

State of Oregon  
Oregon Health Authority  
Health Systems Division

**2015-2017 SUPPORTED HOUSING DEVELOPMENT**

Competitive Application Process for:

Supported Housing for Individuals with Serious Mental Illness  
Or  
Supported Housing for Individuals with Substance Use Disorder

**APPLICATION NOTICE**

The Oregon Health Authority (OHA) Health Systems Division (HSD) is pleased to announce the solicitation of Applications from affordable housing developers, program providers, Community Mental Health Programs (CMHPs), Tribal Authorities (TA) and private providers to develop Supported Housing for individuals with a serious mental illness or individuals with a substance use disorder.

This Notice contains information about state program requirements and updates to the OHA and HSD policies applicable to this Application. It is imperative that this Notice and the Application Form be read carefully and in their entirety before the application is submitted.

**Application Training**

HSD will provide one (1) training session for this Application:

Date & Time:	Tuesday, March 1, 2016	1:30 pm
Location:	Barbara Roberts Human Services Building Room 160 500 Summer Street NE, Salem 97301	
Participation by phone:	Call-In Number	1-888-636-3807
	Participant Code	1915365

If you plan to participate in the training by phone and would like to receive copies of training materials prior to the training, please notify Susan Lind by email at [susan.g.lind@state.or.us](mailto:susan.g.lind@state.or.us) no later than Friday, February 26, 2016.

HSD staff will provide the training and answer questions. All interested parties are invited to attend the training.

## **Background**

The Oregon Legislative Assembly has directed funds to the Oregon Health Authority through the Health Systems Division for the expansion of community-based housing, services and supports for individuals with a serious mental illness and individuals with a substance use disorder who are able to live independently with appropriate supportive services readily available. A definition of “serious mental illness” is included as Attachment A and the definition of “substance use disorder” is included as Attachment B.

Through this application process, Applicants can apply for Housing Development funds for the new construction or acquisition/rehabilitation of projects.

### **Community Housing Trust Account (ORS 426.506(3))**

The 1999 Oregon Legislative Assembly appropriated funding resources to the Oregon Health Authority through the Health Systems Division to expand community-based housing for mental health consumers. OHA administers this funding source under Oregon Administrative Rule (OAR) 309-036-0100 through 309-036-140 that can be found at:

[http://arcweb.sos.state.or.us/pages/rules/oars\\_300/oar\\_309/309\\_036.html](http://arcweb.sos.state.or.us/pages/rules/oars_300/oar_309/309_036.html)

This round, funds from the Trust Account will be used for the development of supported housing projects for individuals with a serious mental illness.

### **General Funds**

The 2015 Oregon Legislative Assembly approved General Funds for housing development for people with a serious mental illness (known as Mental Health Services Funds) as well as housing for individuals with a substance use disorder (known as Alcohol and Drug Free Housing Funds).

### **Eligibility**

HSD reserves the right to identify specific types of housing development being targeted for resident needs. Supported housing projects may be either new construction or acquisition/rehabilitation and can be located anywhere within the state.

This Application round is open for the development of projects for:

- Individuals with a serious mental illness as defined in OAR 309-036-0105 (11) who are transitioning from a higher level of residential care and able to live independently in supported housing with appropriate supportive services available. This is discussed in more detail below.

Proposed projects serving individuals with a serious mental illness (SMI) must adhere to the definition of “Supported Housing” included as Attachment C.

- Individuals with a substance abuse disorder (SUD) as defined in Attachment B who are transitioning to supported housing as an alternative to a more intensive residential treatment facility.

Please refer to Oregon Revised Statute (ORS) 90.243, Qualifications for drug and alcohol free housing for guidance on the occupancy of units for individuals with a substance abuse disorder. It can be found at [https://www.oregonlegislature.gov/bills\\_laws/ors/ors090.html](https://www.oregonlegislature.gov/bills_laws/ors/ors090.html)

No other type of housing will be considered during this application round. No operating or service funds are available this round.

### **Application Content**

HSD is making funds available for supported housing development for two distinct populations: (A) individuals with a serious mental illness (SMI) and (B) individuals with a substance use disorder (SUD). Please note that:

1. Applicants cannot include the two populations identified above in one application.
2. Applicants cannot submit applications for more than two (2) supported housing projects. This includes applications for both target populations.
3. If Applicant is applying for two housing projects, each project must be submitted as a separate application.

### **Affordability**

Please note that project rents for any unit occupied by an individual of a target population must be affordable for that target population.

## **Site Control**

Site control of the proposed property is not required to make application. However, Applicants providing evidence of site control will receive 10 extra points when the Application is scored by the Review Panel.

Acceptable documentation showing ownership by Applicant are:

- Trust Deed
- Property tax statement showing Applicant in title of the property.

Acceptable documentation showing the site has been secured by Applicant are:

- Purchase and Sale Agreement signed by both seller and buyer.
- Earnest Money Agreement signed by both seller and buyer.

