer	
Federal ID#	
Edison Vendor ID#	
Targeted Coverage of Program (County/Counties and Region)	
CONTACT INFORMATION	
Name of Contact Person	
Title of Contact Person	
Address of Contact Person	
E-mail Address of Contact Person	
Phone Number of Contact Person	
AUTHORIZED REPRESENTATIVE INFORMATION	
Name of Authorized Representative <i>(For Non-Profit, if someone other than the Board Chairperson is named as the Authorized Representative, a signed copy of the resolution of appointment must be submitted.)</i>	
Title of Authorized Representative	
Address of Authorized Representative	
E-mail Address of Authorized Representative	
Phone Number of Authorized Representative	

Signature of Authorized Representative

Date

Attachment B

ORGANIZATIONAL CHART AND BOARD OF DIRECTORS

Provide an organizational chart for the entity submitting a proposal, demonstrating where the Creating Affordable Housing grant will fit into the overall structural organization of the entity submitting the proposal.

Provide an updated list naming each member of the entity's board of directors and their contact information.

Attachment C

ATTESTATION FOR ACKNOWLEDGEMENT OF COST REIMBURSED BUDGET

Provide a signed letter of attestation to confirm acknowledgement that all invoices paid or payments made by the State to awarded FY23 Creating Affordable Housing Grantees are to be cost reimbursed. The letter of attestation must include the language specified below:

To the Tennessee Department of Mental Health and Substance Abuse Services,

As an authorized representative of _____ (*legal name of proposing entity*), I hereby attest that I understand and acknowledge that all invoices paid or payments made by the State toward the FY 2023 Creating Affordable Housing Grant will be cost reimbursed. I acknowledge that submission of documentation confirming and verifying proof of payment by the awarded grantee for all expenses associated with a grant contract will be required and will be subject to review by TDMHSAS prior to approval for reimbursement.

I also affirm that, as referenced in the Announcement of Funding for the FY 2023 Creating Affordable Housing Grant, I have been encouraged to review the TDMHSAS Grantee Manual, located on the Grants Management section on the website <https://www.tn.gov/behavioral-health/providers/grants-management.html> for additional information regarding cost reimbursement budgets and other grant contract requirements.

Signature of Authorized Representative

Date

Printed Name of Authorized Representative

Legal Name of Proposing Entity

Attachment D

PROPOSED BUDGET | Creating Affordable Housing

Please download the Excel budget template available at [this link](#) to complete a proposed budget. The budget template has four tabs: Instructions, Summary, Detail, and Salaries. Summary, Detail and Salaries tabs must be included. Please review the Instructions tab before completing the proposed budget. Proposers should submit a budget based on the infrastructure project.

GRANT BUDGET SUMMARY				
Agency Name: Enter on Detail Tab				
Program Code Name: Enter on Detail Tab				
The grant budget line-item amounts below shall be applicable only to expense incurred during the following				
Applicable Period: BEGIN: Enter on Detail Tab END: Enter on Detail Tab				
POLICY 03 Object Line-item Reference	EXPENSE OBJECT LINE-ITEM CATEGORY ¹	GRANT CONTRACT	GRANTEE PARTICIPATION	TOTAL PROJECT
1, 2	Salaries, Benefits & Taxes ²	\$0.00	\$0.00	\$0.00
4, 15	Professional Fee, Grant & Award ²	\$0.00	\$0.00	\$0.00
5, 6, 7, 8, 9, 10	Supplies, Telephone, Postage & Shipping, Occupancy, Equipment Rental & Maintenance, Printing & Publications ²	\$0.00	\$0.00	\$0.00
11, 12	Travel, Conferences & Meetings ²	\$0.00	\$0.00	\$0.00
13	Interest ²	\$0.00	\$0.00	\$0.00
14	Insurance ²	\$0.00	\$0.00	\$0.00
16	Specific Assistance To Individuals ²	\$0.00	\$0.00	\$0.00
17	Depreciation ²	\$0.00	\$0.00	\$0.00
18	Other Non-Personnel ²	\$0.00	\$0.00	\$0.00
20	Capital Purchase ²	\$0.00	\$0.00	\$0.00
22	Indirect Cost ²	\$0.00	\$0.00	\$0.00
24	In-Kind Expense ²	\$0.00	\$0.00	\$0.00
25	GRAND TOTAL	\$0.00	\$0.00	\$0.00

¹ Each expense object line-item shall be defined by the Department of Finance and Administration Policy 03, *Uniform Reporting Requirements and Cost Allocation Plans for Subrecipients of Federal and State Grant Monies*, Appendix A. (posted on the Internet at: <http://www.tn.gov/assets/entities/finance/attachments/policy3.pdf>)

² Applicable detail follows this page if line-item is funded.

