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RECORDING REQUESTED BY
AND WHEN RECORDED, MAIL
TO:
Oregon Housing and Community
Services Department
1600 State Street
Salem, Oregon 97310
Attn: Donna Crawford

MTC 40122-KR

SPACE ABOVE FOR RECORDER'S USE

PROJECT USE AGREEMENT

THIS AGREEMENT is made this 24 day of May, 1997, between the SoCO Development, Inc. ("Recipient") and OREGON HOUSING AND COMMUNITY SERVICES DEPARTMENT ("Department").

PART I: PURPOSE

Department has made available to Recipient a conditional grant in the amount of Forty Eight Thousand, Five Hundred and Nineteen Dollars (\$48,519.00) ("Grant") to partially meet the costs of acquisition and rehabilitation a 5 unit project in Klamath Falls, Oregon known as Harvest House Supportive Housing ("Project").

PART II: COMMITMENT TO AFFORDABILITY

Recipient agrees that the Housing Development Grant funds will only be used for 5 units that will house low and very low income persons for a period of 30 years. Of these units, 5 units will be targeted to very low income persons and 0 units will be targeted to low income persons. Low income is defined as persons at or below 80% of the county median income and very low income is defined as persons at or below 50% of the county median income, as published annually by the U.S. Department of Housing and Urban Development ("HUD"). If, at any time from the day first written above, the property is used for other than this purpose during this period, the Grant provided by Department may, with reasonable notice, be called by the Department for repayment to same by or on behalf of Recipient, its successors or assigns.

PART III: COMMITMENT TO SOCIAL SERVICE PROGRAMS

Recipient agrees that a service plan in accordance with their project description will be offered to residents, a copy of which is attached to this Agreement as Exhibit A and by this reference made a part of it. Recipient further agrees that if at any such time the above-referenced service programs or reasonable substitutes are not being provided, Department may, with reasonable notice to Recipient, call for repayment of the Grant by or on behalf of Recipient, its successors or assigns.

PART IV: SUBORDINATION

The Department may subordinate this Agreement to other Financing, in its sole discretion and such subordination shall be binding on all third-parties granted rights under this Agreement.

PART V: FORECLOSURE

In the event the construction and/or permanent lender, its successors or assigns, lawfully acquire title to the project through foreclosure or deed in lieu of foreclosure, neither the lender nor any subsequent purchaser of the project following such a foreclosure or deed in lieu of foreclosure shall be deemed a "successor or assign" of the Recipient, and neither the lender nor such subsequent purchaser shall have any obligation to repay the Grant to the Department and all conditions and restrictions contained herein shall terminate on the date, if any, that the project is so acquired by foreclosure or deed in lieu of foreclosure.

IN WITNESS WHEREOF, Department and Recipient have caused this Agreement to be signed by their duly authorized officers as of the first day written above.

OREGON HOUSING AND COMMUNITY
SERVICES DEPARTMENT

SoCO DEVELOPMENT, INC.

By: [Signature]

By: [Signature]

Title: Housing Resource
Section Manager

Title: Executive Director

STATE OF OREGON)

)ss:

County of Marion)

The foregoing instrument was acknowledged before me this 29 day of May 1997, by Robert Gillespie who is a Manager, HSE Resource of Oregon Housing and Community Services Department, on behalf of the Department.



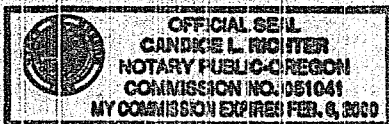
[Signature]
Notary Public for the State of Oregon
My commission expires: 11-29-98

STATE OF OREGON)

)ss:

County of Klamath)

The foregoing instrument was acknowledged before me this 12th day of May 1997, by W. LouEllen Kelly who is a Exec. Director of SoCo Development, Inc. on behalf of the Recipient.



