



The Kelsey

Tennessee Housing Program & Needs Assessment Report for People with Disabilities & Older Adults

Created for the Tennessee Department of Disability and Aging (TDDA)





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SECTION 1:

Executive Summary

This *Program & Needs Assessment Report* offers a data-informed review of the housing needs of Tennesseans with disabilities and older adults, and the existing structures and programs to address those needs. Commissioned by the Tennessee Department of Disability and Aging (TDDA), the report reviews Tennessee-specific housing and disability data, state-administered and federally funded housing programs, and examples from other states. The goal is to assess how current approaches align with the principles of disability-forward housing — housing that is affordable, accessible, and inclusive — and, therefore, what gaps and opportunities should inform the development of future disability-forward housing initiatives in the state.

The assessment draws on multiple sources, including: an in-depth review of the structure, funding, and eligibility of more than a dozen key housing programs; a statewide analysis of currently available housing data; and a scan of promising models and lessons from other states. Each program was analyzed for its alignment with disability-forward principles, including whether it serves extremely low-income (ELI) households, targets people with disabilities, integrates supportive services, and incorporates accessibility features.

What is Disability-Forward Housing?

Throughout this report, "disability-forward housing" refers to housing that is affordable, accessible, and inclusive for people with disabilities. "Affordable" refers to housing with rent or ownership costs that support a range of incomes and specifically includes people who are low- and extremely low-income. "Accessible" includes the built environment that supports physical, cognitive, and sensory access within and around a housing community. "Inclusive" refers to communities built to support independent living in the most integrated settings possible, consistent with the Americans with Disabilities Act (ADA) and the *Lois Curtis v. Olmstead* Supreme Court Decision— codifying disabled people's right to receive services in the most integrated and community-based setting.

Disability-forward housing benefits people with and without disabilities, and serves a cross-disability population, including individuals with intellectual and developmental disabilities (I/DD), physical disabilities, sensory disabilities, mental health conditions, and those aging into disability. It not only includes accessible design features, but also incorporates service coordination, income-based affordability, and inclusive practices that ensure people with disabilities can live in the communities of their choice with the supports they need to thrive.



Overview of the Need

The data included covers Tennessee housing and disability demographics currently accessible. Key findings include:

- **Approximately 33.4% of adults in Tennessee—roughly 1.8 million people—live with a disability**, a rate higher than the national average. Rates increase significantly with age and are even higher among Black, Indigenous, and people of color (BIPOC) communities.
- **One in four adults with disabilities in Tennessee lives in poverty**, with many surviving on fixed incomes like Supplemental Security Income (SSI), which covers less than 20% of area median income. In every county in the state, renting a one-bedroom apartment exceeds the full monthly SSI benefit, making stable housing unattainable without assistance.
- **Tennessee lacks an adequate supply of affordable, accessible homes for people with disabilities and older adults**. The state needs an estimated 121,810 additional rental homes affordable to ELI households, and very few existing homes meet basic accessibility standards.
- **Nearly 34,000 Tennesseans still reside in institutional settings** like nursing facilities, while more than 8,000 people experience homelessness on any given night, including many with disabilities and chronic conditions.
- **High Need for Home & Community-Based Services (HCBS)** continues to grow for Tennesseans with disabilities and older adults. As in most states, there are more people who want HCBS services than the programs can currently accommodate and the need is expected to grow over time, especially as disabled Tennesseans (and their caregivers) grow older and have additional support needs. Many of these individuals will require integrated housing options once services are available. Even those accessing services may not live independently or in integrated, community-based housing.

As Tennessee continues to assess the housing needs of people with disabilities and older adults, it would be helpful to have additional housing data, including of those receiving HCBS. At a minimum, collecting specific housing data, including housing type, for HCBS recipients and those on waitlists would assist the state in further understanding the current need for integrated, inclusive housing.

Key Considerations for Program Development

The key findings from the analysis outlined below should be utilized in the design of new programs and interventions to advance disability-forward housing in Tennessee.



- **Disability is accommodated but not prioritized.** Despite the demonstrated and growing need, Tennessee lacks a dedicated housing program specifically designed to meet the needs of people with disabilities. While many existing programs can technically be used to support disability-inclusive housing, they are not explicitly structured or intended to do so. As a result, people with disabilities often compete within general affordable housing programs that may not offer the accessibility features, supportive services, or affordability levels necessary to meet their needs. This leads to inconsistent outcomes and systemic exclusion of people with disabilities from truly inclusive, community-based housing options.
- **There is a heavy reliance on federal funding,** with an estimated 70–80% of Tennessee’s housing investment originating from federal programs. While these programs remain essential, this dependency highlights the critical need for the state to establish and strengthen housing initiatives that are purposefully designed to work in tandem with federal resources. State-led programs can provide the flexibility, coordination, and long-term planning capacity necessary to maximize federal impact, close funding gaps, and ensure that housing for people with disabilities is accessible, affordable, and sustainable over time.
- **HCBS and housing are not systematically linked.** While federal guidance allows states to use Medicaid authorities to fund housing-related services, Tennessee has not yet pursued these options. This leaves individuals with disabilities navigating separate systems for housing and support services. It also points to an opportunity to create housing programs that leverage services funding from HCBS programs.
- **Cross-agency collaboration is a success factor.** Case studies from other states consistently show that housing initiatives that involve strong collaboration between housing, disability, Medicaid, and other state agencies are more effective in creating integrated, sustainable housing solutions for people with disabilities. Tennessee can build on its existing models, like CHI and CSH, to expand these efforts across the disability and aging spectrum. These could serve as blueprints for broader disability populations if expanded and better resourced.
- **Gaps persist in accessibility requirements and incentives.** While some programs promote universal design, few require it, and those that do often mandate only the minimum compliance standards set by the Fair Housing Act or ADA. These standards do not sufficiently address the full range of accessibility needs across disability types or ensure consistent inclusion of accessible units in all new housing developments. More robust and clearly defined accessibility requirements are needed to ensure housing is truly usable by people with a wide range of disabilities.



- **Institutional bias remains a structural barrier.** Funding and policy frameworks continue to favor institutional settings over community-based alternatives, despite the legal mandate under Olmstead and the ADA to support integrated housing options. New programs must explicitly target integrated models with clarity around their benefits, needs, and implementation strategies.

Although there are many funding sources, the need is not enough. This assessment underscores both the critical gaps and the clear opportunities to reshape Tennessee’s housing landscape to better serve people with disabilities and older adults.

SECTION 2:

Disability & Aging Populations in Tennessee

Demographic Data

Tennessee is the 15th most populous state in the US, home to roughly 7.22 million people. The state is divided into three regions: East, Middle, and West Tennessee, and all regions across the state are facing a growing housing crisis. This crisis takes many forms, from people struggling to maintain or access rental housing and homeownership to people being stuck in cycles of institutionalization to homelessness. The housing crisis disproportionately impacts people with disabilities and older adults due to lower incomes, a shortage of accessible housing, and the need for in-home and community-based services, making it difficult to find and afford community-based housing. Yet, to effectively assess the current government housing programs and how they are solving these crises faced by Tennesseans with disabilities and older adults, we must first understand the current makeup of the population.

A significant portion of Tennesseans live with disabilities. According to the CDC’s data from 2022, 33.4% of Tennessee adults aged 18 or older (roughly 1.8 million people) have some form of disability, with mobility and cognition disabilities being the highest at rates of 17.1% and 15.6%, respectively.¹ This overall disability statistic is higher than the national average of 28.7%.² Disability traverses all ages, but the rate increases as the population ages. Approximately 17.5% of Tennessee residents are 65 or older, roughly 1.26 million people.³ The CDC’s data for Tennessee indicates that 26.5% of adults aged 18-44, 37.2% of adults aged 45-64, and 48.2% of

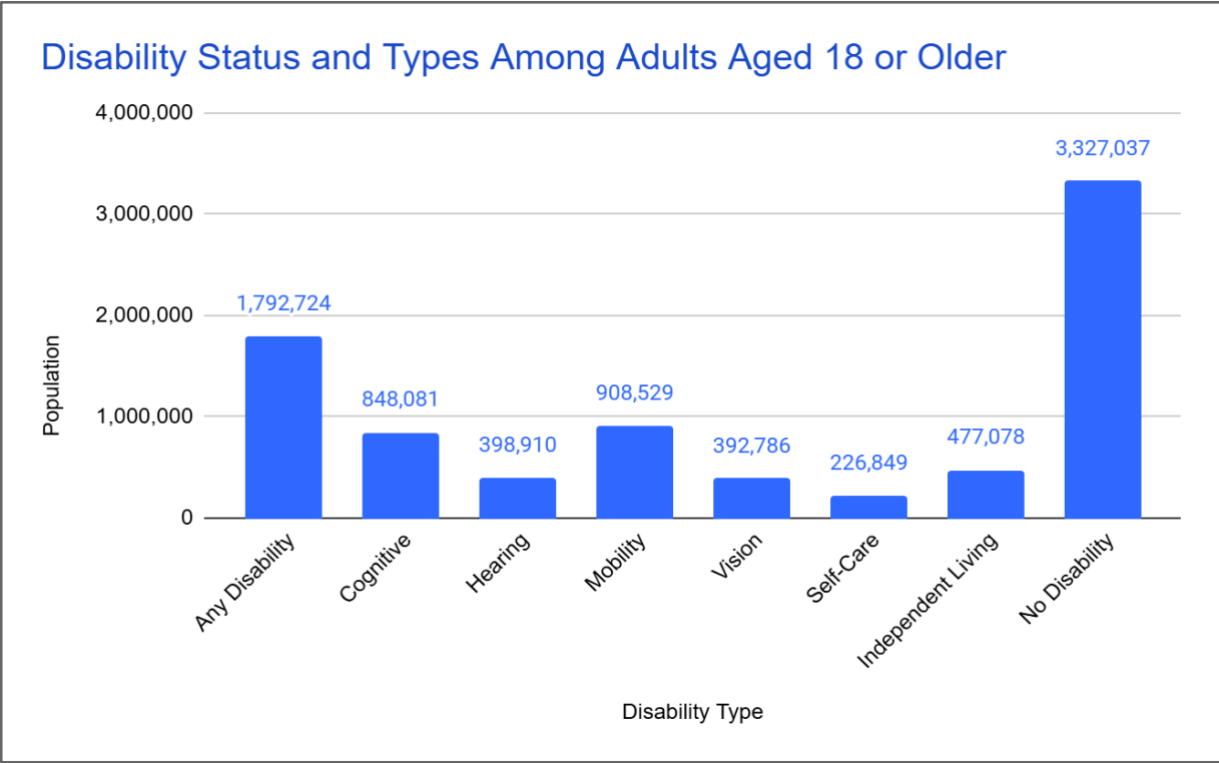
¹ [CDC - Disability and Health Data System \(DHDS\): Tennessee](#)

² [CDC - Disability and Health Data System \(DHDS\): United States, DC & Territories](#)

³ [Statista-Distribution of resident population of Tennessee in 2023, by age group](#)

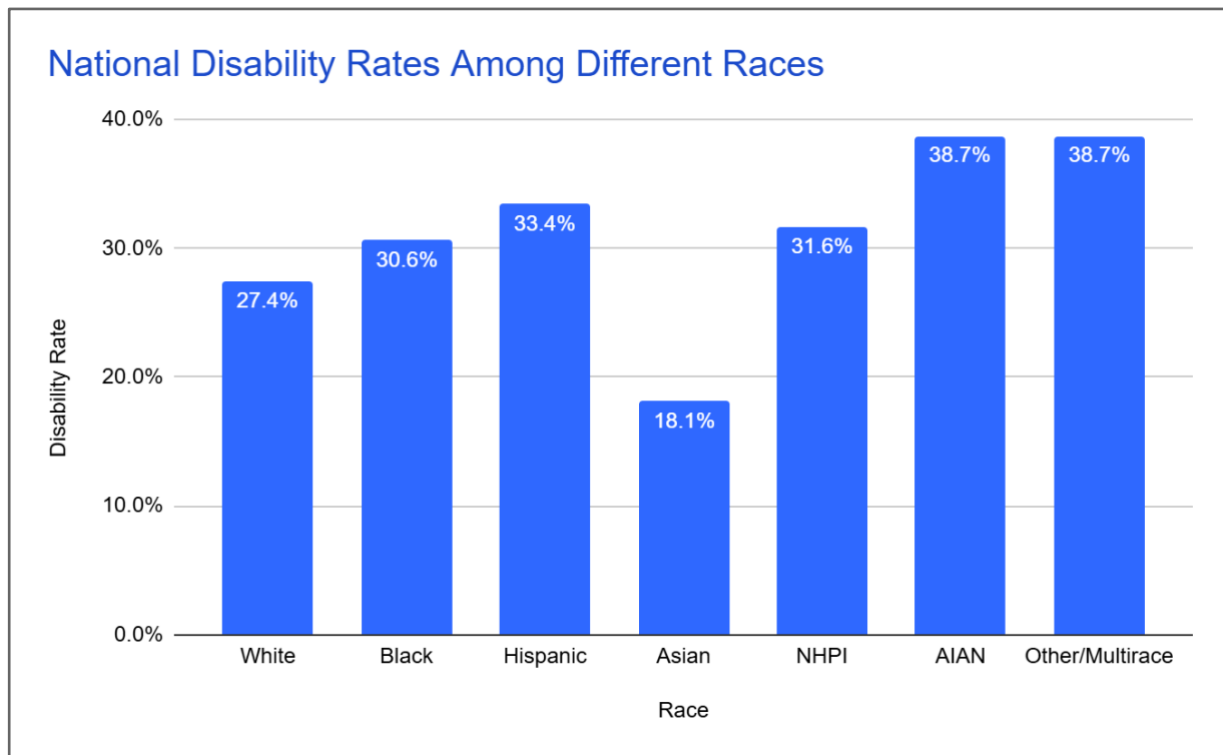


adults aged 65 and over have disabilities, leading to the conclusion that roughly half of the population will experience at least one disability at some point in their lives.



