

**CLACKAMAS COUNTY BOARD OF COUNTY COMMISSIONERS**  
**Study Session Worksheet**

**Presentation Date:** 8/6/13    **Approx Start Time:** 2:30 pm    **Approx Length:** 1 hour

**Presentation Title:** H3S Supported Housing RFP

**Department:** H3S

**Presenters:** Cindy Becker, Richard Swift

**Other Invitees:** Chuck Robbins, Dan Potter, Jill Archer

**WHAT ACTION ARE YOU REQUESTING FROM THE BOARD?**

This is an informational meeting intended to update the Board on the outcome of the H3S Supported Housing Request for Proposal.

**EXECUTIVE SUMMARY:**

The Clackamas County Housing Authority in concert with the Health Housing and Human Services Department of Clackamas County (H3S) issued a Request for Proposals (RFP) for Supported Housing Development in November 2012. The RFP combines resources from the Housing Authority of Clackamas County, Clackamas County Community Development and Clackamas County Behavioral Health to fund the development of supported housing.

Historically the County has funded affordable housing proposals where the developers identified the population to be served (i.e. Senior Housing). This RFP, the County directed development toward a population that we identified as having significant barriers to – or lack of – safe and affordable housing options.

This RFP sought proposals from teams consisting of service providers and housing providers interested in developing or preserving multi-family affordable housing rental project(s) that serve lower income households. The priority was the development of Alcohol and Drug Free (ADF) housing for adults with or without children who would benefit from participation in a program of recovery and from increased access to drug free living opportunities.

A project review committee made up of housing development and service provision professionals was formed to evaluate the four submitted project proposals. The review committee recommends awards to all four submitted projects:

- Northwest Housing Alternatives: Sandy Family Housing
- Central City Concern: Clackamas Family Housing
- Central City Concern: Chez Ami
- Housing Authority of Clackamas County: Clackamas Apartments

See attachment for a description of each proposal.

**FINANCIAL IMPLICATIONS (current year and ongoing):**

This RFP has combined funding from 4 non-General Fund sources in order to increase affordable housing options in Clackamas County. They are:

- \$2,000,000 from HACC Public Housing Disposition Funds
- \$700,000 from Community Development HOME Funds
- \$490,000 from Behavioral Health Alcohol & Drug 66 funds
- Up to 58 HACC Project Based Section 8 Vouchers

See attachment for a description of each funding source.

**LEGAL/POLICY REQUIREMENTS:**

- HUD approval of the use of Public Housing disposition funds for the construction of ADF Housing
- HACC Board approval of agreements to use disposition funds and agreements to use Project Based Vouchers
- BCC approval of agreement to use HOME funds and agreements to use A&D 66 funds

**PUBLIC/GOVERNMENTAL PARTICIPATION:**

- A Request for Proposals was advertised. This RFP included the HUD regulatory language and met the HUD procurement standards.

**OPTIONS:**

This is an informational meeting.

**RECOMMENDATION:**

N/A

**ATTACHMENTS:**

- Study Session Addendum – Description of Projects and Funding

**SUBMITTED BY:**

Division Director/Head Approval \_\_\_\_\_  
Department Director/Head Approval \_\_\_\_\_  
County Administrator Approval \_\_\_\_\_

Clackamas County Study Session Addendum  
Housing RFP

Description of Projects and Funding

In identifying the priority populations we looked at 3 elements: need, capacity and demand.

Based on information from the Oregon Health Authority in 2012 an estimated 26,010 persons in Clackamas County were struggling with alcohol abuse or dependence issues. Over this same time period the National Survey on Drug Use and Health estimated 8,957 persons were dealing with drug abuse or dependence issues.

Recent studies indicate that affordable Alcohol and Drug Free (ADF) housing helps homeless and very low-income people maintain sobriety following initial successes in treatment/recovery programs. Additionally ADF housing now figures prominently in discussions concerning the cost-efficient deployment of treatment and recovery services. The search for economical ways to provide such services has led health-care system planners to reduce or eliminate the use of expensive residential-treatment programs. In conjunction with outpatient treatment and adjunct health and social services, affordable ADF housing increasingly is viewed as a preferred alternative.

There are currently 1,036 units of affordable supported housing in the County. Of these only 52 units of ADF housing is available and is limited to individuals or single women with children. There are no ADF housing units for couples or couples with children.

The majority of ADF Housing (40) is at Chez Ami, a facility that provides supportive services to formerly homeless individuals with mental illness in recovery from alcohol and drug addiction. This facility has a 0% vacancy rate with a waiting list.

These residents are one of the highest need lowest served populations in the County. Based on this information H3S chose to make ADF housing a priority in the RFP.

This RFP sought proposals from teams consisting of service providers and housing providers interested in developing or preserving multi-family affordable housing rental project(s) that serve lower income households. The priority was the development of Alcohol and Drug Free (ADF) housing for adults with or without children who would benefit from participation in a program of recovery and from increased access to drug free living opportunities.

There were four housing goals:

1. New alcohol and drug free units;
2. New units added to the overall portfolio of affordable housing;
3. Replacement of the 21 scattered site units; or
4. Preservation of existing affordable housing units while converting some to ADF units.

In conjunction with the housing units, treatment and housing stabilization services are required.