[Signature]
Notary Public for the State of Oregon
My commission expires: 2/6/2000

III-6 Resident Service Plan - 5) a & b

A. Harvest House proposes to serve persons in Klamath County with severe and persistent mental illness. Usually persons with psychiatric disabilities have increased difficulty in obtaining affordable rental housing. Successful living in a community setting for these individuals can be enhanced by providing appropriate housing and by addressing individual social needs.

Klamath County Mental Health (KCMH) professionals estimate that 80% of their consumers with severe and persistent mental illness seek available mental health services, and 50% will comply with a treatment plan that will be successful in achieving individual treatment goals [Klamath County Treatment Providers, 1975-1996].

A recent report of the MED Residential Task Force estimates that 19% of persons with psychiatric disabilities need an increased level of support beyond that typically offered through existing natural support systems and/or the usual case management services. This level of support is necessary because of severe behavior problems, psychotic symptomatology, and often accompanying physical health or mobility issues [source: Recent needs assessment reported in the March 1993 Report of Residential Services Work Group].

The second source indicating need was a questionnaire administered to 40 consumers of KCMH, Community Support Services (CSS) program (January, 1997).

These studies identified Klamath County's chronically mentally ill (CMI) social needs.

In the second study, CSS staff identified the following service priorities for the CMI population:

- 20% had a desire to change their present living situation to a less restrictive environment,
- 90% needed to further knowledge about personal finance and budget matters,
- 80% needed training in nutrition, shopping, and meal preparation,
- 80% needed training in basic personal care, laundry basics,
- 80% wanted to learn better problem solving skills & improve social relationships,
- 60% wanted to increase independence by utilizing local transit services,
- 85% had a desire to improve social relationships & use leisure time more enjoyably,
- 40% were interested in learning better job skills & getting & keeping community jobs,
- 80 % wanted additional education & assistance with managing prescribed medication, and
- 40% wanted support in meeting physical safety and health care needs.

B. In the Harvest House supported living program residents will be provided services from KMHC staff, case managers, specialists, and on-site skills trainer. Outpatient therapy will also be provided by KMHC therapists. SoCO Development, Inc. will provide on-site education regarding landlord/tenant law and training in simple basic home repair

and maintenance.

The residents will also have the opportunity to develop increased independent living skills, more effective social behaviors, increased use of leisure and recreational activities, personal management of medications, basic emergency first aid skills, vocational training, and volunteer work supports.

The independent living skills will be provided on-site or at KCMH. Twice weekly for one hour the on-site skills trainer will teach basic skills involved in shopping, cooking, clothes laundering, rendering personal care, and solving/coping with personal problems. The skills trainer will also facilitate house meetings once each week for at least one hour to deal with on-going residents' problems and concerns. Residents will thus have an increased ability to provide for their own basic needs which will promote self-sufficiency and an ability to maintain independence in a community setting. Under the supportive housing program, residents should improve effective independent living skills by 30%-40%.

Basic transportation skills will be addressed, and training provided by either the on-site skills trainer or KCMH staff. This training will be tailored to meet individual resident needs. Transport needs will be identified in resident treatment plans. Medical transportation will be made available through Volunteer Services and other transport needs through local basin transit or taxi. Costs and availability of services will be identified to determine the most appropriate and economical transport services for each resident. Individual bus training with residents will be provided. Staff will assist with identifying bus stops and transfer points as well as appropriate interactions enroute. Case manager and resident will explore and investigate any other transportation options such as assisting resident with purchase of bicycle. In such cases, specialized bicycle training will help ensure safety. These skills will increase independence in the area of transportation skills by 40% to 50%.

Basic budgeting and finance skills will be provided in budgeting classes at KCMH, Day Treatment program. These classes will meet twice each week for one hour and be taught by KCMH staff. The residents will also receive personal on-site support and training by the skills trainer for a minimum of two hours weekly. This training will teach simple math skills, the making of change when shopping, and the managing of a personal checkbook. Mental Health case managers will assist with skills as indicated on each resident's treatment plan; representative payee services can be provided, if indicated, with the eventual goal of enabling the resident to take charge of his/her personal finances. This training will foster independence in residents' financial and budgeting matters and can increase abilities by 45%.

