



## MEMORANDUM

**TO:** Mayor and Council Members

**FROM:** Rodney Gonzales, Assistant City Manager  
Lori Pampilo-Harris, Homeless Strategy Officer

**DATE:** November 26, 2019

**SUBJECT:** Update on Homelessness Initiatives – Motel Conversions to Low-Barrier Bridge Housing

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This memorandum provides additional information regarding the proposed partnership between the City of Austin and the Ending Community Homelessness Coalition (ECHO) on motel acquisitions (previous and future recommendations) and the conversion to low-barrier bridge housing.

### **Motel Acquisitions to Repurpose as Low-Barrier Bridge Housing – Overview**

On November 13<sup>th</sup>, staff provided City Council with general information on the partnership proposal between ECHO and the City. The memo included information on a recommended initial purchase of the Rodeway Inn, examples of motel conversions to housing, and best practice information on low-barrier housing. Subsequently, on November 14<sup>th</sup>, City Council authorized the purchase of the Rodeway Inn. Attached is a more comprehensive brief of the recommended approach for converting motels into low-barrier bridge housing. The brief covers the following topics:

- The purpose and goals as related to Austin's Action Plan to End Homelessness
- Description of how bridge and permanent supportive housing assist with homelessness initiatives
- The use of motels as immediate housing units and on-site services to be provided to residents
- ECHO's partnership role to fundraise for and lead the management of motel conversions to low-barrier bridge housing and on-site services
- Referrals to low-barrier bridge housing units
- A planned Respectful Neighbor Policy
- The process for selecting motels
- The funding source for acquiring motel properties

In conclusion, City staff continue to emphasize homelessness as the City's highest priority. Should you have further questions, please contact Lori Pampilo-Harris at 512-974-2640.

**CC:** Spencer Cronk, City Manager  
CMO Executive Team  
City Department Directors and Assistant Directors  
Matt Mollica, Executive Director, Ending Community Homelessness Coalition

Attachment A: Brief – Motel Conversions to Low-Barrier Housing  
Attachment B: November 22, 2019 Letter from Ending Community Homelessness Coalition (ECHO)

# ATTACHMENT A

Brief – Motel Conversions to Low-Barrier Housing

## BRIEF – MOTEL CONVERSIONS TO LOW-BARRIER BRIDGE HOUSING

### PURPOSE AND GOALS

The City of Austin has 1,037 individuals experiencing homelessness who are unsheltered<sup>1</sup>, many of whom are living in encampments. In 2018, a community-wide approach, [Austin’s Action Plan to End Homelessness](#), was developed which outlined the implementation of five elements that together will effectively end homelessness. The Action Plan calls for a significant increase in long-term housing programs and support services so that emergency programs can operate as accessible and efficient pathways to long-term housing services. Additionally, the Action Plan calls for a proportional increase in both rapid re-housing and permanent supportive housing programs to meet documented local service need. Specific implementation strategies from the Action Plan to support these efforts include the following:

- Outreach and Shelter strategy: “Increase rapid re-housing and permanent supportive housing program funding and capacity so outreach & shelter programs can connect people to stable housing.”
- Housing and Support Services strategy: “Increase resources to bring permanent supportive housing and rapid re-housing program assistance to scale.”

Recently, the Ending Community Homelessness Coalition (ECHO) has proposed the purchase of currently operating motels to convert to low-barrier housing units. The motel units would provide a place for people experiencing homelessness to access the necessary support and medical services to begin their path out of homelessness. In the future, the units would be converted to permanent supportive housing. The motel unit conversions are in alignment with the Action Plan implementation strategies listed above.

ECHO’s proposal is a partnership whereby the City of Austin acquires currently operational and fully-furnished motels. Currently operational motels would be immediately available to serve individuals or couples experiencing homelessness in Austin. In turn, ECHO commits to securing private investments through a fundraising campaign in order to pay for the operational costs, which would include maintenance, repair, facility management, on-site supportive services and utilization of the units that are aligned with the City’s focus on the encampments and permanent supportive housing. ECHO has suggested, and staff agrees, that an initial investment of 200-300 motel units would have a substantial impact on Austin’s unsheltered population.

