

# House Bill 3016

Sponsored by Representatives KRUMMEL, FLORES

## SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**.

Creates Community Mental Health Housing Fund Board responsible for administering Community Mental Health Housing Fund.

Transfers duties and functions of Department of Human Services concerning fund to board.

## A BILL FOR AN ACT

1  
2 Relating to Community Mental Health Housing Fund Board; creating new provisions; amending ORS  
3 279A.050, 426.005, 426.490, 426.495, 426.500, 426.502, 426.504, 426.506 and 426.508; and appropri-  
4 ating money.

5 **Be It Enacted by the People of the State of Oregon:**

6 **SECTION 1. (1) There is established the Community Mental Health Housing Fund Board.**

7 **(2) The Governor shall appoint the following voting members, who must be residents of**  
8 **this state:**

9 **(a) Three members appointed based upon recommendations of the National Alliance for**  
10 **the Mentally Ill or other organizations that advocate on behalf of people with chronic mental**  
11 **illness;**

12 **(b) One public member;**

13 **(c) One member with expertise in the field of psychiatry or psychology; and**

14 **(d) One member who is a consumer of mental health services.**

15 **(3) In addition to the members appointed by the Governor under subsection (2) of this**  
16 **section, the following members shall be appointed as nonvoting, advisory members:**

17 **(a) A member of the Senate, appointed by the President of the Senate; and**

18 **(b) A member of the House of Representatives, appointed by the Speaker of the House**  
19 **of Representatives.**

20 **(4) The term of office of each voting member is four years, but a member serves at the**  
21 **pleasure of the appointing authority. Before the expiration of the term of a member, the**  
22 **appointing authority shall appoint a successor whose term begins on July 1 next following.**  
23 **A member is eligible for reappointment. If there is a vacancy for any cause, the appointing**  
24 **authority shall make an appointment to become immediately effective for the unexpired**  
25 **term.**

26 **(5) The appointments of voting members of the board are subject to confirmation by the**  
27 **Senate in the manner prescribed in ORS 171.562 and 171.565.**

28 **(6) A voting member of the board is entitled to compensation and expenses as provided**  
29 **in ORS 292.495.**

30 **SECTION 2. Notwithstanding the term of office specified by section 1 of this 2007 Act,**  
31 **of the voting members first appointed to the Community Mental Health Housing Fund Board:**

**NOTE:** Matter in **boldfaced** type in an amended section is new; matter [*italic and bracketed*] is existing law to be omitted.  
New sections are in **boldfaced** type.

1 (1) Two shall serve for terms ending June 30, 2009.

2 (2) Two shall serve for terms ending June 30, 2010.

3 (3) Two shall serve for terms ending June 30, 2011.

4 **SECTION 3.** (1) The Community Mental Health Housing Fund Board shall select one of  
5 its voting members as chairperson and another as vice chairperson, for such terms and with  
6 duties and powers necessary for the performance of the functions of such offices as the  
7 board determines.

8 (2) A majority of the voting members of the board constitutes a quorum for the trans-  
9 action of business.

10 (3) The board shall meet at least once every three months at a place, day and hour de-  
11 termined by the board. The board may also meet at other times and places specified by the  
12 call of the chairperson or of a majority of the voting members of the board.

13 **SECTION 4.** (1) The Community Mental Health Housing Fund Board shall appoint a di-  
14 rector to serve at the pleasure of the board.

15 (2) The designation of the director must be by written order, filed with the Secretary of  
16 State.

17 (3) Subject to any applicable provisions of ORS chapter 240, the director shall appoint all  
18 subordinate officers and employees of the board, prescribe their duties and fix their com-  
19 pensation.

20 **SECTION 5.** In accordance with applicable provisions of ORS chapter 183, the Community  
21 Mental Health Housing Fund Board may adopt rules necessary for the administration of the  
22 laws that the board is charged with administering.

23 **SECTION 6.** The Community Mental Health Housing Fund Board, the director and au-  
24 thorized representatives of the board may administer oaths, take depositions and issue  
25 subpoenas to compel the attendance of witnesses and the production of documents or other  
26 written information necessary to carry out the provisions of sections 1 to 7 of this 2007 Act  
27 and ORS 426.502 to 426.508. If any person fails to comply with a subpoena issued under this  
28 section or refuses to testify on matters on which the person lawfully may be interrogated,  
29 the procedure set out in ORS 183.440 shall be followed to compel obedience.

