



STATE OF TENNESSEE
DEPARTMENT OF MENTAL HEALTH
AND SUBSTANCE ABUSE SERVICES

ANNOUNCEMENT OF FUNDING

Creating Affordable Housing (CAH)

TENNESSEE FISCAL YEAR 2022

January 15, 2022 – June 30, 2022

Completed proposals due: November 22, 2021

Tennessee Department of Mental Health and Substance Abuse Services
Division of Mental Health Services
Andrew Jackson Building, 5th Floor, 500 Deaderick Street
Nashville, TN 37243
tn.gov/behavioral-health

**Tennessee Department of Mental Health and Substance Abuse Services
Division of Mental Health Services**

CREATING AFFORDABLE HOUSING (CAH)
Announcement of Funding

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**Tennessee Department of Mental Health and Substance Abuse
Services**

Division of Mental Health Services

CREATING AFFORDABLE HOUSING (CAH)

Announcement of Funding

Release Date: October 22, 2021

1. INTRODUCTION

The Tennessee Department of Mental Health and Substance Abuse Services (TDMHSAS) is seeking proposals from agencies and organizations throughout the state of Tennessee to develop **new** safe, quality, and affordable permanent housing options for people experiencing mental illness, substance use disorders (including opioid use disorder) and/or co-occurring disorder. An additional focus of this funding announcement is for individuals ready for discharge from Regional Mental Health Institutes (RMHIs), including those who are uninsured.

The Creating Affordable Housing grant goals include:

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

repair, flooring repair, electrical wiring, plumbing repair, insulation, foundation repair, etc.

Definitions

- Affordable housing: For the purposes of this Announcement of Funding (AOF), “affordable housing” refers to housing that is available to individuals who are at or below very low income limits for Tennessee according to the definition of U.S. Department of Housing and Urban Development (HUD) at the time of moving into the unit.
- Affordable housing-related services: For the purposes of this AOF, affordable housing-related services refers to services that will assist or sustain an individual in permanent affordable housing, including but not limited to, the provision of down payment assistance; the delivery of shelter or related services for individuals in opioid use recovery, homelessness, and other special needs populations which improve the housing stability of assisted households.
- Permanent housing: For the purposes of this AOF, permanent housing refers to safe, affordable, quality community-based residential options, for which Tennesseans experiencing mental health, substance use disorders (including opioid use disorder) and/or co-occurring disorders shall have the opportunity to reside for as long as they choose and/or need. While implementation of effort to support or encourage residents to consider, seek, obtain and sustain housing at a higher level of independent living (if and when appropriate) is allowable, there is no set or specified time limit for when a resident is required to leave the housing. Any lease, rental agreement or sublease should be renewable, and should be terminable only for cause.
- 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.
- Substance Use Disorder: For the purposes of this AOF, Substance Use Disorder includes substance use and substance dependence.
- Opioid Use Disorder: For the purposes of this AOF, Opioid Use Disorder includes opioid, as well as opioid derivatives, use and dependence.
- Co-Occurring Disorder: For the purposes of this AOF, co-occurring disorder refers to both mental illness and substance use disorder occurring at the same time in the same individual.
- Recovery: For the purposes of this AOF, “recovery” refers to a process of change through which individuals improve their health and wellness, live a

self-directed life, and strive to reach their full potential. Opioid use recovery refers to this process where overuse, misuse and/or abuse of prescribed or illicit opioids is primary over any other substance used.

- **Recovery Housing:** For the purposes of this AOF, “recovery housing” refers to quality, safe, healthy living environments that effectively support individuals in recovery from overuse, misuse or abuse of opioids and other substances. While recovery residences vary in structure, all are centered on peer support and a connection to services that promote long term recovery.
- **Affordability Period:** For the purposes of this AOF, an affordability period refers to a set period of time, beginning at the date of closing or when State Grant monies are disbursed to a grantee, for which the State’s interest in a given property and the covenant running with the land shall be binding upon Grantee, its successors and assigns. The duration/length of the affordability period is determined by the State.

