



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



Announcement of Funding

Creating Homes Initiative 3.0 (CHI 3.0)

To serve Tennesseans experiencing mental illness and/or substance use disorder who re-enter the community from prisons and jails or have been previously incarcerated

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

Completed Proposals Due: November 5, 2026



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Introduction

Building on the 26-year history and success of the Tennessee Creating Homes Initiative (CHI), which has effectively leveraged over \$1.4 billion to create more than 37,000 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 safe, quality and affordable permanent housing opportunities for **Tennesseans experiencing mental illness and/or substance use disorder who re-enter the community from prisons and jails or have been previously incarcerated.**

The purpose of **CHI 3.0** is to develop and expand the number of safe, affordable, and quality permanent housing opportunities for Tennesseans experiencing mental illness and/or substance use disorder who re-enter the community from prisons and jails or have been previously incarcerated. CHI 3.0 employs strategic collaboration and assertive partnering to leverage and secure funds and resources to create these housing options for the stated focus population. CHI 3.0 incorporates regionally based professionals, known as Regional Housing Facilitators and Regional Substance Use Housing Facilitators, to serve as “hands on” collaborators with community partners and stakeholders to stimulate the preservation, development, and enhancement of housing options. Their knowledge, skill and expertise in housing development, financing strategies, funding sources, and grant writing are vital to the success of CHI 3.0.

Program Goals and Objectives

- Provide grant funding for development, **new** construction, acquisition, rehabilitation, and/or conversion of infrastructure to create **new** housing opportunities for Tennesseans experiencing mental illness and/or substance use disorder who re-enter the community from prisons and jails or have been previously incarcerated.

TDMHSAS is seeking the creation of safe, quality, affordable permanent housing options and services under this funding opportunity that support the recovery of prospective residents from mental illness and/or substance use disorders 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.

TDMHSAS and the Creating Homes Initiative supports SAMHSA's working definition of recovery from mental illness and substance use disorders as well as SAMHSA's 10 guiding principles of recovery, as indicated in SAMHSA-published document found on the following link: [Ten Guiding Principles of Recovery.pdf \(wa.gov\)](#)

Housing options supported under this grant funding are expected to have the following defining characteristics:

- Program participation is self-initiated (there may be exceptions for court ordered participation) and residents have expressed a preference or willingness to reside in a housing setting targeted to serve persons with a history of mental illness and/or substance use disorder who re-enter the community from prisons and jails or have been previously incarcerated.
- Minimal barriers exist to entry to housing options, so that long periods of sobriety, clean criminal records, or clear eviction histories are not required for program entry. Criminal history and backgrounds are not barriers to entry.
- Residents have personal privacy and 24/7 access to the housing.
- Peer-based recovery supports are available and accessible to all residents.
- Behavioral health and wrap-around services and supports available to residents employ a trauma-informed approach to foster safety (physical, mental, and emotional) and trust, as well as promote choice, empowerment, and collaboration.
- 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 of preventing reincarceration, mental health and physical stability, sustained recovery from substance use, and successful long-term integration to the community.
- Eviction from affordable permanent housing should only occur when a resident's behavior substantially disrupts or impacts the 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 housing setting targeted to persons with a history of mental illness and/or substance use disorder who re-enter the community from prisons and jails or have been previously incarcerated.

- Residents who determine that they are no longer interested in living in a housing setting with a recovery focus, or who are evicted from the housing, are offered assistance in accessing other housing and services options, including options operated with harm reduction principles.

Affordable permanent housing types that are considered eligible for this funding opportunity include, but are not limited to, the following:

- Peer Run Residence
 - Democratically run
 - Implementation of Manual or Policy and Procedures
 - Drug Screening (where necessary)
 - House meetings
 - Self-help meetings encouraged
 - No paid positions within the residence
- Monitored Residence
 - House manager or senior resident
 - Implementation of Policy and Procedures
 - House rules provide structure
 - Peer run groups
 - Drug Screening (where necessary)
 - House meetings
 - Involvement in self-help and/or treatment services
 - At least 1 compensated position
- Supervised Residence
 - a. Organizational hierarchy
 - b. Administrative oversight for service providers
 - c. Implementation of Policy and Procedures
 - d. Emphasis on life skill development
 - e. Clinical services utilized in outside community
 - f. Service hours provided in house
 - g. Facility manager
 - h. Staff or case managers

To benefit residents of **newly** developed safe, quality and affordable permanent housing for people experiencing mental illness and/or substance use disorder who re-enter the community from prisons and jails or have been previously incarcerated, the following support services are

expected to be made available to all service recipients of residential facilities funded by this grant:

- Recovery Support Services Assessment: Implementation of intake screening tool and needs assessment.
- 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.
- Drug Testing: Random drug testing is used to determine the presence of substances, to be done in conjunction with other recovery services.
- Recovery Skills and Life 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, employment, daily living, social and community engagement, emotional intelligence, personal growth, and responsible decision making.
- Recidivism Prevention and Relapse Prevention: Designed to assist the service recipient in developing skills to recognize early signs that may lead to recidivism and relapse and to develop methods to counteract these triggers.

Definitions

- **Affordability Period**: For the purposes of this Announcement, 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. See Section 1.1.7 of this Announcement for more information about the Affordability Period.
- **Affordable housing**: For the purposes of this AOF, "affordable housing" refers to housing that is available to all individuals, regardless of income. TDMHSAS encourages using well-established and widely accepted guidelines for determining affordability of housing for the proposed residential project. Please note that the Grant Note and Restrictive Covenant documents (see Attachment J) refers to the U.S. Department of Housing and Urban Development's (HUD's) "very low income" guideline for the area where the property is located.
- **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 delivery of shelter or related services for individuals with mental illness and/or substance use disorder and homelessness or risk of homelessness which improve the housing stability of assisted households.