30 **SECTION 7.** (1) The Community Mental Health Housing Fund Board may establish such  
31 advisory and technical committees as it considers necessary to aid and advise the board in  
32 the performance of its functions. These committees may be continuing or temporary com-  
33 mittees. The board shall determine the representation, membership, terms and organization  
34 of the committees and shall appoint their members.

35 (2) Members of the committees are not entitled to compensation, but at the discretion  
36 of the board may be reimbursed from funds available to the board for actual and necessary  
37 travel and other expenses incurred by them in the performance of their official duties, in the  
38 manner and amount provided in ORS 292.495.

39 **SECTION 8.** On the operative date of this section, all of the duties, functions and powers  
40 of the Department of Human Services with respect to the Community Mental Health Housing  
41 Fund are imposed upon, transferred to and vested in the Community Mental Health Housing  
42 Fund Board.

43 **SECTION 9.** (1) The Director of Human Services shall:

44 (a) Deliver to the Community Mental Health Housing Fund Board records and property  
45 within the jurisdiction of the director that relate to the duties, functions and powers trans-

ferred by section 8 of this 2007 Act; and

(b) Transfer to the board those employees engaged primarily in the exercise of the duties, functions and powers transferred by section 8 of this 2007 Act.

(2) The Director of the Community Mental Health Housing Fund Board shall take possession of the records and property, and shall take charge of the employees and employ them in the exercise of the duties, functions and powers transferred by section 8 of this 2007 Act, without reduction of compensation but subject to change or termination of employment or compensation as provided by law.

(3) The Governor shall resolve any dispute between the Department of Human Services and the board relating to transfers of records, property and employees under this section, and the Governor's decision is final.

**SECTION 10.** (1) The unexpended balances of amounts authorized to be expended by the Department of Human Services for the biennium beginning July 1, 2007, from revenues dedicated, continuously appropriated, appropriated or otherwise made available for the purpose of administering and enforcing the duties, functions and powers transferred by section 8 of this 2007 Act are transferred to and are available for expenditure by the Community Mental Health Housing Fund Board for the biennium beginning July 1, 2007, for the purpose of administering and enforcing the duties, functions and powers transferred by section 8 of this 2007 Act.

(2) The expenditure classifications, if any, established by Acts authorizing or limiting expenditures by the department remain applicable to expenditures by the board under this section.

**SECTION 11.** The transfer of duties, functions and powers to the Community Mental Health Housing Fund Board by section 8 of this 2007 Act does not affect any action, proceeding or prosecution involving or with respect to such duties, functions and powers begun before and pending at the time of the transfer, except that the board is substituted for the Department of Human Services in the action, proceeding or prosecution.

**SECTION 12.** (1) Nothing in sections 8 to 11 of this 2007 Act relieves a person of a liability, duty or obligation accruing under or with respect to the duties, functions and powers transferred by section 8 of this 2007 Act. The Community Mental Health Housing Fund Board may undertake the collection or enforcement of any such liability, duty or obligation.

(2) The rights and obligations of the Department of Human Services legally incurred under contracts, leases and business transactions executed, entered into or begun with respect to the Community Mental Health Housing Fund before the operative date of section 8 of this 2007 Act are transferred to the board. For the purpose of succession to these rights and obligations, the board is a continuation of the department and not a new authority.

**SECTION 13.** Notwithstanding the transfer of duties, functions and powers by section 8 of this 2007 Act, the rules of the Department of Human Services with respect to the Community Mental Health Housing Fund remain in effect on the operative date of section 8 of this 2007 Act and continue in effect until superseded or repealed by rules of the Community Mental Health Housing Fund Board. References in rules of the department with respect to the Community Mental Health Housing Fund to the department or an officer or employee of the department are considered to be references to the board or an officer or employee of the board.

