



BOARD OF COMMISSIONERS

AGENDA REQUEST & STAFF REPORT

MEETING DATE: December 6, 2023

SUBJECT: Proposed purchase of property at 640-652 SE Wilson Avenue in Bend to provide shelter and housing for clients of Adult Parole and Probation

RECOMMENDED MOTIONS:

1. Move approval of the purchase of property located at 640-652 SE Wilson Avenue in Bend to provide shelter and housing for clients of Adult Parole and Probation.
2. Move approval of Board signature on Order No. 2023-055 designating an authorized representative to sign closing documents on behalf of Deschutes County.

BACKGROUND AND POLICY IMPLICATIONS:

On May 31, 2023 Deschutes County Community Justice through its Adult Parole and Probation division (Adult P&P) was awarded a grant for \$1,078,518 out of funds provided as part of the Governor's Emergency Order 23-02. This grant provides funds to purchase through a private provider a house in Deschutes County to provide shelter and housing for clients of Adult P&P. The Board accepted the funding in July 2023 through a subrecipient agreement (2023-690).

The Adult Parole and Probation division (Adult P&P) received approval from the Board on August 21, 2023 to issue RFP 2023-751 to select a provider who would be the owners of the purchased property and will operate a program that creates short-term shelter and longer-term housing options. Originally, the plan was for up to 24 supervised individuals annually be able to participate in the housing program, but given the size of the property we anticipate this can likely increase up to 40-50 individuals each year.

Adult P&P conducted an RFP process with a multi-disciplinary review panel which recommended that RFP 2023-751 be awarded to Free On The Outside, a 501(c)(3) non-profit organization which has over 15 years of experience operating transitional housing in Oregon and manages over 200 beds. They utilize a live in onsite manager and will work closely with Adult P&P to create a program where clients are good neighbors and working toward more long term housing options while also meeting the conditions of their supervision. The Board issued a Notice of Intent to Award on October 25, 2023 and the 7-day protest period passed without protest.

Free On The Outside and Deschutes County Community Justice have reviewed available properties in Deschutes County that fall within the funding constraints of the grant and public safety considerations and have made the recommendation to move forward with a triplex located at 640-652 SE Wilson Ave., Bend, Oregon.

About 25 men with sex offense conditions are chronically homeless making it very difficult to find short-term or long-term shelter or housing, find or maintain employment, or afford or continue treatment. About 50% of people who are supervised and have serious mental health diagnoses are homeless. People with other crime types also experience homelessness. Because the property is a triplex with separate units we will have more flexibility to use it to create stability and public safety where there is greatest need.

An initial offer has been made and accepted. This offer has three contingencies before the property can close. These include;

- County and Free On The Outside reviewing and accepting property based on the results of due diligence inspections and reports.
- Current landlords working with tenants who reside in the units to ensure that we have at least one vacant unit before the property can close.
- Board of County Commissioners approving the purchase of the property as a site for operations of the program as outlined in RFP.

As previously shared, the grant requires that some beds be available as of January 10th, 2024. The grant will provide full operation costs through end of June 2024 with a likely renewal of funds available for continued operations. Should renewal of funds not occur, operational costs are expected to be paid from rental income from participants, and existing Adult P&P budget for transitional and supported housing along with additional funding opportunities provided to Free On The Outside through grants or other sources.

The property is 0.18-acres, which includes a +/- 3256 square feet structure that consists of three units. Two units are 3 bedrooms and 1.5 bathrooms and one unit is 3 bedrooms with 1 bathroom. All three units have a single car garage. The structure was constructed as a multi-family resident in 1977.

As part of the due diligence process a title report and inspections were conducted. Free On The Outside and Deschutes County Community Justice have reviewed the inspection reports and at this time are good to move forward with the property as agreed to with the seller. Deschutes County Property Manager has also had the opportunity to review the title reports and inspections. As noted in the inspection there are maintenance and repairs that need to be completed, but overall nothing significant was discovered that would have an impact to the health or safety of the property or prevent it from being occupied by clients on or before January 10th, 2024.

At this time all units are occupied, but at least one tenant has agreed to vacate by December 15th so closing can occur. The seller's agent is working with the other tenants on a transition plan that will include the proper notice periods. There is potential that the other tenants will vacate by January 31, 2024, otherwise they will be out on or before March 31, 2024.

Free On The Outside and Deschutes County Community Justice worked together to create a flyer for a community notification process. On November 27th, 2023 Free On The Outside Executive Director Mike Cross and his staff visited 25 residences directly around the potential property. This included 6 triplexes, 3 duplexes, and 1 single residence.

- Of the 25 residences, 11 did not answer or no one was home. A flyer was left at the door for each of these residences.
- 14 of the residences had someone answer the door.
- Mike and his staff introduced themselves and explained that they were from Free On The Outside and were looking at opening a potential transitional/shelter house in the neighborhood. They provided the flyer and gave individuals the opportunity to ask any questions.
- Most occupants had no questions at time of the initial information being provided, but said they would follow up if they had any once they reviewed the flyer/information.
- One resident did ask if the house was for reentry services and they explained that yes it would include those clients releasing from prison. Resident did not ask any additional questions.
- Contact information for Free On The Outside and Community Justice was listed on the flyer and staff from both agencies will monitor and respond to any additional feedback or questions.

At this point staff recommend Board approval to move forward with the purchase of the property, as long as all other contingencies are met.

The County will initially purchase the property using the awarded grant funds. A quit claim deed with a reversionary interest will be issued to Free On The Outside. They will be responsible for 100% of ownership costs of the property and operation costs of the program. The grant requires a 10-year restrictive covenant be put onto the property requiring that it be used for shelter and transitional housing. At the end of the 10-year period (expires December 31, 2034) the property will belong to Free On The Outside without any restrictions. Deschutes County will retain the revisionary interest, and a grant agreement will be in place, during the 10 year period.

Closing will occur around December 15, 2023.

BUDGET IMPACTS:

The total amount of grant funds awarded for the project is \$1,078,518. Staff is still working to finalize details of the purchase price, but the final amount is not expected to exceed \$825,000, which is within the maximum grant-allowed cost for property purchase. Some of the grant funding will be used for administration, operations, and repairs and maintenance.

ATTENDANCE:

Deevy Holcomb, Community Justice Director
Trevor Stephens, Community Justice Business Manager
Kristie Bollinger, Property Manager