Source: CDC Data for Tennessee

Rates of disability are also higher for people of color than their white counterparts. While 27.4% of white, non-Hispanic Tennesseans have one or more disabilities, the CDC’s national data indicates higher rates for Black, Indigenous, and people of color (BIPOC) communities. Black Americans experience disability at a rate of 30.6%, Hispanics at 33.4%, Native Hawaiian or Pacific Islanders (NHPI) at 31.6%, and both American Indian or Alaskan Native (AIAN) and the “Other Multirace” group of people at 38.7%.



Source: CDC Data

Tennesseans with disabilities and older adults' acute experiences with the housing crisis can be understood as it relates to housing cost, access, and lack of supply.

Housing Barriers for Disabled People and Older Adults

Cost

Disabled people experience disproportionate rates of poverty. In 2022, 25.9% of Tennesseans with disabilities aged 18-64 lived below the poverty line—more than double the rate for their non-disabled counterparts (10.6%).⁴ National trends reveal similar disparities, with adults with disabilities experiencing poverty at a rate of 27% in 2019 compared to just 12% for those without disabilities.⁵ In 2023, 14% of Tennessee's total population lived below the poverty line, which was an increase from the previous year by 0.7%.⁶ This was higher than the 2023 national poverty rate of 11.1%. In 2022, there were 1.66 million Tennessee residents above the age of 60 years; 19% of those older adults were cost-burdened homeowners, and 12% were living below the poverty line.⁷

⁴ [Center for Research on Disability - Section 6: Poverty](#)

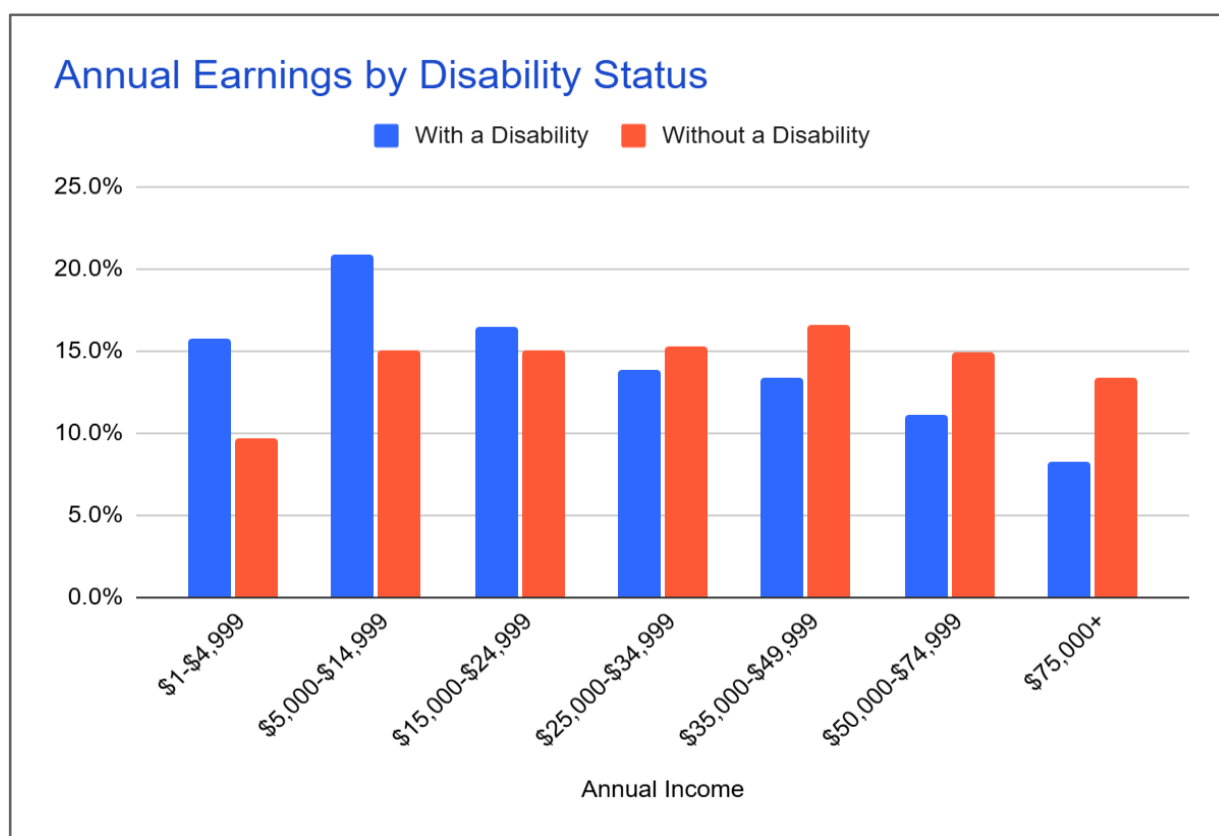
⁵ [National Disability Institute - Financial Inequality: Disability, Race and Poverty in America](#)

⁶ [Statista - Poverty Rate in Tennessee in the United States from 2000 to 2023](#)

⁷ [2022 Tennessee State Aging Profile - Tennessee Commission on Aging and Disability, pg 6](#)



Census data shows over 35% of Tennesseans with a disability have annual earnings below \$15,000, compared to less than 25% of those without a disability, and only 19% of people with a disability make more than \$50,000 annually.⁸ Rural areas in Tennessee often show even higher poverty rates among people with disabilities, exacerbating financial instability in these regions.⁹ Statewide, 23% of households are extremely low-income (ELI), and 20% of ELI households include a person with a disability. Alarming, 70% of ELI renter households are severely cost-burdened, spending more than half their income on housing.¹⁰



Source: THDA Data

In 2024, Supplemental Security Income (SSI) payments in Tennessee for individuals with disabilities amounted to \$943 per month, which represented just 18.8% of the state's area median income.¹¹ According to the Social Security Administration, 160,285 Tennesseans received SSI in 2023.¹² This limited income creates severe housing burdens. For instance, an individual on SSI would need to allocate 109% of their monthly income to rent an efficiency unit and 114% to afford

⁸ [THDA Issue Brief: Disparities in Housing Opportunity for those with Disabilities: Part Three, pg.2](#)

⁹ [University of Montana - Research & Training Center on Disability in Rural Communities](#)

¹⁰ [National Low Income Housing Coalition - Housing Needs By State: Tennessee](#)

¹¹ [TAC - Priced Out: The Housing Crisis for People with Disabilities](#)

¹² [Social Security Administration - SSI Recipients by State and County: Tennessee](#)



a one-bedroom unit.¹³ Housing costs vary across the state but remain unaffordable in many areas. In the Nashville–Murfreesboro–Franklin housing market, a one-bedroom rental costs as much as 153% of an SSI recipient's monthly benefits, highlighting the critical housing crisis for people with disabilities.¹⁴ Overall, 25.3% of Tennesseans with disabilities are housing cost-burdened, compared to only 16.5% of residents without disabilities. There are zero counties in Tennessee that are affordable for a household relying on SSI without becoming cost-burdened.¹⁵ As the National Low Income Housing Coalition (NLIHC) estimates, Tennessee must increase the supply of extremely affordable and available rental homes by 121,810 homes.¹⁶

Access

The shortage of affordable, accessible housing severely impacts Tennessee's disabled and older adult populations. The state's housing stock reflects the national status quo that a majority of housing is inadequately designed to accommodate the needs of individuals with disabilities. Nationally, only 33% of homes meet Tier 1 accessibility standards (basic accessibility), while HUD estimates less than 1% are fully wheelchair accessible (Tier 3).¹⁷ A survey conducted by THDA found that only 18.4% of people surveyed had more than one good option to choose from among the accessible units they considered buying or renting.¹⁸ Furthermore, as renters tend to live in older structures than homeowners, the decline of available, affordable housing jeopardizes the stability of low-income renters.¹⁹ The deterioration of older affordable housing in Tennessee poses a threat to fair housing choices, particularly for families with children and individuals with disabilities who disproportionately rely on the existing housing supply.

In March of 2025, a settlement was reached regarding a complaint against a multifamily housing developer, Gross Residential of Royalton, for violating the Fair Housing Act, including in Tennessee. Several violations were alleged, including inaccessible kitchens, lack of accessible routes to common amenities, and inaccessible mailboxes. HUD approved the settlement, which requires the developer to, among other things, make changes to their kitchen designs, modify 13 existing properties – thousands of units – to provide accessible routes to common areas, and undergo training around the Fair Housing Act requirements.²⁰

Discrimination

Tennesseans with disabilities often encounter significant barriers to housing choice due to disproportionate rates of discrimination. Disability is the most frequently cited reason in fair housing complaints filed with the U.S. Department of Housing and Urban Development's Office of Fair Housing and Equal Opportunity. Since 2016, complaints related to disability have

¹³ [TAC - Priced Out: The Housing Crisis for People with Disabilities](#)

¹⁴ [The Technical Assistance Collaborative; Priced Out: Tennessee 2024](#)

¹⁵ [The Tennessee Disability Coalition - 2024 Tennessee Disability Scorecard, pg.4](#)

¹⁶ [National Low Income Housing Coalition - Housing Needs By State: Tennessee](#)

¹⁷ [U.S. Department of Housing and Urban Development - Accessibility in Housing: Findings from the 2019 American Housing Survey](#)

¹⁸ [Tennessee Housing Development Agency Issue Brief: Disparities in Housing Opportunity for those with Disabilities: Part Three, pg.5](#)

¹⁹ [Tennessee Housing Development Agency Issue Brief: Disparities in Housing Opportunity for those with Disabilities: Part Five, pg.4](#)

²⁰ [Relman Colfax News & Updates: New Settlement Provides For Accessibility Compliance in 13 Apartment Communities in Four States](#)



outnumbered those for all other protected classes combined. Discrimination in rental housing terms, conditions, and privileges is the most common type of housing discrimination reported to HUD, closely followed by failure to make reasonable accommodations.²¹

New affordable housing projects, especially those that attempt to include or be explicitly for people with disabilities, face significant challenges to even being built, often facing opposition from local residents purporting to be concerned about neighborhood impacts. NIMBYism (Not In My Back Yard) is a common reason for opposition, with people citing anything from property value to crime rates to neighborhood character as reasons not to build affordable housing.

Supply

Since deinstitutionalization began in the 1990s, Tennessee has not sufficiently invested in the commensurate supply of integrated, affordable, accessible housing for people with disabilities and older adults who need support in their own homes. As of 2020, 34,237 Tennesseans live in nursing facilities or other institutional settings.²² HUD estimates that in 2024, 8,280 Tennesseans experienced homelessness, with 52.5% of those being unsheltered (19%, or 1,577 individuals, experienced chronic homelessness).²³ Under the federal definition, chronic homelessness equates to experiencing homelessness for at least a year whilst having at least one disabling condition.²⁴ A majority of these individuals would also need and benefit from housing where they can successfully receive in-home and community-based support.

Institutional bias also contributes to this supply deficit. Institutional bias refers to the structural preference within systems (especially Medicaid and state funding systems) for funding institutional care settings over home and community-based services (HCBS), even though most people prefer and benefit from receiving services in their own homes. Moreover, under Title II of the ADA and codified by the Olmstead Supreme Court Decision, people have the protected right to live in this most integrated setting. Yet, with institutional bias intact, policies and program barriers are preventing the supply investment that is needed.