Attachment E

BUDGET JUSTIFICATION | Creating Affordable Housing

Please include a written budget justification of funds needed to support the Creating Affordable Housing grant proposal.

The justification summary should provide detail to support the Grant Contract funds included in each line-item.

The budget justification should be no longer than one page, single spaced.

Attachment F

EXISTING AGREEMENTS AND THIRD-PARTY REVENUE SOURCE(S)

Provide documentation of any existing agreements with community stakeholders that provide additional resources to support the Creating Affordable Housing grant.

List any current third-party revenue sources that contribute to the long-term sustainability of the Proposing entity.

Attachment G

LETTERS OF SUPPORT

Include any relevant letters of support from regional community stakeholders, including housing development entities, affordable housing providers, funding source entities and mental health and/or co-occurring service providers. This attachment and its documentation do not count toward the ten (10) page limit of the Proposal Narrative.

Attachment H

CHI REGIONAL MAP

Creating Homes Initiative

Regional Housing Facilitators



Region 6

Regional Housing Facilitator
Dena Zipp | 731-571-4072
Dena.Zipp@careyinc.org

CHI 2.0 Regional Substance
Use Housing Facilitator
Jason Postlethwait | 731-499-3952
jason@aspellrecovery.com

Region 4

Regional Housing Facilitator
Bill Friskics-Warren | 615-637-6345
bill.friskics-warren@parkcenter
nashville.org

CHI 2.0 Regional Substance
Use Housing Facilitator
Jack Blum | 615-878-1970
Jack.Blum@parkcenternashville.org

Region 2

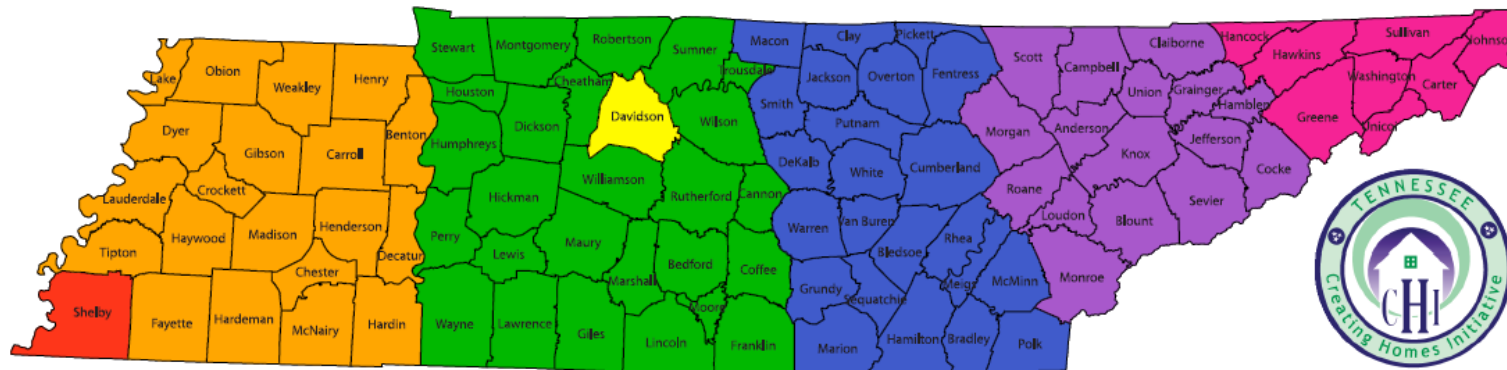
Regional Housing Facilitator
Allie Cohn | 865-399-3144
cohnab@ridgeview.com

CHI 2.0 Regional Substance
Use Housing Facilitator
Sascha Henderson | 865-255-7001
Sascha.henderson@mcnabb.org

Region 1

Regional Housing Facilitator
Stephanie Bullock | 423-483-8606
sbullock@frontierhealth.org

CHI 2.0 Regional Substance
Use Housing Facilitator
Wendy Ramsey | 423-534-6809
wrramsey@frontierhealth.org



Region 7

Regional Housing Facilitator
Lawrence Wilson | 901-277-6101
lawrence.e.wilson@gmail.com