**SECTION 14.** The Director of the Community Mental Health Housing Fund Board may

1 **be appointed before the operative date of section 8 of this 2007 Act and may take any action**  
 2 **before that date that is necessary to enable the director to exercise, on and after the oper-**  
 3 **ative date of section 8 of this 2007 Act, the duties, functions and powers of the director**  
 4 **pursuant to sections 1 to 7 and ORS 426.502 to 426.508.**

5 **SECTION 15.** ORS 279A.050 is amended to read:

6 279A.050. (1) Except as otherwise provided in the Public Contracting Code, a contracting agency  
 7 shall exercise all rights, powers and authority in accordance with the provisions of the Public  
 8 Contracting Code.

9 (2) Except as otherwise provided in the Public Contracting Code, for state agencies the Director  
 10 of the Oregon Department of Administrative Services has all of the rights, powers and authority  
 11 necessary to carry out the provisions of the Public Contracting Code.

12 (3) Except as otherwise provided in the Public Contracting Code, the Director of Transportation  
 13 has all of the rights, powers and authority to:

14 (a) Procure or supervise the procurement of all services and personal services to construct, ac-  
 15 quire, plan, design, maintain and operate passenger terminal facilities and motor vehicle parking  
 16 facilities in connection with any public transportation system in accordance with ORS 184.689 (5);

17 (b) Procure or supervise the procurement of all goods, services, public improvements and per-  
 18 sonal services relating to the operation, maintenance or construction of highways, bridges and other  
 19 transportation facilities that are subject to the authority of the Department of Transportation; and

20 (c) Establish standards for, prescribe forms for and conduct the prequalification of prospective  
 21 bidders on public improvement contracts related to the operation, maintenance or construction of  
 22 highways, bridges and other transportation facilities that are subject to the authority of the De-  
 23 partment of Transportation.

24 (4) Except as otherwise provided in the Public Contracting Code, the Secretary of State has all  
 25 of the rights, powers and authority to procure or supervise the procurement of goods, services and  
 26 personal services related to programs under the direct authority of the Secretary of State.

27 (5) Except as otherwise provided in the Public Contracting Code, the State Treasurer has all  
 28 of the rights, powers and authority to procure or supervise the procurement of goods, services and  
 29 personal services related to programs under the authority of the State Treasurer.

30 (6) The following specific limited authorities are subject to the provisions of the Public Con-  
 31 tracting Code:

32 (a) The Department of Human Services to procure or supervise the procurement of goods, ser-  
 33 vices and personal services for the construction, demolition, exchange, maintenance, operation and  
 34 equipping of housing[:]

35 [(A) *For the chronically mentally ill, subject to applicable provisions of ORS 426.504; and*]

36 [(B)] for the purpose of providing care to individuals with mental retardation or other develop-  
 37 mental disabilities, subject to applicable provisions of ORS 427.335;

38 (b) The State Department of Fish and Wildlife to procure or supervise the procurement of all  
 39 goods, services, public improvements and personal services relating to dams, fishways, ponds and  
 40 related fish and game propagation facilities;

41 (c) The State Parks and Recreation Department to procure or supervise the procurement of all  
 42 goods, services, public improvements and personal services relating to state parks;

43 (d) The Oregon Department of Aviation to procure or supervise the procurement of all goods,  
 44 services, public improvements and personal services related to airports owned or operated by the  
 45 state;

1 (e) The Economic and Community Development Department to procure or supervise the pro-  
 2 curement of all goods, services, personal services and public improvements related to its foreign  
 3 trade offices operating outside the state;

4 (f) The Attorney General to enter into contracts as necessary to exercise the authority granted  
 5 in ORS chapter 180;

6 (g) The Housing and Community Services Department to procure or supervise the procurement  
 7 of goods, services and personal services;

8 (h) The Department of Corrections to procure or supervise the procurement of goods, services  
 9 and personal services for the construction of all new buildings or additions for its institutions;

10 (i) The Department of Corrections, subject to any applicable provisions of ORS 279A.120,  
 11 279A.125, 279A.145 and 283.110 to 283.395, to procure or supervise the procurement of goods for its  
 12 institutions;

13 (j) The Department of Veterans' Affairs to procure or supervise the procurement of real estate  
 14 broker and principal real estate broker services related to programs under the department's au-  
 15 thority; *[and]*

16 **(k) The Community Mental Health Housing Fund Board to procure or supervise the pro-**  
 17 **urement of goods, services and personal services for the construction, demolition, exchange,**  
 18 **maintenance, operation and equipping of housing for persons with chronic mental illness**  
 19 **subject to applicable provisions of ORS 426.504; and**

20 *[(k)]* (L) Any state agency to make procurements when the agency is specifically authorized by  
 21 any provision of law other than the Public Contracting Code to enter into a contract.