The conversion of motel units to housing is an innovative approach undertaken by several communities across the country. A [November 13, 2019 memorandum to City Council](#) provided several examples of motel conversions from other communities. In Austin, there are several examples of motel conversions financially supported through the City of Austin. These include [Arbor Terrace](#), [Skyline Terrace](#), [Spring Terrace](#), and [Garden Terrace](#). Collectively, the four local examples represent the repurposing of approximately 462 motel units to housing.

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<sup>1</sup> See 2019 City of Austin Point-in-Time Count: <https://www.austinecho.org/wp-content/uploads/2019/07/2019-PIT-Count-Press-Release.pdf>

## NO- OR LOW-BARRIER BRIDGE HOUSING UNITS AND PERMANENT SUPPORTIVE HOUSING

Successful low-barrier shelters have policies allowing the “3 Ps” – pets, partners, and possessions – all of which are frequent barriers for people who have been living outdoors and who will not enter shelter if it means giving up their belongings or being separated from their self-identified family or their pets. Low-barrier shelter rules focus on addressing disruptive or dangerous behavior, rather than compliance with a long list of house rules. Below is a detailed description how bridge housing and permanent supportive housing assist with homelessness initiatives.

1. **Bridge Housing** is short-term housing that supports the Housing First philosophy by providing safe, temporary housing while awaiting a permanent housing solution. Housing First is an approach to quickly and successfully connect individuals and families experiencing homelessness to permanent variety housing without preconditions and barriers to entry, such as sobriety, treatment or service participation requirements. However, Housing First is not housing only. It includes a of interventions such as diversion, shelter, rapid re-housing, and permanent supportive housing, subject to an individual’s needs and the availability of resources.<sup>2</sup> Bridge housing provides a safe and dignified place for persons experiencing homelessness to reside while awaiting placement in a permanent housing solution including permanent supportive housing and rapid re-housing. The use of bridge housing is intended to get our most vulnerable residents off the streets and out of encampments and on their way to a permanent housing solution as quickly as possible.

Bridge housing provides a stable environment for people to acclimate to permanent housing, a place to store their belongings, and a place where couples and families can remain intact, which is not always a possibility in a shelter. The bridge housing to be used differs from shelters in that the bridge housing will be for persons who will be linked to a permanent solution or are of such acuity and priority that a permanent solution is needed but has not yet been linked or identified. The length of stay of bridge housing is individually determined based on participant need but is expected to not exceed 90 days. There are no on-site day services provided at bridge housing locations

2. **Permanent Supportive Housing** is a subset of affordable housing that provides tenants with the rights of tenancy, privacy and security, and links to intensive supportive services using a Housing First philosophy. The legal rights of tenancy represent a crucial aspect of tenants’ ability to have a home of their own and to control the services that they receive. Permanent supportive housing is not a transitional or temporary arrangement. Tenants can remain in their homes if the basic requirements of tenancy are met—paying the rent, not interfering with other tenants’ use of their homes, not causing property damage, etc. Tenants of permanent supportive housing typically have extremely limited incomes and, to retain housing, their living arrangements must be affordable. A goal is that tenants pay no more than 30 percent of their income toward rent and basic utilities (excluding phone, cable, and internet).

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<sup>2</sup> “Housing First is the current best practices model supported by both the [National Alliance to End Homelessness](#) and the [U.S. Interagency Council on Homelessness](#) for addressing homelessness in a comprehensive way.

## USING EXISTING MOTELS AS IMMEDIATE HOUSING AND ON-SITE SERVICES

As described above, several communities have successfully “converted” motels into bridge housing as an innovative approach that fits within the Housing First model. When offered as no- or low-barrier housing, the motel units alleviate barriers to housing that persons experiencing homelessness may face, including criminal justice involvement or lack of identification documents, lack of rental history, and lack of credit history. Because the motels are already up and running and fully furnished, there is no time spent associated with constructing or standing up the facility. Rather, when a well-kept motel is purchased, there should be minimal physical changes involved to using the motel as bridge housing. Over a defined period, the bridge housing units would be converted to permanent supportive housing units complete with kitchenettes.