2. GENERAL CONDITIONS

2.1. Funding Information

2.1.1 Project Period: Funding term for selected proposals will be January 15, 2022 – June 30, 2022. There is no recurring funding for this Announcement.

2.1.2 Funding Amount: Submitted proposals with a minimum of \$100,000 in requested funds will be considered for award. There is no set limit on the amount of requested funds for a submitted proposal. This grant is intended to fund projects for the development, new construction, acquisition, rehabilitation, renovation and/or conversion of infrastructure to create **new** housing options in Tennessee for individuals experiencing mental illness, substance use disorders and/or co-occurring disorders. An additional focus for this grant is for the development, new construction, acquisition, rehabilitation, renovation and/or conversion of infrastructure to create **new** TDMHSAS-licensed housing options in Tennessee for individuals ready for discharge from RMHIs, including those who are uninsured.

2.1.3 Allocations: Funding allocations will be awarded based on 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. TDMHSAS is currently exploring opportunities for consideration of partial pre-payment of grant funding, but

this is not confirmed. As such, proposers are advised at this time that **budgets toward the Creating Affordable Housing Grant will be cost reimbursed**. All invoices paid or payments made by the State are to be cost reimbursed; specifically, awarded Grantees must first pay for a given cost out-of-pocket first, and then the State reimburses the Grantee for such cost. For additional information regarding this and other grant contract requirements, proposers should 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>. 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).

2.1.4 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.

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

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

Grant Note and Restrictive Covenant documents for each awarded property will be provided to the grantee during the contract development period for signature and notarization. See Attachment H 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
- Submittal of the original signed and notarized Grant Note, the original signed and notarized Restrictive Covenant, and a copy of the most recently filed property deed to TDMHSAS.

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

2.1.6. 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 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.

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

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

- All contractors performing infrastructural work on TDMHSAS grant funded properties must be appropriately licensed for the type of work being performed; or
- Infrastructural work completed by contractors toward construction, renovation, rehabilitation, and/or conversion must be bonded and insured.

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

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

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

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

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

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

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

For an activity where the state or local code officials do not issue a building permit, a qualified inspector may include home inspectors as appropriate for the work performed, including individuals certified as a housing inspector by a national organization such as the International Code Council, the National Fire Protection Association, or the Standard Building Code Congress. TDMHSAS may accept other qualifications on a case-by-case basis; however, TDMHSAS approval is required before the individual may perform inspections.

2.2. 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 at <https://www.tn.gov/behavioral-health/departments-funding-opportunities.html> and notice of the posting will be distributed via the proposer e-mail list.

Date	Event
October 22, 2021	TDMHSAS releases Announcement
October 28, 2021	Proposers' Written Questions Regarding the Announcement are due
November 4, 2021	TDMHSAS hosts a conference call to respond to questions AND/OR TDMHSAS issues written responses to questions posted on the State's website at https://www.tn.gov/behavioral-health/departments-funding-opportunities.html
November 22, 2021	Proposals are due via email
December 6, 2021	TDMHSAS Makes Announcement of Accepted Proposal(s)
January 15, 2022	Contract shall be effective upon gathering all required signatures and approvals from the State in accordance with Section D.1 Required Approvals

2.3 Proposer Eligibility

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

- Be registered with the Tennessee Secretary of State as a legal business entity in active status; must submit a copy of documentation verifying registration as an attachment to the proposal; documentation must include the entity's SOS control number;

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

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

*The project owner must be the same entity that submits the proposal for this AOF. Frequently, there are various community stakeholders involved in a housing project. TDMHSAS will contract only with entities that intend to own, not lease, all capital projects included in the proposal. This includes any property purchased and/or renovated using State funds provided through this grant.

