

Motel Purchase to Expand Affordable Permanent Housing

The CDC states, “lack of housing contributes to poor physical and mental health outcomes, and linkages to permanent housing for people experiencing homelessness should continue to be a priority.”

The national best practice in ending homelessness is to focus on housing the most vulnerable and place directly in housing under the Housing First model. This model addresses chronic homelessness by providing housing and specialized case management focused on housing stability.

The shortage of affordable housing in Florida is primarily due to the widening gap between people’s incomes and the cost of housing according to the University of Florida’s Shimberg Center for Housing Studies.

In working with the Alachua County Division of Social Services, staff reports that there are many challenges facing the homeless, particularly a lack of affordable housing. Beyond dealing with mental health, substance abuse or physical disabilities, the homeless must compete with renters and families in finding and securing affordable housing. The lack of affordable housing, limited work opportunities, poverty, background issues, and prior evictions compound the difficulty of securing rentals (mobile homes, apartments, and houses) for permanent supportive housing participants.

Staff reviewed available County owned property and determined Alachua County does not own any vacant buildings that could be renovated to accommodate housing. County-funded housing can play a significant role in providing affordable housing to vulnerable unhoused individuals. The goal is to prioritize unsheltered people by increasing affordable rental options.

Motels and apartment complexes for sale were searched for opportunities to expand affordable housing. The Budget Inn was identified as a parcel for sale that could be converted for permanent housing. The parcel contains 36 efficiency units with exterior doors and individual meters. There is also a 2-bedroom house and 3-bedroom managers quarters. Additionally, there is an adjoining one acre + vacant parcel included in the sale.

On October 22, 2020, Alachua County entered into an Option Contract for the purchase of the Budget Inn located at 4401 SW 13th Street, Gainesville, FL 32608.

On November 10, 2020 the Board of County Commissioners voted to exercise the County’s Option and directed staff to proceed with the closing of the acquisition

County staff performed or contracted for a thorough due diligence inspection of the property. This included a complete building and land inspection, a survey of the property and improvements, two independent MAI appraisals and title work. The inspections, survey and title work show no significant issues with the property improvements or title.

On December 8, 2020, the BoCC reviewed additional information based on findings and costs discovered during the due diligence review of the property. The BoCC voted to re-negotiate the purchase price with the seller to not exceed the average of the two appraisals, authorize the Chair to sign the Amendment to the contract that revises the purchase price and authorize the County Manager to close the transaction provided that the cost of the work to remove a possible underground tank does not exceed \$25,000 and the cost to construct fire, life-safety and accessibility improvements does not exceed \$220,000.

Implementation Plan

Step 1: Purchase and Repurpose

Alachua County Board of County Commission purchase of a 36-room motel and convert into a 36-apartment unit complex.

Step 2: Property Management- total Operation Expenses -

Upon purchase, contract with Alachua County Housing Authority to manage the property.

Step 3: Renovation

Conversion of motel 36 units into one-bedroom units by installing bedroom doors.

Step 4: Occupancy

Continuum of Care Coordinated Entry process identifies tenants for placement in the apartments.

Step 5: Community Support Services Staffing

The Department of Community Support Services will provide case management and outreach to residents that they place in units, and work with other partners who will provide supportive services as indicated.