HCBS & Housing

For Tennesseans with disabilities and older adults to successfully live and thrive in housing, there must also be access to in-home and community-based services and support. Yet, people with disabilities who move into housing do not automatically receive Home and Community-Based Services (HCBS), as access to these services depends on eligibility, program enrollment, and funding availability. Individuals must apply for services and meet specific criteria, including

²¹ [Tennessee Housing Development Agency Issue Brief: Disparities in Housing Opportunity for those with Disabilities: Part Three, pg.2](#)

²² [Rural Institute Research & Training Center on Disability in Rural Communities, Institutionalized Populations, Tennessee](#)

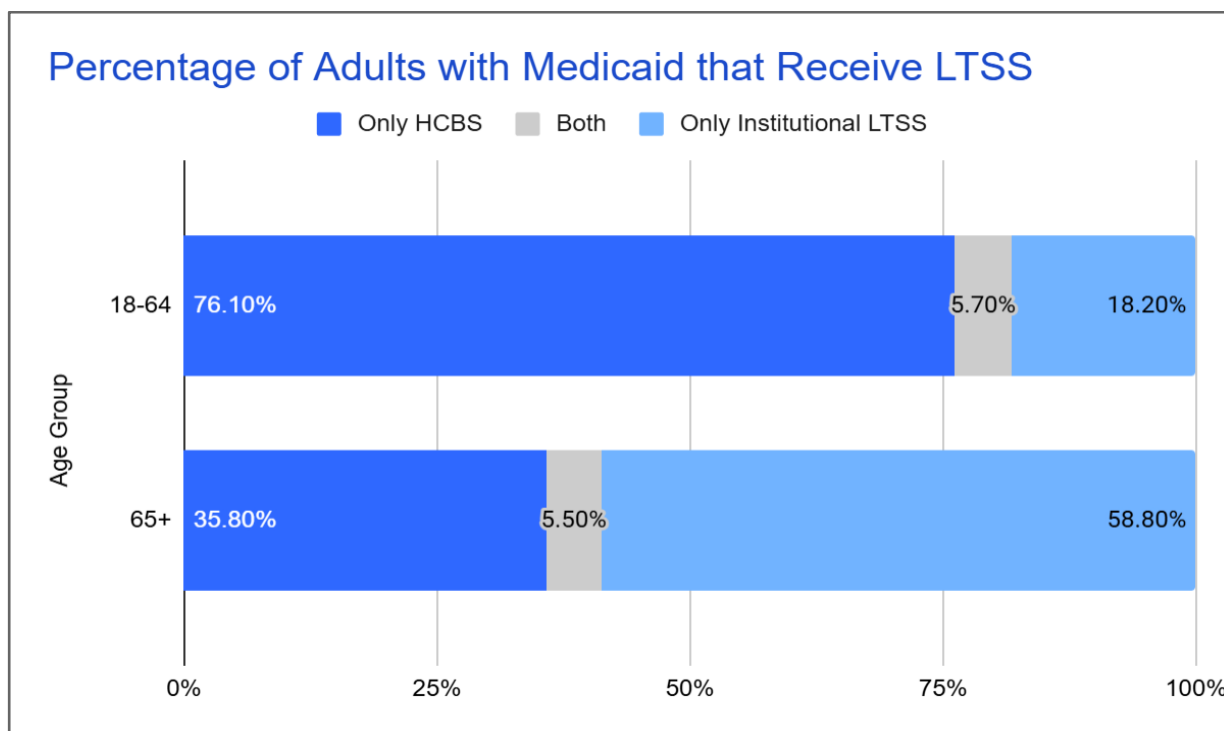
²³ [The 2024 Annual Homelessness Assessment Report \(AHAR\) to Congress \(HUD\), pg. 92](#)

²⁴ [National Alliance to End Homelessness - State of Homelessness: 2024 Edition](#)



income, level of care requirements, and resource limits. Additionally, people are often on long waitlists for services, and some programs have enrollment caps or only approve new applications under specific circumstances.

In 2021, out of the approximately 57,625 Tennesseans who receive Medicaid Long Term Services and Supports (LTSS), an estimated 36,140 receive Medicaid HCBS. Medicaid LTSS data shows a stark divide between age groups: 76.1% (23,194) of adults aged 18–64 receive HCBS-only services, with 18.2% (5,557) receiving institutional LTSS only; 5.7% (1,735) receive both. Of adults aged 65 and older, 35.8% (9,722) receive HCBS-only services, while 58.8% (15,978) receive institutional LTSS only; 5.5% (1,489) receive both.²⁵ The high reliance on institutional care among older adults underscores the challenges of accessing community-based care options and the impacts of institutional bias.



Source: Brandeis Data for Tennessee

Many disabled people have to wait 10 years or longer on the HCBS waiver waitlists.²⁶ When assessing the overall long-term need for supportive housing, it is pertinent to note that there are tens of thousands of people either receiving LTSS and/or on waiting lists for HCBS, who, if HCBS became available, would need supportive community-based housing.

²⁵ [Brandeis - Who Receives Medicaid LTSS? - Tennessee](#)

²⁶ [New Disabled South - Funding Home and Community Based Services \(HCBS\) Waivers in the South](#)



Therefore, to assess the current unmet housing needs of people with disabilities, it is critical to prioritize current HCBS recipients and work towards ensuring that all recipients have access to affordable, accessible, integrated, and inclusive housing. One of the ways that states can increase housing access for HCBS recipients is by leveraging a variety of Medicaid authorities to cover housing-related services, including state plans, waivers, and managed care arrangements. Tennessee has not yet taken advantage of these authorities. Additionally, HCBS-related barriers that impact people's ability to live and thrive in their own homes include but are not limited to caps on hours and services, provider shortages, and low reimbursement rates.

SECTION 3:

Tennessee Housing Resources

There are two primary types of funding that support housing: funds that subsidize projects to develop affordable housing and funds available directly to individuals to support their housing needs. To varying extents, these program types support housing that is affordable, accessible, and inclusive. The following review considers both Housing Development Resources and Individual Resources and their level of targeting or support to people with disabilities in Tennessee. A review of these programs helps identify gaps that should be addressed when developing new programs and identify critical programs to leverage and/or be compatible with new and future programs.

[Appendix A](#) includes a summary of all programs in table form.

Housing Development Resources

Tennessee's housing programs, mostly administered through the Tennessee Housing Development Agency (THDA) and other state agencies, like the Tennessee Department of Mental Health and Substance Abuse Services (TDMHSAS), play a critical role in expanding affordable housing opportunities. Many of these programs serve low- and extremely low-income (ELI) households, but their impact on disability-forward housing varies based on eligibility requirements, funding allocations, and program structures. This section provides a comprehensive analysis of THDA-administered and TDMHSAS-administered funding programs and their alignment with disability-forward housing principles, including set-asides for individuals with disabilities, supportive services, and accessibility enhancements.



While several THDA programs allow funding for housing that includes people with disabilities, there are gaps in direct prioritization, accessibility mandates, and integration of supportive services. Some programs, such as the Home Modifications and Ramps Program and Section 811 Supportive Housing, are inherently structured to benefit individuals with disabilities. Others, like the HOME Investment Partnerships Program and the Tennessee Housing Trust Fund, provide opportunities to leverage resources for disability-forward housing but do not explicitly require set-asides or minimum accessibility standards.

This section explores the following attributes of each THDA funding program:

- Does it serve Extremely Low-Income (ELI) individuals?
- Does it have a set-aside for people with disabilities?
- Does it include a supportive services component?
- Does it incorporate increased accessibility features?

By identifying gaps and opportunities across these programs, this section highlights policy recommendations and funding strategies to enhance housing accessibility, affordability, and long-term stability for individuals with disabilities in Tennessee.

HOME Investment Partnerships Program (HOME)

The HOME Investment Partnerships Program (HOME), administered by THDA, is a federally funded initiative aimed at increasing the availability of affordable housing for low-income households. Established under the Cranston-Gonzalez National Affordable Housing Act of 1990, HOME serves as the largest federal block grant dedicated exclusively to creating affordable housing.²⁷

Eligible Activities Under HOME

HOME funds in Tennessee can be utilized for a variety of housing-related activities, including Homeowner Rehabilitation, Homebuyer Activities, and Tenant-Based Rental Assistance (TBRA). For this section of the Assessment, we are focused on Rental Housing Development: Financing the acquisition, construction, or rehabilitation of rental housing units. These units must be occupied by income-eligible tenants and comply with rent and occupancy restrictions for specified periods to ensure long-term affordability.

In Tennessee, HOME funds can be used to support the new construction of affordable rental housing for low-income households. While the federal HOME program does not restrict funding based on product style, THDA's state-level implementation emphasizes smaller-scale developments.

According to THDA's 2025 HOME Rental Housing Development Program Description, funding is available for the new construction and/or acquisition and rehabilitation of rental housing projects

²⁷ [Congress.gov - An Overview of the HOME Investment Partnerships Program](https://www.congress.gov - An Overview of the HOME Investment Partnerships Program)



consisting of no more than 11 total units.²⁸ As such, eligible product types typically include single-family homes, duplexes and triplexes, and small apartment complexes. While larger developments, such as multi-story projects, which are more likely to include elevators, are not explicitly excluded from eligibility, the program's design and funding allocations indicate a preference for smaller-scale projects.

Funding Allocation and Availability

The HOME program receives annual funding through HUD allocations based on a formula that considers poverty rates, housing conditions, and other factors to direct funds where they are most needed. Tennessee's recent HOME allocations are as follows:

- FY 2023: \$28,259,000²⁹
- FY 2024: \$28,259,000³⁰
- Estimated FY 2025 Allocation: \$22,392,000 (projected decrease)³¹

THDA allocates its HOME funds across various housing initiatives, including rental housing development. After setting aside 10% for administrative and planning costs, 20% for Community Housing Development Organizations (CHDOs), and up to 5% for CHDO operating expenses, the remaining funds are distributed among several programs. Historically, THDA has allocated 50% of these residual funds to the HOME Rental Development Program. Applying this methodology to the FY 2024 allocation of \$28,259,000, approximately **\$9,184,175** was designated for rental housing development. For FY 2025, with an estimated total allocation of \$22,392,000, around **\$7,277,400** is projected for rental housing development.³²

A minimum of 15% of HOME funds is reserved for projects undertaken by Community Housing Development Organizations (CHDOs), which are specific types of nonprofit organizations that develop affordable housing for the communities they serve.³³ While HOME does not have a specific set-aside exclusively for people with disabilities, this 15% reservation is often utilized by CHDOs to develop housing that benefits various subpopulations, including individuals with disabilities.

HOME Disability-Forward Components

While the HOME program is not exclusively targeted at individuals with disabilities, funds allocated to rental housing development can support extremely low-income (ELI) households with disabilities.

²⁸ [Tennessee Housing Development Agency - 2025 HOME Rental Housing Development Program](#)

²⁹ [U.S. Department of Housing and Urban Development - Community Planning and Development Formula Program Allocations for FY 2023](#)

³⁰ [U.S. Department of Housing and Urban Development - Community Planning and Development Formula Program Allocations for FY 2024](#)

³¹ [Department of Housing and Urban Development - HOME Investment Partnerships Program - 2025](#)

³² [Tennessee Housing Development Agency - 2025 HOME Rental Housing Development Program](#)

³³ [HUD Exchange - HOME CHDO](#)



Creating Homes Initiative (CHI)

The Creating Homes Initiative (CHI), administered by the Tennessee Department of Mental Health and Substance Abuse Services (TDMHSAS), is a statewide initiative aimed at expanding quality, safe, affordable, and permanent housing options for individuals with mental illness and co-occurring disorders. Established in 2000, CHI partners with local communities, leveraging a combination of federal, state, local, foundational, and private funding sources to address the housing needs of this population.³⁴

Eligible Activities Under the Creating Homes Initiative

CHI's primary objective is to collaborate with local entities - including developers, service providers, and municipal governments - to increase the availability of permanent supportive housing for individuals with behavioral health conditions. The initiative employs regional housing facilitators who act as liaisons between communities and funding agencies, ensuring that new developments align with CHI's mission of integrating individuals with mental illness into stable, community-based housing environments.³⁵

Funding Allocation and Availability

CHI does not have a fixed annual funding allocation. Instead, it operates by leveraging a combination of federal, state, local, foundational, and private funding sources. Since its inception, CHI has successfully leveraged over \$1.3 billion to create more than 36,000 new housing opportunities across Tennessee. In Fiscal Year 2020, Tennessee appropriated \$3 million to expand the program, specifically targeting housing options for individuals recovering from substance use disorders.

While CHI does not directly fund housing projects, it plays a crucial role in coordinating funding sources, providing technical assistance, and fostering partnerships between housing developers and service providers. Through collaboration with local housing authorities, non-profit organizations, and private developers, CHI facilitates the development of housing opportunities that include supportive services tailored to individuals with mental illness.