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

- Proposals that will develop **new** safe, quality, and affordable permanent housing options for people experiencing mental illness, substance use disorders or co-occurring disorders.
- Proposals that supports providing TDMHSAS-licensed residential housing for people experiencing mental illness or co-occurring disorders, with focus given to projects serving those ready for discharge from a Regional Mental Health Institute, including those who are uninsured, and can demonstrate residents will have access to support services through community partnerships.
- Proposals that can show additional funding already committed to the project via a shared investment by the proposing entity
- Projects that utilize a Tennessee Regional Housing Facilitator as a resource in some capacity (i.e., consultation, proposal review, writing of the proposal, etc.).
- Proposals which include a detailed timeline for project completion, ensuring the proposed project is completed by June 30, 2022.

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.

2.3.2 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.

2.4 Communications

2.4.1 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.

2.4.2 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.

2.4.3 Questions and Requests for Clarification: Questions and requests for clarification regarding this announcement must be submitted in writing by no later than 10/28/2021 to MHSAS.Housing.Homeless@tn.gov. The grant name ("Creating Affordable Housing") or acronym ("CAH") must be included in the subject line of the email. Questions submitted after this deadline will not be answered. A conference call will be held on 11/4/2021 to respond to submitted questions.

2.4.4 State's Response to Questions and Requests for Clarification: Questions and requests for clarification regarding this Announcement should

be submitted in writing on or before 10/28/2021 to MHSAS.Housing.Homeless@tn.gov. Questions submitted in writing after this deadline will not be answered. A conference call will be held on 11/4/2021 to respond to questions submitted on 10/28/2021. During the call, proposers can request clarification or additional feedback. The State will offer responses to additional requests on the call as appropriate and will add this to the official, written responses.

2.5 Proposal Preparation, Formatting, Submission, Withdrawal, and Rejection

2.5.1 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.

2.5.2 Inclusion of Regional Housing Facilitator and CHI 2.0 Regional Substance Use Housing Facilitators: It is the intent of the State to ensure utilization of the Regional Housing Facilitators and/or the CHI 2.0 Regional Substance Use Housing Facilitators in some capacity (i.e., consultation, review, writing, etc.) for all eligible proposals. Regional Housing Facilitators and CHI 2.0 Regional Substance Use Housing Facilitators serve as valued resources to solidify and expand new and existing partnerships within the respective regions to educate, inform and expand quality, safe, affordable and permanent housing options for Tennesseans living with substance use disorder. Regional Housing Facilitators' and CHI 2.0 Regional Substance Use Housing Facilitators' contact information and respective regions are identified on the Creating Homes Initiative map found on the TDMHSAS website:
https://www.tn.gov/content/dam/tn/mentalhealth/documents/CHI_RHF_Map_Feb_21.pdf

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

- Proposals must be received via e-mail by deadline of 11/22/2021.

- Proposals must address all applicable project narrative questions and label the sections accordingly within the proposal.
- Proposals must be typed, single-spaced on standard 8 ½ inch x. 11 inch paper, in font size twelve (12), with 1 inch margins. The spacing and margin requirements do not apply when preparing the attachment worksheets.
- All proposal pages and attachments must include a header with Proposer name and page number.
- The length of the project narrative section of the proposal is limited to ten (10) pages. This limitation does not include the required proposal attachments.
- The proposed budget should include the summary, detail, salary, and budget justification (see Attachment D, including the hyperlink found at the top of Attachment D).

2.5.4 Proposal Submission: Proposals should be submitted to the State via email to MHSAS.Housing.Homeless@tn.gov by November 22, 2021. The proposal's file name must include both the grant name and the agency's name using the following format: "FY22 CAH Grant_Proposal_Agency Name". When submitting the proposal via email, the subject line must use the same naming format: "FY22 CAH Grant_Proposal_Agency Name". Proposals must be complete and comply with all requirements of this Announcement in order to be eligible for review.

2.5.5 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.

2.5.6 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 the State's website at <https://www.tn.gov/behavioral-health/departments-funding-opportunities.html> and notice of the posting will be distributed via the proposer e-mail list.