- Certified Peer Recovery Support Specialists (CPRS): For the purposes of this Announcement, “Certified Peer Recovery Support Specialists are individuals who work with persons who have received treatment or intervention for mental illness and/or substance use disorder 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. More information on Peer Recovery Services and the Certified Peer Recovery Specialist Program can be found using the following URL: <https://www.tn.gov/behavioral-health/mental-health-services/peers.html>.
- Co-occurring disorder: For the purposes of this Announcement, “co-occurring disorder” refers to concurrent diagnoses of mental illness and a substance use disorder.
- Individual Placement and Support/Supported Employment (IPS/SE): For the purposes of this Announcement, “Individual Placement and Support” 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, described on the IPS Employment Center website: <https://ipsworks.org/index.php/what-is-ips/>.
- Grant Note: For the purposes of this Announcement, a “Grant Note” refers to a formal and binding agreement in which the grantee (grant recipient) promises to pay the total dollar amount of the infrastructural grant funds awarded if the grantee incurs any default with respect to the conditions of the grant contract. See Section 1.1.7 of this Announcement for more information about the Grant Note.
- Mental Illness: For purposes of this Announcement, 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.
- New or Newly Created Housing Options: For the purposes of this Announcement, “New Housing Options” and “Newly Created Housing Options” refers to the establishment of residential beds, amenities, and corresponding accommodations that do not currently exist or not currently in operation.
- Permanent housing: For the purposes of this Announcement and the Creating Homes Initiative 3.0 (CHI 3.0), permanent housing refers to safe, affordable, quality community-based residential opportunities for which Tennesseans experiencing mental illness and/or substance use disorder who re-enter the community from prisons and jails or have been previously incarcerated are able 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 maintain 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.

- **Recidivism:** For the purposes of this Announcement, “recidivism” refers to a return to criminal behavior or renewed involvement with the criminal justice system following release from incarceration or other criminal justice supervision. Depending on the context, recidivism may include rearrest, reconviction, reincarceration, or revocation of community supervision due to a new offense or violation of supervision conditions.
- **Recovery:** For the purposes of this Announcement, “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.
- **Recovery Support Services:** For the purposes of this Announcement, “recovery support services” refers to services provided to persons experiencing mental illness and/or substance use disorder who re-enter the community from prisons and jails or have been previously incarcerated to promote individual, program, and system-level approaches that foster health and resilience, increase permanent housing, employment, and other necessary supports, and reduce barriers to social inclusion.
- **Reentry Support Services:** For the purposes of this Announcement, “reentry support services” refers to coordinated services that assist individuals with mental illness and/or substance use disorder who are transitioning from prisons or jails to obtain and maintain stable housing and successfully reintegrate into the community. Services may include housing navigation and stabilization, behavioral health and substance use treatment, case management, benefits assistance, employment support, peer recovery support, transportation, life skills development, and linkage to community-based resources that promote long-term housing stability, recovery, and reduced recidivism.
- **Restrictive Covenant:** For the purposes of this Announcement, “Restrictive Covenant” refers to a formal and binding agreement filed with the county register of deeds office of the Tennessee county in which the property is located, which limits the use of the property for which the restrictive covenant is placed. Specifically, the restrictive covenant binds the property for the purpose(s) contained within the covenant. For purposes of this Announcement, the restrictive covenant shall bind the property for the intended purposes as detailed in the original associated grant contract or any subsequent amendments and shall restrict the property owner from engaging in certain actions related to the funded property for a specified period of time (known as the “affordability period”). For purposes of this Announcement, the property owner shall also mean the grantee, unless otherwise agreed upon by TDMHSAS. See Section 1.1.7 of this Announcement for additional information about the Restrictive Covenant.
- **SSI/SSDI, Outreach, Access, and Recovery (SOAR):** For the purposes of this Announcement, “SSI/SSDI, Outreach, Access, and Recovery (SOAR)” refers to a program 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. More information about SOAR is found on the TDMHSAS website:

<https://www.tn.gov/behavioral-health/housing/disability-benefits.html>

- Substance Use Disorder (SUD): For the purposes of this Announcement, Substance Use Disorder refers to a condition characterized by the recurrent use of alcohol and/or other drugs that results in significant impairment, distress or adverse consequences. Substance use disorders range in severity from mild to severe and may affect an individual's physical health, mental health, relationships, employment, and ability to function in daily life. For purposes of this funding opportunity, individuals with a substance use disorder may require recovery-oriented treatment, supportive services, and stable housing to support long-term recovery, successful community reintegration, and improved health and well-being.
- Supportive Housing: For the purposes of this Announcement, "Supportive Housing" refers to a model of service delivery that combines low-barrier affordable housing, access to health care, and wrap-around supportive services to help individuals attain and maintain greater stability in community living, thereby promoting recovery, resilience, and independence for service recipients. Supportive housing typically targets people who are homeless or otherwise unstably housed, experience multiple barriers to housing, and are unable to maintain housing stability without supportive services.

GENERAL CONDITIONS

1.1. *Funding Information*

1.1.1 Project Period: Funding term for selected proposals will be March 1, 2027 – February 28, 2029. Funding for infrastructure costs is one-time only and therefore not recurring.

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 for infrastructural costs. TDMHSAS estimates that the total available funds for new CHI 3.0 awards will be \$5,000,000 in FY2027. Please note that funding amounts may vary based on proposal selection and submissions. It is estimated that up to 10 awards will be made. Proposers should submit an infrastructure budget based upon the full funding term as indicated in section 1.1.1. of this Announcement. No match is required for this grant; however, proposers are highly encouraged to leverage additional funding and partnerships to strengthen their proposed project.

This grant is intended to fund projects for:

- The development, **new** construction, acquisition, rehabilitation, and/or conversion of infrastructure to create **new** housing opportunities in Tennessee for persons experiencing mental illness and/or substance use disorder who re-enter the community from prisons and jails or have been previously incarcerated.