## **Requirements for Supported Housing Serving Individuals with SMI**

Supported housing for individuals with SMI must be integrated into a larger housing building or complex. The units must meet the definition of Supported Housing provided in Attachment C of the Notice. The key points of the definition are:

- No more than 20% of rental units in a building or complex can be occupied by residents with a serious mental illness referred by the state or its contractors (“20% Rule”). The remaining housing is available to all individuals in conformance with Fair Housing and other laws. For additional information, please refer to Attachment D.
- There must be a private bedroom for each resident in the unit. Residents cannot be required to share a rental unit. If a resident chooses to share a unit, he or she must be able to select their own roommate(s).
- Participation by residents in any and all services must be voluntary. Participation cannot be a condition of tenancy.
- Residents are expected to have a traditional rental relationship with their landlord. Any lease, occupancy rules or conditions of tenancy must have the same rights and responsibilities as any other resident of the building or complex.

## **Small Projects for SMI Population in Rural and Frontier Areas.**

HSD will consider exemptions to the “20% Rule” discussed above in rural and frontier areas of the state where development of a larger supported housing project may not be practical. However, Applicants will be required to provide information on the proposed supported housing project for individuals with SMI that clearly addresses the following issues:

- Evidence to support why a larger project, more than five (5) units, is not feasible in the proposed community; evidence the proposed housing is a demonstrated need for the community; why meeting the 20% rule is not practical or reasonably feasible; and evidence supporting the particular percentage requested.
- The number of units set aside for individuals with a serious mental illness cannot account for more than 50% of the total units of a building or complex. The total number of units for all residents in the building or complex cannot exceed five (5) units.
- Eligible individuals must be offered a clear and informed choice of housing options regardless of the location.
- The units must be located near community amenities such as mental health and physical health services, shopping, recreation facility or library. If amenities are not nearby, Applicant must explain why the project site is being proposed for the location.
- A transportation option must be available to residents and plan in place for accessing services if services are not nearby.
- The other key points of supported housing will continue to apply including the requirement for a private bedroom; the ability to choose a roommate if appropriate; the availability of services that are voluntary and not a condition of tenancy; and the expectation that residents will have the same rights and responsibilities of tenancy as other residents in the building or complex.

## Funding Available

Listed below are the funding sources and project maximums for the funding sources:

Supported Housing Funding Sources	Funding Source Totals	Per Project Maximums	Applies To:
General Fund (Mental Health Services Funds)	\$ 500,000	\$ 75,000	Supported Housing for Individuals with serious mental illness
Community Housing Trust Account (Trust Account)	\$ 1,100,000	\$ 200,000	Supported Housing for Individuals with serious mental illness
General Fund (Alcohol and Drug Free Housing Funds)	\$ 1,000,000	\$ 200,000	Supported Housing for Individuals with substance use disorder

**These funding sources are limited to real property acquisitions, construction or rehabilitation. Funds are intended to add new units to the affordable housing inventory.**

Funds cannot be used for the renovation of an existing facility or residence in need of repair. The three funding sources described above cannot be used for administrative expenses, furniture purchases, operating reserves, service delivery costs, staff training expenses, and any costs incurred more than six months prior to Application submittal.

HSD will not accept Applications requesting reimbursement for construction or renovation work that is underway or that has been completed prior to the submission of the 2015-2017 Supported Housing Development Application.

HSD reserves the right to approve awards for less than the amount requested. Approval of an Application will be conditional and subject to further review of financial documentation. Awards may also be subject to review and approval by the Oregon Department of Justice for legal sufficiency as required by Oregon Revised Statute (ORS) 291.047.

## **Application Due Date**

Applications must be delivered to HSD to later than **4:00 pm on Friday, April 15, 2016**. Postmarks will not be accepted. No Applications will be accepted by fax or email or any other electronic mean of submission.

## **Technical Assistance**

HSD staff is available to provide technical assistance regarding the Application. This assistance is limited to obtaining clarity and to answer general questions related to the Application. Applicant is expected to possess the ability to complete the Application and budget documents using the required HSD forms.

## **Letters of Endorsement and Support**

### Coordinated Care Organization

All Applications for supported housing must be accompanied by a Letter of Endorsement from the Coordinated Care Organization (CCO) for the service area the project will be located in. If the proposed project location is in the service area of two CCOs, Applicant must provide a letter from each.

The letter **must** clearly demonstrate the CCO's commitment to service coordination with Applicant for the target population as well as describe the envisioned partnership to benefit the support housing and its residents.

### Community Mental Health Program or Tribal Authority

All Applications for supported housing must also include a Letter of Endorsement from either the appropriate Community Mental Health Program (CMHP) or Tribal Authority (TA) if the project will be located on Tribal land. A letter from a CMHP or TA **must** include the following:

1. Detailed discussion of the CMHP or TA staff's agreement to work together with Applicant to develop and deliver appropriate support services to residents. Participation by residents in services by individuals with SMI must be voluntary and not a condition of tenancy.
2. Detailed explanation of how the CMHP or TA will provide service program oversight on an on-going basis and dedicated staff who will provide service program oversight and support.
3. Detailed explanation of how the CMHP or TA will ensure that support is available to residents to resolve tenancy issues.