2.6 Proposal Review, Components, Scoring, and Selection

2.6.1 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 CAH Grant provides the maximum benefit to the citizens of Tennessee. Grantees are selected in accordance with state policy, department duties, department powers, and commissioner duties and powers as related to service as the state's mental health and substance abuse authority responsible for planning for and promoting the availability of a comprehensive array of high quality prevention, early intervention, treatment, and habilitation services and supports that meets the needs of service recipients in a community-based, family-oriented system.

2.6.2 Proposal Components: Each proposal should contain the following sections (please note, incomplete proposals will not be reviewed):

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

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

Proposal Component	Score
Cover Letter	0 points,

	but essential
Cover Sheet (Attachment A)	0 points, but essential
Table of Contents	0 points, but essential
<p>Project Narrative</p> <ul style="list-style-type: none"> • Relevant Experience (10 points) • Project Design (20 points) • Services Available (10 points) • Community Integration/Participation (10 points) • Community/Key Partners (10 points) • Safety Measures (5 points) • Project Sustainability (10 points) 	75 points
<p>Organizational Chart(s) (Attachment B)</p> <p><i>Organizational chart for the entity submitting the proposal, demonstrating where the CAH Grant fits within the overall structural organization of the entity submitting the proposal.</i></p>	0 points, but essential
<p>Attestation of Acknowledgement of Cost Reimbursed Budget (Attachment C)</p>	0 points, but essential
<p>Proposed Budget and Budget Narrative (Attachment D)</p> <p><i>Appropriate and realistic budget must be submitted along with a narrative justifying the budget.</i></p>	20 points
<p>Existing Agreements and Third Party Revenue Source (Attachment E)</p> <p><i>Provide documentation of any existing agreements with community stakeholders that provide additional resources to the CAH Grant. List any current third party revenue sources that contribute to the long term sustainability of the Proposing</i></p>	0 points, but essential

<i>entity. This attachment and its documentation do not count toward the ten (10) page limit of the Proposal Narrative.</i>	
Letters of Support (Attachment F) <i>This attachment and its documentation do not count toward the ten (10) page limit of the Proposal Narrative.</i>	5 points

2.6.4 Proposal Selection: The State will notify all Proposers selected for contracting by close of business December 6, 2021.

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.

2.7 State’s rights and obligations under this Announcement

2.7.1 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 the State’s website at <https://www.tn.gov/behavioral-health/departments-funding-opportunities.html> and notice of this posting will be distributed via the proposer email list.

2.7.2 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 the State’s website at <https://www.tn.gov/behavioral-health/departments-funding-opportunities.html> and notice of the posting will be distributed via the proposer email list.

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

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

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

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

2.7.7 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.

3. PROPOSAL NARRATIVE

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

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

- 3.2 Project Design:** Specify the address, TDMHSAS Planning & Policy Council Region (see Attachment G for regional map) and Tennessee county of the proposed project site and the proposed number of beds to be made available for the purposes of this grant. Specify whether the proposed project intends to serve individuals discharging from one or more of the Regional Mental Health Institutes (RMHIs). Please include property site information (e.g., appraisal documentation, floor plan, etc.) as attachments (NOTE: these attachments will not be counted toward the 10-page limit for the narrative section). Additionally, specify whether the proposed project is for either: new construction; acquisition; rehabilitation; or conversion of infrastructure to create **new** housing options for the targeted population. Also, describe ADA accessibility features (including but not limited to features to support vision and hearing impairment) to be included in the project design. Also, identify the anticipated start date for service provision. All expenses related to infrastructure must be completed by licensed, bonded, and insured contractors and subcontractors.
- 3.3 Services Available:** Please identify the services your proposed project intends to provide, or is currently providing, to residents experiencing mental illness, substance use disorders and/or co-occurring disorders, and how these services will be delivered to residents.
- 3.4 Community Integration & Participation:** Describe, with detail, the availability, accessibility and proximity to community resources that sustain successful community living and recovery, including but not limited to employment opportunities, community activities, primary healthcare, grocery and retail stores, transportation, etc. Additionally, describe the strategy/plan to encourage residents to participate in and ensure successful integration with the community.
- 3.5 Community/Key Partners:** Please describe all local organizational and referral agencies committed to providing residents supported with funding from this project with prompt access to mental health, substance use/abuse, employment, peer wellness, peer support, SSI/SSDI, Outreach, Access and Recovery (SOAR), and other related housing services in the proposed service region. Additionally, please identify any key partnerships and third-party resources, existing or otherwise, that would positively impact the competitiveness and quality of this project. Include any relevant letters of support from regional community stakeholders, including housing

