

**Oregon Department of Human Services  
Addictions and Mental Health Division**

**2007-2009 APPLICATIONS MATERIAL FOR  
ALCOHOL AND DRUG FREE HOUSING DEVELOPMENT FUNDS**

This document provides information for applicants requesting Alcohol and Drug Free (ADF) housing development funds. These funds are available to assist with the establishment of new housing for people in recovery from alcohol and drug abuse.

**Background**

The ADF housing development awards were initiated in 1999 when the Oregon legislature approved funds for the expansion of alcohol and drug treatment services. Recognizing the importance of stable housing for people new to recovery, a portion of these funds were reserved for the creation of ADF housing. As of July 2006, housing awards totaling \$4 million have assisted 28 housing projects in 13 counties throughout the state. These projects accommodate over 250 persons who are in recovery from substance use disorders. Every ADF housing development dollar invested in housing, on average, has leveraged \$16 from other sources. The housing developed with these awards to date is valued at over \$65 million.

**Funding**

A total of \$1 million in ADF housing development funds is available in 2007-09. Funding will be available for real property expenses related to establishing new community housing. Eligible uses include pre-development and up-front costs (e.g. site acquisition, architect fees, survey costs, site development, construction, and other activities directly related to establishing new housing. The housing development funds cannot be used for furniture purchases, replacement reserves, administrative expenses, operating reserves, service delivery costs and costs incurred more than six months prior to the application submittal. Awards will not exceed \$200,000 per project. AMH reserves the right to approve housing development awards for less than the amount requested. Approval of an application will be conditional and subject to further review of financial documentation.

**Geographic distribution**

To encourage development of projects throughout all regions of the state and ensure an equitable, geographic distribution of funds, prior ADF housing awards will be taken into account in prioritizing projects for funding. The chart provided as

Attachment A summarizes ADF housing development awards made to date by county. Applications are encouraged from areas relatively under-funded. Under-funded areas are those where the percentage of previous awards received is less than the percentage of general population and/or number served in the local alcohol and drug treatment service system.

### **Who may apply**

Substance abuse treatment providers, housing providers and other interested parties, both public and private, are invited to submit applications. Applications must be accompanied by a letter of endorsement from the Local Alcohol and Drug Planning Committee (LADPC) and/or tribal authority. The letter from the LADPC must be received from the county where the project will be located.

### **Resident population**

The housing must be for persons (qualified tenants) who meet the following criteria:

- 1) The qualified tenant must be a recovering alcoholic or drug addict. A “recovering alcoholic or drug addict” is an individual actively participating in alcohol or drug abuse treatment or recovery activities. Other family members may live with a qualified tenant who is the head of household.
- 2) The household earnings of the qualified tenant must be at or below 30 percent of the Area Median Income (AMI) at the time of application for the housing. The AMI is adjusted statewide for location and family size. Net income to rent ratios specified in application criteria may not exceed two to one. In some cases, exceptions to the household income requirement can be made if approved by AMH.

Preference is given to housing for families with children; housing for other households will be considered based on documentation of local needs. Housing for families at risk of or involved with Department of Human Services (DHS) child welfare services is encouraged.

### **Housing type priorities**

The proposed housing must be integrated into residential neighborhoods of local communities in Oregon. The proposed project must create new housing capacity for people who are in recovery from alcohol and drug abuse. Renovation of existing housing in need of repair does not qualify.

**ADF housing development objectives**

Projects funded with ADF housing development funds must be consistent with the following objectives:

- (1) Decrease the length of stay for individuals served in residential facilities for substance abuse treatment.
- (2) Produce housing opportunities that will serve as an alternative to more intensive programs (i.e. divert clients from residential treatment programs to less costly housing options).
- (3) Reduce recidivism for individuals using outpatient-based substance abuse treatment programs.
- (4) Support movement towards self-sufficiency for persons in recovery.
- (5) Increase residential stability for person in recovery.
- (6) Create additional, affordable housing capacity for individuals in recovery from substance abuse.

**Service model and philosophy**

Applicants must describe evidence-based approaches or recognized best practices in substance abuse treatment that will be offered to residents. The service provision philosophy should support recovery and enable residents to live successfully in independent community housing. The service design must be appropriate to the needs of the anticipated residents.

**Non-discrimination**

Under civil rights and fair housing laws, it is illegal to discriminate based on race, national origin, religion, sex, age, familial status, marital status, source of income and physical and mental disability. Applicants must certify that they will not discriminate in service delivery or housing provision.

**Project completion date**

AMH expects housing projects to be open as soon as feasible. Applications describing projects that can be effectively brought on line in the shortest time frame will be rated more favorably. Projects that have not made sufficient progress by January 1, 2009 will be reviewed and may have the funding commitment withdrawn. ADF housing awards are comprised of State General Funds and must be disbursed by June 30, 2009

**Security of state investment**

Applicants awarded an ADF award must enter into a housing development grant agreement with AMH. The housing development grant agreement outlines conditions under which ADF grants are made. Recipients must agree to execute a Promissory Note and Trust Deed. The terms in the Promissory Note specify that a pro-rated amount of the award will be paid back if the occupancy of the property changes. The Trust Deed is recorded as a lien against the project property. Awards are disbursed through escrow; it is the responsibility of the successful applicant to pay recording and escrow fees or other charges associated with the transaction.