CHI 2.0 Regional Substance
Use Housing Facilitator
Erin Gillylen | 901-598-3942
egillylen@caapincorporated.com

Region 5

Regional Housing Facilitator
Shanley Deignan | 615-517-2896
Shanley.Deignan@parkcenternashville.org

CHI 2.0 Regional Substance
Use Housing Facilitator
Greg Keeling | 931-800-9248
g.keeling.ccdcf@bellsouth.net

Region 3

Regional Housing Facilitator
Susan H. Greene | 423-648-1003
susangreene@aimcenterinc.org

CHI 2.0 Regional Substance
Use Housing Facilitator
Trish Cunningham | 423-876-9291
Patricia.Cunningham@mcnabb.org

Director of Housing & Homeless Services

Neru Gobin | 615-741-9259
Neru.Gobin@tn.gov

Director of Regional Housing Facilitators

Jeanne Price
423-578-4010 | 423-306-2149
jprice@frontierhealth.org

Attachment I

SCOPE OF SERVICES

[PLEASE NOTE: The State reserves the right to make any changes to the scope of services as deemed necessary before issuing the final Grant Contract.]

- A.1. The Grantee shall provide the Scope of Services and Deliverables (“Scope”) as required, described, and detailed in this Grant Contract.
- A.2. This Grant Contract shall be performed in accordance with the Project Application Summary (incorporated into this contract as Attachment #_) which identifies all projects, including Scope of Work, as approved by the State, to carry out activities under the Creating Affordable Housing grant to support safe, quality, and affordable permanent housing options for people experiencing mental illness, substance use disorders (including opioid use disorder) or co-occurring disorders.
- A.3. Services and supports under this Contract shall be delivered in a manner that promotes resiliency, recovery, and independence for individuals and families served. The Division of Mental Health Services prioritizes key values critical to serving Tennesseans with behavioral health needs including programs and practices focused on promotion, intervention, and recovery support services which:
- Encourage co-occurring competent and co-occurring friendly programs;
 - Support culturally responsive and linguistically competent services;
 - Uphold System of Care core values and principles;
 - Aim to prevent and mitigate the impact of adverse childhood experiences (ACEs);
 - Promote trauma informed approaches; and
 - Prioritize evidence-based and/or evidence-informed services resulting in strong outcomes.
- A.4. Service Definitions:
The purpose of this Creating Affordable Housing Grant Contract is to develop **new** safe, quality, and affordable permanent housing options for people experiencing mental illness, substance use disorders (including opioid use disorder) and/or co-occurring disorder.
- a. The Grantee shall, in collaboration with the State, provide and maintain quality, affordable, and safe permanent housing to service recipients as specified in A.5. and pursuant to the terms and obligations specified in the Grant Note (Attachment #_) and Restrictive Covenant (Attachment #_).
- b. The term “affordable housing”, for the purposes of this Grant Contract, refers to housing that is available to individuals who are at or below very low income limits for Tennessee according to the definition of U.S. Department of Housing and Urban Development (HUD) at the time of moving into the residence. Considerations should be made to ensure service recipients have the means to reasonably cover the costs/expenses for all essential needs (e.g., rent, utilities, food, clothing, healthcare, etc.).

