



Comments in Support of HB 3063

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House Committee on Human Services and Housing

Thank you for this opportunity to provide testimony in support of House Bill 3063, which creates a dedicated Behavioral Health Housing Incentive Fund that will spur new permanent housing infrastructure across Oregon for individuals living with mental illness and addiction.

As background, NAMI Oregon developed this legislation in partnership with various stakeholders when we convened a conversation in 2012 about system capacity. Participants all recognized that the lack of housing — in the broadest sense of the word — was a major obstacle to delivering quality treatment and support services. And it was the major obstacle for reaching and maintaining recovery for individuals living with serious mental illness and/or substance use disorders.

The group understood that independent housing, supported housing, and licensed treatment housing were lacking across the board for those living with mental illness and substance use disorders. And the results were predictable. People were stuck in acute care because they lacked places to step down. People in treatment housing lacked access to more independent housing, while people in independent housing lacked access to treatment housing within their communities when needs arose. And people needing both mental health and addiction treatment truly had nowhere to turn.

We all quickly concluded we needed more housing, of all types. Otherwise, our health transformation efforts would continue to fail in behavioral health.

With our partners — developers, financiers, providers, CCOs, and hospitals — we devised an incentive system by which we leveraged a state investment to attract additional financing to develop new housing. The idea being that the state of Oregon could no longer follow a system by which it paid 100 percent of the cost for behavioral health housing.

And our incentive system worked. In 2013, the Legislature dedicated \$5 million to NAMI's concept. That investment generated \$24.5 million in proposed housing across Oregon, including in Jackson, Coos, Marion and Curry counties. In all, the state awarded funding to projects for 183 units of housing and 24 crisis respite beds.

In 2015, the Legislature approved \$20 million in bonds to fund behavioral health housing, with a budget note encouraging state agencies to utilize NAMI's strategy. The first round of funding was awarded last fall with positive results once again. The state's investment of \$3.8 million will lead to \$22.7 million in total housing development — 148 housing units and 12 crisis respite beds.

We are currently in the middle of a second Notice of Funding Availability in which the state has set aside \$9.5 million for supported housing for individuals with mental illness, \$2.5 million for housing for individuals with substance use disorders, and \$2.2 million for supportive housing for both populations. Another \$1.9 million is set aside to incentivize more crisis respite beds, which is a vital and cost effective community-based alternative to emergency rooms for treating people in a mental health crisis. Applications are due April 21.

NAMI and our partners are excited that an idea that started in a small-group discussion years ago is proving so beneficial and successful. There is general agreement among our partners and allies that Oregon should continue to follow NAMI's strategy.

Which is why I'm here today to ask that we undertake the steps to formalize the Housing Development Incentive Fund by approving HB 3063. When we started this journey, we hoped that we had a good idea. Today, we know we have a proven concept. It's time to put that concept in writing to create a permanent and predictable structure for funding behavioral health housing.

Rather than recreating a funding strategy with each legislative allocation, having a Housing Development Incentive Fund would allow the Legislature to deposit money in the Fund with full confidence that it will be spent wisely and widely. And our entire system — providers, developers, CCOs, counties, and advocates — will benefit from interacting with a known process. When money comes available, our system will be ready to respond quickly and with the partnerships necessary for development already in place.

We do expect to amend the bill that you see before you today based on what we've learned and what we will learn from this current round of funding. Among alterations being considered, for example, is a provision granting more flexibility in the incentive amount to spur more housing in frontier areas. However, the primary principle will remain — using a limited state investment to attract additional financing and spur development.

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

NAMI Oregon is pleased to enthusiastically endorse HB 3063, and we respectfully request your support. Thank you for this opportunity and for your time today.