Additionally, Applications for supported housing to serve individuals with a substance abuse disorder are encouraged but not required to provide a Letter of Support from the Local Alcohol and Drug Planning Committee (LADPC).

### **Application Selection Process and Criteria**

Applications will be reviewed, scored and ranked by an HSD-appointed review panel. The review panel's recommendations will be presented to the HSD Chief Health Systems Officer who will make the final award decision. The review panel will use criteria listed on page 17 to score and rank the Applications. HSD reserves the right to amend or cancel this Competitive Application, to reject any and all Applications, to score Applications, and to require additional information as a condition of funding.

### **Merit and Feasibility**

Conditional awards will be made for housing projects based on the overall merit and feasibility of a housing project proposal. HSD reserves the right to adjust the amount of funding and negotiate modifications to the proposed housing project plan and budget prior to agreement execution.

### **Availability of Funds**

In general, Applicants who receive a conditional award (Awardee) should not expect to draw funds until all documents required in the Conditions of Award letter have been submitted and are deemed satisfactory by HSD.

Funds will be released after Awardee has signed the Community Housing Development Agreement and the conditions of the award letter have been satisfied. HSD will deliver the funds and the Trust Deed and Promissory Note to a title company located in the State of Oregon and approved by both the Awardee and HSD. All fees associated with the costs of filing and recording these legal documents are the responsibility of the Awardee.

## **Change to the Scope of the Project During or After the Award.**

Funding awards will be based upon reasonable, if not entirely firm, project concepts. Limited amendments to the scope or nature of the project will be permitted with prior HSD approval. The HSD Chief Health Systems Officer reserves the right to revoke the award. Awardee must not make any decisions regarding a change in the project's concept without including HSD in the revision process.

## **15 Day Reservation Period**

Once the application process is completed and Awardee has been notified of a conditional award, the project enters a 15 day reservation period. During this period, the Awardee is expected to respond to all reservation conditions outlined in the letter prior to funding of the award. In the event of non-performance, HSD may decide to revoke the conditional award.

## **Appeal of Funding Decisions.**

Applicants who do not agree with funding decisions are encouraged to discuss their Application with HSD staff. If the issue is not resolved, Applicants may submit a request for appeal of the decision to the HSD Contracts and Compliance Director or designee as follows:

1. The Applicant requesting an appeal will submit a written request to the Contracts and Compliance Director or designee within seven (7) business days after receiving the written funding decision.
2. HSD Review and Notification. The Contracts and Compliance Director will approve or deny the request for an appeal and will notify the Applicant in writing of the decision to approve or deny the requested appeal within fifteen (15) business days of receipt of the appeal.
3. Appeal to the HSD Chief Health Systems Officer. Appeal of the decision of the Contracts and Compliance Director will be made in writing to the of HSD Chief Health Systems Officer whose decision will be final and will be provided in writing within fifteen (15) business days of receipt of the appeal.
4. The decision to grant the appeal in favor of the Applicant for one (1) request does not set a precedent that must be followed by the HSD when evaluating subsequent requests for appeal.

## **Division's Discretion to Retain Funding**

HSD requires Awardee to submit all requested documents on time and to be complete and accurate. HSD may withhold the release of funding for any project until all required documents are received and approved by HSD. Any project that has been awarded funding that does not show significant progress toward completion in line with the Project Development Timeline is subject to having funds rescinded.

## **Readiness to Proceed and Expenditure of HSD Funds**

HSD expects that projects are fully planned out at the time of application and ready to proceed upon funding. Project must be prepared to start major development components (e.g. close on land purchase, start construction) upon closing of funding sources. This must be reflected in the Development Timeline submitted with your Application.

HSD funds must be expended **on or before May 31, 2017**.

**Projects that have not made sufficient progress in line with their approved Development Timeline will be reviewed and may have their funding commitment withdrawn.**

## **Securing State Investment and Repayment Provisions**

Awardee must enter into a Community Housing Development Agreement with HSD. Housing Development Fund awards are defined as \$5,000 or more awarded to support the purchase or improvement of real property.

The Community Housing Development Agreement (CHDA) outlines the financing requirements. The award is structured as a 0% deferred payment loan that is forgiven on a pro rata basis for each full year the project is in compliance. For example, the financial obligation of a 30 year trust deed will be reduced by half in year 15. In the event of default, with no other remedy, the "unforgiven" balance of the loan amount remaining becomes due. Except in the event of a default, the housing must continue to serve the target population stipulated for the full 30 years of the Trust Deed.

To secure the award of funds, the Awardee shall enter into a Community Housing Development Agreement and the appropriate loan documents including a Trust Deed and Promissory Note. Awards are disbursed through title company escrow located in the State of Oregon. It is the

responsibility of the Awardee to pay recording and escrow fees and other charges associated with the transaction.