Training and assistance to residents to personally monitor and manage all prescribed medications is a key element in promoting well-being and health among persons with psychiatric disabilities. For at least two hours each week the residential skills trainer will provide on-site support and pertinent information regarding medications, control of symptoms, side effects, and physical health concerns. The KCMH, CSS staff will offer classes in symptom management and health care, two one hour classes each week. CSS staff will also coordinate with the residential staff to provide advocacy and consumer support in making and attending health care appointments. Additional training and support will be available to assist prospective residents with First Aid/CPR classes prior to

residency. These support services will encourage self-sufficiency and will foster independence by 35% to 40%.

Each resident will have an opportunity to meet with the mental health psychiatrist or nurse-practitioner on a bi-monthly basis; more frequently if requested by resident or treatment team staff and at least every 90 days. This appointment will address concerns with the aim of increasing by 50% consumer knowledge of symptoms, side effects and medications. A psychiatric evaluation will be completed on an annual basis by the KCMH psychiatrist or nurse-practitioner. Any injections for the resident per physician's or nurse-practitioner's orders can be provided either in the residential setting or at KCMH by KCMH nurse or nurse-practitioner.

Residents of Harvest House will meet in the community, once a week, with their case managers or other support staff to learn new effective skills, to reinforce already learned positive behaviors, and to address specific concerns about functioning in the community. The day treatment program will provide a one hour social skills class two days each week at KCMH. Case Managers will meet with individual residents on a weekly basis for one hour to discuss needs and to make concrete, practical changes in treatment plans. Community outings and one hour activity groups will be offered during day treatment, and, in addition, the residents will have the support of the residential skills trainer who will be available in the home six days each week. KCMH staff will be available by telephone on the seventh day. These supports will enable residents to develop and maintain positive and rewarding leisure time activities. Using the foregoing methods, residents should improve effective social behaviors at least 30%.

Vocational opportunities and support will be provided by KCMH vocational staff with on-site support provided six days per week by the residents' skills trainer. Residents will have the opportunity to pursue employment, either paid or as unpaid work experience. At least once each week for one hour the vocational staff will meet with residents who are seeking vocational opportunities. Vocational staff will assess work readiness by utilizing various vocational readiness inventories. The staff will either provide training in necessary skills or coordinate services with other community agencies to maximize employment successes by 40%. Skills based training offered by KCMH vocational staff will include paid work experience training through the KCMH Janitorial Program and life skills training through KCMH day treatment classes, on-site skills trainer and vocational staff. Resume' and interviewing skills are offered by vocational staff on an individual basis through job development and supported employment. Currently on a monthly basis, employment evaluations are conducted for all residents involved in the KCMH vocational janitorial program. The training time offered to residents in the janitorial program is at least 2 hours each day, two days per week. Resident's treatment plan will address vocational goals on an individual basis; vocational staff will tailor services to ensure that each resident has the opportunity for personal growth and increased self-esteem because of employment opportunities.

All residents will enjoy increased independence in the community living through the 10 hours of weekly skills training and continued staff and peer support found in the growth-inspiring environment of Harvest House. Finally, our new supported housing facility will benefit Klamath Falls by encouraging our tenants to integrate as *enhanced community members*.

EXHIBIT "B"

LEGAL DESCRIPTION

1307-1311 Mitchell Street, Klamath Falls, Oregon 97601

Lot 14, Block 305, DARROW ADDITION to the City of Klamath Falls,
according to the official plat thereof file in the office
of the Clerk of Klamath County, Oregon.

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of Amerititle the 27th day
of June A.D. 19 97 at 3:51 o'clock P.M., and duly recorded in Vol. 197
of Deeds on Page 20229

Bernetha G. Letch, County Clerk

FEE \$35.00

By Bernetha G. Letch