Unallowable uses of funding associated with this Announcement:

- Development of transitional housing
- Support for tax-exempt borrowing by local grantees
- Provision of off-site improvements or neighborhood infrastructure of public facility improvements
- Implementation of homeowner rehabilitation projects
- Implementation of homeownership related activities, including down payment assistance programs, development of units for homeownership, or homeowner rehabilitation projects
- Acquisition, rehabilitation, or construction of rental housing that is a treatment, hospice, nursing home or convalescent facility

- Expenses toward properties under a lease agreement
- Mortgage payments
- Pre-development costs
- Operational costs
- Specific assistance to individuals
- Salaries, taxes, and benefits
- Travel, conferences, and meetings
- Depreciation
- Indirect costs
- Costs incurred prior to the CHI 3.0 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 the Tennessee Department of General Services, Central Procurement Office Policy 2013-007 ([Policy2013-007 Approved 1.15.15 corrected 5.15.15.pdf](#)) 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, 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 signed by the Commissioner of TDMHSAS 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. Please see Section 1.3.1 and Section 1.1.7 of the Announcement related to property ownership and property deed requirements.

Grant Note

The Grant Note is a legally binding financial agreement between the Tennessee Department of Mental Health and Substance Abuse Services (TDMHSAS) and a grant recipient receiving state funding for the acquisition, construction, or rehabilitation of behavioral health housing. While structured as a promissory note, the Grant Note functions as a forgivable loan, documenting the State's financial investment and the conditions under which repayment is either forgiven or required.

The purpose of the Grant Note is to ensure that state grant funds are used for their intended public purpose and that the recipient fulfills the long-term obligations associated with the funding. Rather than requiring immediate repayment, the Grant Note provides that the principal balance will be forgiven at the end of the designated affordability period, provided the recipient remains in compliance with all program requirements. These requirements include, but are not limited to, using the funds for

eligible property acquisition and rehabilitation costs, maintaining the property as housing for eligible Tennessee adults with mental illness and/or substance use disorders who meet HUD very low-income criteria, preserving the property throughout the affordability period, and complying with the related Restrictive Covenant.

The Grant Note also establishes the consequences of noncompliance. If the grant recipient fails to meet the terms of the agreement or defaults on any of the required conditions, TDMHSAS may declare the Grant Note in default and require repayment of the grant funds. The document further provides the legal authority for the State to pursue collection, including applicable interest after demand for payment and any associated collection costs, if necessary.

The Grant Note is an important accountability tool because it protects the State's investment while allowing recipients to benefit from grant funding without incurring permanent debt, provided they continue to operate the property in accordance with the program's mission. Together with the Restrictive Covenant, the Grant Note creates a comprehensive legal framework that ensures publicly funded housing remains available to serve vulnerable Tennesseans with behavioral health needs for the duration of the affordability period. This structure balances flexibility for grantees with strong fiscal stewardship, ensuring that taxpayer-funded investments produce lasting public benefit and that the State has appropriate legal remedies if program requirements are not met.

See Attachment J for a sample template for the Grant Note.

Restrictive Covenant

The Restrictive Covenant is a legally binding agreement between the Tennessee Department of Mental Health and Substance Abuse Services (TDMHSAS) and a grant recipient that receives state funding for the acquisition, construction, or rehabilitation of residential property. The covenant is recorded with the county Register of Deeds and "runs with the land," meaning its requirements remain attached to the property and continue to apply to future owners or successors during the designated affordability period.

The purpose of the Restrictive Covenant is to ensure that public funds invested in housing create a long-term public benefit. Specifically, it protects the State's investment

by requiring that the property continue to serve eligible adults with serious mental illness and/or substance use disorders who meet HUD's very low-income criteria, rather than being converted to another use or sold for private gain during the affordability period.

Under the covenant, the grantee agrees to maintain the property as housing for the intended population, preserve the required number of residential beds, properly manage and maintain the property, and obtain written approval from the Department before selling, transferring, leasing, or otherwise encumbering the property during the affordability period. These provisions ensure that the housing remains available for the vulnerable population it was intended to serve and that the State retains an equitable interest in the property for the duration of the agreement.

The Restrictive Covenant is an important accountability and stewardship mechanism. It provides assurance that taxpayer-funded investments in behavioral health housing produce sustainable, long-term community benefits by preserving affordable, recovery-oriented housing for individuals with mental illness and substance use disorders. At the same time, it establishes clear responsibilities for grantees, protects the State's financial interest, and promotes responsible management of publicly funded housing assets. By requiring the covenant to be recorded with the property deed, the agreement provides transparency and legal enforceability, ensuring that the property's intended public purpose is preserved throughout the affordability period.

See Attachment J for a sample template for the Restrictive Covenant.

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 samples 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 filing with the appropriate County Register of Deeds (must be filed by the grantee); 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 along with any other relevant legal documentation pertaining to the property which may be of significance to the grant contract.

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 by the State. The Affordability Period associated with each project selected for funding may vary depending upon the total amount of funding provided by TDMHSAS.

TDMHSAS anticipates using the following funding amount ranges to determine the Affordability Periods for the FY 2027 CHI 3.0 Grant contracts:

Funding Amount Range	Affordability Period
\$1 - \$100,000	5 years
\$100,001 - \$200,000	10 years
\$200,001 - \$300,000	15 years
\$300,001+	20 years

1.1.8 Licensed Provider Requirements: As applicable, for projects that intend to serve individuals discharging from Regional Mental Health Institutes (RMHIs), grantee's awarded grant contracts 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 projects involving new construction must be "shovel ready" by no later than the grant contract start date. "Shovel-ready" refers to a project that is fully prepared to begin

physical construction immediately. More specifically, a shovel-ready project typically has:

- All required planning and design work completed
- Necessary permits and regulatory approvals secured
- Land or site access finalized
- Funding identified or in place
- No major outstanding environmental, legal, or logistical obstacles

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.

Please Note: To support the integrity and success of the FY 2027 CHI 3.0 Grant, TDMHSAS may request additional information from applicants before notifying them of grant awards. Requested information may include, but is not limited to, documentation of project readiness, financial feasibility, and audited financial statements. TDMHSAS may use this information to make final proposal-selection decisions.

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:

September 24, 2026 TDMHSAS Releases Announcement.