The equity value on the subject property, as developed, must support not only HSD's secured lien position but all other secured liens filed against the property. A project that reflects a negative equity margin must be secured by additional collateral approved by HSD. HSD will require an appraisal of the project property prepared by an appraiser licensed by the State of Oregon.

During the term of the Trust Deed and Note, the Awardee has the option to transfer ownership. However, the new owner **must** be approved in writing by HSD prior to the transfer of title to the property.

All requirements for both the Awardee and HSD are detailed in the Community Housing Development Agreement, Trust Deed, Promissory Note and other legal documents that may be required by HSD to secure the State of Oregon's interest in the property.

HSD requires Awardee to submit all documents on time and that those documents be complete and accurate. HSD may withhold the release of funds until any documents requested by HSD are received and approved by HSD.

### **Equity, Inclusion, Non-discrimination and Fair Housing**

Under civil rights and fair housing laws, it is illegal to discriminate based on race, color, sex or sexual orientation, religion, creed, national origin, age (except under 18 years), familial status, marital status, source of income, or disability in addition to the serious mental illness or substance use disorder. Applicant must certify that they will not discriminate in service delivery or housing provisions.

HSD expects funded programs to be designed and operated to ensure cultural competency within the program service area. The program should provide outreach and services that are culturally-responsive and linguistically-appropriate by skilled and diverse staff. Additionally, the program should also ensure that the staff receive training and support to design and deliver such services to the diverse target populations.

A form for certification of non-discrimination is included in the Application Form. Information on civil rights and fair housing laws is available at:

Oregon Revised Statute

[https://www.oregonlegislature.gov/bills\\_laws/ors/ors659A.html](https://www.oregonlegislature.gov/bills_laws/ors/ors659A.html)

HUD

[http://portal.hud.gov/hudportal/HUD?src=/program\\_offices/fair\\_housing\\_equal\\_opp](http://portal.hud.gov/hudportal/HUD?src=/program_offices/fair_housing_equal_opp)

Fair Housing Council of Oregon

<http://www.fhco.org/>

Culturally and Linguistically Appropriate Services (CLAS) Standards for HHS/Office of Minority Health:

<https://www.thinkculturalhealth.hhs.gov/pdfs/enhancednationalclasstandards.pdf>

### **Compliance Monitoring**

Applicants approved for an HSD housing development award are required to prepare and submit written annual reports for completed projects to satisfy HSD requirements of the continued use of the property for the agreed purpose as defined in the Trust Deed.

## **APPLICATION SUBMITTAL AND REVIEW PROCESS**

Please carefully review your Application before submitting it. No additional information will be accepted during the review process unless requested by HSD. **An Application missing any Threshold Item will be rejected prior to review.**

### **Evaluation Process**

This Application process is competitive. Applications are evaluated against stated criteria and against each other. Each Application will undergo an initial Threshold Review. **Any Application not passing the Threshold Review will not move forward for further review.** Applicant is entitled to correct the Application and resubmit it in a future funding round if the type of housing proposed is eligible.

Applications which pass Threshold Review will then receive an Application Review. The Application Review Criteria has a total score of 200 possible points with an extra 10 points awarded for documented site control. All Applications are evaluated independently by a review panel. At completion of the individual review process, the reviewers will convene to discuss their findings and arrive at a mutually agreed upon score.

HSD reserves the right, at any time, to reject any and all Applications. Award recommendations are forwarded to the HSD Chief Health Systems Officer who makes the conditional award decisions. All reviewed Applications must score at least **120 points** in order to be considered for funding.

**All Applicants will be notified of the HSD Chief Health Systems Officer's decision. HSD intends to make funding award notification in May 2016.**

## Threshold Review

Applications must pass **all** threshold requirements to move forward to the review committee. The Threshold Review will examine the following:

### 1. Project Development Authorization

#### Resolutions

Attach a copy of the appropriate Applicant's Resolution with the applicable language as described in "Organizational Documents" below, confirming Applicant is authorized to apply for funds to support the proposed project by the ownership entity at the time of application. The Resolution **must** include language that addresses:

- Authorization for the Applicant to apply to HSD;
- Authorization for the development of the project including a brief description of the project and the county it will be located in;
- Authorization for the amount of funds requested in the Application;
- Authorization to execute the Community Housing Development Agreement, Trust Deed and Promissory Note;
- Legal name of the authorized signer(s) for the Application, Agreement and legal documents.

Please Note: If the resolution designates Board Member A **and** Board Member B, both board members must sign all documents including the Application. If the resolution designates Board Member A **or** Board Member B, either board member may sign documents.

Additionally, if project ownership is vested in a legal entity other than Applicant:

- Applicant's Board resolution must provide authorization for Applicant to apply on behalf of the ownership entity.

#### And

- The ownership entity must also provide a resolution by its governing body addressing the same points as above.

An example of this ownership structure might be a Section 42 Low Income Housing Tax Credit project in which Applicant is a General Partner in a Limited Partnership.

