

# CLACKAMAS COUNTY BOARD OF COUNTY COMMISSIONERS

Sitting/Acting as (if applicable)

## Policy Session Worksheet

**Presentation Date:** 9/15/2020      **Approx. Start Time:** 2:30 PM      **Approx. Length:** 1hour

**Presentation Title:** Motel Acquisition for Shelter Strategy

**Department:** Health, Housing & Human Services

**Presenters:** Richard Swift - H3S Director, Jill Smith - Housing and Housing Services Director

**Other Invitees:** Brenda Durbin - Social Services Director, Stephen McMurtrey - Development Director

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

Consider options for acquisition and subsequent use of motels as shelter for people experiencing homelessness.

### EXECUTIVE SUMMARY:

H3S and homeless services non-profits in Clackamas County make frequent use of motels as short-term emergency shelter for people experiencing homelessness. Numerous jurisdictions nationally and in Oregon have purchased or used a variety of lease arrangements to dedicate entire motels for use as shelter long term. In 2019 H3S explored the option of acquiring motels for this purpose. A contracted real estate broker identified more than twenty motels in the county with potential for purchase and use as shelters. Two motels – one on McLoughlin in the Jennings Lodge area and one in Estacada – were identified as of particular interest. In December of 2019 the Board approved a letter of intent for one of these motels for further negotiation of a potential purchase. Negotiations are not proceeding at this time due to funding and the impacts of the Pandemic.

**Benefits:** Motels are well suited for use as shelter. They afford privacy and contain all needed amenities in a self-enclosed space. The temporary lodging for which they are normally used is similar to use as a shelter, so neighborhood impacts are lessened. Acquisition can be more cost effective than long-term rental and is much less expensive per unit than new construction. In the context of COVID19, motels are an ideal alternative to congregate shelter. The Emergency Operations Center dedicated a significant portion of the first round of federal ESG funds to a motel sheltering program that provided shelter to over 100 individuals experiencing homelessness at heightened risk of serious infection. Over 40 people who were provided motel vouchers were able to secure ongoing stable housing. The Pandemic has also caused significant adverse business impacts across the hospitality sector, so the market and terms of sale are likely to be more favorable for an acquisition by the County. Motels are also suitable as a bridge strategy in addressing homelessness; sites are used for shelter and then converted to permanent affordable housing.

**Challenges:** All shelters have significant operating costs and they do not produce rents. Larger motels with an excess of fifty rooms are more cost effective related to staffing costs. Most motels available for purchase in Clackamas County have fewer than fifty rooms. The underlying zoning for motels is often not zoned for affordable housing development. This also can present a barrier to eventual re-purposing of acquired motels to permanent housing.

**Financing:** Funds for the acquisition of a motel are not identified at this time. Oregon state legislators, looking at "Project Turnkey" in California as a model, have discussed dedicating a portion of CARES act dollars to motel acquisition. No legislative action has been taken. As the County lacks single adult emergency shelter in our continuum of housing and homeless services, it is likely that shelter will be a priority area for Metro 26-210 dollars. Those resources will not come to the County in sufficient amounts to finance a motel acquisition until late 2021 or 2022. Metro dollars will be available to pay for shelter operations.

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

Is this item in your current budget?  YES  NO

What is the cost? \$0

What is the funding source? N/A

**STRATEGIC PLAN ALIGNMENT:**

- How does this item align with your Department’s Strategic Business Plan goals?  
Individuals and families in need are healthy and safe  
Improved community safety and health  
Efficient and effective services
- How does this item align with the County’s Performance Clackamas goals?  
Ensure safe, healthy and secure communities

**LEGAL/POLICY REQUIREMENTS:**

**PUBLIC/GOVERNMENTAL PARTICIPATION:**

H3S

**OPTIONS:**

**RECOMMENDATION:**

Information only.

**ATTACHMENTS:**

[INCLUDE TURNKEY DISCUSSION DRAFT?]

**SUBMITTED BY:**

Division Director/Head Approval \_\_\_\_\_

Department Director/Head Approval \_\_\_\_\_

County Administrator Approval \_\_\_\_\_

For information on this issue or copies of attachments, please contact \_\_\_\_\_ @ 503-\_\_\_\_\_