

HB 2316: Housing for Mental Health Fund (ORS 458.380)

NAMI Oregon's legislation is a technical adjustment to the Housing for Mental Health Development Incentive Fund (ORS 458.380) that moves the Fund from Oregon Housing & Community Services to the Oregon Health Authority.

The change is recommended by the Governor's Behavioral Health Advisory Council. In total, the legislation:

- Moves the Fund to Oregon Health Authority, which has greater expertise in designing housing for individuals living with serious mental illness and/or substance use disorders.
- Continues formal collaboration between OHA and OHCS.
- Continues to incentivize all types of housing — crisis respite, licensed treatment housing, supportive housing, and independent integrated housing.

Track Record of Success

In addition to this technical adjustment, NAMI Oregon and its partners request a “deposit” into the Fund. The Fund has demonstrated success at using state funding to incentivize projects that attract outside financing.

The Housing for Mental Health Fund started with \$20 million in Lottery Bonds.

That \$20 million transformed into \$140.5 million in new housing.

The Fund originally received \$20 million in lottery bond proceeds authorized in the 2016 Legislature. Following its incentive structure in ORS 458.385, the Fund leveraged that \$20 million investment into \$140.5 million in development of new housing, producing 676 total units of housing with 408 reserved exclusively for individuals living with serious mental illness and/or substance use disorders.

	Housing for MH Funding	Total Project Development Cost	% Incentive from Fund	Total Units	Total for SMI/SUD	% Housing
Integrated Housing	\$ 11,340,000	\$ 76,240,368	15%	362	94	26%
Treatment Housing	\$ 8,660,000	\$ 64,240,396	13%	316	316	100%
Total	\$ 20,000,000	\$ 140,480,764	14%	678	410	60%

The Mental Health Housing Development Incentive Fund is designed specifically to incentivize new housing rather than pay the total cost:

- Incentive funding is capped at 35 percent of total development costs.
- In projects in which 100 percent of the housing is reserved for SMI/SUD, Fund awards help attract outside financing, such as conventional bank loans.
- In affordable housing projects, the 35 percent incentive guarantees integrated units for individuals living with SMI/SUD that are specifically tied to treatment and support services.
- In frontier areas, projects are eligible for up to 50 percent match. An increased incentive helps attract new housing in areas where development is rare.