- c. The term “affordability period”, for the purposes of this Grant Contract, refers to a set period of time, beginning at the date when State Grant funds are available for disbursement, for which the State’s interest in a given property and the covenant running with the land shall be binding upon Grantee, its successors and assigns. The duration/length of the affordability period is determined by the State and is indicated on the Restrictive Covenant(s), found in Attachment #_.
- d. The term “permanent housing”, for the purposes of this Grant Contract, refers to safe, quality, affordable community-based residential options, for which Tennesseans experiencing mental health, substance use disorders (including opioid use disorder) and/or co-occurring disorders shall have the opportunity to reside for as long as they choose and/or need. While implementation of effort to support or encourage residents to consider, seek, obtain and sustain housing at a higher level of independent living (if and when appropriate) is allowable, there is no set or specified time limit for when a resident is required to leave the housing. Any lease, rental agreement or sublease should be renewable, and should be terminable only for cause.
- e. “Mental illness”, for purposes of this Grant Contract, means a condition diagnosed by a qualified professional using the Diagnostic and Statistical Manual of Mental Disorders, Fifth Edition (DSM-V), or most current revision.
- f. The term “substance use disorders”, for purposes of this Grant Contract, includes substance use and substance dependence.
- g. The term “opioid use disorder”, for purposes of this Grant Contract, includes opioid, as well as opioid derivatives, use and dependence.
- h. The term “co-occurring disorders”, for the purposes of this Grant Contract, refers to both mental illness and substance use disorder(s) occurring at the same time in the same individual.
- i. The term “housing opportunities”, for the purposes of this Grant Contract, refers to the inclusion of all infrastructure and amenities in a safe, quality, affordable and permanent housing unit that is minimally necessary for an individual to sufficiently reside.
- j. The term “very low income”, for the purposes of this Grant Contract, means fifty percent (50%) or less of the area median family income adjusted for family size as specified and annually calculated by the U. S. Department of Housing and Urban Development for the community where the property is located.
- k. The term “Certified Peer Recovery Specialists (CPRS’s),” for purposes of this Grant Contract, are trained individuals who work with persons who have received treatment for mental illness to develop their own recovery-based programs to supplement existing mental health services, address issues such as social isolation and discrimination, experience opportunities for socialization and recovery education, and acquire the necessary skills for the utilization of resources within the community.
- l. The term “Individual Placement and Support/Supported Employment (IPS/SE),” for purposes of this Grant Contract, is an evidence-based practice that was developed by the Dartmouth Psychiatric Research Institute to help promote the recovery of people who have serious mental illness through work. This model is well defined by eight (8)

practice principles and a twenty-five (25)-item fidelity scale.

- m. The term “SOAR”, for purposes of this Grant Contract, refers to SSI / SSDI Outreach, Access, and Recovery. This nation-wide program, designated by the United States Department of Health and Human Services' (DHHS') Substance Abuse and Mental Health Services Administration (SAMHSA) as a best practice, is designed to increase access to the disability income benefit programs administered by the Social Security Administration (SSA) for eligible adults who are homeless or at risk of homelessness and have a mental illness and/or a co-occurring substance use disorder. The process used to implement this program is described on the SOAR Works website, which can be accessed using the following URL: <https://soarworks.prainc.com/>.

A.5. Service Recipients:

Housing is to be provided to:

- (1) Any Tennessee adult (18 years of age and over); and
- (2) Who has received treatment for a mental illness or is in recovery from a substance use disorder; or
- (3) Who also may be diagnosed with a co-occurring mental illness or substance use disorder (not to exclude opioid use disorder); and
- (4) Who, upon entering the property, meets the current HUD definition for very low income; and
- (5) Where applicable, priority is given to individuals discharging from a Regional Mental Health Institute (RMHI), including those who are uninsured.

A.6. Service Goal(s):

- a. To ensure as many service recipients in Tennessee as possible are living in the appropriate setting along the housing continuum while effectively leveraging State dollars with other state/local/federal/private entities to increase the number of safe, affordable, quality, permanent housing options and services for Tennesseans diagnosed with mental illness, substance use disorder, or co-occurring disorders.
- b. When applicable, to increase opportunities for individuals discharging from our state Regional Mental Health Institutes (RMHIs) to receive safe, affordable, quality, permanent housing through licensed facilities.
- c. To effectively utilize grant funding for infrastructural needs toward development, new construction, acquisition, rehabilitation, renovation, and/or conversion of properties to create new housing options for service recipients as described in Section A.5. of this Grant Contract.
- d. The service goal of this Grant Contract is to develop newly created quality, safe, affordable permanent housing options with access to an array of quality recovery support services to all residents, to be made available to Tennesseans experiencing mental illness, substance use disorders (including opioid use disorder) and/or co-occurring disorder. Quality, safe and affordable permanent housing options and accessible services for occupying residents shall support the recovery, resiliency

and independence of prospective residents following four dimensions as identified by the Substance Abuse and Mental Health Services Administration (SAMHSA):

- Health: Overcoming or managing one's disease(s) or symptoms and making informed, healthy choices that support physical and emotional well-being.
- Home: A stable and safe place to live.
- Purpose: Conducting meaningful daily activities and having the independence, income and resources to participate in society.
- Community: Having relationships and social networks that provide support, friendship, love and hope.