October 8, 2026 Grant Application Workshop, to be held virtually on 10/8/2026 at 8:30am CST.

October 8, 2026 Intent to Apply due via email to MHSAS.Housing.Homeless@tn.gov by 10/8/2026.

October 13, 2026 TDMHSAS posts responses to questions asked during the Grant Application Workshop on the Funding Opportunities page of the TDMHSAS website, found [here](#).

November 5, 2026 Proposals are due via Formstack on 11/5/2026.

December 21, 2026	TDMHSAS makes announcement of accepted proposals.
March 1, 2027	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:

- Have physical presence in Tennessee at the time of submitting the proposal.
- 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 recovering from substance use 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 re-entry services and substance use recovery 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 property for the proposed project, or have a (mutually signed, by grant applicant and seller) contingency agreement to purchase or acquire the property for the proposed project, by no later than the date of grant proposal submission to TDMHSAS.
- 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 and/or substance use disorder who re-enter the community from prisons and jails or have been previously incarcerated.

*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.

Please Note: To support the integrity and success of the FY 2027 CHI 3.0 Grant, TDMHSAS may request additional information from applicants before notifying them of grant awards. Requested information may include, but is not limited to, documentation of project readiness, financial feasibility, and audited financial statements. TDMHSAS may use this information to make final proposal-selection decisions.

Inclusion of Regional Housing Facilitators and Regional Substance Use Housing Facilitators: It is the intent of the State to ensure utilization of the Regional Housing Facilitators and/or the Regional Substance Use Housing Facilitators in some capacity (i.e., consultation, review, writing, etc.) for all eligible proposals. Regional Housing Facilitators and 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 experiencing mental illness and substance use disorder, including those who are justice-involved. Regional Housing Facilitators' and 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.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 Intent to Apply: If your organization intends to apply for the FY 2027 CHI 3.0 Grant, please send an email to MHSAS.Housing.Homeless@tn.gov to express your intent to apply by October 8, 2026. Along with your statement of intent to apply, include your organization's full legal name, primary contact name and email address.

1.5.4 Grant Application Workshop: A grant application workshop will be held virtually on October 8, 2026, at 8:30am CST. Notification and link to the virtual grant application workshop will be sent to all email addresses added to the proposer email list (see Section 1.5.2). While attendance to the workshop is not required for eligibility to apply, it is encouraged that all organizations with an intent to apply attend.

1.5.5 State's Response to Questions and Requests for Clarification: Questions and requests for clarification asked during the Grant Application Workshop (see Section 1.5.4) and associated responses will be posted on the Funding Opportunities page of the TDMHSAS website (<https://www.tn.gov/behavioral-health/departments-funding-opportunities.html>) within 3 business days after the workshop.

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 Formstack by the deadline of 11/5/2026.
- Proposals must address all applicable project narrative questions and label the sections accordingly within the proposal.
- Proposals and all applicable attachments and supporting documentation must be submitted using the Formstack link indicated in Section 1.6.3.

1.6.3 Proposal Submission: Proposals should be submitted to the State by November 5, 2026. TDMHSAS intends to utilize Formstack as the means for proposers to complete and submit their proposals; the link to access the Formstack application is here: https://stateoftennessee.formstack.com/forms/fy2027_creating_homes_initiative_3_0_chi_3_0. Proposals must be complete and comply with all requirements of this Announcement 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, 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 Homes Initiative 3.0 (CHI 3.0) 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.

Please Note: To support the integrity and success of the FY 2027 CHI 3.0 Grant, TDMHSAS may request additional information from applicants before notifying them of grant awards. Requested information may include, but is not limited to, documentation of project readiness, financial feasibility, and audited financial statements. TDMHSAS may use this information to make final proposal-selection decisions.

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)
- TN Secretary of State documentation, most recent IRS Form 990, and applicable TN sales-tax exemption documentation (see Section 1.3)
- Project Narrative
- Organizational Chart(s) and Board of Directors (Attachment B)
- Attestation of Acknowledgment of Cost Reimbursed Budget (Attachment C)
- Proposed Budget (Attachment D)
- Proposed 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
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Cover Letter	0 points, but essential
Cover Sheet (Attachment A)	0 points, but essential
Secretary of State documentation, most recent IRS Form 990, and applicable TN sales-tax exemption documentation (see Section 1.3)	0 points, but essential as applicable
Project Narrative • Relevant Experience (5 points) • Statement of Need (5 points) • Project Design (15 points) • Affordability to Residents (10 points) • Services Available (10 points) • Community Integration/Participation (10 points) • Community/Key Partners (5 points) • Safety Measures (5 points) • Project Sustainability (5 points)	70 points
Organizational Chart(s) and Board of Directors (Attachment B) <i>Organizational chart for the entity submitting the proposal, demonstrating where the Creating Homes Initiative CHI 3.0 (CHI 3.0) fits within 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.</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) Provide documentation of any existing agreements with community stakeholders that provide additional resources to the CHI 3.0 grant program. List any current third party revenue sources that contribute to the long term sustainability of the Proposing entity.	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 December 21, 2026.

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.

Please Note: To support the integrity and success of the FY 2027 CHI 3.0 Grant, TDMHSAS may request additional information from applicants before notifying them of grant awards. Requested information may include, but is not limited to, documentation of project readiness, financial feasibility, and audited financial statements. TDMHSAS may use this information to make final proposal-selection decisions.

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 specified within the Grant Contract.

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

2.A. Relevant Experience (*Total Maximum 5 Points*): Describe your organization's experience, capacity, and demonstrated commitment to providing safe, quality, affordable permanent housing and recovery support services for Tennesseans with mental illness and/or substance use disorder who re-enter the community from prisons and jails or have been previously incarcerated. Provide specific, verifiable evidence reviewers can evaluate.

2.A.1. How many years has your organization operated housing programs? List current housing programs, including the number of beds managed and current or most recent occupancy rate.

2.A.2. Has your organization previously received TDMHSAS CHI or other state housing program funding? If so, identify the program(s) and provide data-oriented outcomes achieved. Also explain any performance issues and how your agency overcame them.