development entities, affordable housing providers, funding source entities and substance use service providers. Letters of support are to be included as Attachment F, and its documentation does not count toward the ten (10) page limit of the Proposal Narrative.

- 3.6 Safety Measures:** Please describe your plan to implement features, amenities, standard operating procedures and/or plans that help to ensure the safety and wellbeing of residents. How will your project utilize these resources and community partners to enhance safety and optimize wellbeing of all residents?
- 3.7 Project Sustainability:** Please detail any organizational plans for sustainment of this project once project-funding has been extinguished. Further, please detail any additional funding sources that will be used for the planning, construction, rehabilitation, services, and/or sustainment of this project. For information regarding the Grant Note, Restrictive Covenant and Affordability Period, refer to Section 2.1.5 of this Announcement.

Attachment A

COVER SHEET Creating Affordable Housing (CAH)

Page 1 of 1

Legal Name of Proposer	
Federal ID#	
Edison Vendor ID#	
Targeted Coverage Area(s) being proposed (TDMHSAS Region <u>and</u> TN county)	
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

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

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 FY22 Creating Affordable Housing Grantees are to be cost reimbursed. The letter of attestation must include the language specified below:

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

As an authorized representative of _____ (*legal name of proposing entity*), I hereby attest that I understand and acknowledge that all invoices paid or payments made by the State toward the FY 2022 Creating Affordable Housing Grant will be cost reimbursed. I acknowledge that submission of documentation confirming and verifying proof of payment by the awarded grantee for all expenses associated with a grant contract will be required and will be subject to review by TDMHSAS prior to approval for reimbursement.

I also affirm that, as referenced in the Announcement of Funding for the FY 2022 Creating Affordable Housing Grant, I have been encouraged to review the TDMHSAS Grantee Manual, located on the Grants Management section on the website <https://www.tn.gov/behavioral-health/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 AND BUDGET JUSTIFICATION

Page 1 of 2

PROPOSED BUDGET

Please download the Excel budget template using the following link to complete a proposed budget: https://www.tn.gov/content/dam/tn/mentalhealth/documents/Cost_reimbursement_budget_fy22.xls
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.

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 D

PROPOSED BUDGET AND BUDGET JUSTIFICATION

Page 2 of 2

BUDGET JUSTIFICATION

Creating Affordable Housing (CAH)

Please include a written budget justification of funds needed to support the Creating Affordable Housing (CAH) 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 E

EXISTING AGREEMENTS AND THIRD-PARTY REVENUE SOURCE(S)

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

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

This attachment and its documentation do not count toward the ten (10) page limit of the Proposal Narrative.