A.7. Structure:

- a. Grantee shall develop, construct, acquire, rehabilitate, renovate and/or convert, and make available, properties to provide new safe, quality, and affordable permanent housing opportunities for service recipients for the duration of Affordability Periods as specified in the attached Restrictive Covenant (Attachment #_) and recorded with the Office of the Register of Deeds in the county where the permanent housing is located.
- b. Grantee shall ensure housing options supported under this Grant Contract have the following defining characteristics:
 - (1) Program participation is self-initiated (there may be exceptions for court ordered participation) and residents have expressed a willingness to reside in a permanent supportive housing setting targeted to serve people experiencing mental illness, substance use disorder and/or co-occurring disorders;
 - (2) Minimal barriers exist to entry to housing options, so that factors such as long periods of sobriety, clean criminal records, or clear eviction histories are not required for program entry;
 - (3) Residents have reasonable personal privacy and 24/7 access to the housing;
 - (4) Peer-based recovery supports are available and accessible to all residents;
 - (5) Along with services to help achieve goals focused on permanent housing placement and stability, as well as income and employment, residents have access to services that align with residents' choice and prioritization of goals indicated in Section A.6.d. of this Grant Contract;
 - (6) Termination of residence from affordable permanent housing should only occur either by a resident's choice, or when a resident's behavior substantially disrupts or impacts the safety and welfare of the recovery community in which the resident lives; however, the resident may apply to reenter available housing if they express a renewed commitment to living in a supportive permanent housing setting targeted to serve people experiencing mental illness, substance use disorder or co-occurring disorders;
 - (7) Residents who determine that they are no longer interested in maintaining residence in the permanent supportive housing setting created by living in a housing setting with a recovery focus, or who's housing residence is terminated, are offered assistance in accessing other housing and services options, including options operated with harm reduction principles.

- c. Grantee shall inform, encourage, and provide or effectively connect as appropriate, service recipients with relevant support services that promote recovery, resiliency and independence. Support services shall include but not be limited to supported employment (IPS/SE), peer support (CPRS), or SOAR services in the local community.
- d. If serving individuals experiencing substance use disorder, Grantee shall ensure an array of quality substance use recovery support services are made available and accessible to residents. Available and accessibly quality support services may include, but may not be limited to:
 - (1) Recovery Support Services Assessment: Implementation of intake screening tool and needs assessment.
 - (2) Case Management: Coordination of care services which assist a service recipient in identifying, accessing, and coordinating resources that are supportive in achieving the service recipient's treatment and recovery goals.
 - (3) Drug Testing: Random drug testing is used to determine the presence of substances, to be done in conjunction with other recovery services.
 - (4) Recovery Skills: Designed to assist the service recipient in obtaining the necessary skills to be a successful and productive member of the community and offers skill building topics such as budgeting, parenting, personal growth, and responsible decision making.
 - (5) Relapse Prevention: Designed to assist the service recipient in developing skills to recognize early signs that may lead to relapse and to develop methods to counteract these triggers.
- e. Grantee shall make known to all service recipients current, available and accessible community resources to encourage and foster successful community integration, healthy interpersonal relationships and positive social networking. Such community resources may include, but are not limited to, employment opportunities, local social events and activities, primary healthcare, grocery and retail stores, recreational facilities, worship services, banks, etc. Documentation verifying routine provision of this information to service recipients, and the number of times each service recipient engaged in a community resource each month, shall be maintained for the duration of the Affordability Period indicated in the attached Restrictive Covenant (Attachment __+) and shall be made available upon request of the State.
- f. When applicable as indicated in Project Application Summary (Attachment # __), Grantee shall accept referrals for individuals who are discharging from a Regional Mental Health Institute (RMHI) for consideration for residential placement. Grantee shall contact the RMHI in their geographic service region to identify and assess patients ready for discharge, who are in need of permanent housing and support services. Grantee contact with the respective RMHI should be completed within one week of a bed vacancy.

A.8. Process:

- a. Grantee shall develop, construct, acquire, rehabilitate, renovate and/or convert, and make available the property/properties as described in the

following matrix, within the contract term specified in Section B of this contract:

