

CDBG Proposed New Construction for the Mentally Ill

December 28, 1992

MEMORANDUM FOR: Richard C. Brinck, Manager, 10.3S

ATTENTION: John G. Bonham, Director, Community Planning and Development, 10.3C

FROM: James R. Broughman, Director Entitlement Communities Division, CGBE

SUBJECT: Community Development Block Grant (CDBG) Program Proposed New Construction of Housing for the Mentally Ill, Clackamas County, Oregon

This is in response to John Bonham's November 30, 1992, memorandum requesting an opinion on the eligibility of Clackamas County's proposed use of CDBG funds to assist with the construction of a facility to serve the chronically mentally ill. This request is pursuant to a request made on behalf of Jono Hildner, Administrator of the Clackamas County Department of Human Services, who is contesting your position that this is not an eligible activity.

According to Mr. Hildner, Clackamas County is proposing to use \$200,000 of CDBG funds, as well as other funding sources, to assist in the development of a thirteen-bed, supervised residential care facility for adults with chronic mental illness at the Pearl Street site in Oregon City. The County's Comprehensive Housing Affordability Strategy (CHAS) has documented the need for housing of this type and the County is attempting to address this need through the proposed construction of this facility. Initially the County had envisioned that the facility would contain complete individual dwelling units, similar to that of a typical residential unit, where the clients would be expected to live independently. In responding to concerns raised by your office that the housing provided as a result of this assistance could be viewed as "permanent" long-term housing rather than "temporary" housing, the County revised the scope of the project to assume the characteristics of a group home in which individuals would share sleeping quarters and congregate dining facilities and 24 hour care and supervision would be provided.

Section 570.201(c) of the CDBG regulations provide that facilities owned by public or private non-profit entities and designed for use in providing shelter for persons having special needs are considered public facilities and are not subject to the prohibition of new housing construction as described in 570.207(b)(3). Although facilities designed to assist the chronically mentally ill are not specifically cited under this section, it may be implied that this group is included.

The March 4, 1992, paper referred to in Mr. Bonham's memorandum provided guidance on distinguishing congregate care facilities that would be considered to constitute "permanent" housing and thus fall under the CDBG restrictions on constructing such housing. The key factor mentioned for that purpose in the paper was the level and nature of services to be provided to the residents. The paper concludes that, where the services to be provided are not designed to assist the residents to move on or to resolve some temporary need, the housing would be considered to be "permanent". As we understand the facility

described by Mr. Hildner, it would be operated so as to assist the residents to achieve semi-independent or independent living status whereupon the person would move to transitional housing, and where a resident is unable to do so he or she would be transferred to another facility for longer term care. Therefore, we conclude that the facility should be considered to be a public facility eligibility under 570.201(c).

Should you have any further questions concerning this matter, please contact the Entitlement Communities Division at (202) 708-1577.