22 **SECTION 16.** ORS 426.005 is amended to read:

23 426.005. (1) As used in ORS 426.005 to 426.390, unless the context requires otherwise:

24 (a) "Department" means the Department of Human Services.

25 (b) "Director of the facility" means a superintendent of a state mental hospital, the chief of  
 26 psychiatric services in a community hospital or the person in charge of treatment and rehabilitation  
 27 programs at other treatment facilities.

28 (c) "Facility" means a state mental hospital, community hospital, residential facility,  
 29 detoxification center, day treatment facility or such other facility as the department determines  
 30 suitable, any of which may provide diagnosis and evaluation, medical care, detoxification, social  
 31 services or rehabilitation for committed mentally ill persons.

32 (d) "Mentally ill person" means a person who, because of a mental disorder, is one or more of  
 33 the following:

34 (A) Dangerous to self or others.

35 (B) Unable to provide for basic personal needs and is not receiving such care as is necessary  
 36 for health or safety.

37 (C) A person *[who]*:

38 (i) *[Is chronically mentally ill]* **With a chronic mental illness**, as defined in ORS 426.495;

39 (ii) **Who**, within the previous three years, has twice been placed in a hospital or approved in-  
 40 patient facility by the department under ORS 426.060;

41 (iii) **Who** is exhibiting symptoms or behavior substantially similar to those that preceded and  
 42 led to one or more of the hospitalizations or inpatient placements referred to in sub-subparagraph  
 43 (ii) of this subparagraph; and

44 (iv) **Who**, unless treated, will continue, to a reasonable medical probability, to physically or  
 45 mentally deteriorate so that the person will become a person described under either *[or both]* sub-

1 paragraph (A) or (B) of this paragraph **or both**.

2 (e) “Nonhospital facility” means any facility, other than a hospital, that is approved by the de-  
 3 partment to provide adequate security, psychiatric, nursing and other services to persons under ORS  
 4 426.232 or 426.233.

5 (f) “Prehearing period of detention” means a period of time calculated from the initiation of  
 6 custody during which a person may be detained under ORS 426.228, 426.231, 426.232 or 426.233.

7 (2) Whenever a community mental health and developmental disabilities program director, di-  
 8 rector of the facility, superintendent of a state hospital or administrator of a facility is referred to,  
 9 the reference includes any designee such person has designated to act on the person’s behalf in the  
 10 exercise of duties.

11 **SECTION 17.** ORS 426.490 is amended to read:

12 426.490. It is declared to be the policy and intent of the Legislative Assembly that the State of  
 13 Oregon shall assist in improving the quality of life of [*chronically mentally ill*] persons **with chronic**  
 14 **mental illness** within this state by [*insuring*] **ensuring** the availability of an appropriate range of  
 15 residential opportunities and related support services.

16 **SECTION 18.** ORS 426.495 is amended to read:

17 426.495. As used in ORS 426.490 to 426.500, unless the context requires otherwise:

18 (1) “Case manager” means a person who works on a continuing basis with [*the chronically*  
 19 *mentally ill*] **a person with a chronic mental illness** and is responsible for [*assuring*] **ensuring** the  
 20 continuity of the various services called for in the discharge plan of the [*chronically mentally ill*]  
 21 person **with a chronic mental illness** including services for basic personal maintenance, mental  
 22 and personal treatment, and appropriate education and employment.