Funding Source	Street Address	City	Zip Code	Number of Beds
State				

- b. Before requesting reimbursement under this contract, Grantee shall ensure the following executed documentation (as applicable) is provided to the State to protect State's interest in the property or properties purchased and/or renovated using State funds provided through this contract:
- (1) Housing and Urban Development (HUD) 1 closing statement (if new acquisition) showing Grantee as buyer of the property;
 - (2) Grant Note(s), provided by State (Attachment #_), for the amount of State funding involved, signed by an authorized agent of Grantee and so notarized, wherein buyer acknowledges its obligation to assure the property is used to serve specified service recipients for the specified period and the consequences if this obligation is not met;
 - (3) A copy of the Restrictive Covenant(s), provided by State (Attachment #_), signed by an authorized agent of Grantee and so notarized, and properly recorded in the appropriate county acknowledging the State's interest in the property or properties;
 - (4) A copy of the most recently filed property deed showing the property is owned by Grantee (if contract is for new construction or renovation).
- c. When requesting reimbursement for funds under this Grant Contract, Grantee shall submit the following documentation to the State:
- The completed and signed State-issued invoice form, reflecting incurred expenses related to the Grant Contract for the month of invoicing; and
 - For Capital Purchase expenditures incurred during the month of invoicing: submit documentation confirming and verifying proof of purchase and ownership; and
 - For Professional Fees expenditures incurred during the month of invoicing as a result of contractual work completed toward construction, rehabilitation and/or conversion of infrastructure, and infrastructural needs*: submit documentation from the contractor(s) confirming and verifying payment.
- *Infrastructural needs may include, but may not be limited to: sprinkler system, heating/cooling system, roof repair, flooring repair, electrical wiring, plumbing repair, insulation, foundation repair, etc.
- d. Grantee is strongly advised to review the TDMHSAS Grantee Manual located on the Grants Management section on the website <https://www.tn.gov/behavioral-health/for-providers/grants-management.html>. This manual includes resources about the grant contracting process, highlights key contract provisions, reviews the programmatic and

fiscal requirements for grant contracts, outlines the monitoring process, and provides resources related to grant management.

- e. Grantee shall adhere to the expectations and requirements specified in the Grant Note and Restrictive Covenant(s), as identified in Section A.8.b.(2) and Section A.8.b.(3), respectively, for the duration of the specified Affordability Period.
- f. Grantee shall make necessary repairs as needed to these properties to assure they meet and are maintained at applicable codes and reasonable housing quality standards throughout the Affordability Period.
- g. Grantee shall provide permanent housing opportunities for at least [# of beds] service recipient individuals at these locations. At the beginning of the resident's first lease or rental agreement on these properties, the resident's household income must not exceed the current very low income limits for the community where the property is located.
- h. Within ten (10) business days of the start date of occupancy, the Grantee shall submit a request to the TDMHSAS Office of Housing and Homeless Services via email to have the residential site(s) listed on the Housing Within Reach search database, which can be found on the Recovery Within Reach website using the following URL: <https://recoverywithinreach.org/housing/>.
- i. Grantee shall provide these housing opportunities at a rent affordable to the residents.
- j. The Grantee shall request that each service recipient completes one (1) State-approved satisfaction survey, per year throughout the Affordability Period as specified in the attached Restrictive Covenant (Attachment #_), and if/when the resident leaves the program. Copies of these completed satisfaction surveys shall be maintained for at least two (2) years and shall be made available upon request of the State. It is expressly understood and agreed the obligations set forth in this section shall survive the termination of this Grant Contract as specifically indicated herein.
- k. Grantee shall accumulate and maintain documentation at Grantee's offices necessary to demonstrate the terms of this Scope of Service are met and make such documentation available for onsite review when requested by the State. Grantee acknowledges this documentation shall be maintained for the duration of the Affordability Period.
- l. Grantee shall submit reports via email, at a frequency no less than monthly, to the Tennessee Department of Mental Health and Substance Abuse Services, Office of Housing and Homeless Services, until the start date of occupancy and service provision, on the status of development, construction, acquisition, rehabilitation, renovation and or conversion of property/properties indicated in Section A.8.a. Reports should include brief, concise and specific detail documenting ongoing progress toward completion, and should also include photo(s) to provide images reflecting such progress. The Office of Housing and Homeless Services may engage the Regional Housing Facilitator to provide additional feedback regarding progress as deemed necessary.
- m. Beginning one month after the start of occupancy, and continually throughout the duration of the Affordability Period, Grantee shall submit monthly occupancy status reports to the Tennessee Department of Mental Health and Substance Abuse Services, Office of Housing and Homeless Services by the fifteenth (15th) of the

month following the end of each month being reported. The monthly occupancy status report shall provide the current occupancy status and service recipient eligibility for each bed identified in Section A.8.a. of this contract, to meet the requirements of this contract, the Grant Note and the Restrictive Covenant(s), using report guidelines provided by the State.

