



To: Gladstone City Council
From: Jacque M. Betz, City Administrator
Date: September 9, 2022
Re: Clackamas County Project Turnkey

Clackamas County provided the following information:

The County has applied for funding from the State's Project Turnkey 2.0 in the hopes of acquiring one or more hotel properties for use as transitional and permanent housing. A successful Turnkey award and property purchase will help the County meet its strategic goals related to housing and homelessness, helping ensure that in Clackamas County homelessness is rare, brief, and not recurring.

The County will learn next week whether they will be receiving a Turnkey funding award from the State. Ahead of that, the Board of County Commissioners is considering a short list of properties for consideration and potential property negotiations. One of those properties is in Gladstone – the Holiday Inn Express at 75 SE 82nd Drive.

This 100 room hotel is in excellent condition. If purchased, the County would likely blend multiple funding sources. The property would be converted from use as a commercial hotel to a mixed-use facility offering short-term transitional housing for people experiencing homelessness or with behavioral health needs, as well as permanent supportive housing for very low-income households with histories of homelessness. The County would work with local community based organizations to provide on-site services. It is likely that most if not all of the rooms would eventually be converted to permanent housing. This is a beautiful location that would provide a positive environment for housing some of the most vulnerable families in our community.

Program design – how services are offered, what eligibility preferences may be put in place – would happen after a property purchase. Part of that design process would be gathering input from the Gladstone community, as was done with the development of Tukwila Springs. Gladstone has been a great partner with the County in pursuing our shared goal of ending homelessness. We would welcome this further opportunity to collaborate on creating a lasting resource to provide permanent affordable housing and safety off the streets for very vulnerable neighbors in our community.



Information provided by the City:

Things to Consider:

- The City of Gladstone already supports transitional housing with the recent completion of the Tukwila Springs project. It provides 48 units of permanent supportive housing for low-income individuals earning 30% of the area median income and below. This is an excellent partnership and the City should focus on helping those residents be successful.
- Gladstone is the smallest city in the Metro area of Clackamas County. We are struggling to keep up with the current service levels our citizens deserve (hence the recent contract for services with Clackamas Fire District and implementation of the parking fee at Meldrum Bar Park).
- If the City Council supports the proposal the Holiday Inn will be removed from the tax rolls. The revenue loss impacts to the general fund are significant- \$131,992 in property taxes annually and \$125,259 in transient lodging taxes annually.

Total loss annually approximately \$257,251

This is revenue we rely on for our police, fire, parks, senior center, economic development, and tourism. The City would need to strategize where the reduction in services would occur.

- There is uncertainty in our community on what the citizens desire for transitional housing and the quick turnaround period to the County should give the City Council pause for consideration.
- There is uncertainty on how the transitional housing culture would affect City resources, especially given the proximity of this location to High Rocks and Safeway, where there is an established presence of emergency rescue personnel and law enforcement throughout the summer months.