2.A.3. Describe your organization's experience working specifically with people experiencing mental illness and/or substance use disorders who are justice-involved (e.g., re-

entry programming, corrections partnerships, parole/probation support, etc.). Provide at least one concrete example.

2.A.4. Identify key staff who will lead this project, including titles, roles and relevant credentials. Are any Certified Peer Recovery Specialists (CPRS) currently employed? Please describe.

2.A.5. Has your organization provided services to individuals under Mandatory Outpatient Treatment (MOT) orders? If yes, describe your experience and outcomes.

2.B. Statement of Need (Total Maximum 5 Points): Provide a data-driven statement of need for the proposed housing in the targeted region. Focus on the specific need for housing for Tennesseans with mental illness and/or substance use disorder who are re-entering the community from incarceration or have been previously incarcerated.

2.B.1. Identify the service area (county/counties/region). What is the estimated population of justice-involved individuals with behavioral health needs in this area? Cite your data source.

2.B.2. What does current data tell you about housing availability for this population in the region? Is there a waitlist for existing housing options? Describe the gap between documented need and current supply.

2.B.3. Describe regional trends in recidivism, homelessness among justice-involved individuals, or lack of licensed behavioral health housing. Cite specific data sources (e.g., TBI data, TDOC reentry data, local HUD Continuum of Care reports, county jail data, etc.).

2.B.4. What specific barriers does this population face in accessing housing in your region (e.g., landlord restrictions, criminal history policies, sex offender registry requirements, distance from treatment services, lack of income at release, etc.)?

2.C. Project Design (Total Maximum 15 Points): Describe the proposed project in full detail, demonstrating the site's suitability for the target population, the organization's readiness to execute, and a realistic timeline to occupancy. Non-specific or incomplete responses will significantly affect your score. NOTE: Attach any floor plans, appraisals, and/or renderings.

2.C.1. Site overview: State the full address, county, and CHI region for the proposed project. Describe the facility: total square footage, number of stories/floors, number of bedrooms, square footage for each bedroom, number of residents per bedroom, number of bathrooms, and number and description of common areas. Indicate whether the site will serve men, women, or both, as well as any intended subset of the grant's targeted population, if any

(e.g., veterans, older adults, etc.). How many beds to serve the grant's targeted population will be made available under this grant?

2.C.2. Project type and construction scope: Is this new construction, acquisition, renovation, rehabilitation, or conversion? Describe all planned construction or rehabilitation work. Attach a signed contractor bid or agreement on contractor letterhead. Confirm the contractor is licensed, bonded, and insured.

2.C.3. Property ownership and acquisition: Does the proposing entity currently own the property? If yes, attach a copy of the property deed. If not, describe the acquisition plan, projected closing date, and sources of acquisition funding.

2.C.4. Site suitability for the target population: Why is this specific site best for individuals with behavioral health needs who are justice involved? Address: (a) access to transportation and/or proximity to public transportation; (b) proximity to behavioral health treatment, employment, and essential retail; (c) zoning status and any known challenges; (d) whether the site can accommodate individuals on the sex offender registry. If yes to (d), describe your compliance plan for TCA 40-39-211.

2.C.5. Development timeline: Provide a clear milestone schedule with projected dates for: (a) property closing or acquisition; (b) construction/renovation start and completion; (c) TDMHSAS licensure application (if applicable); (d) facility ready for occupancy and start of service. Include in your timeline any known permitting, environmental, or zoning issues and your plan to address them.

2.C.6. Additional funding: If CHI 3.0 funds will not cover total project costs, identify all additional funding sources, amounts, current status (secured vs. pending), and provide any contractual or other legal documentation for each funding source as part of Attachment F.

2.D. Affordability to Residents (*Total Maximum 10 Points*): Describe how the proposed housing will be financially accessible to residents, the majority of whom will likely have limited or no income upon re-entry from incarceration.

2.D.1. Will residents be required to pay rent? If yes, state the amount and payment frequency (weekly/monthly). What does the rent cover (utilities, internet, laundry, meals, etc.)? Are there any move-in fees, deposits, or first/last month requirements?

2.D.2. How is the rent amount set relative to residents' income? Explain how rent remains affordable for individuals at this income level. Also describe how your project will structure rent to allow for zero income, or qualify for extremely low, or very low-income households.

2.D.3. What is your policy for residents who cannot pay rent – for example, due to delayed benefits, recent release from incarceration, or unemployment? Will you accept residents with no income, and how are these situations handled operationally and financially?

2.D.4. What resources will the organization provide or connect residents to in order to establish income and benefits (e.g., established agreements and partnerships with local employers, SSI/SSDI enrollment, SOAR services, IPS/Supported Employment, employment assistance)? How does this connect to your affordability model?

2.D.5. Describe any third-party subsidies, vouchers, or operating funds that reduce the cost burden on residents (e.g., HUD housing choice vouchers, state operating subsidies, rental assistance programs).

2.E. Services Available (*Maximum 10 Points*): Describe the full array of recovery support services that will be available to residents of the proposed housing. Focus on services that support successful re-entry, reduce recidivism, and help residents maintain stable housing.

2.E.1. List each specific service you will provide. For each service, state: (a) whether it is on-site or community referral; (b) who delivers it (staff title/credentials); (c) how frequently it is available. At minimum, address the following supportive services: Recovery Support Services Assessment, Case Management, Drug Testing, Recovery/Life Skills, Recidivism Prevention, and Relapse Prevention.

2.E.2. Staffing model: Identify the positions that will deliver or coordinate services. What are minimum qualifications for these roles? What is the anticipated staff-to-resident ratio? Will any Certified Peer Recovery Specialists (CPRS) be employed?

2.E.3. How will services be delivered in a trauma-informed, person-centered manner appropriate for justice-involved individuals with behavioral health needs?

2.E.4. How will your services specifically reduce recidivism and improve housing retention? Describe the operational mechanisms — e.g., what triggers a case manager response if a resident is at risk of eviction or reincarceration?

