

MEMORANDUM

TO: Clackamas County Board of County Commissioners (BCC)
FROM: Rodney A. Cook, Director, Health, Housing & Human Services
RE: Project Turnkey 2.0 Application
DATE: July 14, 2022

Project Turnkey is a state-funded grant opportunity managed by the Oregon Community Foundation (OCF) that provides funding and technical assistance to help communities acquire and convert existing structures such as hotels and motels into non-congregate emergency shelters or transitional housing. The first iteration of project Turnkey was launched in 2020 and provided \$65 million to create 19 new shelters in 13 counties, resulting in a 20% increase of the State's supply of shelter beds. Following this success, on June 24th, 2022, OCF released Project Turnkey 2.0, making an additional \$50 million available. Staff is seeking Board approval to submit an application to Project Turnkey 2.0.

A Project Turnkey property would become the first permanent year-round shelter in Clackamas County available to anyone in need. The County's application will be to purchase and convert a hotel or motel located within Clackamas County's portion of the Metro Urban Growth Boundary into a non-congregate emergency shelter for people experiencing homelessness.

Since December 2020, Clackamas County has operated a hotel-based emergency shelter program through contracts with two local hotels. These shelters have been a critical resource in assisting vulnerable residents to get off the streets until they can move into permanent supportive housing and have resulted in more than 100 placements into permanent housing. A property acquired through project Turnkey 2.0 would enable the County to solidify its hotel-based emergency shelter program in a permanent location, provide the County more control and flexibility in how it is utilized, and result in cost-savings over existing leases.

If successful in achieving an award and acquiring a site, ongoing operations and supportive services will be provided by a community-based organization with funding provided through the Housing and Community Development Division's budget. Shelter participants will receive on-site supportive services and be connected to other housing services/resources through the County to help them move into permanent supportive housing. Clackamas County currently contracts with multiple community-based organizations to provide shelter and supportive shelter services, many of which currently utilize a non-congregate hotel model. The supportive services provided by some of these organizations can be quickly shifted to a new property acquired through Project Turnkey 2.0. Any additional service capacity needs could be procured through a competitive solicitation.

Ongoing maintenance would be provided by the Housing Authority of Clackamas County's property maintenance staff. The Housing Authority has a robust and experienced property management and maintenance team which has the capacity and experience to provide ongoing maintenance to a shelter. The County would also explore potential cost efficiencies which could be achieved by obtaining ongoing property maintenance by a third-party vendor through a competitive procurement process.

Extensive community awareness and engagement efforts will be made before any final decision is made on converting a hotel or motel property into an emergency shelter site. Residents, businesses, community members, and all stakeholders located near a potential site will have multiple opportunities to have their voices heard. This will include town meetings and other forms of feedback, to be publicized through mailings, community engagement, and regular county channels including our website, monthly eNewsletter, and social media channels.

The Project Turnkey 2.0 application, review, and award process is done in three phases. In Phase 1, applicants are evaluated for the grant's base requirements such as operator/owner expertise. If the County's application moves into Phase 2, staff would begin community engagement and work with OCF to identify potential properties and begin subsequent due diligence activities. This would include acquisition cost negotiations, appraisal, environmental & physical inspection reports, city or county considerations, soil report, surveying, legal fees, leases, and other pre-acquisition due diligence necessary to ensure suitability and quality of property. Following a successful Phase 2, Phase 3 is the grant award for acquisition of the identified property and expenses for post-acquisition rehab/retrofitting as identified in Phase 2.

Recommendation:

Staff recommends the BCC approve the submission of an application for Project Turnkey 2.0 to the Oregon Community Foundation for funding to purchase and convert a hotel or motel located within Clackamas County's portion of the Metro Urban Growth Boundary into a non-congregate emergency shelter for people experiencing homelessness.

Respectfully Submitted,

Rodney A. Cook, Director

Health, Housing & Human Services