## **Organization Documents**

### Corporation

Resolution, signed by the authorized Board officer(s), authorizing the solicitation and receipt of the award for the specified project. This should state which officer(s) are authorized to sign the Application and legal documents on behalf of the corporation. Include a copy of the filed Articles of Incorporation (stamped by the Secretary of State's office) and Corporate By-Laws (signed and dated) and all amendments to both documents.

### Limited Liability Corporation (LLC)

Resolution or Certificate as to Members, signed by all members, authorizing the solicitation and receipt of the award for the specified project. This should state what Member(s) are authorized to sign the Application and legal documents on behalf of the corporation. Include a copy of the LLC's filed Articles of Organization (stamped by the Secretary of State's office) and Operating Agreement (signed and dated) and all amendments to both documents.

### Partnership

A Resolution, signed by all partners at the time of application, authorizing the solicitation and receipt of the award for the specified project. This should state which Partner(s) is authorized to sign the Application and legal documents on behalf of the partnership. Include a copy of the Partnership Certification (stamped by the Secretary of State's office) and a copy of the fully executed Partnership Agreement (signed and dated). Include all amendments to both documents.

## **2. CCO Letter of Endorsement**

Applicant has obtained the appropriate Letter(s) of Endorsement from the Coordinated Care Organization (CCO) whose service area includes the project site. If the site is served by two CCOs, a letter must be provided from both CCOs. See page 7 for details.

### 3. **CMHP or TA Letters of Endorsement**

Applicant has obtained a letter of endorsement from the CMHP or TA (only for a project on tribal land) for the county or region in which the proposed project is to be located. See page 7 for details.

Additionally, Applications for supported housing to serve individuals with a substance abuse disorder are encouraged but not required to provide a Letter of Support from the Local Alcohol and Drug Planning Committee (LADPC).

### 4. **Applicant's Designation of Confidential Materials** (Attachment C of the Application Form)

Identification of Application materials exempt from public disclosure. If no materials qualify, please insert "NA" on the form.

### 5. **Authorization to Apply**

Authorized person has signed the Application and supplied all required information and documentation with the Application per item #1 above.

### 6. **Compliance Period & Securing of State Investment Acknowledgement**

- Acknowledgement by Applicant of their commitment to provide services for the Compliance Period of not less than 30 years.
- Acknowledgement by Applicant of their understanding of the execution of a Trust Deed as a lien against the project site as well as a Promissory Note as security of the HSD funding award.

### 7. **Non-Discrimination Certification**

Certifies that all eligible individuals shall be considered for residency and services without regard to race, color, sex or sexual orientation, religion, creed, national origin, age (except under 18 years), familial status, marital status, source of income, or disability in addition to the serious mental illness or substance use disorder that qualifies that person for the program.

## Application Review Criteria

Rating criteria for the Supported Housing Development Application is summarized in the table below.

<b>Threshold Review:</b>	<b>SMI</b>	<b>SUD</b>
1. Project Development Authorization	Required	Required
2. CCO Letter of Endorsement	Required	Required
3. CMHP or Tribal Authority Letter of Support	Required	Required
4. LADPC Letter of Support	NA	Optional
5. Applicant's Designation of Confidential Materials	Required	Required
6. Authorization to Apply	Required	Required
7. Compliance Period & Securing the State Investment	Required	Required
8. Non-Discrimination	Required	Required
<b>Application Criteria:</b>	<b>Max Points</b>	
1. Occupancy Description	25	
2. Service Description	50	
3. Quality of Housing Development	25	
4. Project Management Plan	25	
5. Financial Completeness & Readiness to Proceed	45	
6. Applicant Qualifications & Experience	30	
<b>Points Available for Narrative Responses</b>	<b>200</b>	
<b>+ Extra Points for Site Control</b> (refer to page 4)	<b>10</b>	
<b>Maximum Total Points Available</b>	<b>210</b>	

Applications will be evaluated on how well they meet the Application Review Criteria listed above. Criteria are listed in order in which they are presented in the Application and not in order of importance.

If any documentation is missing, incomplete, or inconsistent with information given in any other sections of the application, the reviewer will consider the discrepancy in the final scoring of the Application. Errors or

discrepancies with the Application may result in a lowered score and/or cause the inclusion of reservation condition(s) if the Application is awarded funding.

### **Information on Application Form Narrative Questions**

This section of the Application Notice provides information on the Narrative Questions found in the Application Form.

It is important that Applicants consider in your responses how the proposed project will address the need to identify and ensure the target population served is inclusive of people from culturally and linguistically diverse communities. Also consider how outreach and services will include underserved racial and ethnic populations, LGBTQ and people with disabilities apart from the disability that qualifies them for the housing.

**Please Note: Section 1, Occupancy Description and Section 2, Service Description require Applicant to respond to questions specific to the target population. They are:**

- Individuals who have a serious mental illness (SMI) and are able to live independently with appropriate supportive services available. Participation in services must be voluntary and cannot be a condition of tenancy.
- Individuals who have substance use disorder (SUD) and are actively engaged in treatment or recovery activities.