2.E.5. Describe your organization's experience providing services to individuals who often experience significant housing placement challenges, such as individuals under Mandatory Outpatient Treatment (MOT) orders, who are on the sex offender registry, who have substantial criminal records, who are on a prescribed Medication Assisted Treatment (MAT) plan, etc. If you have no prior MOT experience, describe how you will prepare the residential facility and operations to serve individuals with such placement challenges.

2.E.6. How will service delivery, resident participation, and outcomes be documented and reported as required by the Grant Contract?

2.F. Community Integration & Participation (Maximum 10 Points): Describe the resources available in the community surrounding the proposed housing site that will support residents' recovery, independence, and successful long-term community integration.

2.F.1. For each of the following, describe what is available and estimate the distance or travel time from the proposed site: (a) public transportation or alternate means of transportation; (b) employment opportunities; (c) primary healthcare and behavioral health/substance use treatment; (d) grocery stores and retail; (e) community activities, recreation, and faith communities.

2.F.2. Transportation plan: How will residents who do not have personal vehicles access community resources? Does the site have public transit access, and if so, what is the estimated distance from the proposed residential site? Will the organization provide or facilitate transportation? If yes, please describe.

2.F.3. Community integration strategy: Describe the specific activities, programs, or structured opportunities you will use to encourage and support residents' participation in community life. How will you track and document the number and types of community activities that each resident engages in each month?

2.F.4. Barrier reduction: Describe specific strategies to help residents overcome practical and social barriers to community integration (e.g., criminal records, lack of ID, prior evictions, social stigma, poor employment history).

2.G. Community/Key Partners (Maximum 5 points): Identify the community partners committed to supporting the success of this project and describe their role in this partnership, including how it will benefit residents of this proposed project. Distinguish clearly between confirmed/formalized partnerships and planned partnerships. Note: Letters of support from key partners are submitted as Attachment G and are scored separately.

2.G.1. Referral partners (who will refer residents to your housing): Identify organizations committed to referring eligible residents from prisons, jails, courts, treatment programs, or community supervision. For each, state whether a formal referral agreement or MOU exists.

2.G.2. Service partners (who will provide services to your residents): Identify organizations providing mental health treatment, substance use treatment, employment

support (employers, supported employment/Individual Placement and Support providers, etc.), SOAR/SSI/SSDI enrollment, peer support, and other services. For each, describe the arrangement (formal MOU, referral agreement, or planned) and whether a letter of support is included in Attachment G.

2.G.3. Housing and funding partners: Are you working with affordable housing developers, property managers, or funding entities (e.g., THDA, LIHTC, HOME program, local housing authorities) to strengthen this project?

2.G.4. Regional Housing Facilitators: Have you engaged the CHI Regional Housing Facilitator and/or Regional Substance Use Housing Facilitator for your region in developing this proposal? Identify which Facilitator(s) you engaged with and describe their involvement.

2.G.5. Third-party funding or in-kind contributions: List any confirmed or pending third-party resources (funding, in-kind services, donated labor, etc.) that support this project. Include amounts and current status. (Include applicable documentation as part of Attachment F.)

2.H. Safety Measures (*Maximum 5 Points*): Describe the specific measures your organization will implement to ensure the physical safety and emotional wellbeing of all residents. Address the facility, staffing, policies, and crisis protocols.

2.H.1. Physical safety features: What security features will the facility include (e.g., exterior lighting, secured entry, security cameras, fire/life safety systems)?

2.H.2. Staffing and supervision: Describe your staffing model relative to the proposed housing level (peer run, monitored, or supervised). What are staff hours/coverage and minimum qualifications? How are staff trained in trauma-informed care, de-escalation, and working with justice-involved individuals?

2.H.3. Operational policies: Describe your policies for: (a) visitor access and overnight guests; (b) drug and alcohol use, including drug testing protocols; (c) conflict resolution between residents; (d) house rules and how they are established and enforced.

2.H.4. Crisis response: What is your protocol when a resident experiences a mental health crisis, relapse, or behavioral incident? Who is contacted, and which community partners are involved? How does your plan avoid using eviction as a first response?

2.H.5. Eviction policy: Under what specific circumstances would eviction occur? How does the organization support a resident who is evicted in accessing alternative housing and services, as required and as indicated in the Program Goals and Objectives section of the Announcement as well as Grant Contract Scope of Services (Attachment I), Section A.7.b.(7)?

2.I. Project Sustainability (*Maximum 5 Points*): Describe your organization's financial capacity and plan to sustain the proposed project facility, operations, and provision of supportive services for no less than the duration of the Affordability Period. Address the physical property, the ongoing operations, and delivery of supportive services to all residents. IMPORTANT: Depending on grant funding amount awarded, this project will be subject to a 5- to 20-year affordability period under the Grant Note and Restrictive Covenant (see Section 1.1.7). Your sustainability plan should reflect this long-term obligation.

2.I.1. Operational funding: How will ongoing operating costs (utilities, maintenance, staff; also supportive services as described in the scope of services in Attachment I) be funded when the infrastructure project is completed and beyond? List specific funding sources, amounts, and current status (secured, applied for, or planned). Include operating subsidies, rental income, third-party grants, and organizational reserves.

2.I.2. Revenue model: What is the estimated annual operating cost for this facility? What is the projected annual revenue? Is the revenue model sufficient to sustain operations specific for this proposed project throughout the duration of the affordability period?

2.I.3. Long-term property maintenance: Who will be responsible for property maintenance and capital improvements throughout the duration of the affordability period? What reserves or funding mechanisms will be used to cover costs for major repairs?

2.I.4. Vacancy management: How will the organization ensure vacancies are filled within 30 days (throughout the duration of the affordability period) as required by the Grant Contract? Describe your referral pipeline and ongoing outreach strategy.

2.I.5. Organizational financial health: Briefly describe your organization's financial stability and capacity to sustain this obligation over the affordability period.