23 (2) “Discharge plan” means a written plan prepared jointly with the person with a chronic  
 24 **mental illness, mental health staff and case manager prior to discharge, prescribing for the**  
 25 **basic and special needs of the person upon release from the hospital.**

26 [(2)] (3) [*“Chronically mentally ill”*] “Person with a chronic mental illness means an individual  
 27 who [*is*]:

28 (a) **Is** eighteen years of age or older; and

29 (b) [*Diagnosed by*] **Has a primary diagnosis from** a psychiatrist, a licensed clinical psychol-  
 30 ogist or a nonmedical examiner certified by the Department of Human Services [*as suffering from*]  
 31 **of** chronic schizophrenia, a chronic major affective disorder, a chronic paranoid disorder or another  
 32 chronic psychotic mental disorder other than those caused by substance abuse. For purposes of  
 33 providing services in the community, the [*department*] **Community Mental Health Housing Fund**  
 34 **Board** may adopt rules consistent with this section and accepted professional practices in the fields  
 35 of psychology and psychiatry more specifically to specify other criteria for determining who is  
 36 [*chronically mentally ill*] **a person with a chronic mental illness.**

37 [(3) “Discharge plan” means a written plan prepared jointly with the chronically mentally ill per-  
 38 son, mental health staff and case manager prior to discharge, prescribing for the basic and special  
 39 needs of the person upon release from the hospital.]

40 **SECTION 19.** ORS 426.500 is amended to read:

41 426.500. For the purpose of carrying out the policy and intent of ORS 426.490 to 426.500, the  
 42 Department of Human Services shall:

43 (1) Adopt rules for the administration of [*ORS 426.490 to 426.500*] **this section;**

44 (2) Prepare a written discharge plan for each [*chronically mentally ill*] person **with a chronic**  
 45 **mental illness** who is a patient at a state mental institution or who is committed to the department

1 pursuant to ORS 426.005 to 426.223 and 426.241 to 426.380;

2 (3) Ensure that case managers are provided for each [*chronically mentally ill*] person **with a**  
 3 **chronic mental illness** described in subsection (2) of this section; and

4 (4) Disburse from any available funds:

5 [(a) Funds for one LINC model in the area served by F. H. Dammasch State Hospital and one  
 6 LINC model in the area served by the Oregon State Hospital licensed under ORS 443.415;]

7 [(b) (a) Discretionary funds for services necessary to implement a discharge plan, including but  
 8 not limited to transportation, medication, recreation and socialization; and

9 [(c) (b) Funds to provide day treatment services, community psychiatric inpatient services, and  
 10 work activity services for [*chronically mentally ill*] persons [*where*] **with chronic mental illness**  
 11 **when** needed.

12 **SECTION 20.** ORS 426.502 is amended to read:

13 426.502. As used in ORS 426.502 to 426.508:

14 [(1) "*Chronically mentally ill*" has the meaning given that term in ORS 426.495.]

15 [(2) (1) "Community housing" means property and related equipment that are used or could be  
 16 used to house chronically mentally ill persons and their care providers. "Community housing" in-  
 17 cludes single-family housing and multiple-unit residential housing.

18 [(3) (2) "Construct" means to build, install, assemble, expand, alter, convert, replace or relocate.  
 19 "Construct" includes to install equipment and to prepare a site.

20 [(4) "*Department*" means the Department of Human Services.]

21 [(5) (3) "Equipment" means furnishings, fixtures or appliances that are used or could be used  
 22 to provide care in community housing.

23 [(6) (4) "Multiple-unit residential housing" means housing that provides two or more living units  
 24 and spaces for common use by the occupants in social and recreational activities. "Multiple-unit  
 25 residential housing" may include nonhousing facilities incidental or appurtenant to the housing that,  
 26 in the determination of the [*department*] **Community Mental Health Housing Fund Board**, improve  
 27 the quality of the housing.

28 (5) "**Person with a chronic mental illness**" has the meaning given that term in ORS  
 29 **426.495.**

30 [(7) (6) "Single-family housing" means a detached living unit with common living room and  
 31 dining facilities for at least three occupants with chronic mental illness. "Single-family housing" may  
 32 include nonhousing facilities incidental or appurtenant to the housing that, in the determination of  
 33 the [*department*] **board**, improve the quality of the housing.

