

HB 2825: NAMI Supports Creation of Housing Development Fund

Independent and treatment housing for individuals living with mental illness and addiction is in short supply. In 2014, the Legislature granted \$5 million to a NAMI Oregon concept that provided incentive funding for the development of new housing for individuals living with mental illness. The goal was to better leverage state funds so that for every \$1 in mental health funding invested in development, another \$4 would be generated from other sources.

➔ NAMI's concept worked. The state's \$5 million investment in 2014 is generating \$24.5 million in total new housing development across Oregon for individuals living with mental illness.

HB 2825 formalizes NAMI Oregon's housing development incentive fund and allows for its expansion into more Oregon communities.

HB 2825 Summary

NAMI's proposal, developed with the Oregon Residential Providers Association, would:

- Create a special fund that will provide up to 20 percent of construction costs as an incentive for development. Outside funding will come from various sources, such as private financing, federal grants, local funds and other housing incentives.
- The fund also can provide startup costs such as fixtures and initial staff training for licensed treatment housing.
- Housing projects can include higher-end residential treatment, respite, treatment homes, co-occurring addiction treatment homes, independent supported housing, or other housing projects that are shown to be needed within a region. We envision that Coordinated Care Organizations and Local Mental Health Authorities would partner with providers to apply for funding. The legislation is intended to dovetail with regional planning that is ongoing in Oregon communities now being served by CCOs.
- The Addictions and Mental Health Division would create an Advisory Group that will assist the division with the development of a prioritized list of community mental health and addiction projects to be developed and funded during the biennium.



Comments in Support of House Bill 2825
From Chris Bouneff, Executive Director, NAMI Oregon
February 20, 2015
House Committee on Health Care

Thank you for this opportunity to provide testimony in support of House Bill 2825, which creates a dedicated housing incentive fund that will provide new permanent housing infrastructure across Oregon for individuals living with mental illness and addiction.

I purposely say “will” because this is an idea that’s proven to work — an idea in which every \$1 in state funding leverages an additional \$4 from other sources to develop housing that meets the needs of those living with serious mental illness and addiction. But before I continue, please allow me to give a little history.

In 2012, it became clear that Oregon’s economy was improving and that the state would once again be in the position to invest in its community mental health system. NAMI Oregon brought together various stakeholders to discuss common priorities for those investments. Individuals and families affected by mental illness gathered with treatment providers, two representatives from the soon-to-form Coordinated Care Organizations, behavioral health leaders at several hospital systems, and others to talk about logjams in our system that prevented people from receiving timely treatment and support services.

Those conversations quickly focused on housing, and the term “housing” in the broadest sense of the word. Independent housing, supported housing, and licensed treatment housing were lacking across the board for those living with mental illness. And the results were predictable. People were stuck in acute care because they lacked places to step down. People in treatment housing lacked access to more independent housing, while people in independent housing lacked access to treatment housing within their communities when needs arose. And people needing both mental health and addiction treatment truly had nowhere to turn.

So we asked: What would it take to build more housing with the minimum of state investment? And the people who do this business were clear in their answer: Give us 20 percent in funding, and we can find the other 80 percent from outside sources.

NAMI partnered with the Oregon Residential Providers Association (ORPA) to propose similar legislation in 2013, and the concept was well-received. However, funding was scarce until the 2013 special session, when the Legislature approved an increase in the cigarette tax with the additional revenue dedicated to mental health.

Through a series of conversations with the Legislature, Addictions and Mental Health Division, ORPA, and NAMI Oregon, an agreement was struck that would dedicate \$5 million to a version of what we term the “Housing Development Incentive Fund.”

I'm happy to report that the concept worked. In a matter of a few months, NAMI pulled together a broad-based advisory group to help AMH set funding priorities. AMH quickly put together a thorough request for proposal process. And proposals came in despite a compressed timeframe, reflecting the type of partnerships we envisioned. Providers, developers, CCOs, and county mental health systems joined together to assess their needs and apply for funding.

That \$5 million state investment generated \$24.5 million in total housing. Two new desperately needed respite programs will be opening in the Portland area, where there is a severe shortage of stabilization housing as an alternative or step down from acute hospitalization. And new independent supported housing has or is being developed in Coos, Curry, Jackson, Lane, and Marion counties.

Today, I'm here to ask that we undertake the steps to formalize the Housing Development Incentive Fund by approving HB 2825. In 2013, we knew we had a good idea. In 2015, I can confidently report that we have more than a good idea. We have a proven concept.

The Fund, as structure in HB 2825, will achieve its goals. It will provide a flexible and nimble pool of incentive funding that compliments the regional planning and health care system development that is currently under way in Oregon. And it will help our state meets its obligations with the U.S. Department of Justice to improve treatment and support services for individuals living with serious mental illness.

NAMI members wholeheartedly selected housing as our top priority. We understand firsthand that housing is a cornerstone of recovery. Without housing, you cannot really reach or maintain recovery from mental illness or addiction. We know this. We live it. We struggle with it every day as we try to help others find the housing they need.

NAMI Oregon is pleased to enthusiastically endorse HB 2825, and we respectfully request your support. Thank you for this opportunity and for your time today.