Attachment A

COVER SHEET | Creating Homes Initiative 3.0 (CHI 3.0)

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 Homes Initiative 3.0 (CHI 3.0) 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 FY2027 Creating Homes Initiative 3.0 (CHI 3.0) 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 2027 Creating Homes Initiative 3.0 (CHI 3.0) 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 2027 Creating Homes Initiative 3.0 (CHI 3.0) 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/for-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 Homes Initiative 3.0 (CHI 3.0)

Please download the Excel budget template available at this link:

https://www.tn.gov/content/dam/tn/mentalhealth/documents/TDMHSAS_FY27_Budget_Cost_Reimbursed_One_Program.xlsx to complete a proposed budget for the requested FY 2027 CHI 3.0 Grant funds. 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. See section 1.1.2 of this Announcement to review a list of unallowable expenses for this grant.

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 Homes Initiative 3.0 (CHI 3.0)

Please include a written budget justification of funds needed to support the Creating Homes Initiative 3.0 (CHI 3.0) 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 Homes Initiative 3.0 (CHI 3.0) 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, substance use recovery, and reentry service providers.

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
Shanley Deignan | 615-517-2896
Shanley.Deignan@parkcenter
nashville.org

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

Region 2

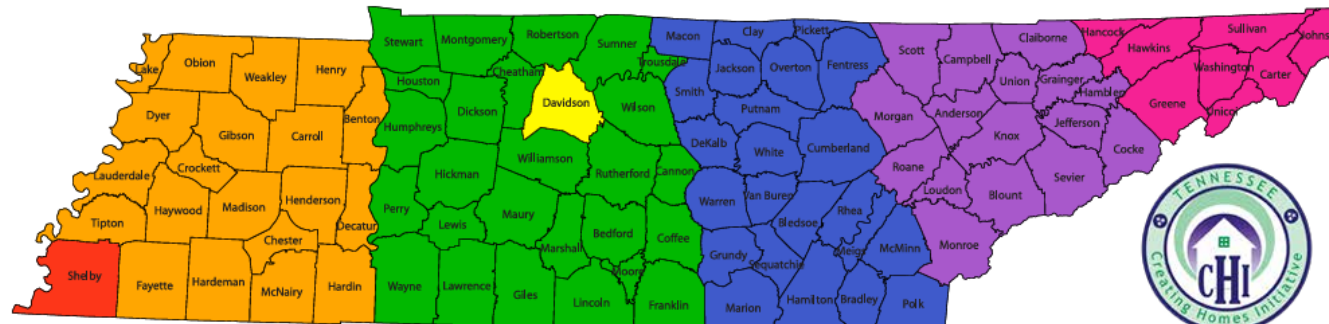
Regional Housing Facilitator
Rosie Cross | 865-399-3144
crossbr@ridgeview.com

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

Region 1

Regional Housing Facilitator
Amy Light-Karlsson | 423-416-1843
allightkarlsson@frontierhealth.org

CHI 2.0 Regional Substance
Use Housing Facilitator
Cat Floyd-Jennings | 423-341-2713
CEFloydJennings@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
Sabrina Edgington | 629-302-8083
Sabrina.Edgington@parkcenternashville.org

CHI 2.0 Regional Substance
Use Housing Facilitator
Greg Keeling | 615-289-7546
greg.keeling@parkcenternashville.org

Region 3

Regional Housing Facilitator
Shane Berryhill | 423-718-9325
ShaneBerryhill@aimcenterinc.org

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

Director of Housing and Homeless Services

Neru Gobin | 615-305-7661
Neru.Gobin@tn.gov

Assistant Director

Shay Grier | 615-651-0434
Shanaya.Maclin@tn.gov

Director of Regional Housing Facilitators

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

Attachment I

SCOPE OF SERVICES

[PLEASE NOTE: This Scope of Services should be considered a sample and is subject to change. 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 Homes Initiative 3.0 (CHI 3.0) grant to support safe, quality, and affordable permanent housing options for people experiencing mental illness and/or substance use disorder who re-enter the community from prisons and jails or have been previously incarcerated.
- 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 Tennessee Creating Homes Initiative 3.0 (CHI 3.0) seeks to assertively and strategically partner with local communities to educate, inform, and expand quality, safe, affordable, and permanent housing options for Tennesseans experiencing mental illness and/or substance use disorder who re-enter the community from prisons and jails or have been previously incarcerated.

The purpose of this CHI 3.0 Grant Contract is to provide operational and/or support services for new quality, safe, affordable permanent housing options with access to an

array of quality recovery support services to all residents, to be make available to Tennesseans living with mental illness and/or substance use disorder who re-enter the community from prisons and jails or have been previously incarcerated. Quality, safe and affordable permanent housing options and services under this Grant Contract shall support the recovery of prospective residents from mental illness and/or substance use disorder 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. The Grantee shall, in collaboration with the State, provide and maintain quality, safe, and affordable permanent housing and recovery support services to service recipients as specified in A.4. and pursuant to the terms and obligations specified in this Grant Contract.
 - b. The term "affordable housing", for the purposes of this Grant Contract, refers to housing that is available to all individuals, regardless of income.
 - c. The term "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.
 - d. The term "substance use disorder", for purposes of this Grant Contract, includes substance use and substance dependence.
 - e. The term "opioid use disorder", for purposes of this Grant Contract, includes opioid, as well as opioid derivatives, use and dependence.
 - f. The term "permanent housing", for purposes of this Grant Contract refers to quality, safe, affordable community-based residential options, for which Tennesseans with a history mental illness and/or substance use disorder who re-enter the community from prisons and jails or have been previously incarcerated can 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.

- g. The term “recovery”, for the purposes of this Grant Contract, 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. Areas of focus for recovery processes include and but are not necessarily limited to mental illness, substance use, and history of incarceration.
- h. The term “support services”, for the purposes of this Grant Contract, refers to services provided to service recipients that promote individual, program, and system-level approaches that foster health and resilience, increase permanent housing, employment and other necessary supports, and reduce barriers to social inclusion.
- i. The term “Certified Peer Recovery Specialists (CPRS’s),” for purposes of this grant, are 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.
- j. The term “Individual Placement and Support/Supported Employment (IPS/SE),” for purposes of this grant, 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, found at <https://ipsworks.org/wp-content/uploads/2017/08/IPSFidelity-Scale-Eng1.pdf>.
- k. The term “SOAR”, for purposes of this Grant Contract, means 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.