- n. The Grantee shall ensure, for the duration of the Affordability Period as specified in the attached Restrictive Covenant (Attachment __), all residential vacancies in the property identified in A.8.a. will be filled within thirty (30) days of the date of vacancy. This data shall be indicated in the monthly occupancy reports submitted in compliance with Section A.8.m. Service recipient records shall be made available upon request of the State to verify these reports.

A.9. Outcome – Access:

Housing opportunities described in A.7. and A.8. shall be available to service recipients as described in Section A.5. for the duration of the Affordability Period as specified in the attached Restrictive Covenant (Attachment __) and shall be added to the Housing Within Reach database located on the Recovery Within Reach website, as described in Section A.8.h.

A.10. Outcome – Capacity:

- a. Permanent housing opportunities for at least [# of beds] unduplicated service recipients shall be provided at the specified locations identified in A.8.a, for the duration of the Affordability Period as specified in the attached Restrictive Covenant (Attachment __).
- b. All residential vacancies in the property identified in A.8.a., for the duration of the Affordability Period as specified in the attached Restrictive Covenant (Attachment __), shall be filled within thirty (30) days of the date of vacancy.

A.11. Outcome – Effectiveness:

Effectiveness of providing quality, safe and affordable permanent housing options and access to appropriate support services under this Grant Contract is defined as achieving each of the following measures related to the four recovery dimensions identified in Section A.6.d.:

- a. Health: One hundred percent (100%) of service recipients shall be encouraged to access and participate in one or more recovery support services made available.
- b. Home: Completed satisfaction surveys reflect at least an overall seventy-five percent (75%) satisfaction rate.
- c. Purpose: One hundred percent (100%) of service recipients shall be informed of, encouraged to enroll or participate in, or actually enroll or participate in IPS/SE, CPRS, SOAR, or other services and resources that facilitate opportunities for increased recovery, resiliency and independence.
- d. Community: One hundred percent (100%) service recipients actively participate in at least one community engagement activity/opportunity per month to encourage and foster successful community integration, healthy interpersonal relationships and positive social networking, as described in A.7.e.

Attachment J

SAMPLE OF GRANT NOTE AND RESTRICTIVE COVENANT DOCUMENTS

1 OF 2

SAMPLE GRANT NOTE

Prepared by Tennessee Department of Mental Health and Substance Abuse Services

GRANT NOTE

AMOUNT: _____ (\$_____)

On demand after date, for value received and hereby acknowledged, _____ ("Grant Recipient"), promises to pay to the order of Tennessee Department of Mental Health and Substance Abuse Services ("TDMHSAS") the principal sum of ____ dollars (\$____), in legal tender, with interest thereon from this date at zero percent (0%) per annum. Principal shall be payable at the offices of TDMHSAS or such other place as TDMHSAS may designate.

- A. So long as there is no default with respect to the conditions set forth herein, or as set forth in the Restrictive Covenant executed by ____ (AGENCY NAME) related to the properties at _____ (location) (herein after referred to as "the properties"), the principal sum due and payable under this Grant Note shall be forgiven at the end of the Affordability Period (as defined herein).
- B. TDMHSAS agrees not to make demand for payment under this Grant Note so long as the following conditions are met:
1. The Affordability Period for this grant is ____ years from the date that the state funds are disbursed to the Grant Recipient.
 2. All funds advanced hereunder are used for the purpose of defraying acquisition, closing, and rehabilitation costs on the Properties
 3. The Property units are maintained for Tennessee adults (18 and over) behavioral health consumer(s) or family households that include at least one adult who has a Diagnostic and Statistical Manual, Version V (DSM-V) (or current revision) mental illness diagnosis or mental illness and co-occurring substance use disorder diagnosis and have very low income according to definition of U.S. Department of Housing and Urban Development (HUD) at the time of moving into the unit. The Grant Recipient agrees to maintain documentation that tenant households meet these criteria for the Affordability Period, including attestation by a licensed behavioral health professional regarding diagnosis and documentation of income verification compared to HUD local very low income standard at time of move-in.

4. Neither the Properties, nor any part thereof or interest therein, is sold, leased or otherwise transferred, conveyed or encumbered and no interest in the Grant Recipient is sold or otherwise transferred, conveyed or encumbered during the Affordability Period.
5. The Grant Recipient agrees to all terms and conditions set forth in this Grant Note, the Restrictive Covenants, and the Deed of Trust.