Creating Homes Initiative Disability-Forward Components

CHI is specifically designed to serve individuals with disabilities, focusing on people with mental health conditions and co-occurring disorders. While it doesn't address all disability populations, it plays a key role in increasing supportive housing for this group in the following ways:

Extremely Low-Income (ELI) Targeting

- **Affordability for Fixed-Income Populations:** CHI collaborates with local communities to develop housing options accessible to individuals with mental illnesses, many of whom

³⁴ [Department of Mental Health & Substance Abuse Services - Creating Homes Initiative](#)

³⁵ [Department of Mental Health & Substance Abuse Services - Housing & Homeless Services](#)



are on fixed incomes (such as Supplemental Security Income), thereby addressing the needs of ELI households.

Special Needs Designations

- **Mental Health and Co-Occurring Disorders:** The initiative specifically targets individuals with mental illness and substance use disorders, ensuring that housing developments cater to these populations' unique needs. CHI supports a range of housing models, from 24/7 supervised housing and group homes to independent apartments. Some projects are exclusively for individuals with mental health and co-occurring disorders, while others are integrated into broader affordable housing developments to promote community-based, integrated housing. The projects that are community-based and integrated would qualify as a disability-forward intervention.

Supportive Services and Housing

- **Integrated Support Services:** CHI ensures housing projects include built-in support services, such as case management, peer support, and behavioral health resources, so residents have the tools to maintain housing stability.
- **Service Coordination with TennCare and Medicaid:** CHI helps developers connect housing developments with TennCare's Long-Term Services & Supports (LTSS) and Medicaid Home and Community-Based Services (HCBS), ensuring residents receive long-term housing stability and health services.

Creating Homes Initiative 2.0 (CHI-2)

The Creating Homes Initiative 2.0 (CHI-2), launched in 2020 by TDMHSAS, builds upon the original CHI by specifically targeting housing solutions for individuals recovering from opioid and other substance use disorders.³⁶ This expansion acknowledges substance use disorders as disabilities, thereby aligning with broader disability inclusion efforts.

CHI-2 emphasizes the integration of supportive services within housing communities, ensuring residents have access to case management, peer support, and behavioral health resources, all of which promote long-term stability. Regional Substance Use Housing Facilitators collaborate with HUD Continuums of Care and other stakeholders to develop housing options that are safe, affordable, and permanent, tailored to meet the specific needs of individuals with substance use disorders. By building upon the original CHI framework, CHI-2 enhances Tennessee's capacity to provide disability-forward housing solutions, particularly for those affected by substance use disorders.³⁷

³⁶ [Tennessee Housing Development Agency - Creating Homes Initiative - \(CHI-2\)](#)

³⁷ [Department of Mental Health & Substance Abuse Services - Creating Homes Initiative](#)



Community Supportive Housing (CSH) Program

The Community Supportive Housing (CSH) program, administered by the TDMHSAS, operates within the framework of CHI to provide permanent supportive housing for adults diagnosed with mental illnesses and co-occurring disorders. The program allocates flexible funding to partner agencies, enabling them to offer supported housing environments tailored to the unique needs of this population.³⁸

Partner agencies utilize CSH funds to hire staff who provide on-site supervision in supervised group homes and as-needed support in non-supervised group homes and apartments. These staff members coordinate activities for residents and work individually with them to develop personalized housing plans aimed at achieving more independent living. Depending on specific requirements, CSH funds may also cover other program expenses such as utilities, food, and transportation.³⁹

Through these comprehensive efforts, the CSH program plays a pivotal role in enhancing the quality of life for individuals with mental health conditions, promoting their independence, and facilitating successful community integration.

Community Supportive Housing Disability-Forward Components

- **Extremely Low-Income (ELI) Targeting:** While the CSH program does not explicitly target individuals below 30% AMI, many residents inherently qualify as ELI due to reliance on Supplemental Security Income (SSI) or Social Security Disability Insurance (SSDI).
- **Special Needs Set-Aside:** The CSH program has a targeted set-aside specifically for adults diagnosed with mental illnesses and co-occurring disorders, providing a dedicated resource within the broader disability community.
- **Supportive Services Component⁴⁰**
The CSH program robustly integrates various supportive services:
 - Case management
 - Independent living skills training
 - Peer support
 - Employment assistance
 - Coordination with Medicaid HCBS
- **Accessibility Component:** Currently, no specific mandatory accessibility or universal design standards exist within CHI-funded housing developments.

³⁸ [Mental Health Association of East Tennessee - Housing Resources](#)

³⁹ [Department of Mental Health & Substance Abuse Services - Additional Programs and Resources: Community Supportive Housing \(CSH\)](#)

⁴⁰ [Department of Mental Health & Substance Abuse Services - Housing & Homeless Services](#)



National Housing Trust Fund (NHTF)

The National Housing Trust Fund (NHTF), administered by THDA, is a federal program established to increase and preserve the supply of affordable housing for extremely low-income (ELI) households, including those with disabilities. Developers and state agencies can leverage NHTF resources to create integrated, disability-inclusive housing by aligning project proposals with program guidelines and incorporating best practices⁴¹.

Established under Title I of the Housing and Economic Recovery Act of 2008, the NHTF is a formula grant program aimed at increasing and preserving the supply of affordable housing for ELI and very low-income households. In Tennessee, THDA administers these funds, allocating them through a competitive application process. The program emphasizes the development of rental housing, with at least 80% of each annual grant designated for this purpose.⁴²

Eligible Activities Under the National Housing Trust Fund

NHTF funds in Tennessee can be utilized for:⁴³

- New Construction: Developing new rental housing units.
- Acquisition and Rehabilitation: Purchasing and renovating existing rental properties to ensure they meet quality standards.
- Operating Cost Assistance: Providing funds to cover operating expenses of NHTF-assisted units, ensuring long-term affordability.

The National Housing Trust Fund (NHTF) in Tennessee supports a variety of new construction projects aimed at increasing affordable rental housing for ELI households. Eligible product types for NHTF funding include:⁴⁴

- Multifamily Housing: Buildings containing more than four rental units.
- Single-Family Housing: Detached or semi-detached structures designed for one family.
- Manufactured Housing: Structures that are transportable in one or more sections, built on a permanent chassis, and designed to be used as dwellings.⁴⁵

The NHTF does not explicitly restrict funding based on specific architectural styles, such as elevator buildings, townhomes, or garden-style apartments. Instead, the focus is on the creation of affordable rental housing that meets the needs of extremely low-income households. Therefore, various building types can be eligible for funding, provided they comply with applicable property standards and local codes.⁴⁶

⁴¹ [U.S. Department of Housing and Urban Development - National Housing Trust Fund \(HTF\) Summary of Proposed Program Rule](#)

⁴² [U.S. Department of Housing and Urban Development - Housing Trust Fund](#)

⁴³ [Tennessee Housing Development Agency - National Housing Trust Fund 2024 Program Description](#)

⁴⁴ [Tennessee Housing Development Agency - National Housing Trust Fund 2022 Program Description](#)

⁴⁵ [Tennessee Housing Development Agency - National Housing Trust Fund 2023 Program Description](#)

⁴⁶ [Tennessee Housing Development Agency - National Housing Trust Fund 2025 Program Description](#)



Funding Allocation and Availability

The NHTF receives annual allocations from HUD, with funding levels varying based on national appropriations. Recent allocations for Tennessee include:

- FY 2024: \$3,150,564.64⁴⁷
- FY 2023: \$5.2 million⁴⁸

The reduction in funding from FY 2023 to FY 2024 reflects a broader national decrease in NHTF allocations, which declined from \$739 million in FY 2023 to \$214 million in FY 2024.⁴⁹

National Housing Trust Fund Disability-Forward Components

Extremely Low-Income (ELI) Targeting

- Affordable Housing for Individuals on Fixed Incomes: The NHTF mandates that all funds benefit ELI households, ensuring that housing developed under this program is accessible to individuals with disabilities living on limited income sources, such as Supplemental Security Income (SSI) or Social Security Disability Insurance (SSDI).

Special Needs Designations

- Permanent Supportive Housing (PSH): The NHTF encourages the development of permanent supportive housing, integrating affordable housing with supportive services to assist residents in maintaining housing stability and improving their quality of life.

Supportive Services and Housing

- Service Coordination: The NHTF allows for partnerships with service providers to ensure that tenants have access to essential supportive services, such as case management, mental health counseling, and in-home assistance.
- Collaboration with Medicaid HCBS Waivers: Developers can leverage Medicaid Home and Community-Based Services (HCBS) Waivers alongside NHTF funding to create long-term housing stability solutions for individuals with disabilities.

Accessibility

- Compliance with Federal Accessibility Standards: Projects funded by the NHTF must comply with federal accessibility regulations, including the FHA and Section 504 of the Rehabilitation Act, ensuring that units are accessible to individuals with disabilities.

⁴⁷ [Federal Register- Housing Trust Fund: Fiscal Year 2024 Allocation Notice](#)

⁴⁸ [Tennessee Housing Development Agency - National Housing Trust Fund 2024 Program Description](#)

⁴⁹ [Federal Register - Housing Trust Fund: Fiscal Year 2024 Allocation Notice](#)



Tennessee Housing Trust Fund (THTF)

The Tennessee Housing Trust Fund (THTF), administered by THDA, is a state-funded initiative designed to promote the production, preservation, and rehabilitation of affordable housing for low- and very low-income individuals across Tennessee. Established in 2006, the THTF is financed through profits generated by THDA's Great Choice Mortgages program. The fund supports a range of initiatives aimed at addressing housing insecurity for vulnerable populations, including older adults, individuals with disabilities, and those facing housing instability due to various socioeconomic factors.

There are several programs under the THTF, but only one supports the development or rehabilitation of new construction of rental housing. The other programs are noted in the individual assistance section

Competitive Grants Program⁵⁰

- **Purpose:** Develop and preserve affordable rental housing for low- and very low-income households, the elderly, and special needs populations.
- **Target Populations:** Elderly individuals; persons with mental, physical, or developmental disabilities; individuals recovering from substance addiction; victims of domestic violence; veterans with multiple needs; youth aging out of foster care; formerly incarcerated individuals re-entering society.
- **Eligible Applicants:** Non-profit housing development organizations, public housing authorities, development districts, and other state government departments.

Funding Allocation and Availability

Approximately \$4 million is allocated annually, with a maximum grant award of \$600,000 per grantee per round.

Eligible Activities Under the Tennessee Housing Trust Fund

Eligible activities include:

- New construction of rental housing units.⁵¹
- Acquisition of land designated for rental housing development.⁵²
- Acquisition of existing rental units.
- Rehabilitation of existing rental units.
- Conversion of non-residential structures into residential units.⁵³

⁵⁰ [Tennessee Housing Development Agency - Competitive Grants Program](#)

⁵¹ [East Tennessee Foundation - Affordable Housing Trust Fund](#)

⁵² [Tennessee Housing Development Agency - Competitive Grants Program](#)

⁵³ [Tennessee Housing Development Agency - Competitive Grants Program](#)



Tennessee Housing Trust Fund Disability-Forward Components

The THTF emphasizes serving populations, including individuals with disabilities. Key disability-forward interventions include:

Extremely Low-Income (ELI) Targeting

- **Affordable Housing for Individuals on Fixed Incomes:** By focusing on very low-income households, the THTF ensures that housing developed under this program is accessible to individuals with disabilities living on limited income sources.

Special Needs Designations

- **Supportive Housing Initiatives:** The THTF supports projects that offer supportive services, assisting residents in maintaining housing stability and improving their quality of life.

Supportive Services and Housing

- **Service Coordination:** The THTF encourages partnerships with service providers to ensure tenants have access to essential supportive services, such as case management and in-home assistance.

Accessibility

- **Physical Accessibility Improvements:** Developers are encouraged to include features such as zero-step entrances, widened doorways, grab bars, and adaptable kitchen and bathroom layouts.