34 **SECTION 21.** ORS 426.504 is amended to read:

35 426.504. (1) The [*Department of Human Services*] **Community Mental Health Housing Fund**  
 36 **Board** may, through contract or otherwise, acquire, purchase, receive, hold, exchange, demolish,  
 37 construct, lease, maintain, repair, replace, improve and equip community housing for the purpose  
 38 of housing [*chronically mentally ill*] persons **with chronic mental illness.**

39 (2) The [*department*] **board** may dispose of community housing acquired under subsection (1) of  
 40 this section in a public or private sale, upon such terms and conditions as the [*department*] **board**  
 41 considers advisable to increase the quality and quantity of community housing available for [*chron-*  
 42 *ically mentally ill*] persons **with chronic mental illness.** Except as provided in subsection (3) of this  
 43 section, in any instrument conveying fee title to community housing, the [*department*] **board** shall  
 44 include language that restricts the use of the community housing to housing for [*chronically mentally*  
 45 *ill*] persons **with chronic mental illness.** Such restriction is not a violation of ORS 93.270.

1 (3) If the [department] **board** determines that community housing acquired under subsection (1)  
 2 of this section is no longer suitable for use as community housing, the [department] **board** may sell  
 3 or otherwise dispose of the community housing without including in any instrument conveying fee  
 4 title to the community housing any language that restricts the use of the community housing. Pro-  
 5 ceeds from the sale or disposition of community housing under this subsection are considered pro-  
 6 ceeds described in ORS 426.506 (4)(c).

7 (4) When exercising the authority granted to the [department] **board** under this section, the  
 8 [department] **board** is not subject to ORS chapter 273 or ORS 270.100 to 270.190, 276.900 to 276.915  
 9 or 279A.250 to 279A.290.

10 **SECTION 22.** ORS 426.506 is amended to read:

11 426.506. (1) There is created in the State Treasury, separate and distinct from the General Fund,  
 12 the Community Mental Health Housing Fund. All earnings on investments of moneys in the Com-  
 13 munity Mental Health Housing Fund shall accrue to the fund. Interest earned on moneys in the  
 14 fund shall be credited to the fund. All moneys in the fund are continuously appropriated to the  
 15 [Department of Human Services] **Community Mental Health Housing Fund Board** to carry out the  
 16 provisions of ORS 426.504.

17 (2) The Community Mental Health Housing Fund shall be administered by the [department]  
 18 **board** to provide housing for [chronically mentally ill] persons **with chronic mental illness**. As used  
 19 in this subsection, "housing" may include acquisition, maintenance, repair, furnishings and equip-  
 20 ment.

21 (3)(a) There is established within the Community Mental Health Housing Fund a Community  
 22 Housing Trust Account[. *Notwithstanding the provisions of ORS 270.150, the department shall deposit*  
 23 *into the account*] **that shall include** the proceeds, less costs to the state, received by the Department  
 24 **of Human Services** from the sale of F. H. Dammasch State Hospital property under ORS 426.508.  
 25 The [department] **board** may expend, for the purposes set forth in ORS 426.504, any earnings credited  
 26 to the account, including any interest earned on moneys deposited in the account, and up to five  
 27 percent of the sale proceeds initially credited to the account by the Oregon Department of Admin-  
 28 istrative Services. At least 95 percent of the sale proceeds shall remain in the account in perpetuity.  
 29 Proceeds deposited in the account may not be commingled with proceeds from the sale of any sur-  
 30 plus real property owned, operated or controlled by the [Department of Human Services] **board** and  
 31 used as a state training center.

32 (b) Interest earned on moneys in the Community Housing Trust Account may be expended in the  
 33 following manner:

34 (A) Seventy percent of interest earned on deposits in the account shall be expended for com-  
 35 munity housing purposes; and

36 (B) Thirty percent of interest earned on deposits in the account shall be expended for institu-  
 37 tional housing purposes.

38 (c) Interest earned on deposits in the account shall not be used to support operating expenses  
 39 of the [department] **board**.