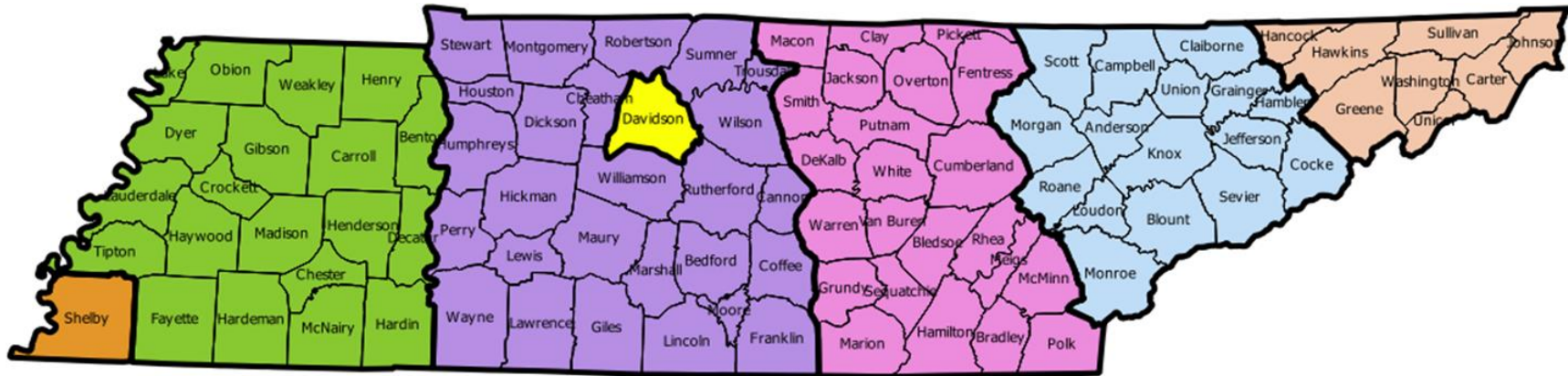
Attachment F

LETTERS OF SUPPORT

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

Attachment G

TDMHSAS Planning & Policy Council Regional Map



Region VII

COUNTY:
SHELBY

Region VI

COUNTIES:
BENTON, CARROLL,
CHESTER, CROCKETT,
DECATUR, DYER,
FAYETTE, GIBSON,
HARDEMAN, HARDIN,
HAYWOOD,
HENDERSON, HENRY,
LAKE, LAUDERDALE,
MADISON, MCNAIRY,
OBION, TIPTON,
WEAKLEY

Region IV

COUNTY:
DAVIDSON

Region V

COUNTIES:
BEDFORD, CANNON,
CHEATHAM, COFFEE,
DICKSON, FRANKLIN, GILES,
HICKMAN, HOUSTON,
HUMPHREYS, LAWRENCE,
LEWIS, LINCOLN, MAURY,
MARSHALL, MONTGOMERY,
MOORE, PERRY, ROBERTSON,
RUTHERFORD, STEWART,
SUMNER, TROUSDALE,
WAYNE, WILLIAMSON,
WILSON

Region III

COUNTIES:
BLEDSOE, BRADLEY, CLAY,
CUMBERLAND, DEKALB,
FENTRESS, GRUNDY,
HAMILTON, JACKSON,
MACON, MARION, MCMINN,
MEIGS, OVERTON, PICKETT,
POLK, PUTNAM, RHEA,
SEQUATCHIE, SMITH, VAN
BUREN, WARREN, WHITE

Region II

COUNTIES:
ANDERSON, BLOUNT, CAMPBELL,
CLAIBORNE, COCKE, GRAINGER,
JEFFERSON, HAMBLLEN, KNOX,
LOUDON, MONROE, MORGAN,
ROANE, SCOTT, SEVIER, UNION

Region I

COUNTIES:
CARTER, GREENE,
HANCOCK, HAWKINS,
JOHNSON, SULLIVAN,
UNICOI, WASHINGTON

Attachment H

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(s)) (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, a substance use disorder, or mental illness and co-occurring substance use disorder diagnosis, and are at or below

very low income limits 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
_____, 2021, and affixed his/her signature.

My commission expires on _____.

Attachment H

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 (# of beds) 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 in recovery from a substance use disorder, or is diagnosed with co-

occurring mental and substance use or dependency disorders, and has been certified at the time of closing as at or 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 _____, 2021, and affixed their signature.

My commission expires on _____.

Notary Public

STATE OF TENNESSEE:

BY: _____

Title: _____

Date: _____

NOTARY PUBLIC

This individual appeared before me _____, a Notary Public for _____ County, State of Tennessee, on the ____ day of _____, 2021, and affixed their signature.

My commission expires on _____.

Notary Public