Community Development Block Grants (CDBG)

The Community Development Block Grant (CDBG) program, administered by the Tennessee Department of Economic and Community Development (TNECD) and funded by HUD, provides annual grants to cities, counties, and states to develop viable communities by providing decent housing, suitable living environments, and expanding economic opportunities, principally for low- and moderate-income individuals.⁵⁴

CDBG projects must align with one of three national objectives:

- Benefit low- and moderate-income persons
- Eliminate “slums” and “blight”
- Address imminent health and safety problems

⁵⁴ [U.S. Department of Housing and Urban Development - Community Development Block Grant Program](#)



TNECD administers the "Small Cities" CDBG program, making all Tennessee communities eligible except for entitlement communities, which receive CDBG funds directly from HUD. Entitlement areas in Tennessee include Bristol, Chattanooga, Clarksville, Cleveland, Davidson County and Nashville, Franklin, Jackson, Johnson City, Kingsport, Knox County and Knoxville, Morristown, Murfreesboro, Oak Ridge, Shelby County, and Memphis.⁵⁵

Funding Allocation and Availability

CDBG funds are awarded exclusively to city and county governments, with applications typically submitted in February. The level of funding is determined annually through congressional appropriations. Recent allocations include:

- **2024:** Approximately \$26.6 million was approved for infrastructure improvements and health and safety initiatives across 40 communities.⁵⁶
- **2023:** Approximately \$36.6 million was approved for similar projects across 78 communities.⁵⁷

Community Development Block Grant Disability-Forward Components

While the CDBG program does not explicitly target disability-inclusive housing, its flexibility allows state agencies and developers to design projects that incorporate accessible housing components. By aligning CDBG-funded projects with the needs of individuals with disabilities, stakeholders can enhance housing accessibility and inclusivity.

Key Strategies for Utilizing CDBG for Disability-Inclusive Housing:

- **Housing Rehabilitation:** CDBG funds can be used for housing rehabilitation projects that include accessibility modifications, such as installing ramps, widening doorways, and retrofitting bathrooms to ensure housing is adaptable for people with disabilities.
- **Public Facilities Improvements:** Developing or upgrading community centers, parks, and other public facilities to be fully accessible ensures that individuals with disabilities can fully participate in community life.
- **Infrastructure Enhancements:** Investing in sidewalk improvements, ADA-compliant public transportation, and accessibility-focused street improvements promotes greater mobility and integration within communities.
- **New Construction Support:** CDBG can fund site acquisition, land development, and utility infrastructure to support the construction of accessible, inclusive, and integrated affordable housing developments.

⁵⁵ [Department of Economic & Community Development - About CDBG](#)

⁵⁶ [Tennessee Department of Economic & Community Development - Governor Lee, Commissioner McWhorter Announce 40 Communities to Receive Community Development Block Grants](#)

⁵⁷ [Tennessee Department of Economic & Community Development - Governor Lee, Commissioner McWhorter Announce 78 Communities to Receive Community Development Block Grants](#)



Section 811 Supportive Housing for Persons with Disabilities Program

The Section 811 Supportive Housing for Persons with Disabilities Program, funded by the U.S. Department of Housing and Urban Development (HUD), provides affordable housing options specifically for low-income adults with disabilities. The program operates through two primary mechanisms:⁵⁸

1. **Capital Advances:** Interest-free capital advances are provided to nonprofit organizations to finance the development of rental housing, such as independent living projects and small group homes, with supportive services for persons with disabilities. These advances do not require repayment as long as the housing remains available for very low-income persons with disabilities for at least 40 years.
2. **Project Rental Assistance (PRA):** This component offers project-based rental assistance to state housing agencies, which can be applied to new or existing multifamily housing complexes funded through various sources, including Federal Low-Income Housing Tax Credits and Federal HOME funds.⁵⁹ **Tennessee does not currently participate in the Section 811 Project Rental Assistance (PRA) program.**

In Tennessee, the Section 811 program has been utilized through Capital Advances to develop supportive housing for individuals with disabilities. Access to 811 Capital Advance funds is dependent on NOFOs released by HUD, which happens every few years on average. For instance, the Cumberland Regional Development Corporation (CRDC) has developed several HUD 811 housing complexes across various counties, including:⁶⁰

- Clinch River: Located in Wartburg, TN.
- Fairgrounds: Located in Jamestown, TN.
- Hillcrest: Located in Byrdstown, TN.
- Mace: Located in Jamestown, TN.
- Pedigo I: Located in Madisonville, TN.
- Robertsville: Located in Oak Ridge, TN.
- Shenandoah Haven: Located in Lafayette, TN.

These developments provide housing for individuals with verifiable disabilities. On average, these developers are small-scale and 100% people with disabilities.

⁵⁸ [U.S. Department of Housing and Urban Development - Section 811 Supportive Housing for Persons with Disabilities](#)

⁵⁹ [HUD Exchange - Section 811 PRA Program](#)

⁶⁰ [Upper Cumberland Development District - Cumberland Regional Development Corporation](#)



Section 811 Disability-Forward Components

Universal Design and Accessibility Features

Projects funded under Section 811 are evaluated based on their incorporation of Universal Design and visitability principles. This includes features that enhance accessibility and promote health and wellness for residents with disabilities.⁶¹

Supportive Services Integration

Each Section 811 project must have a supportive services plan tailored to the needs of persons with disabilities. Services may include case management, training in independent living skills, and assistance in obtaining employment. Importantly, residents cannot be required to accept any supportive service as a condition of occupancy, ensuring personal autonomy.⁶²

Long-Term Affordability Commitment

Section 811 provides interest-free capital advances to nonprofit sponsors to finance the development of supportive housing. These advances do not have to be repaid as long as the housing remains available for very low-income persons with disabilities for at least 40 years, ensuring long-term affordability and stability.

By integrating these components, the Section 811 program in Tennessee aims to provide accessible, supportive, and affordable housing options that promote independence and community integration for individuals with disabilities.

Expanded Access to Section 811

As noted, Tennessee does **not** currently participate in the Section 811 Project Rental Assistance (PRA) program. The PRA program seeks to identify, stimulate, and support innovative state-level strategies to provide integrated supportive housing for people with disabilities by offering project-based rental assistance to state housing agencies. To leverage these funds in the future, state services agencies can engage with state housing agencies to explore the potential benefits of participating in the Section 811 PRA program to expand the availability of project-based rental assistance for individuals with disabilities.

Individual Assistance

The following programs can be leveraged by service organizations, disability providers, and case managers to help individuals with disabilities access and maintain housing. They provide rental assistance, funding for home modifications, legal advocacy, and access to supportive services that are essential for independent living in the community. They don't fund new housing development; they fill gaps that help address some housing challenges faced by disabled Tennesseans and should be considered in the development of new housing solutions.

⁶¹ [National Low Income Housing Coalition -Section 811: Supportive Housing for Persons with Disabilities Program](#)

⁶² [U.S. Department of Housing and Urban Development - Section 811 Supportive Housing for Persons with Disabilities](#)



Housing Choice Voucher (HCV) Program

The Housing Choice Voucher (HCV) Program, still often known as Section 8, administered by THDA, provides rental assistance to very low- and extremely low-income households, the elderly, and individuals with disabilities, enabling them to afford safe, decent, and sanitary housing in the private market. The program is funded by HUD.⁶³

The HCV program operates by subsidizing a portion of the tenant's monthly rent, with participants typically contributing 30% of their adjusted gross income toward housing costs. The subsidy allows recipients to select housing that meets program requirements, including single-family homes, townhouses, and apartments.⁶⁴

In Tennessee, THDA administers the HCV program across 72 counties through four area offices, collaborating with local public housing authorities (PHAs) in regions such as Nashville and Memphis.

As of 2023, Tennessee had approximately 106,327 subsidized housing units, including Section 8 vouchers. About 12% of these units were unoccupied and available for rent.⁶⁵

Housing Choice Voucher Disability-Forward Components

The HCV program includes special purpose vouchers to assist non-elderly individuals with disabilities: **Mainstream Vouchers** and **Non-Elderly Disabled (NED) Vouchers**. These vouchers assist non-elderly disabled individuals and families in obtaining stable housing. They operate within the broader HCV program but are designated specifically for this population, ensuring access to community-based housing instead of institutional settings.⁶⁶ As of November 2024, there were 856 leased Mainstream Vouchers and 778 leased NED Vouchers in Tennessee.

Therefore, these special-purpose vouchers have the following disability-forward housing components:

ensuring deep affordability as tenants pay 30% of their incomes and explicitly targeting disabled adults.

However, several challenges hinder the program's effectiveness in serving individuals with disabilities:

- **Limited Funding:** The demand for HCV assistance often exceeds available funding, leading to long waiting lists.
- **Landlord Participation:** Some landlords may be reluctant to accept vouchers due to administrative requirements or biases against voucher holders.

⁶³ [Tennessee Housing Development Agency - Housing Choice Voucher \(HCV\) Program](#)

⁶⁴ [U.S. Department of Housing and Urban Development - Housing Choice Vouchers Fact Sheet](#)

⁶⁵ [USA Facts - How many subsidized housing units are available in Tennessee](#)

⁶⁶ [U.S. Department of Housing and Urban Development - Non-Elderly Disabled \(NED\) Vouchers](#)



- **Housing Availability:** A shortage of affordable, accessible housing units limits options for voucher recipients, particularly those with specific accessibility needs.
- **Time Constraints:** Recipients have a limited time to find suitable housing, which can be challenging in tight rental markets.

Even with these constraints, as of August 2024, public housing authorities must adopt new Mainstream Voucher program requirements and can adopt optional improvements, all of which reduce barriers to disabled people utilizing the vouchers.⁶⁷

Home Modifications and Ramps Program

The Home Modifications and Ramps Program, administered by United Cerebral Palsy of Middle Tennessee (UCP) in collaboration with the Tennessee Housing Development Agency (THDA), aims to enhance home accessibility for individuals with mobility impairments. Funded through THDA grants and the Tennessee Housing Trust Fund (THTF), the program provides services such as the construction of wheelchair ramps to facilitate safe home entry and exit, as well as home modifications, including widening doorways and installing grab bars to improve interior accessibility.⁶⁸

Eligibility Criteria

This program serves Tennesseans with disabilities that result in mobility impairments who require accessibility modifications to remain safely in their homes. It primarily targets low- and very low-income households that meet THDA's income criteria. However, applicants above the income threshold may still qualify if they can cover material costs. The program is available to both homeowners and renters, provided that renters obtain permission from their landlords.⁶⁹

Home Modifications and Ramps Disability-Forward Components

The Home Modifications and Ramps Program inherently supports disability-inclusive housing by addressing the specific needs of individuals with mobility impairments. By focusing on direct accessibility improvements, such as structural modifications that remove barriers, the program enhances independence for individuals with disabilities. Additionally, its statewide reach ensures that eligible individuals across Tennessee can access critical home modifications that promote safety, accessibility, and mobility.

Disability Housing Assistance Program

The Disability Housing Assistance Program, administered by UCP, offers grants to facilitate home modifications for low-income individuals with disabilities. Funded primarily through donations, the program supports small-scale accessibility improvement projects, with typical grants averaging

⁶⁷ [U.S. Department of Housing and Urban Development - Statutory and Regulatory Waivers for Mainstream Vouchers](#)

⁶⁸ [Tennessee Housing Development Agency - Home Repairs: Home Modifications and Ramps Program](#)

⁶⁹ [United Cerebral Palsy of Middle Tennessee - Home Access](#)



around \$5,000. These modifications aim to enhance safety and accessibility within the home, promoting greater independence for individuals with disabilities.⁷⁰

The program relies on donations, and while specific allocations for the Disability Housing Assistance Program are not publicly detailed, UCP's overall financial data provides insight into its funding capacity. In Fiscal Year Ending June 2023, UCP reported:⁷¹

- **Total Revenue:** \$1,255,662
- **Total Expenses:** \$1,343,196
- **Net Assets:** \$1,769,269

Eligibility Criteria

Applicants must meet the Tennessee Housing Development Agency's (THDA) income eligibility requirements, which are based on total household income and size. Additionally, applicants must have a disability that results in substantial limitations in three or more major life activities, with the condition being long-term or expected to continue indefinitely.

Disability Housing Assistance Disability-Forward Components

The program is inherently disability-forward, targeting individuals with disabilities who require home modifications to improve their living conditions. By focusing on small-scale projects, such as installing grab bars, widening doorways, or adding ramps, the program enhances accessibility and safety, enabling individuals to remain in their homes with greater independence. The statewide reach ensures that individuals across Tennessee can access these essential modifications.

Targeted Transitional Support Programs

The Tennessee Department of Mental Health and Substance Abuse Services (TDMHSAS) administers two key programs under the Targeted Transitional Support (TTS) initiative: the Community Targeted Transitional Support (CTTS) program and the Inpatient Targeted Transitional Support (ITTS) program. Both programs aim to provide temporary financial assistance to individuals with mental health conditions, facilitating their transition to independent living and reducing the risk of homelessness.