**Compliance monitoring**

Applicants approved for an ADF housing development award will be required to complete annual reports at project completion to document the continued use of the property for the agreed purpose.

**Application selection process and criteria**

Applications will be reviewed and rated by an AMH appointed review panel. The review panel's recommendations will be presented to the AMH Assistant Director who will make the final funding decisions. The review panel will use criteria listed in Attachment B to rate the applications.

Applications must meet all threshold criteria and score at least 120 points in order to be considered for funding. AMH reserves the right to amend this ADF 2007-09 Application, reject any or all applications, to score applications, and to require additional information as a condition of funding.

**Requirements for ADF 2007-09 Applications**

1. Include a cover letter on the applicant's agency stationary, signed by the Executive Director or Chief Executive Officer. The applicant must have authorization to submit an application as evidenced by a resolution of the agency's board of directors or other documentation.
2. Complete the Application Information Sheet; these pages should immediately follow the cover letter.
3. Provide a letter of endorsement from the LADPC and/or tribal plans for the county in which the project is proposed.
4. Applications must comprehensively provide requested information in the Project Narrative section as concisely as possible. Use 14-point font. Please organize your narrative responses to correspond to the numbering and questions.
5. Include budgets as requested in the Project Narrative Section in the format supplied.
6. Do not put the application in a binder or report folder.
7. Include all required documentation; no missing material can be added to the application after the deadline.
8. Mail or deliver **an original and six copies** of the application to:

Robert E. Nikkel, M.S.W  
Assistant Director  
Addictions and Mental Health Division  
500 Summer Street N.E., E-86  
Salem, OR 97301-1118

**Applications must be delivered to AMH or postmarked no later than April 11 , 2008.** Applications will be reviewed based on the materials originally submitted. No applications will be accepted via the FAX machine, e-mail, internet or other electronic means of submission.

If you have questions or would like technical assistance, please call or email Elizabeth Anguiano at 503-947-5544 or [elizabeth.anguiano@state.or.us](mailto:elizabeth.anguiano@state.or.us).

**ADF 2007-09 Application Information Sheet**

**MUST BE COMPLETED BY ALL APPLICANTS**

**Applicant information:**

Applicant Entity Name

Address

City, State, Zip

Contact Person

Phone

Cell Phone

Fax #

E-mail

**Ownership entity (if different from applicant entity):**

Ownership Entity Name

Address

City, State, Zip

Contact Person

Phone

Cell Phone

Fax #

E-mail

**Consultant information (if applicable):**

Agency Name

Address

City, State, Zip

Contact Person

Phone

Cell Phone

Fax #

E-mail



**Authorization to apply for ADF 2007-09 funding from AMH:**

LAPDC letter of endorsement. Attach a letter of endorsement from the LADPC and/or tribal authority for the county or region in which the project will be located.

Project development authorization. Attach a copy of the board resolution or other documentation confirming that the applicant is authorized to apply for funds to support the proposed project. Include one set of organizational documents as filed with Oregon’s Secretary of State’s Office and a list of current members of the Board of Directors.

Non-discrimination certification. By signing below, applicant certifies that all eligible individuals shall be considered for residency in the proposed housing and services without regard to race, national origin, religion, sex, age, familial status, marital status, source of income, or disability in addition to mental or emotional disorder.

The signature below is provided by a duly authorized official of the applicant and indicates that the application has been reviewed and approved for submittal.

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Print Name:

Title:



**ADF 2007-09 Project Narrative**

1. Occupancy. The housing must be for persons who are in recovery from alcohol and drug abuse and are actively involved in an approved treatment program. Units must be occupied or held for occupancy by a qualified tenant. A qualified tenant is a recovering alcoholic or drug addict. A “recovering alcoholic or drug addict” is an individual actively participating in alcohol or drug abuse treatment or recovery activities.
  - a. Where do prospective residents currently reside and what are their service needs?
  - b. Describe how the housing will be made available to qualified individuals; include how the units will be marketed to those in recovery. Indicate your primary referral sources.
  - c. Describe how you will enable persons in recovery who often have many obstacles (poor credit and rental histories, criminal background, lack of funds for security deposit and application fees) to have access to your housing.
2. Consistency with ADF housing development objectives. The applicant must demonstrate which objectives (see page 3) the proposed housing will achieve.
  - a. Please identify which objectives your project will achieve and describe how each will be achieved.
3. Need. Documentation must confirm that proposed housing is a priority need in the community where it will be located or that it will meet a statewide need.
  - a. Provide a rationale for the proposed housing. Include documentation of housing needs for persons described in response to question 1.
  - b. Describe your process for obtaining input from prospective residents and/or alcohol and drug treatment providers. Provide evidence that the proposed housing is consistent with preferences of prospective residents.
  - c. Describe how the project is consistent with plans and priorities of the LAPDC and/or tribal plans that address the need for alcohol and drug free housing.