### **1. Occupancy Description**

#### **◆ Questions for ALL Applicants:**

- Who prospective residents will be, where they are currently residing, and what will be their service needs upon moving into supported housing. How the proposed supported housing will benefit these individuals and how Applicant will coordinate access to the housing as well as services to support their occupancy.

- How Applicant will provide assistance and support to overcome barriers often experienced by individuals in recovery to secure housing such as poor credit and rental histories, criminal background, and lack of funds for security deposit and application fees. Responses should include how unique barriers faced by individuals from diverse and underserved racial and ethnic communities will be overcome.
- How Applicant will identify and support individuals as they move toward self-sufficiency and eventually transition from supported housing to independent living.

◆ **Questions for Applicants of Supported Housing for Individuals with SMI**

- How Applicant will work with the CCO as well as the CMHP or TA and community partners to effectively transition individuals to Supported Housing from the Oregon State Hospital, a licensed residential setting or a setting that qualifies as “homeless”.
- How Applicant will ensure compliance with the requirement that no more than 20% of units within a building or complex are set-aside for individuals with SMI. Applicant may request a Rural/Frontier exemption described on page 5 of this Notice.

◆ **Question for Applicants of Supported Housing for Individuals with SUD**

- How Applicant will work with the CCO as well as the CMHP or TA and community partners to produce housing opportunities that will serve to increase supported housing options as an alternative to more intensive residential treatment facilities.

2. **Service Description.** Response regarding services are specific to housing serving either individuals with SMI or individuals with SUD.

◆ **Questions for Applicants of Supported Housing for Individuals with SMI**

Applicants must describe their provision of evidence-based approaches and recognized best practices in mental health treatment. Applicants must also describe their experience and familiarity with the application of

resident-involved planning and the inclusion of peer mentors. Access to the services of peer mentors is a program requirement.

HSD expects that Applicant will design and manage support services that will actively engage residents and be readily available on a voluntary basis and that Applicant will design and manage support services that will actively engage residents. The service provision philosophy should support recovery with the goal of residents living independently in the community.

- Proposed services that will be available on-site to residents and how these services will be offered to residents on a voluntary basis including use of crisis and early intervention resources for responding to problems encountered by a resident such as being at risk for either eviction or reentering a licensed residential or hospital setting.
- Nearby community amenities, mental health treatment providers, support groups and other services that will be available including physical and behavioral healthcare as well as recreational and social opportunities and residents access these services. Include in your response opportunities for “natural supports” that are separate and apart from care by a provider.

Natural supports are personal associations and relationships typically developed in the community that enhance the quality and security of life for people. Natural Supports include, but are not limited to: family relationships, friendships reflecting the diversity of the neighborhood and the community; association with fellow citizens or employees in regular community settings and work places; and associations developed through participation in clubs, organizations, and other civic activities.

- How resident-involved planning will assist residents’ transition to increased self-sufficiency and independent living, creating relationships between residents and staff to actively engage them in voluntary services.
- Role of peers in Applicant’s occupancy and services functions and how the support of peers will enhance the stability of residents in their community.
- How Applicant will ensure that residents can access services if those services are not readily available within a reasonable distance from the proposed supported housing.

- How Applicant will meet the individualized needs of residents by working with the Coordinated Care Organization (CCO) and Community Mental Health Program (CMHP) or Tribal Authority (TA).
- How Applicant and community partners will meet the individualized needs of residents including the role of culturally-responsive and linguistically-appropriate services and Applicant's knowledge and experience in this area.
- How Applicant will work with residents to identify employment opportunities in the community including current relations with Supported Employment Program(s) and how it will enhance this program.

◆ **Questions for Applicants for Supported Housing for Individuals with SUD**

Applications must describe the evidence-based approaches or recognized best practices in substance use disorder treatment(s) and recovery services that will be offered to residents. Access to case managers and peer mentors is required.

Applicant's service provision philosophy should support recovery and enable residents to live independently. The proposed supported housing must incorporate the resident-involved planning model with a focus on transitioning residents toward increased self-sufficiency.

- Nearby community amenities, drug and alcohol substance use disorder treatment providers, support groups and other services that will be available including physical and behavioral healthcare as well as recreational and social opportunities and how residents will access these services.
- Services that will support residents with a substance use disorder or co-occurring condition including whether these services will be offered on-site or through arrangement with an off-site provider.

- How Applicant and community partners will meet the individualized needs of residents including the role of culturally-responsive and linguistically-appropriate services and Applicant's knowledge and experience in this area.
- Responsibility for implementing and monitoring residents' adherence to their treatment and/or recovery plans, how monitoring will be accomplished and Applicant's plan for problems encountered by a resident who may be at risk of eviction or relapse.
- How the program will ensure that residents' need for medication, both psychotropic and otherwise (including Medication Assisted Treatment for Substance Use Disorder), are assessed and attended to and that residents are not discriminated against due to their use of prescribed medication.

**Please Note: The remaining application sections must be answered regardless of the target population.**

**3. Quality of Housing Development.** All Applicants must respond to these questions except the final question directed to Applicants for housing serving individuals with SMI.