The CTTS program offers specific, short-term financial assistance to individuals receiving treatment for mental illness or co-occurring substance use disorders. This assistance includes funding for rental deposits, rental assistance, utility deposits, utility payments, eye care, and dental care. Eligible participants must have a household income below the Federal Poverty Level

⁷⁰ [United Cerebral Palsy of Middle Tennessee - Disability Housing Assistance](#)

⁷¹ [ProPublica - Nonprofit Explorer: United Cerebral Palsy Of Middle Tennessee Inc](#)



and demonstrate that their need is temporary or one-time. Payments are made directly to vendors, such as landlords or utility companies, ensuring that funds are used for their intended purposes.⁷²

The ITTS program assists individuals awaiting discharge from Regional Mental Health Institutes by providing temporary financial assistance for up to six months. This support covers expenses such as rental and utility deposits, transportation, and medication co-pays. The goal is to enable individuals to transition into community settings, ensuring they have the necessary resources until their income or benefits can be restored.⁷³

Funding Allocation and Availability

While precise funding allocations for CTTS and ITTS in the most recent fiscal year are not readily available, historical data provides some insight into funding trends. For example, in 2012, the ITTS program received approximately \$583,000 in state revenue, including proceeds from the closure of a state psychiatric institution.⁷⁴ The Tennessee Department of Mental Health and Substance Abuse Services' budget hearing for FY 2023-2024 reported serving 652,315 Tennesseans in FY 2021, with ongoing funding requests to support behavioral health and housing services.⁷⁵

Targeted Transitional Support Disability-Forward Components

Both CTTS and ITTS are inherently disability-forward, as they focus on individuals with mental health conditions - providing essential financial support to help individuals transition from institutional care or crisis situations into stable housing environments. By addressing immediate financial barriers, such as rental deposits, utility payments, and transportation, these programs enable participants to secure and maintain housing while they stabilize their mental health and work toward long-term independence. Additionally, the programs contribute to community integration by ensuring that individuals are not placed in restrictive or institutional settings unnecessarily and long-term. While CTTS and ITTS serve a critical role in supporting individuals with disabilities, their focus on mental health conditions means that they do not currently extend to individuals with other disabilities who may also benefit from similar transitional support services.

However, there are no specific accessibility requirements mandated for housing units supported by CTTS or ITTS. The primary focus of these programs is to offer financial assistance for expenses such as rental deposits, utility payments, and other immediate needs to support independent living for individuals with mental health conditions. That being said, they do not explicitly address the accessibility features of the housing units themselves.

⁷² [Department of Mental Health & Substance Abuse Services - Housing & Homeless Services](#)

⁷³ [National Low Income Housing Coalition - Inpatient Targeted Transitional Support](#)

⁷⁴ [Technical Assistance Collaborative - State Funded Housing Assistance Programs](#)

⁷⁵ [Department of Finance & Administration - Mental Health and Substance Abuse Services Fiscal Year 2023-2024 Budget Hearing](#)



Qualified Allocation Plan (QAP) Analysis

In addition to housing development and individual resources, Low-Income Housing Tax Credits fund the majority of affordable housing in Tennessee. Tennessee's 2025 Qualified Allocation Plan (QAP) includes various incentives for developers to encourage the construction and rehabilitation of affordable housing. These incentives aim to promote accessibility, sustainability, and the inclusion of special housing needs. However, the QAP lacks critical provisions that would ensure the development of housing that is truly inclusive and accessible for people with disabilities who require robust supportive services to live in the community and not in institutional settings.

Special Housing Needs Provision

The QAP awards 7 points for developments that serve populations with special housing needs, though applicants must choose between points for serving special needs populations or those with children. The Tennessee Housing Development Agency (THDA) defines special housing needs as, *"Housing needs served by housing that has been constructed or rehabilitated with special features (e.g., location, design, layout, or on-site services) to help people live at the highest level of independence in the community. For example, the unit may be adapted to accommodate special physical or medical needs; or provide on-site services such as staff support for older persons, individuals with mental health issues, developmental, or other social needs."* (Page 12)

To receive these points, a development must include a formal agreement with supportive service providers, such as a memorandum of agreement or contract with a provider offering services tailored to the specific special needs population. If the development serves older persons, the services must align with the definition of Supportive Services for Older Persons. However, the QAP does not specify the scope, duration, or funding commitments of these services, which means that the level of support may be inconsistent or inadequate. States with stronger supportive housing provisions require long-term funding commitments, minimum service standards, and evidence of collaboration with Medicaid-funded programs. Without these provisions, developments in Tennessee may provide only minimal services that fail to meet the needs of individuals requiring higher levels of support.

The requirement that applicants choose between points for serving special needs populations and those for serving families with children creates a structural disincentive for developers to prioritize disability inclusion. By forcing developers to choose between these incentives, the QAP does not adequately reflect the reality that both families and individuals with disabilities need access to affordable housing.

Given that overall scoring in the QAP includes multiple competitive categories, the current point structure does not substantially shift LIHTC allocations in favor of accessible and disability-inclusive housing. Developers often prioritize incentives that yield the most competitive



advantage, making the special needs incentive too weak to drive widespread investment in housing for individuals with disabilities.

Additionally, developments must provide a dedicated space for supportive service providers and include at least one on-site amenity from a pre-approved list. Acceptable amenities include an exercise facility, a gazebo, a pergola, a veranda, walking trails, landscaped pavilions, community gardens, meeting/work rooms, and computer centers. For larger developments, particularly those with more than 80 units, 2 additional amenities must be included. The two amenities can be an additional dedicated space for supportive service providers, and one amenity under Section 5(d), or two additional amenities under 5(d) than what was previously provided.

Other Incentives

Other scoring-based incentives include features such as pre-wiring for high-speed internet, video security systems, and the construction of accessible community spaces. The QAP also emphasizes sustainability, encouraging the use of energy-efficient materials, anti-fungal roofing, and fire suppression systems in each unit. Community amenities such as walking trails, pavilions, picnic shelters, and exercise facilities are also incentivized. Furthermore, projects rehabilitating historically significant structures may receive additional points.

Accessible Design

The QAP does not mandate a minimum percentage of accessible units for LIHTC developments; it requires general compliance with the Fair Housing Act (FHA), the Americans with Disabilities Act (ADA), and local/state building codes. This is a significant shortfall because these laws establish only baseline accessibility requirements rather than proactively encouraging the creation of housing designed for individuals with disabilities. In 2023, only 1% of LIHTC units nationwide were designed for people with disabilities, according to the NCSHA Fact Book. Without a dedicated set-aside, Tennessee risks further underserving this critical population.

Many states have implemented set-asides or minimum accessibility requirements within their QAPs. For example, some states require that at least 10% of units in new developments be fully accessible. Without similar requirements, Tennessee's LIHTC program does not provide sufficient motivation for developers to prioritize accessible housing.

Developer Experience

THDA prefers development teams with successful experience in the Tennessee Housing Credit Program and does not incentivize new developers. A proven track record with minimal compliance issues further enhances an application's score, and projects led by experienced joint venture partners are given favorable consideration. Incentives are also available for phased developments that expand upon previously awarded Housing Credit Developments, provided these projects demonstrate financial feasibility and adherence to prior commitments.



Design Standards

The Tennessee Housing Development Agency (THDA) has created a set of Minimum Design Standards for any new or rehabilitated housing that receives funding from or through THDA. These standards are requirements and recommendations that aim to keep housing in compliance with local, state, and federal building codes, and provide minimum standards outside of code. They feature size and energy-compliant appliance requirements, awnings for primary exterior entrances, and no-step thresholds for units dedicated to older adults, among other requirements. They also recommend several helpful Universal Design features.

The Minimum Design Standards are a good foundation for new and rehabilitated housing, and the Universal Design recommendations listed are excellent steps to enhancing usability. However, these Standards could be significantly strengthened to support more accessible, visitable, and disability-forward housing. THDA can do this in many ways, the simplest of which is to turn the Universal Design recommendations into requirements. Minimum door widths, lever handles and faucets, and no-step thresholds benefit everyone, not just people with mobility disabilities or limited dexterity. Making them a requirement would lead to a better experience for everyone inhabiting the units.

While Universal Design aims to serve a wide range of users over time, it incorporates adaptable features that may need modifications to fully accommodate individuals with mobility impairments. In contrast, Type A units offer immediate, full accessibility, allowing residents with disabilities to move in without requiring further adjustments. However, despite their essential role in inclusive housing, Type A units are relatively rare, as regulations typically require them in only a tiny portion of federally funded multifamily developments. To increase the supply of accessible, visitable units, THDA could require more Type A units in multifamily developments.

SECTION 4:

Case Studies

Case Studies

Across the country, states have implemented various programs to expand housing options for individuals with disabilities. These programs address critical challenges such as affordability, accessibility, and long-term support, often leveraging interagency collaboration, creative financing mechanisms, and service integration to achieve their goals. The following case studies examine



four distinct state-led initiatives that have sought to develop integrated, supportive housing for individuals with I/DD and other special needs populations.

Each case study provides an overview of the program's structure, funding model, target population, and implementation strategies, along with an analysis of its successes and challenges. By understanding how these programs were designed, funded, and operated, we can identify best practices and key considerations for improving disability-forward housing policy in Tennessee.

The selected case studies include:

- **Alabama: Post-Wyatt Housing Initiatives** —Following the Wyatt v. Stickney ruling, Alabama shifted from institutional care to a community mental health services network and affordable housing set-asides for individuals with disabilities. These reforms laid the groundwork for the state's Olmstead compliance.
- **California: Community Placement Plan (CPP)** – A funding program designed to transition individuals with I/DD from institutional settings into community-based housing by providing capital funding and operating subsidies to developers.
- **Connecticut: Intellectual Disabilities and Autism Spectrum Disorder Housing (IDASH) Program** – A discontinued initiative that combined capital funding and service support to create inclusive housing for individuals with I/DD, offering insights into funding sustainability and long-term program viability.
- **Georgia: Georgia Housing Voucher Program (GHVP)** —GHVP is a tenant-based rental assistance program created in response to the state's Olmstead settlement, serving individuals with serious mental illness through flexible housing subsidies and integrated community supports.
- **Missouri: Money Follows the Person (MFP) Housing Pilot** —Missouri's implementation of Money Follows the Person (MFP) helps individuals with disabilities and older adults transition from institutional care into integrated community housing. In partnership with MoHousing, the program offers housing navigation, transition supports, and cross-agency coordination to promote independence and long-term stability.
- **Massachusetts: Facilities Consolidation Fund (FCF)** – A financing initiative that provides deferred payment loans to developers to create housing for individuals served by the Department of Mental Health (DMH) and Department of Developmental Services (DDS).
- **New York: Integrated Supportive Housing (ISH) Program** – A collaborative effort between the Office for People With Developmental Disabilities (OPWDD) and housing



agencies to create integrated, affordable housing with built-in rental assistance and supportive services.

These case studies illustrate how different states have structured their housing programs - whether through direct capital investment, rental assistance, service coordination, or regulatory incentives - and highlight the policy and funding mechanisms that have contributed to their success or limitations. By analyzing these programs, we can extract valuable lessons that inform the development of effective, scalable, and financially sustainable disability-forward housing solutions in Tennessee.

Alabama: Post-Wyatt Housing Initiatives

Following the landmark *Wyatt v. Stickney* decision in 1971,⁷⁶ which established the constitutional right to treatment for individuals in state mental health facilities, Alabama restructured its mental health system to prioritize community-based care. The ruling mandated minimum standards of care and affirmed that individuals could not be held indefinitely in institutions without active treatment. In response, Alabama developed a network of community mental health centers, outpatient treatment programs, and housing supports. Expansion of outpatient and community housing services was designed to reduce the state's overreliance on large psychiatric hospitals. These supports included local services such as case management, crisis intervention, and supportive housing. These efforts formed the foundation of Alabama's later compliance with the *Olmstead* decision.

Managed by: Alabama Department of Mental Health (ADMH)

Target Population: Individuals with serious mental illness or developmental disabilities who were institutionalized or at risk of institutionalization under the *Wyatt v. Stickney* settlement agreement.

Structure of Funds: Through its strategic *Olmstead* plan and partnerships with the Alabama Housing Finance Authority (AHFA), Alabama ensured the allocation of a portion of affordable housing units for individuals with mental health needs. Notably, in the 2001–2002 funding cycles, AHFA helped create over 600 units for this population, through project-based rental assistance.⁷⁷

Implementation Strategy: Alabama's efforts included developing supportive housing and services to allow individuals to live independently in the community. Rather than issuing rental subsidies, the state focused on housing set-asides within larger developments and robust case management to support transitions from institutional care.

⁷⁶ *Wyatt v. Stickney*, 344 F. Supp. 373 (M.D. Ala. 1972).

