

House Bill 2719

Sponsored by Representative TOMEI (Pre-session filed.)

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**.

Establishes Community Mental Health Housing Trust Account Fund administered by Community Mental Health Housing Trust Account Fund Board. Continuously appropriates moneys in fund to board. Transfers moneys from Community Housing Trust Account within Community Mental Health Housing Fund to Community Mental Health Housing Trust Account Fund. Requires board approval to transfer interest earned on Community Mental Health Housing Trust Account Fund to Community Mental Health Housing Fund for specified purposes approved by board.

A BILL FOR AN ACT

1
2 Relating to housing for persons with chronic mental illness; creating new provisions; amending ORS
3 426.506 and 426.508; and appropriating money.

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

5 **SECTION 1. Sections 2 to 4 of this 2011 Act are added to and made a part of ORS 426.502**
6 **to 426.508.**

7 **SECTION 2. (1) There is established in the State Treasury, separate and distinct from the**
8 **General Fund, the Community Mental Health Housing Trust Account Fund. Interest earned**
9 **by the Community Mental Health Housing Trust Account Fund shall be credited to the fund.**
10 **Moneys in the fund may be invested as provided in ORS 293.701 to 293.820. Moneys in the fund**
11 **are continuously appropriated to the Community Mental Health Housing Trust Account Fund**
12 **Board for carrying out section 4 of this 2011 Act.**

13 **(2) The State Treasurer shall, at the request of the Community Mental Health Housing**
14 **Trust Account Fund Board, transfer interest earned on the Community Mental Health**
15 **Housing Trust Account Fund to the Community Mental Health Housing Fund established**
16 **under ORS 426.506 for expenditures approved by the board under section 4 of this 2011 Act.**

17 **(3) Notwithstanding ORS 270.150, the net proceeds of any sale of the F.H. Dammasch**
18 **State Hospital property under ORS 426.508 occurring on or after the effective date of this**
19 **2011 Act shall be deposited in the Community Mental Health Housing Trust Account Fund.**

20 **(4) All moneys in the Community Housing Trust Account in the Community Mental**
21 **Health Housing Fund are transferred to the Community Mental Health Housing Trust Ac-**
22 **count Fund. Moneys transferred pursuant to this subsection shall remain in the Community**
23 **Mental Health Housing Trust Account Fund in perpetuity.**

24 **SECTION 3. (1) There is established the Community Mental Health Housing Trust Ac-**
25 **count Fund Board, consisting of nine members who must be residents of this state and who**
26 **shall be appointed as follows:**

27 **(a) The Governor shall appoint seven voting members, including one at-large member**
28 **and:**

29 **(A) Two members appointed based upon recommendations from organizations that advo-**

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 cate for persons with chronic mental illness;

2 (B) One member appointed based upon recommendations from mental health consumer
3 advocate organizations;

4 (C) One member who has expertise in psychology or psychiatry;

5 (D) One member who is a consumer of mental health services; and

6 (E) One member who has expertise in developing community housing.

7 (b) The President of the Senate shall appoint one member from among the members of
8 the Senate, who shall serve at the pleasure of the President.

9 (c) The Speaker of the House of Representatives shall appoint one member from among
10 the members of the House of Representatives, who shall serve at the pleasure of the
11 Speaker.

12 (2) The term of office of each member appointed by the Governor is four years, but a
13 member serves at the pleasure of the Governor. Before the expiration of the term of a
14 member appointed under subsection (1)(a) of this section, the Governor shall appoint a suc-
15 cessor whose term begins on July 1 next following. Any member is eligible for reappoint-
16 ment. If there is a vacancy for any cause, the Governor shall make an appointment to
17 become immediately effective for the unexpired term.

18 (3) Members of the Legislative Assembly appointed to the board are nonvoting members
19 of the board and may act in an advisory capacity only.

20 (4) The board shall select one of its members as chairperson and another as vice chair-
21 person, for such terms and with duties and powers necessary for the performance of the
22 functions of such offices as the board determines.

23 (5) A majority of the members of the board constitutes a quorum for the transaction of
24 business.

25 (6) The board shall meet at least once every six months at a place, day and hour deter-
26 mined by the board. The board may also meet at other times and places specified by the call
27 of the chairperson or of a majority of the members of the board.

28 **SECTION 4.** (1) The Community Mental Health Housing Trust Account Fund Board shall
29 establish priorities for expenditures of interest earned on the Community Mental Health
30 Housing Trust Account Fund established under section 2 of this 2011 Act.

31 (2) All requests for proposals for projects to be paid for by interest earned on the fund
32 and all projects selected by the Department of Human Services to be paid for by interest
33 earned on the fund must first be approved by the board.

34 (3) In accordance with section 2 of this 2011 Act, the board may direct the State Treas-
35 urer to transfer interest earned on the Community Mental Health Housing Trust Account
36 Fund to the Community Mental Health Housing Fund established under ORS 426.506.

37 (4) The department shall provide progress reports to the board every six months on
38 projects approved under subsection (2) of this subsection.

39 (5) The department shall provide staff support to the board for the purpose of carrying
40 out the board's functions under this section.

41 **SECTION 5.** Notwithstanding the term of office specified by section 2 of this 2011 Act,
42 of the members first appointed by the Governor to the Community Mental Health Housing
43 Trust Account Fund Board:

44 (1) Two shall serve for terms ending June 30, 2013.

45 (2) Two shall serve for terms ending June 30, 2014.