Project will be scored on the quality of the proposed supported housing development and the readiness to proceed with the project.

- Status of site selection including site control. Proposals that include documentation of site control will be awarded an additional 10 points. Information on site control can be found on page 4.
- Site is appropriately located for population to be served;
- Timelines for development;
- Project planning highlighting key development activities; and
- For housing serving individuals with SMI, the mix of units for persons with disabilities as a percentage of total units.

**4. Project Management Plan.** All Applicants must respond to these questions.

Applicant must demonstrate the experience and ability to effectively manage the project once operational.

- Experience of Applicant in operating and managing housing for the proposed population who are ready to live independently.
- Describe the plan for administrative and fiscal operations. Describe who will be responsible for managing the operations budget.
- Applicant's experience and ability to effectively manage the project once operational and whether Applicant will manage the supported housing or Applicant will contract with an outside entity for management services.
- Describe how residents will be selected and screened and who will be responsible for ensuring that residents meet the eligibility criteria. Attach resident selection process, if available.

**5. Financial Completeness and Readiness to Proceed.** All Applicants must respond to these questions.

- Level of commitment of other resources including Oregon Housing and Community Services (OHCS).
- Demonstrated need of all HSD resources.
- Reasonableness of budget assumptions.
- Affordability of rents.
- Reasonableness of proposed construction costs.
- Cost estimation materials are explained, complete and accurate.
- Completion of project budget forms (sources and uses development budget; income and expenses operating budget) including detailed budget notes providing explanation of budget line items.

**6. Applicant Qualifications and Experience.** All Applicants must response to these questions.

- Applicant's experience operating (asset and property management) supported housing projects.
- Applicant's experience developing supported housing. If Applicant does not have the requisite experience and skills needed to successfully develop supported housing, explain how Applicant will access those resources.
- Readiness of Applicant to develop and maintain the supported housing project.
- Role and duties of Applicant staff in the development and management of the proposed project.
- Expertise of non-profit board members or for-profit officers and principal members in real estate development and operations.

Additionally, a review by HSD of Applicant's past performance will be made related to developing previous HSD residential projects on-time and on-budget. It will also include Applicant's program performances for existing projects.

## Requirements for Supported Housing Funding Application

1. Complete the Application Information Sheet. These pages should immediately follow a cover letter if one is included.
2. Application must provide the requested information in the Project Narrative section. Use 14-point type font. Please insert your narrative responses into the boxes provided with each question on the Application Form. The box will expand as text is entered into it.
3. Do not put the Application in a binder or folder.
4. Only complete Applications will be accepted and **NO MISSING MATERIALS CAN BE ADDED TO THE APPLICATION AFTER THE DEADLINE of April 15, 2016.**
6. Mail or deliver **an original and four copies** of the application to:

Susan Lind, Housing Development Coordinator  
OHA Health Systems Division  
500 Summer Street N.E., E-86  
Salem, OR 97301-1118

**Applications must be delivered to HSD by no later than 4:00 PM Friday, April 15, 2016. Postmarks will not be accepted.** No Applications will be accepted by fax or e-mail or by any other electronic means of submission.

If you have questions, need copies of any Application documents, or would like technical assistance, please call or e-mail Susan Lind at 503-947-5533 or [susan.g.lind@state.or.us](mailto:susan.g.lind@state.or.us).

## **APPLICATION NOTICE ATTACHMENTS**

Attachment A	Definition of Serious Mental Illness
Attachment B	Definition of Substance Use Disorder
Attachment C	Definition of Supported Housing
Attachment D	OHA AMH Memo, Agreement with the US Department of Justice / Supported Housing, October 9, 2014
Attachment E	Application Checklist

**DEFINITION OF SERIOUS MENTAL ILLNESS**

Person with “serious mental illness” means an individual who is:

(a) Diagnosed by a Qualified Mental Health Professional as suffering from a chronic mental disorder as defined by ORS 426.495 which includes, but is not limited to, conditions such as chronic schizophrenia, chronic affective disorder, chronic paranoid disorder, and other disorders which manifest symptoms that are not solely a result of mental retardation or other developmental disabilities, epilepsy, drug abuse, or alcoholism; which continue for more than one (1) year, or on the basis of a specific diagnosis, are likely to continue for more than one (1) year; and

(b) Is impaired to an extent which substantially limits the person's consistent functioning in one (1) or more of the following areas:

(A) Home environment: independently attending to shelter needs, personal hygiene, nutritional needs and home maintenance;

(B) Community negotiation: independently and appropriately utilizing community resources for shopping, recreation and other needs;

(C) Social relations: establishing and maintaining supportive relationships;

(D) Vocational: maintaining employment sufficient to meet personal living expenses or engaging in other age appropriate activities.

Source: Oregon Administrative Rules (OAR) 309-036-0105 (11)

**DEFINITION OF SUBSTANCE USE DISORDER**

Substance use disorders occur when the recurrent use of alcohol and/or drugs causes clinically and functionally significant impairment, such as health problems, disability, and failure to meet major responsibilities at work, school, or home. According to the DSM-5, a diagnosis of substance use disorder is based on evidence of impaired control, social impairment, risky use, and pharmacological criteria.