⁷⁷ Alabama Housing Finance Authority. "History & Accomplishments." Available at: <https://www.ahfa.com/about/history-accomplishments>



Strengths of the Program: The program has several significant strengths. It played a key role in shifting care from institutional settings to community-based environments by building the infrastructure necessary for supported housing across the state. This initiative contributed to creating permanent housing options within larger affordable housing developments, fostering social integration and reducing stigma. Notably, it pioneered integrated housing within a rights-based approach that emphasizes civil liberties and access to community-based treatment. The program also demonstrated the effective use of court mandates to drive broad systemic reforms across mental health and housing systems. Additionally, it fostered strong cross-sector partnerships among the Alabama Department of Mental Health (ADMH), the Alabama Housing Finance Authority (AHFA), and community-based service providers. These partnerships have been essential in promoting sustained collaboration and ensuring that programs are aligned in their objectives. As a result, the program has successfully reduced institutional populations while supporting recovery and independence for individuals with disabilities in their local communities.

Opportunities for Improvement: The absence of tenant-based rental subsidies may limit participants' housing choices and flexibility, especially in rural or under-resourced areas where options are already constrained. A pressing concern is the long-term affordability of set-aside units; as some properties near the end of their affordability commitments, there is no guarantee they will be renewed. To address this, stronger coordination between housing and behavioral health service systems is essential to ensure individuals can access and maintain stable housing alongside consistent support services. Furthermore, enhancing data transparency and tracking regarding the availability, condition, and retention of these housing units would improve oversight and inform long-term planning. Finally, expanding landlord outreach and offering greater incentives could help increase the pool of willing housing partners, which is particularly important for overcoming placement barriers and addressing geographic disparities in housing access.

California: Community Placement Plan (CPP)

Funds the development of community-based housing and services for individuals with intellectual and developmental disabilities (I/DD). Administered by the Department of Developmental Services (DDS) through Regional Centers, these programs support the acquisition, renovation, and construction of housing to transition individuals from institutional settings.⁷⁸ Funds are typically used as gap financing, requiring alignment with other state and local sources.⁷⁹ While CPP facilitates community integration, its structure and impact depend on regional implementation and available matching funds.

⁷⁸ [California Department of Developmental Services – Community Placement Plan Overview](#)

⁷⁹ [California Department of Developmental Services – Guidelines for Purchasing and Developing Permanent Housing through the Regional Center Community Placement Plan](#)

**Managed by:**

Department of Developmental Disabilities
(DDS)

Collaborating Departments:

Local Regional Centers apply and direct funding
administered

Target Population: Serves individuals with intellectual and developmental disabilities (IDD) by funding the development of community-based housing options that promote stability, independence, and integration. While CPP originally supported individuals transitioning out of institutions, it now also supports those at risk of institutionalization or in need of enhanced community living options. Eligibility is limited to current clients of California's Regional Centers⁸⁰, with a 25% set-aside in funded homes specifically for individuals with I/DD⁸¹, ensuring access to integrated, community-based living arrangements with appropriate supports.

Structure of Funds: Provides funding as subordinated debt, allowing DDS to take a lower lien position to encourage additional financing. Properties funded through this program must adhere to long-term deed restrictions, ensuring they remain designated for individuals with I/DD. This structure supports project feasibility by enabling developers to layer multiple funding sources, including tax credits and conventional loans, while maintaining affordability and community integration.



The Kelsey Civic Center, San Francisco, CA

Strengths of Program: This program is designed to be accessible and features a streamlined application process that allows regional centers to submit housing proposals to DDS using established guidelines.⁸² The administration of CPP is managed by a dedicated team within DDS, ensuring responsiveness and support throughout the application and implementation phases. This structure facilitates the development of community-based resources tailored to individuals with I/DD, promoting their integration and quality of life.

⁸⁰ [California Department of Developmental Services – Community Placement Plan Overview](#)

⁸¹ [California Department of Developmental Services – CPP Housing Guidelines Appendix N: Multi-Family Housing](#)

⁸² [California Department of Developmental Services – Guidelines for Purchasing and Developing Permanent Housing through the Regional Center Community Placement Plan](#)



Opportunities for Improvement: Provides essential funding for housing development, but the small allocation relative to total project costs often makes it difficult for developers to justify integrating these funds. The lack of a standardized per-unit subsidy means loan amounts are determined case by case, adding uncertainty to project financing. Additionally, complex deed restrictions create administrative burdens that can deter participation, and in some years, funds have gone unused due to feasibility challenges.⁸³ Strengthening financial predictability and streamlining administrative requirements could improve the impact and utilization of these programs.

Connecticut: Intellectual Disabilities and Autism Spectrum Disorder Housing (IDASH) Program

Collaborative initiative launched in 2017 by Connecticut's Department of Housing (DOH), Department of Developmental Services (DDS), and Department of Social Services (DSS). The program aimed to integrate affordable, supportive housing units within larger developments, specifically designed for individuals with I/DD or autism spectrum disorders.⁸⁴ As of 2022, the IDASH program is no longer active, resulting from the exhaustion of the initial funds allocated for the program. In response, Connecticut shifted its strategy to encourage developers to apply for LIHTC.⁸⁵

Managed by:

Department of Housing (DOH)

Collaborating Departments:

Department of Developmental Services (DDS)

Department of Social Services (DSS)

Target Population: The IDASH program targeted individuals with I/DD, including those on Connecticut's Intellectual Disability Medicaid Waivers (DDS) and the State's Adult Autism Waiver (DSS). The program aimed to provide affordable, service-supported housing opportunities for these individuals, integrating them within community settings.

⁸³ [California State Auditor – Report 2019-119: Mental Health Services Act: The State Could Better Ensure the Effective Use of Mental Health Services Act Funding](#)

⁸⁴ [Connecticut Department of Developmental Services - Intellectual Disabilities and Autism Spectrum Disorder Housing \(IDASH\) Program](#)

⁸⁵ [CT Mirror: CT Expanding Supportive Housing for Adults with Disabilities](#)



Bear Woods, Canton, CT

Structure of Funds: Utilized a blended funding model; DOH allocated \$30M in capital funding to finance the construction and rehabilitation of affordable housing, while DDS contributed \$700,000 to provide supportive services, including 24-hour on-call assistance and transportation.⁸⁶ Developers could access these funds through a competitive application process, with projects reviewed by an interagency committee to ensure alignment with program objectives. To promote financial feasibility, developer fees were capped at 15% of total development costs.⁸⁷ This funding structure promoted integrated housing with built-in support services.

Strengths of the Program: The collaborative approach between the DOH, DDS, and DSS allowed for a comprehensive funding and service model that combined affordable housing with tailored support services. By embedding units within larger affordable housing developments, IDASH promoted community integration, reduced stigma, and prevented segregation of individuals with disabilities. The dual-funding structure ensured both capital funding for development and resources for ongoing supportive services, enhancing long-term sustainability. Aligned with federal HCBS guidelines, ensuring residents had access to housing in the most integrated settings. The person-centered approach allowed individuals to access flexible and voluntary support services.

Opportunities for Improvement: Funding sustainability was a major limitation, as the program relied on a finite pool of state funds. This led to its eventual discontinuation and a shift toward LIHTC as an alternative. Construction delays, exacerbated by the COVID-19 pandemic, slowed the completion of projects. The limited scale meant that only a small number of developments were completed, suggesting a need for expanded partnerships to increase its reach. Service coordination could have ensured that residents received seamless and well-integrated services. While IDASH promoted greater independence, tailoring support services could have further enhanced resident autonomy.

⁸⁶ [Connecticut Department of Developmental Services - Intellectual Disabilities and Autism Spectrum Disorder Housing \(IDASH\) Program](#)

⁸⁷ [Connecticut Department of Housing - Notice of Funding Availability: IDASH Program](#)



Georgia: Georgia Housing Voucher Program

The Georgia Housing Voucher Program (GHVP) was created in response to the 1999 U.S. Supreme Court decision in *Olmstead v. L.C.*, and formally launched under a 2010 settlement agreement with the U.S. Department of Justice. GHVP is a tenant-based rental assistance initiative managed by the Georgia Department of Behavioral Health and Developmental Disabilities (DBHDD), and as of 2024, it serves approximately 2,550 individuals with a median monthly rental subsidy of \$925.⁸⁸ The program promotes housing choice, integrates wraparound behavioral health services, and includes Bridge Funding to cover one-time expenses such as deposits and furnishings, all of which support successful community living.⁸⁹

Managed by: Georgia Department of Behavioral Health and Developmental Disabilities (DBHDD)

Target Population: Individuals with severe and persistent mental illness who are institutionalized or at risk of institutionalization, as identified under the *Olmstead* settlement agreement.

Structure of Funds: GHVP is funded through state general revenue allocations. The program provides tenant-based rental assistance, covering a portion of the rent for eligible individuals to lease housing in the private market.

Implementation Strategy: In response to the 1999 U.S. Supreme Court decision in *Olmstead v. L.C.*, which affirmed the rights of individuals with disabilities to live in community settings, Georgia entered into a settlement agreement with the U.S. Department of Justice in 2010.⁹⁰ GHVP was established as a key component of the state's compliance efforts, providing rental assistance and supportive services to facilitate community integration. The program partners with private landlords and service providers to ensure comprehensive support for participants.

Strengths of the Program: The program has several key strengths. It promotes housing choice and independence by allowing participants to select their own units in the private market. Person-centered supports are embedded within community settings, aligning with best practices for recovery-oriented systems of care. By offering sustainable alternatives, the program reduces reliance on institutional care and helps prevent unnecessary admissions. It also supports timely transitions from psychiatric hospitals, shelters, and correctional settings, thereby reducing pressure on these systems. Additionally, the inclusion of flexible Bridge Funding helps cover critical up-front costs such as security deposits, furniture, and application fees—barriers that often prevent access to housing.

⁸⁸ Georgia Department of Behavioral Health and Developmental Disabilities (DBHDD). "Georgia Housing Voucher Program Overview." Available at: <https://healthyfuturega.org/wp-content/uploads/2024/10/GHVP-Fact-Sheet.pdf>

⁸⁹ NAMI Georgia, "GHVP Program Presentation," May 2023. Available at: <https://namiga.org>

⁹⁰ U.S. Department of Justice & State of Georgia. "Settlement Agreement Regarding the Georgia Department of Behavioral Health and Developmental Disabilities," 2010.



Opportunities for Improvement: The program currently serves fewer than one-third of the 9,000 individuals identified under the Department of Justice (DOJ) agreement, limiting its overall impact. Demand continues to exceed available resources, leading to long waitlists that delay access to stable housing. Geographic disparities in unit availability—especially in rural or underdeveloped markets—further restrict participant choice and limit opportunities for community integration. Moreover, heavy case management workloads and inconsistent service coordination can negatively affect the long-term housing stability of participants. A stronger evaluation framework and more transparent data sharing would help stakeholders assess program effectiveness and inform strategic improvements. To fully realize the program’s potential, increased investment in housing supply, landlord engagement, and supportive services will be necessary.

Massachusetts: Facilities Consolidation Fund (FCF)

State initiative that finances the development of community-based housing for individuals served by the Department of Mental Health (DMH) and the Department of Developmental Services (DDS). Established under Chapter 52 of the Acts of 1993, the program provides deferred payment loans to non-profit developers for acquiring, rehabilitating, or constructing rental housing.⁹¹ The goal is to transition individuals from institutional settings to integrated community living environments. Eligible projects must receive prior approval from DMH or DDS, ensuring alignment with the specific needs of the target populations.

Managed by:

Executive Office of Housing and
Livable Communities (EOHLC)

Collaborating Departments:

Department of Mental Health (DMH)
Department of Developmental Services (DDS)

Target Population: Individuals with mental health conditions or intellectual and developmental disabilities (I/DD) who are clients of the Department of Mental Health (DMH) or the Department of Developmental Services (DDS). This includes those transitioning from institutional settings to integrated community living environments, as well as individuals at risk of institutionalization due to a lack of appropriate community-based housing options.

Structure of Funds: Provides deferred payment loans (DPLs) to eligible non-profit developers for the development of community-based housing serving targeted clients. These funds can be utilized for property acquisition, new construction, or rehabilitation projects. The loan amount is determined based on the project's total development cost, with specific percentage limits set by the program guidelines. The loans are structured to ensure long-term affordability and are typically secured by a mortgage on the property, with repayment deferred.

⁹¹ [Massachusetts Department of Housing and Community Development – Facilities Consolidation Fund Program Guidelines](#)



East Gables, Amherst, MA

Strengths of the Program: Flexible deferred payment loans for acquisition, construction, and rehabilitation. Open to non-profits, for-profits, and local housing authorities, the program expands access to specialized housing while ensuring long-term affordability. Projects require pre-approval from the Department of Mental Health (DMH) or the Department of Developmental Services (DDS), aligning housing development with service needs. By covering a wide range of costs and facilitating partnerships between developers and state agencies, FCF plays a crucial role in expanding integrated housing options for individuals with mental health conditions and developmental disabilities.