40 (4) The Community Mental Health Housing Fund shall consist of:

41 (a) Moneys appropriated to the fund by the Legislative Assembly;

42 (b) Sale proceeds and earnings from the account under subsection (3) of this section;

43 (c) Proceeds from the sale, transfer or lease of any surplus real property owned, operated or  
 44 controlled by the [department] **board** and used as community housing;

45 (d) Moneys reallocated from other areas of the [department's] **board's** budget;



1 (e) Interest and earnings credited to the fund; and

2 (f) Gifts of money or other property from any source, to be used for the purposes of developing  
3 housing for [*chronically mentally ill*] persons **with chronic mental illness**.

4 (5) The [*department*] **board** shall adopt policies:

5 (a) To establish priorities for the use of moneys in the Community Mental Health Housing Fund  
6 for the sole purpose of developing housing for [*chronically mentally ill*] persons **with chronic mental**  
7 **illness**;

8 (b) To match public and private moneys available from other sources for developing housing for  
9 [*chronically mentally ill*] persons **with chronic mental illness**; and

10 (c) To administer the fund in a manner that will not exceed the State Treasury's maximum cost  
11 per transaction.

12 (6) The [*Department of Human Services*] **board** shall collaborate with the Housing and Commu-  
13 nity Services Department to ensure the highest return and best value for community housing from  
14 the Community Mental Health Housing Fund.

15 (7) The [*Department of Human Services*] **board** shall provide a report of revenues to and expen-  
16 ditures from the Community Mental Health Housing Fund as part of its budget submission to the  
17 Governor and Legislative Assembly under ORS chapter 291.

18 **SECTION 23.** ORS 426.508 is amended to read:

19 426.508. (1) Notwithstanding ORS 421.611 to 421.630 or any actions taken under ORS 421.611 to  
20 421.630, the Department of Corrections shall transfer the real property known as the F. H.  
21 Dammasch State Hospital and all improvements to the Oregon Department of Administrative Ser-  
22 vices to be sold for the benefit of the Department of Human Services.

23 (2)(a) Notwithstanding ORS 270.100 to 270.190, and except as provided in subsection (4) of this  
24 section, the Oregon Department of Administrative Services shall sell or otherwise convey the real  
25 property known as the F. H. Dammasch State Hospital in a manner consistent with the provisions  
26 of this section. Conveyance shall not include transfer to a state agency. The sale price of the real  
27 property shall equal or exceed the fair market value of the real property. The Oregon Department  
28 of Administrative Services shall engage the services of a licensed real estate broker or principal real  
29 estate broker to facilitate the sale of the real property.

30 (b) The Oregon Department of Administrative Services shall retain from the sale or other  
31 conveyance of the real property those costs incurred by the state in selling or conveying the real  
32 property, including costs incurred by the Department of Corrections in transferring the real prop-  
33 erty to the Oregon Department of Administrative Services. The remaining proceeds from the sale  
34 or other conveyance shall be transferred to the Community Housing Trust Account created under  
35 ORS 426.506 (3).

36 (3) Redevelopment of the real property formerly occupied by the F. H. Dammasch State Hospital  
37 shall be consistent with the Dammasch Area Transportation Efficient Land Use Plan developed by  
38 Clackamas County, the City of Wilsonville, the Oregon Department of Administrative Services, the  
39 Department of Land Conservation and Development, the Department of Transportation, the State  
40 Housing Council, the [*Department of Human Services*] **Community Mental Health Housing Fund**  
41 **Board** and the Department of State Lands.

42 (4) The Oregon Department of Administrative Services shall reserve from the sale of the real  
43 property under subsection (2) of this section [*not more than*] 10 acres. The real property reserved  
44 from sale shall be transferred to the [*Department of Human Services*] **board** for use by the [*Depart-*  
45 *ment of Human Services*] **board** to develop community housing for [*chronically mentally ill*] persons

1 **with chronic mental illness.** The Oregon Department of Administrative Services and the [*Depart-*  
2 *ment of Human Services*] **board** shall jointly coordinate with the City of Wilsonville to identify the  
3 real property reserved from sale under this subsection.

4 **SECTION 24. Sections 8 to 13 of this 2007 Act and the amendments to ORS 279A.050,**  
5 **426.005, 426.490, 426.495, 426.500, 426.502, 426.504, 426.506 and 426.508 by sections 15 to 23 of this**  
6 **2007 Act become operative on July 1, 2008.**

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