A.5. Service Recipients:

Permanent supportive housing and recovery support services shall be made available to:

- (1) Any Tennessee adult (18 years of age and over); and

- (2) Who is experiencing or has a history of mental illness and/or substance use disorder; and
- (3) Who is re-entering the community from prisons and jails or has been previously incarcerated; and
- (4) Who expresses desire and/or interest in successful re-entry to the community and recidivism prevention; and
- (5) Who expresses a preference and/or willingness for living in a housing setting targeted to serve people with a history of mental illness and/or substance use disorder who re-enter the community from prisons and jails or have been previously incarcerated.

A.6. Service Goal(s):

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 with a history mental illness and/or substance use disorder who re-enter the community from prisons and jails or have been previously incarcerated. Quality, safe and affordable permanent housing options and services under this Grant Contract shall support the mental health and substance use recovery 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 or convert infrastructure, and make available properties that provide quality, safe, affordable permanent housing opportunities for service recipients as indicated in A.5., for the duration of the Affordability Period 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 permanent supportive 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 preference for living in a housing setting targeted to people with a history of mental illness and/or substance use disorder who re-enter the community from prisons and jails or have been previously incarcerated;
 - (2) Minimal barriers exist to entry to permanent housing options, so that long periods of sobriety, clean criminal records, or clear eviction histories are not required for program entry;
 - (3) Residents have 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 of sustained recovery from mental illness, substance use, and history of incarceration;
 - (6) Eviction from affordable permanent supportive housing should only occur when a resident's behavior substantially disrupts or impacts the 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 housing setting targeted to serve people with a history of mental illness and/or substance use disorder who re-enter the community from prisons and jails or have been previously incarcerated;
 - (7) Residents who determine that they are no longer interested in living in a permanent supportive housing setting with a recovery focus, or who are evicted from the housing, are offered direct support and assistance in accessing other appropriate housing and services options.
- c. Grantee shall ensure, for the benefit of service recipients, an array of quality recovery support services are made available and accessible to all service recipients as indicated in A.5. Available and accessible quality recovery support services may include, but may not be limited to, the following:
- (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.
 - (6) Recidivism Prevention: Designed to assist the service recipient in increasing knowledge and developing skills to identify and implement practices that significantly reduces the risk or likelihood for reincarceration.
- d. Grantee shall inform, encourage, and provide or effectively connect as appropriate, service recipients with Individual Placement and Support/Supported Employment (IPS/SE), Certified Peer Recovery Support (CPRS), or SSI/SSDI, Outreach, Access and Recovery (SOAR) services in the local community. The term "as appropriate", for the purposes of A.7.d., refers to a given resident's choice whether to participate in the identified service(s), and the resident's potential benefit from participating in the identified service(s) towards their resiliency, recovery and/or independence in the community.
- e. The Grantee shall encourage service recipients to engage in planning and preparation of meals, housekeeping duties, laundry and other matters that constitute activities of daily living to promote the development or enhancement of independent living skills. Documentation reflecting these efforts 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. 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.

- g. Grantee shall complete all infrastructural development and execute all service provision components identified in the Grantee's awarded CHI 3.0 grant proposal as submitted to the State (Attachment __).

A.8. Process:

- a. Grantee shall provide operational and/or support services, and make available the properties as described in the following matrix, within the contract term specified in Section B of this contract:

Funding Source(s)	Street Address	City	ZIP Code	Number of Beds	Number of Units
State					

- b. Before requesting reimbursement for funds under this Grant 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 (NOTE: The State shall have no obligation to reimburse funds under this Grant Contract until the Grantee complies with this section):
 - (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 original Restrictive Covenant(s), provided by State (Attachment __), signed by an authorized agent of Grantee and so notarized, and properly

recorded by the Grantee 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 acquisition, new construction or renovation).

- c. When requesting reimbursement of funds under this Grant Contract, Grantee shall submit the following documentation to the State (NOTE: The State shall have no obligation to reimburse funds under this Grant Contract until the Grantee complies with this section):
- 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 (if any): 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* (if any): 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 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 at least [# of beds] housing opportunities for service recipients at the address identified in A.8.a. Grantee shall ensure permanent supportive housing and recovery support services are available and accessible to all service recipients as needed.
- 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 the housing opportunities identified in A.8.a. at a rent affordable to the service recipients.
- j. The Grantee shall request that each service recipient completes one (1) State-approved satisfaction survey, or survey prescribed by the State, by the end of Grant Contract period and 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 monthly reports to the Tennessee Department of Mental Health and Substance Abuse Services, Office of Housing and Homeless services by the last day of each month of the Grant Contract period on the status of acquisition, construction, rehabilitation, renovation and/or conversion of property using report guidelines provided by the State until the property is fully occupied.
- 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 via email 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. Occupancy status reports shall continue to be submitted for each month for the duration of

the Affordability Period 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.

- 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:

Permanent supportive housing opportunities and recovery support services described in A.7. and A.8. shall be available to service recipients as described in 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 supportive housing opportunities and re-entry & recovery support services for [# of beds] service recipients shall be provided at the 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 supportive housing options and re-entry & recovery 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.:

- 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 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.f.
- A.12. The requirements and obligations under this Section A of the Grant Contract survives the termination of this agreement.
- A.13. Spending under this grant contract will be restricted by the term denoted on the grant budget. The maximum expenditure amount for the Grant Contract will be determined by the grant budget. Funds not spent by the end date of the Grant Contract term will not be available after the Grant Contract term.

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

_____, 20____, 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 _____,
20____, and affixed their signature.

My commission expires on _____.

Notary Public

ADD ATTACHMENT to include the legal property description