Source: SAMHSA

## ATTACHMENT C

**Please note:** for this application this definition is specific to supported housing serving individuals with a serious mental illness only.

### SUPPORTED HOUSING United States Department of Justice

Supported housing is permanent housing with tenancy rights and support services that enables people to attain and maintain integrated affordable housing. Support services offered to people living in supported housing are flexible and are available as needed and desired, but are not mandated as a condition of obtaining tenancy. Tenants have a private and secure place to make their home, just like other members of the community, with the same rights and responsibilities.

Supported housing enables individuals with disabilities to interact with individuals without disabilities to the fullest extent possible.

Supported housing is scattered site supported housing with no more than 20% of the units in any building to be occupied by individuals with a disability known to the State.

Supported housing has no more than two people in a given apartment or house, with a private bedroom for each person. If two people are living together in an apartment or house, the individuals must be able to select their own roommates.

Supported housing providers cannot reject individuals for placement due to medical needs or substance abuse history.



ADDICTIONS AND MENTAL HEALTH DIVISION

John A. Kitzhaber, MD, Governor

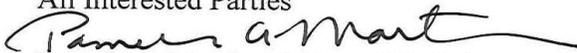


500 Summer St NE, E-86  
Salem, OR 97301-1118  
Voice: 503-945-5763  
Fax: 503-378-8467  
TTY: 800-375-2863  
[www.oregon.gov/OHA/mentalhealth](http://www.oregon.gov/OHA/mentalhealth)

**Memorandum**

**Date:** October 9, 2014

**To:** All Interested Parties

**From:**   
Pamela A. Martin, Ph.D., ABPP, Director

**Subject:** Agreement with the US Department of Justice / Supported Housing

In November 2012, Addictions and Mental Health Division (AMH) entered into a voluntary Agreement with the United States Department of Justice (USDOJ). Within the Agreement is a definition of Supported Housing, which AMH conveyed to our community partners. The definition has caused some confusion with regard to Fair Housing Laws and the ability to serve individuals with disabilities.

During the July 2014 meeting with the USDOJ, AMH was able to further clarify the intent of the definition. The clarification more clearly articulates the intention of community integration and AMH's commitment to Fair Housing Laws.

To be considered Supported Housing:

*No more than 20% of units in a building or complex of buildings may be reserved for tenants with Severe Mental Illness (SMI), referred by the state or its contractors who shall make good faith, best efforts to facilitate the use of those units by persons with SMI. The remaining housing is available to all individuals in conformance with Fair Housing and other laws.*

For further questions please contact, AMH Administrator Mike Morris at 503-947-5539 or by email at [Michael.N.Morris@state.or.us](mailto:Michael.N.Morris@state.or.us).

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If you need this letter in an alternate format, please call 503-945-5763 (Voice) or 800-375-2863 (TTY).  
*An Equal Opportunity Employer*

OHA ADDICTIONS & MENTAL HEALTH DIVISION  
SUPPORTED HOUSING DEVELOPMENT APPLICATION  
CHECK LIST

(Not for submission)

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◆ **Application Information**

- Applicant Information
- Ownership Information
- Consultant Information
- Project Information
- Funding Sources
- Brief Description of Proposed Project

◆ **Threshold Items.** Please refer to page 14 of the Application Notice for information on these Items.

- Resolution(s). (Attach to Application)
  - Applicant Resolution
  - **If** Applicant is applying on behalf of an ownership entity
    - Applicant Resolution approving application on behalf of an ownership entity
    - Ownership Entity Resolution approving application being made by Applicant on behalf of the Ownership Entity
- Organization Documents. (Attach to Application)
- CCO Letter of Endorsement. Refer to page 7 for content requirements. (Attach to Application)
- CMHP or Tribal Authority Letter of Endorsement. Refer to page 7 for content requirements. (Attach to Application)
- Applicant's Designation of Confidential Material. (Attachment C)  
(Application Form Signature)

## **Checklist (continued)**

- Authorization to Apply. (Application Form Signature)
- Compliance Period & Securing of State Investment Acknowledgement. (Application Form Signature)
- Non-Discrimination Certification. (Application Form Signature)

## **◆ Application Form Narrative Responses**

- Occupancy Description
- Service Description
- Quality of Housing Development
  - Project Development Timeline. (Attachment A) (Attach to Application)
- Program Management
  - Resident Selection Plan/Process (If available, attach to Application)
- Financial Completeness & Readiness to Proceed
  - Cost Estimate Document. (Attach to Application)
  - Site Control Document (if any). (Attach to Application)
- Budget Forms (Excel Attachment B):
  - Sources Development Budget. (Attach to Application)
  - Uses Development Budget. (Attach to Application)
  - Income Operating Budget. (Attach to Application)
  - Expenses Operating Budget. (Attach to Application)
  - Financing Commitment Letters (if any). (Attach to Application)
- Applicant Qualifications & Experience