4. Description of services available to residents. Services available for residents must be described and be responsive to prospective residents' needs. The program must assist residents with their sobriety while also helping them toward self-sufficiency. Use of peer mentors is encouraged.
  - a. Discuss nearby community amenities, substance abuse treatment providers, support groups and other services that will be made available. Discuss how residents will access these services.
  - b. List the services that support recovery from alcohol and drug abuse that will be available and indicate whether they will be provided on-site or through an arrangement with an off-site provider. For on site services, identify how many individuals (part-time and full-time) will be employed as staff. Who is responsible for monitoring residents' compliance with their recovery plans, and how will this monitoring be accomplished?
  - c. Demonstrate that funding has been committed or is otherwise available to support these services. Obtain commitment letters from service providers as evidence of their intent to work cooperatively with persons who will reside in your proposed housing. Attach copies of these letters.
5. Longevity of use. There must be a commitment, on the part of the owner and/or developer that the proposed housing will be available to persons who are in recovery for alcohol and drug abuse for at least 30 years. Preference is given to housing that will be owned by public or nonprofit entities.
  - a. How long will the proposed housing be available for the residents who are in recovery from alcohol and drug abuse?
6. Security of state's investment. Funds awarded will be secured by a Housing Development Grant Agreement, a Promissory Note and a Trust Deed. Applicants must agree to execute these documents and accept a lien against the ADF housing property. Applicants must agree to repay the pro-rated balance of the award if the occupancy of the property changes without AMH approval.
  - a. Provide a signed statement confirming agreement on the part of the property owner(s) to execute a Housing Development Grant Agreement, Promissory Note and Trust Deed to secure the housing development grant.

7. Development plan and timelines. Applicants must articulate a clear work plan and timelines for the proposed project. While not all resources must be committed or a project site obtained, a reasonable plan must be presented that demonstrates the proposed housing project is feasible and likely to be completed in a timely manner.
- a. Site information. Describe the site and proposed improvements necessary to prepare the building for your proposed use. Attach, as available, copies of (1) evidence of site control, (2) map showing location of property and nearby community amenities (bus lines, shopping, recreation, etc.), (3) floor plans or preliminary architectural drawings, (4) photographs of the property, and (5) evidence of permissive zoning. If a site is not identified, describe sites under consideration and/or plans to locate an appropriate site.
  - b. Development timeline. Submit a project development timeline (see Attachment C) summarizing key development activities and indicating completion dates for major milestones.
  - c. Development budget. Submit a Sources and Uses of Funding budget form. Use the format provided in Attachment D or a substantially similar format. List all committed, conditional and tentative funding sources (e.g. grants, bank loan, donations). Indicate the funding source for each expense so reviewers can determine if ADF housing funds are being used for eligible costs. (Note: The project budget may change during the development process; updated budget information will be requested by AMH.)
  - d. Operating budget. Submit an annual housing operating budget that identifies projected income, service revenues and other income. Use the format provided in Attachment D or a substantially similar format. Identify anticipated expenses for both the operation of the housing and service delivery. Please provide budget notes that explain how expenses were derived.
  - e. Development team. List the specific roles, function and services to be provided by the development team members, including but not limited to, owner, developer, architect, construction contractor, property manager, service provider and consultant (as applicable). List their qualifications and describe their experience with similar projects.

8. Property management. Applicants must demonstrate administrative capability to manage an effective project once it is operational.
  - a. How will the project be managed after its completion? Provide an organizational chart that shows lines of responsibility. Who will be responsible for program management? Who will be responsible for property management and upkeep (if housing units are owned and operated by applicant)? If a partnership is proposed, the plan should include a description of each partner's role. Specifically describe who will be responsible for (1) tenant referral and selection, (2) resident supervision, (3) rent collection and (4) lease enforcement?
  - b. Describe your plan for administrative and fiscal operations. Who will be responsible for paying bills and rent collection?
  - c. Describe the relationship between property management and service delivery entities. Describe the experience of the property manager and/or owner in operating similar housing.
  - d. Describe how residents will be selected and screened and who will be responsible for ensuring that residents meet the eligibility criteria. Attach tenant selection process, if available.
  - e. Describe how the units will be maintained alcohol and drug free. Indicate whether the housing will be designated "drug and alcohol free" under ORS 90.243, and describe how you will implement these provisions of landlord-tenant law.
9. Affordability. The housing developed must be affordable within the incomes of the proposed residents.
  - a. What rent amounts will be charged? Demonstrate that this is affordable for the prospective residents. If rent subsidies are being provided, a letter from the organization confirming the availability of the subsidy must be included. If rent subsidies are not provided discuss how the residents will deal with the potential rent burden.
  - b. What will be the required income to rent ratio?

## ATTACHMENTS

Attachment A: ADF Housing Development Awards to date by County

Attachment B: Application Review Criteria

Attachment C: Housing Development Timeline

Attachment D: Housing Development Budget Forms