Opportunities for Improvement: Funding caps - typically covering no more than 50% of a project's total cost - require developers to secure additional financing, which can be difficult.⁹² The application process can be complex, particularly for projects relying on multiple state funding sources, leading to delays.⁹³ Additionally, local zoning and regulatory barriers can create further hurdles, increasing costs and slowing development. Streamlining funding processes and addressing regulatory challenges could improve program accessibility and encourage broader participation.

Missouri: Show-Me Home and Inclusive Housing Partnerships

Missouri's efforts to transition individuals with disabilities from institutional to community-based housing are led through the Show-Me Home program, Missouri's implementation of the federal Money Follows the Person (MFP) initiative.⁹⁴ The program aims to support older adults and people with disabilities as they move from nursing homes and habilitation centers into integrated housing

⁹² [Massachusetts Executive Office of Housing and Livable Communities – Facilities Consolidation Fund \(FCF\) Program Overview](#)

⁹³ [Massachusetts Department of Housing and Community Development – Facilities Consolidation Fund Program Guidelines](#)

⁹⁴ Missouri Department of Social Services. "Money Follows the Person (Show-Me Home)."
<https://dss.mo.gov/mhd/general/pages/mfp.htm>



that promotes independence.⁹⁵

Managed by:

Missouri Department of Social Services

Collaborating Departments:

Missouri Department of Mental Health
Missouri Inclusive Housing Development
Corporation (MoHousing)

Implementation Strategy: Show-Me Home emphasizes person-centered planning and housing navigation services to help individuals identify and transition to affordable, accessible housing options in the community. MoHousing plays a key role in connecting individuals to landlords, helping with housing applications, and identifying units that meet accessibility needs.⁹⁶ The program works across agencies and with private housing providers to expand housing opportunities and provide ongoing tenancy supports.

Strengths of the Program: The program demonstrates several notable strengths. It employs a holistic, person-centered transition model incorporating housing navigation, community services, and environmental modifications, ensuring participants receive comprehensive support. It also leverages MoHousing’s partnerships and housing search tools to identify and secure suitable housing options for individuals. Coordination across agencies and funding streams further enhances the program’s effectiveness by reducing institutional reliance and fostering long-term housing stability. Additionally, by covering upfront costs such as deposits and basic household goods—expenses often present significant barriers for individuals transitioning from institutional settings—the program facilitates smoother transitions to community living.

Opportunities for Improvement: A key limitation of the program is the scarcity of long-term rental assistance, as the program currently relies on connecting participants to external voucher programs or available affordable housing, which may not always be accessible. The persistent shortage of accessible and affordable units in rural areas also hinders the program’s impact, particularly in underserved counties. To address these challenges, greater investment in statewide housing development and landlord engagement is necessary to increase housing options and incentivize provider participation. Moreover, enhancing performance tracking and collecting more robust outcome data would strengthen the case for the program’s long-term sustainability and potential for replication.

New York: Integrated Supportive Housing (ISH) Program

Facilitates the development of non-certified, community-integrated housing for individuals with I/DD. The program provides rental subsidies, supportive services, and capital funding, enabling individuals to live independently while receiving tailored support.⁹⁷ Projects may receive either

⁹⁵ Missouri Department of Mental Health. “Housing.” <https://dmh.mo.gov/housing>

⁹⁶ Missouri Inclusive Housing Development Corporation. <https://www.mohousing.com>

⁹⁷ [OPWDD – Integrated Supportive Housing Term Sheet 2024](#)



capital and rental assistance or rental subsidies alone, with funding awarded through an annual application process.⁹⁸ ISH aligns with New York’s broader supportive housing initiatives, ensuring that individuals with I/DD have access to stable, integrated housing that promotes independence and community inclusion.

Managed by:

Office for People With Developmental
Disabilities (OPWDD)

Collaborating Departments:

NYS Homes and Community Renewal (HCR)

Target Population: Individuals with I/DD who are eligible for services from OPWDD. The program specifically targets those who can benefit from living in independent, non-certified, community-integrated residential settings. To promote inclusivity, ISH encourages housing developers to allocate up to 25% of the total units in a project as preferential tenancy units for individuals with I/DD.⁹⁹

Structure of Funds: Combines capital funding, rental subsidies, and supportive services. OPWDD provides funding, often layered with financing from NYS Homes and Community Renewal (HCR), New York City Housing Preservation and Development (HPD), and the Homeless Housing Assistance Program (HHAP). Capital funding supports new construction, adaptive reuse, and rehabilitation, while rental subsidies cap rents at 50% of Area Median Income (AMI).¹⁰⁰ OPWDD also funds supportive services.



Edwin’s Place, Brooklyn, NY

Strengths of the Program: By integrating affordable housing with supportive services, ISH effectively addresses the complex needs of individuals with I/DD, promoting stability and

⁹⁸ [OPWDD – Integrated Supportive Housing 2024–25 RFA](#)

⁹⁹ [HCR – Supportive Housing Opportunity Program Term Sheet](#)

¹⁰⁰ [OPWDD – Integrated Supportive Housing Term Sheet 2024](#)



independence.¹⁰¹ The program's collaborative approach, involving partnerships between housing developers and service providers, ensures that housing solutions are both sustainable and resident-tailored. ISH leverages diverse funding sources, including LIHTC and public funding streams. By aligning with New York State's broader initiatives to expand affordable and supportive housing, ISH contributes to systemic efforts to reduce homelessness and improve the quality of life for vulnerable populations.

Opportunities for Improvement: Limited funding availability has not kept pace with rising costs. Complex application and approval processes can delay project completion and discourage participation. The lack of standardized per-unit subsidies adds financial uncertainty, requiring developers to secure additional funding sources. Service coordination gaps between housing providers and support agencies can result in inconsistent care, impacting long-term housing stability for residents. Aging infrastructure requires significant investment to ensure safe and sustainable living environments.¹⁰²

SECTION 5:

Conclusion

Tennessee stands at a critical juncture in advancing housing for people with disabilities and older adults. The data is undeniable: the need for affordable, accessible, and inclusive housing far outpaces the current supply.

While the current Tennessee housing programs are critical tools for affordable housing development, their impact on disability-forward housing remains limited. Most of the programs identified in this report lack explicit set-asides, enhanced accessibility requirements and incentives, or integrated supportive service components. These gaps — combined with Tennessee's overdependence on federal funding and insufficient supply of accessible, affordable homes leave many disabled and aging Tennesseans underserved or entirely excluded from housing choice.

Moreover, there are critical lessons from how other states have increased housing for people with disabilities. These lessons include but are not limited to the importance of interagency collaboration, prioritization of integrated housing over institutional settings, investment in sustainable, flexible, scalable, and layered financing options, and the streamlining of administrative and regulatory barriers.

¹⁰¹ [Supportive Housing Network of NY – Why Supportive Housing?](#)

¹⁰² [Supportive Housing Network of NY – FY 2025–26 Adopted State Budget Analysis](#)



In conclusion, Tennessee and the Department of Disability & Aging are uniquely positioned to be leaders in addressing these challenges through initiating and advancing cross-agency collaboration and program development. Tennessee can usher in a new era of affordable, inclusive housing by strengthening program guidelines with accessibility standards, supporting ELI and disabled households, and partnering with TennCare, Medicaid, and other service providers.



SECTION 6:

Appendix – Table of Programs

Program Name	Run By	Funded By	Description	People Served	Disability-Forward Components
The HOME Program ¹⁰³	THDA	HUD	Brings substandard housing into compliance with HUD quality standards and local building codes. It includes a Homeownership Development Program and a Rental Housing Development Program.	Low- and moderate-income families	Can support deep affordability
National Housing Trust Fund (NHTF) ¹⁰⁴	THDA	HUD	Provides funding for the production, preservation, rehabilitation, and operation of affordable rental housing	Extremely low-income (ELI) households	Deep affordability

¹⁰³ [Tennessee Housing Development Agency - Home Program](#)

¹⁰⁴ [Tennessee Housing Development Agency - National Housing Trust Fund](#)



Program Name	Run By	Funded By	Description	People Served	Disability-Forward Components
Tennessee Housing Trust Fund (THTF) ¹⁰⁵	THDA	Great Choice Mortgages ¹⁰⁶	Competitive Grants are awarded to agencies on an annual basis to develop and/or preserve affordable rental housing	Elderly and those with special needs, including persons with mental, physical, or developmental disabilities; individuals recovering from substance addiction; victims of domestic violence; veterans with multiple needs; youth aging out of foster care; and formerly incarcerated individuals re-entering society	Includes people with disabilities amongst a broad array of subpopulations Can support deep affordability
Creating Homes Initiative (CHI) ¹⁰⁷	TDMHSAS	Federal, State, Local, Foundational and other funding sources	Provides technical assistance to local communities to educate, inform, and expand quality, safe, affordable, and permanent supportive housing options; helps leverage funding sources for housing and services	People with mental illness and co-occurring disorders	Explicitly targets a subset of the disabled population Supports deep affordability Supports service coordination and onsite services
Community Development Block Grant (CDBG) ¹⁰⁸	TNECD	HUD	Provides annual grants to cities, counties, and states to support low and moderate-income persons, addressing imminent health and safety problems	Potentially provides funding to all communities in Tennessee that are eligible except those in entitlement communities to benefit low- and moderate-income people	Can support deep affordability

¹⁰⁵ [Tennessee Housing Development Agency - Tennessee Housing Trust Fund \(THTF\)](#)

¹⁰⁶ [THDA-at-a-Glance pamphlet](#)

¹⁰⁷ [Tennessee Department of Mental Health & Substance Abuse Services - Creating Homes Initiative \(CHI\)](#)

¹⁰⁸ [Tennessee Department of Economic & Community Development - About CDBG](#)



Program Name	Run By	Funded By	Description	People Served	Disability-Forward Components
Tenant-Based Housing Choice Voucher (HCV) Program ¹⁰⁹	THDA	HUD	Provides rental assistance to help households obtain safe, decent housing at an affordable price	Very low- and extremely low-income households, the elderly, and people with disabilities. In Nov of 2024, there were 856 leased-up Mainstream Vouchers and 778 leased-up Non-Elderly Disabled Vouchers	Deep affordability Mainstream & NED vouchers explicitly serve disabled adults
The Home Modifications and Ramps Program ¹¹⁰	United Cerebral Palsy of Middle Tennessee and THDA	THDA grants and the Tennessee Housing Trust Fund (THTF)	Provides funding to construct ramps, widen doorways, and install grab bars	Low- and very low-income households with people with any disability that results in mobility impairment whose homes lack proper accessibility	Targeted for a subset of the disability population Improves the accessibility of existing housing stock
Disability Housing Assistance Program ¹¹¹	United Cerebral Palsy of Middle Tennessee	United Cerebral Palsy of Middle Tennessee	Provides grants to make home modifications for low-income individuals with disabilities; typical grants are for small projects in the general area of about \$5,000.	People who meet the THDA income eligibility requirements and have a disability that results in substantial limitation in three or more major life activities where the disability is long-term or likely to continue indefinitely.	For a subset of the disability population Improves the accessibility of existing housing stock

¹⁰⁹ [Tennessee Housing Development Agency - Housing Choice Voucher \(HCV\) Program](#)

¹¹⁰ [United Cerebral Palsy of Middle Tennessee - Home Access](#)

¹¹¹ [United Cerebral Palsy of Middle Tennessee - Disability Housing Assistance](#)



Program Name	Run By	Funded By	Description	People Served	Disability- Forward Components
Targeted Transitional Support Program ¹¹²	TDMHSAS	TDMHSAS	CTTS: Provides funding for rental deposits, rental assistance, utility deposits, utility payments, eye care, and dental care; ITTS: provides temporary financial assistance for up to six months, covering rental and utility deposits, transportation, and medication co-pays	CTTS: must be receiving treatment for a mental illness or co-occurring substance use disorder, have a household income below the Federal Poverty Level, and demonstrate that their need is temporary or one-time; ITTS: individuals awaiting discharge from Regional Mental Health Institutes	Targeted for a subset of the disability population, specifically for adults diagnosed with mental illnesses and co-occurring disorders
Community Supportive Housing (CSH) ¹¹³	THDA and TDMHSAS	Combina-tion of state and federal dollars, investment funds, and donations	Provides funding to agencies that provide supportive housing and creates personalized housing plans to support independent living	Adults diagnosed with mental illness and co-occurring disorders	Targeted set-aside specifically for adults diagnosed with mental illnesses and co-occurring disorders Wraparound support services provided

¹¹² [Tennessee Department of Mental Health & Substance Abuse Services - Targeted Transitional Support](#)

¹¹³ [Tennessee Department of Mental Health & Substance Abuse Services - Community Supportive Housing \(CSH\)](#)