1 **(3) Two shall serve for terms ending the earlier of June 30, 2015, or four years after their**
 2 **appointments to the board.**

3 **SECTION 6.** ORS 426.506 is amended to read:

4 426.506. (1) There is [*created*] **established** in the State Treasury, separate and distinct from the
 5 General Fund, the Community Mental Health Housing Fund. All earnings on investments of moneys
 6 in the Community Mental Health Housing Fund shall accrue to the fund. Interest earned on moneys
 7 in the fund shall be credited to the fund. All moneys in the fund are continuously appropriated to
 8 the Oregon Health Authority to carry out the provisions of ORS 426.504.

9 (2) The Community Mental Health Housing Fund shall be administered by the authority to pro-
 10 vide housing for persons with chronic mental illness. As used in this subsection, “housing” may in-
 11 clude acquisition, maintenance, repair, furnishings and equipment.

12 [(3)(a) *There is established within the Community Mental Health Housing Fund a Community*
 13 *Housing Trust Account. With approval of the State Treasurer and upon request of the Director of the*
 14 *Oregon Health Authority, moneys in the account may be invested as provided in ORS 293.701 to*
 15 *293.820.*]

16 [(b) *Notwithstanding the provisions of ORS 270.150, the authority shall deposit into the Community*
 17 *Housing Trust Account the proceeds, less costs to the state, received by the authority from the sale of*
 18 *F. H. Dammasch State Hospital property under ORS 426.508. The authority may expend, for the pur-*
 19 *poses set forth in ORS 426.504, any earnings credited to the account, including any interest earned on*
 20 *moneys deposited in the account, and up to five percent of the sale proceeds initially credited to the*
 21 *account by the Oregon Department of Administrative Services. At least 95 percent of the sale proceeds*
 22 *shall remain in the account in perpetuity. Proceeds deposited in the account may not be commingled*
 23 *with proceeds from the sale of any surplus real property owned, operated or controlled by the authority*
 24 *and used as a state training center.*]

25 [(c) **(3)(a)** *[Interest earned on moneys in the Community Housing Trust Account]* **Moneys from**
 26 **interest earnings transferred from the Community Mental Health Housing Trust Account**
 27 **Fund under section 2 of this 2011 Act** may be expended in the following manner:

28 (A) Seventy percent [*of interest earned on deposits in the account*] shall be expended for commu-
 29 nity housing purposes; and

30 (B) Thirty percent [*of interest earned on deposits in the account*] shall be expended for institu-
 31 tional housing purposes.

32 [(d) **(b)** *[Interest earned on deposits in the Community Housing Trust Account shall not]* **Moneys**
 33 **transferred from the Community Mental Health Housing Trust Account Fund to the Com-**
 34 **munity Mental Health Housing Fund may not** be used to support operating expenses of the au-
 35 thority.

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

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

38 [(b) *Sale proceeds and earnings from the account under subsection (3) of this section;*]

39 **(b) Moneys from interest earnings transferred from the Community Mental Health**
 40 **Housing Trust Account Fund under section 2 of this 2011 Act;**

41 (c) Proceeds from the sale, transfer or lease of any surplus real property owned, operated or
 42 controlled by the authority and used as community housing;

43 (d) Moneys reallocated from other areas of the authority’s budget;

44 (e) Interest and earnings credited to the **Community Mental Health Housing Fund**; and

45 (f) Gifts of money or other property from any source, to be used for the purposes of developing

1 housing for persons with chronic mental illness.

2 (5) The authority shall adopt policies:

3 (a) To establish priorities for the use of moneys in the Community Mental Health Housing Fund
4 for the sole purpose of developing housing for persons with chronic mental illness;

5 (b) To match public and private moneys available from other sources for developing housing for
6 persons with chronic mental illness; and

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

9 (6) The authority shall collaborate with the Housing and Community Services Department to
10 ensure the highest return and best value for community housing from the Community Mental Health
11 Housing Fund.

12 (7) The authority shall provide a report of revenues to and expenditures from the Community
13 Mental Health Housing Fund as part of its budget submission to the Governor and Legislative As-
14 sembly under ORS chapter 291.

15 **SECTION 7.** ORS 426.508 is amended to read:

16 426.508. (1) Notwithstanding ORS 421.611 to 421.630 or any actions taken under ORS 421.611 to
17 421.630, the Department of Corrections shall transfer the real property known as the F. H.
18 Dammasch State Hospital and all improvements to the Oregon Department of Administrative Ser-
19 vices to be sold for the benefit of the Oregon Health Authority.

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

27 (b) The Oregon Department of Administrative Services shall retain from the sale or other
28 conveyance of the real property those costs incurred by the state in selling or conveying the real
29 property, including costs incurred by the Department of Corrections in transferring the real prop-
30 erty to the Oregon Department of Administrative Services. The remaining proceeds from the sale
31 or other conveyance shall be transferred to the [*Community Housing Trust Account created under*
32 **ORS 426.506 (3)**] **Community Mental Health Housing Trust Account Fund established under**
33 **section 2 of this 2011 Act.**

34 (3) Redevelopment of the real property formerly occupied by the F. H. Dammasch State Hospital
35 shall be consistent with the Dammasch Area Transportation Efficient Land Use Plan developed by
36 Clackamas County, the City of Wilsonville, the Oregon Department of Administrative Services, the
37 Department of Land Conservation and Development, the Department of Transportation, the State
38 Housing Council, the Oregon Health Authority and the Department of State Lands.

39 (4) The Oregon Department of Administrative Services shall reserve from the sale of the real
40 property under subsection (2) of this section not more than 10 acres. The real property reserved
41 from sale shall be transferred to the Oregon Health Authority for use by the authority to develop
42 community housing for persons with chronic mental illness. The department and the authority shall
43 jointly coordinate with the City of Wilsonville to identify the real property reserved from sale under
44 this subsection.