In the event of default hereunder, TDMHSAS shall, at any time thereafter, be entitled, but not required, to immediately demand payment of all amounts due under this Grant Note as of the date of default. Amounts not paid upon demand shall bear interest at the maximum lawful rate from the date of demand until the date payment is received. Should efforts be made to collect this Grant Note, or any part of the indebtedness evidenced hereby, by law or through an attorney, Grant Recipient shall pay all reasonable attorneys' fees, all court costs and all costs of collection upon demand. Any failure on the part of TDMHSAS to exercise its rights hereunder shall not, in any event, be considered a waiver of any such rights nor shall such failure preclude TDMHSAS from exercising such rights at any time. Grant Recipient hereby waives all rights of protest, notice of demand, protest and demand, notice of protest, presentment, demand, dishonor and non-payment.

GRANTEE

BY: _____ (signature)

_____ (printed name)

Title: _____

Date: _____

NOTARY PUBLIC

The individual appeared before me _____, a Notary

Public for _____ County, State of Tennessee, on the _____ day of

_____, 2023, and affixed his/her signature.

My commission expires on _____.

Attachment J

SAMPLE OF GRANT NOTE AND RESTRICTIVE COVENANT DOCUMENTS

2 OF 2

SAMPLE RESTRICTIVE COVENANT

Prepared by Tennessee Department of Mental Health and Substance Abuse Services

RESTRICTIVE COVENANT

This Restrictive Covenant is made and entered into by and between the Tennessee Department of Mental Health and Substance Abuse Services (hereinafter referred to as “State”) and _____ (hereinafter referred to as “Grantee”).

1. Grantee, for and in consideration of _____ dollars (\$_____) (hereinafter referred to as the “State Grant monies”) provided to Grantee for the purchase and/or renovation of real property located at _____ (hereinafter referred to as “the Property”), hereby grants the State of Tennessee an equitable interest in the property and covenants that the restrictions set forth below shall constitute a covenant running with the land benefitting and appurtenant to the real estate and any part thereof:

_____(address) and

recorded in Book _____, Page _____, Register’s Office of

_____ County, Tennessee

2. The State’s interest in the Property and the covenant running with the land shall be binding upon Grantee, its successors and assigns, for _____ years from the date of the closing or when State Grant monies are disbursed to the Grantee (Affordability Period).
3. Grantee covenants that the Property is maintained with number (#) beds as the primary residence for a Tennessee adult (or a family household that includes such adult), eighteen (18) years of age and older, who is receiving treatment or recovery services for a mental illness diagnosed using the Diagnostic and Statistical Manual of Mental Disorders, Fifth Edition (DSM-V), or current revision, or is diagnosed with co-occurring mental and substance abuse or dependency disorders, and has been certified at the time of closing as falling below the U.S. Department of Housing and Urban Development’s (HUD’s) “very low income” guideline for the area where the Property is located.
4. Grantee covenants that neither the State’s interest in the Property nor any part thereof or interest therein, shall be sold, leased, or otherwise transferred, conveyed or encumbered during the Affordability Period without written consent of the Commissioner of the Tennessee Department of Mental Health and Substance Abuse Services.

5. If Grantee fails to properly perform its obligations under this Restrictive Covenant, or if Grantee violates the covenants herein, the State shall have the right to immediately enter upon the above named Property and exercise all of its right, title and interest in the Property. Grantee shall not be relieved of liability to the State for damages sustained by virtue of any breach of this Restrictive Covenant by Grantee.
6. Grantee agrees to be responsible for the accountability, maintenance, and management of the Property purchased or rehabilitated totally or in part with State Grant monies.
7. The validity, construction and interpretation of this Restrictive Covenant shall in all ways be governed and determined in accordance with the laws of the State of Tennessee.
8. Grantee shall file a copy of this Restrictive Covenant in the Office of the Register of Deeds in the county where the Property is located and assure a recorded copy is provided to the State.

IN WITNESS WHEREOF, this Restrictive Covenant has been signed and executed by Grantee and the State on date below their respective signatures hereto:

GRANTEE:

Signature

Date

Printed Name

NOTARY PUBLIC

This individual appeared before me _____, a Notary Public for _____ County, State of Tennessee, on the _____ day of _____, 2023, and affixed their signature.

My commission expires on _____.

Notary Public

STATE OF TENNESSEE

BY: _____

Title: _____

Date: _____

NOTARY PUBLIC

This individual appeared before me _____, a Notary

Public for _____ County, State of Tennessee, on the _____ day of

_____, 2023, and affixed their signature.

My commission expires on _____.

Notary Public