As stand-alone housing facilities, the motels would be converted to immediate housing facilities with on-site services. The locations would not provide day services, rather, services will only be provided to the on-site residents. Services would include the following:

1. On-site support services, including but not limited to substance abuse, mental and physical health, education and job training, housing assistance, and overall case management.
2. Services would be provided at least during normal business hours (8:00am- 5:00pm) or longer. The number of case workers and supportive service staff would vary based on the number of on-site housing units.
3. 24-hour on-site property manager.
4. 24-hour security monitoring, including on-site security personnel, security cameras, or a combination thereof. Security cameras must be actively monitored on- or off-site.
5. On-site laundry amenities for residents.
6. Offices for case workers and property management staff.

## ECHO LEADING THE MANAGEMENT PLAN FOR BRIDGE HOUSING FACILITIES AND ON-SITE SERVICES

ECHO has committed to leading and funding the comprehensive management of both the housing facilities and on-site services portion for motel conversions. Included within this management would be the development of policies for operations, rental procedures and rates, maintenance plans, residency and guest rules and procedures, security procedures, staffing needs including job descriptions, and the solicitation of on-site services. As the lead, ECHO would be provided the use of the City-procured motels through either a long-term lease or services contract. As part of the management, ECHO would also lead the conversion of bridge units into permanent supportive housing units, which involves the installation of appropriate kitchen facilities.

Services that would be provided include housing navigation to assist clients in finding safe, permanent housing; space where supportive services and permanent housing staff from partner agencies can connect with clients; and coordination with and referrals to city, county, state, and federal programs, as well as nonprofits and social service agencies. ECHO will also utilize diversion strategies to identify resources needed that would preclude the use of the Coordinated Entry System. Diversion assistance may include mediation with a friend, family member, or landlord; problem-solving; small amounts of financial assistance; assistance with housing search strategies; and connection to mainstream resources. Diversion is not a program but rather a strengths-based, problem-solving practice.

## REFERRALS TO BRIDGE HOUSING UNITS

Referrals for the bridge housing units developed through motel conversions will come from the following areas:

- Coordinated Entry System
- Encampment Strategy
- Hospital discharges (acute respite needs)
- Criminal justice system

The Encampment Strategy is a new tool developed between the City of Austin and ECHO aimed toward individuals/couples/families in encampments. The purpose is to effectively end the homelessness for those in encampments. Encampment strategies have been implemented in other communities, and for these strategies to be successful, both no- or low-barrier bridge housing and permanent supportive housing units are needed. One of the main features of the Encampment Strategy is the use of housing that it is available and open to those who are the most vulnerable and in greatest need of assistance from the homeless system. This means that there are minimal barriers to entry and that shelter operations and rules are designed to meet people where they are and promote client-centered practices. This includes offering services on a voluntary basis and working with each client to engage them and build trust, rather than imposing service participation requirements that clients must agree to as a condition of entry or of remaining in the program.

## RESPECTFUL NEIGHBOR POLICY

Through the development of the long-term lease or services agreement, a Respectful Neighbor Policy will be developed and implemented for motel conversion locations. The purpose of such a policy is to ensure that ECHO staff and on-site service providers will work with neighbors and City departments to ensure that neighborhood concerns are addressed. We will seek that ECHO staff participate in appropriate neighborhood and community meetings, have on-site staff available 24/7 to address on-site issues, and minimize disruptive behavior by having 24/7 security. Through the lease or services agreement walk-ins will not be allowed, loitering in the immediate area will be discouraged, and the facility and immediate area will be cleaned frequently. Similar policies, usually under the term “Good Neighbor Policy,” have been implemented in other communities such as Orange County, California; Toronto, Canada, Santa Clara, California; and Portland Oregon. Those policies could be used to inform a Respectful Neighbor Policy to be implemented locally. Currently, [Good Neighbor Guidelines](#) are used by the Neighborhood Housing and Community Development (NHCD) Department; however, the guidelines are used for a broad community dialogue to establish successful approaches for integrating low-income housing through the city.

