

REVENUE: May have revenue impact, statement not yet issued

FISCAL: May have fiscal impact, statement not yet issued

Action: Do Pass as Amended, Be Printed Engrossed and Be Referred to the Committee on Ways and Means by prior reference

Vote: 6 - 0 - 1

Yeas: Cowan, Gilliam, Kotek, Maurer, Olson, Tomei

Nays: 0

Exc.: Gelser

Prepared By: Andy Smith, Administrator

Meeting Dates: 4/27, 4/30

WHAT THE MEASURE DOES: Creates the Community Mental Health Housing Trust Account (Trust). Authorizes that five percent of the proceeds from the sale of the State Dammasch Hospital can be expended by the Department of Human Services (DHS) pursuant to ORS 426.508. Directs that 95 percent of proceeds from the sale of the Dammasch State Hospital remain in account for perpetuity and that interest be used to support community mental health housing. Specifies that interest from Trust shall be used as follows: 70 percent solely the development of housing for persons with chronic mental illness, as defined in ORS 426.495; and 30 percent for institutional housing. Directs DHS to adopt policies related to developing housing for chronically mentally ill. Creates a Community Mental Health Housing Trust Account Board (Board) to advise DHS on management of Trust. Sets size of Board at eight members, appointed by Governor (six voting members) and Legislature (two non-voting members). Directs Board to advise DHS on investment of Trust monies, progress of projects funded from account, priorities for expenditures from account, grantee funding, distribution of housing within the Villebois community of Wilsonville, and potential integrated projects to be funded. Makes DHS housing decisions involving persons with chronic mental illness subject to the review and recommendations of Board. Directs that DHS provide administrative support to Board.

ISSUES DISCUSSED:

- Housing needs of the chronically mentally ill
- Retention of a portion of the Dammasch housing the chronically mentally ill
- History and current status of House Bill 3446,(1999)

EFFECT OF COMMITTEE AMENDMENT: Replaces original measure

BACKGROUND: The 1999 Legislature passed House Bill 3446, which required the Department of Corrections to transfer the F. H. Dammasch State Hospital property to the Department of Administrative Services (DAS). The measure directed DAS to sell the property at a price that equaled or exceeded fair market value, retaining up to 10 acres of the property for community housing for the chronically mentally ill. It also established a Community Housing Trust Account as part of the Community Mental Health Housing Fund, with proceeds from the Dammasch sale to be deposited into that account, and directed the distribution of interest earned on the account and prohibits its use for operating expenses.

The F. H. Dammasch State Hospital opened in 1961 in Wilsonville, providing acute psychiatric hospital care to people in the Portland metropolitan area. It was closed to its last 68 residents in July, 1995. In May 1997, Governor John Kitzhaber accepted a Prison Siting Authority's recommendation to build a 1,300-bed Women's Prison and Intake Center (WPIC) at the site. This recommendation was later changed. House Bill 3446 required the sale of the property at or above fair market value, with the proceeds to be used to develop housing for the chronically mentally ill. In 2004, the Dammasch State Hospital in Wilsonville was sold for approximately \$12 million, and is currently being included as part of the 2,500-home, 500-acre residential and mixed use Villebois development project.

Proponents of House Bill 3016 argue that the measure is needed to carry out the original intent of 1999 legislation related to housing for the chronically mentally ill.

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This summary has not been adopted or officially endorsed by action of the committee.