Services must include but are not limited to:

- i. Access to treatment and recovery services both on-site and in partnership with other community based alcohol and drug recovery programs in the immediate area,
- ii. Individual case management,
- iii. On-site recovery support,
- iv. On-going monitoring of recovery and support for adherence to treatment, and
- v. Employment support.

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Funding for this RFP came from 4 sources:

Public Housing Replacement Funds (\$2,000,000) - These funds are administered by the Housing Authority of Clackamas County (HACC) and come from the proceeds of the sale of scattered site Public Housing units. Use of the funds are regulated by HUD and limited to either the acquisition or construction of new housing units designated and operated as Public Housing units, OR the acquisition or construction of new units designated and operated as units dedicated to households with a Housing Choice Voucher.

Project Based Vouchers (up to 58 Vouchers) - There are two types of vouchers (they are both Section 8). One is tenant based where the voucher holder can go to any property that accepts vouchers. The other is project based and is assigned to a unit. These serve a couple of purposes: they provide guaranteed housing to voucher eligible people who have to commit to stay there at least a year and they also provide developers or property owners with a definite source of income. Developers can leverage this when they seek funding.

HOME Program Funds (\$700,000) - These funds are administered by the federal Department of Housing and Urban Development (HUD) and are intended to expand the supply of decent, affordable housing for low- and very low-income families. In Clackamas County these funds are primarily used to assist in the development of new affordable apartment complexes.

A&D 66 Funds (\$490,000) - These funds are administered by the State of Oregon/Oregon Health Authority and are intended to deliver services to youth and adults with substance use disorders. The purpose of A&D 66 Services is to build upon resilience, assisting individuals to make healthier lifestyle choices and to promote recovery from substance use disorders. These services consist of case management, clinical care and continuing care delivered when therapeutically necessary and consistent with the developmental and clinical needs of the individual.

A project review committee made up of housing development and service provision professionals was formed to evaluate the four submitted project proposals. The review committee recommended awards to all four projects. Projects 1 and 2 are new construction projects.

1. Sandy Family Housing – Northwest Housing Alternative will be the developer. The project will consist of 52 1-4 bedroom units over nine buildings and will assist families at 50% and 60% of the area median income. Their plan is to set aside one 8-unit apartment building as Alcohol and Drug Free Housing. This proposal requested:
  - a. \$700,000 HACC Public Housing Disposition funds;
  - b. 8 Project Based Vouchers from HACC;
  - c. \$90,000 of A&D 66 funds from Behavioral Health for services; and
  - d. Includes a separate request to the State of \$7,900,000 in Low Income Housing Tax Credit (LIHTC) from Oregon Housing and Community Services.
2. Clackamas Family Housing – Central City Concern is the developer. The project will consist of 40 1-3 Bedroom units in one building and will assist families making between

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30% and 60% of area median income. The entire facility will be Alcohol and Drug Free.

This proposal requested:

- a. A HOME loan of \$700,000 from Community Development;
- b. 20 Project-Based Vouchers from HACC;
- c. \$1,300,00 HACC Public Housing Disposition funds;
- d. \$400,000 in Alcohol & Drug 66 funding from Behavioral Health; and
- e. Includes a separate request to the State of \$5,900,000 in LIHTC from Oregon Housing and Community Services.

Projects 3 and 4 are Preservation Projects. Residents are extremely low-income and could not ordinarily live out in the community except for the low rents available at these facilities. Unfortunately these rents cannot cover the increasing operation and maintenance costs. If we cannot find a way to subsidize the rents we will lose these facilities.

3. Chez Ami – Central City Concern is the owner. Chez Ami is an existing housing community in Clackamas County that provides supportive services to formerly homeless individuals with mental illness in recovery from alcohol and drug addiction. Central City Concern will utilize the 20 Project Based vouchers to provide additional rental subsidy to 20 of the 40 units at the property. This additional rental subsidy will stabilize the property financially and allow for continued operations under the current program model. These Project Based subsidies would be infused into the property as soon as available. This proposal requested:
  - a. 20 Project-Based Vouchers
4. Clackamas Apartments – Housing Authority is the owner. Clackamas Apartments is an existing housing community in Clackamas County owned by the Housing Authority and operated in partnership with Clackamas County Behavioral Health. The project provides 21 units of supportive housing for people living with mental illness. The Housing Authority will utilize the 10 Project Based vouchers to provide additional rental subsidy to 10 of the 21 units at the property. This additional rental subsidy will stabilize the property financially and allow for continued operations under the current program model. These Project Based subsidies would be infused into the property as soon as available. Per regulations set forth by the US Department of Housing and Urban Development (HUD), Housing Authorities must submit a competitive application to be awarded Project Based Vouchers. This proposal requested:
  - a. 10 Project-Based Vouchers

There are still a number of steps that need to be taken before funding for these projects can be finalized. These include:

- Housing Authority Board of County Commissioners Approval of award of HACC resources for the 4 development projects
- Outside legal review of the RFP procurement process to ensure compliance with HUD regulations – August 1st, 2013
- Submittals to HUD for review and approval – Mid August (final approval in 3-4 months)
- NW Housing and Central City Concern application to the State for Low Income Housing Tax Credits – Mid August (notification of award in 6 months)
- BCC approval of agreement to use HOME funds and agreements to use A&D 66 funds- September 2013