## FUNDING SOURCE FOR MOTEL ACQUISITIONS

There are two primary funding sources for motel acquisitions. The first funding source is the use of certificates of obligation, and the second funding source is unallocated funding received through the Community Development Block Grant.

## PROCESS FOR SELECTING MOTELS

Although there is no written scoring process, both ECHO, the Homeless Strategy Office, and the Office of Real Estate Services will collaboratively screen and select motels to be considered for purchase based on several factors. All motels will be examined for a variety of characteristics to determine whether it is physically and economically feasible to convert the motel into housing. All motels for sale within the City of Austin jurisdictional boundaries will be pursued and screened. Some, but not all the screening factors include the following:

1. Candidate for Conversion. The motel can be successfully converted into bridge units and eventually permanent supportive housing. This screening requires an on-site evaluation of the building and its location.
2. Building Condition. Evaluating the building for physical wear and tear and whether there are existing, unremediated code violations. Evaluating the building to determine whether extensive renovations will be required.
3. Building Configuration. Reviewing the building design to determine whether it can be adequately secured. Identifying on-site amenities and features such as outdoor courtyard, laundry facilities, usable open space, parking for service providers, perimeter fencing, interior common areas that can effectively be used for meeting rooms, space for pets, recreational facilities, and/or computer space?
4. Unit Configuration. Determining whether the rooms are large enough to serve as stand-alone housing units and how easily the units can be converted from bridge housing into permanent supportive housing.
5. Number of Rooms. Assessing whether there are enough units to support employment of an on-site manager and on-site maintenance staff.
6. Plumbing and Utilities. Inspecting the units for existing kitchenettes and whether existing plumbing and wiring support future installation of kitchenettes and associated appliances.
7. Location, Agglomeration of Motels, and Adjacent Amenities. Seeking motels that are not too closely located near each other and are not primarily located in historically disadvantaged areas of Austin. Identifying adjacent or nearby transit and health service facilities.
8. Environmental Factors. Determining how close or far other facilities are such as schools, and playgrounds.
9. Acquisition and Renovation Costs. Determining the per-unit acquisition in relation to all other factors to determine whether the per-unit cost is reasonable.
10. Relocation Support. Identifying whether the motel is occupied with “long-term” residents and how conversion of the facility can occur over a period so that existing residents can remain in place and potentially move to new units as they are ready and available.

# ATTACHMENT B

November 22, 2019 Letter from ECHO





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**EXECUTIVE DIRECTOR**

Matthew Mollica  
860-287-2587  
matthewmollica@austinecho.org

November 22, 2019

**To: City Manager's Office**  
**RE: Hotel Strategy in Austin**

ECHO is writing in support of the purchase of hotels to be used as low barrier bridge housing for people experiencing homelessness. The hotel units are fully operational and will not take a capital investment prior to being used as bridge housing. Should the units be used for Permanent Supportive Housing (PSH) in the future there will be a need for capital improvements. ECHO is committed to raising the funds for operation of the Rodeway Inn and subsequent hotels that ECHO endorses for purchase. Referral processes and pathways are yet to be designed. ECHO will convene service providers and housing providers across the continuum to create an intentional and planful referral process. Referrals for the hotels will come from the following areas.

- Coordinated Entry System
- Encampment Response
- Hospital Discharges (Acute Respite Needs)
- Criminal Justice System Referrals

ECHO has worked closely with our city and service provider partners to identify gaps in Austin's homeless response system. An initial investment of 200-300 units would have a substantial impact on Austin's unsheltered population. We are confident that the creation of these housing units outside of Austin's shelter system would help address unsafe camping using a trauma informed, harm reduction approach. The hotel sites will provide a place for people experiencing homelessness to access the necessary support and medical services to begin their path out of homelessness.

I look forward to discussing this strategy with you and answering any questions you may have.

Sincerely,

Matthew Mollica  
Executive Director