



**HOPICS: Homeless Outreach Program Integrated Care Services**

# EC Motel

Los Angeles, CA



## Project Description

Located in South Los Angeles, the EC Motel is a 31-unit Project Homekey site owned and operated by Homeless Outreach Program Integrated Care Services (HOPICS), a division of Special Service for Groups. HOPICS was awarded the EC Motel through the City of Los Angeles' first round Homekey Request for Proposals (RFP) in the winter of 2020. As a budget motel, the site needed additional rehabilitation to make it suitable for interim housing. The initial scope of work involved retrofitting the units to achieve ADA compliance and fire alarm system upgrade. After the necessary improvements were made the site was ready for occupancy to serve homeless adults and couples in South Los Angeles in April 2021.

SNAPSHOT	
<b>Project Name:</b>	EC Motel
<b>Owner:</b>	HOPICS (Homeless Outreach Program Integrated Care Services)
<b>Number of Units:</b>	31
<b>Target Population Served:</b>	Singles and Couples
<b>Building Type:</b>	Motel
<b>Occupancy Type:</b>	Interim
<b>Total Homekey Award:</b>	\$4,311,365
<b>Philanthropic Award:</b>	\$1,281,013
<b>Expected Conversion Date:</b>	July 2023



## Background on Operator

EC Motel's sole operator and services provider, HOPICS, provides a continuum of homeless services and specialized behavioral health care, including a Trauma Recovery Center dedicated to victims and witnesses of crime, one of a dozen across the state. HOPICS also serves as the regional lead for the SPA 6 (South LA) Coordinated Entry System for Homeless Single Adults and Families and has high social services infrastructure capacity as a Client Engagement and Navigation Services (CENS) provider. Along with the EC Motel, HOPICS directly operates two (2) other Project Homekey sites, three (3) safe parking programs, two (2) bridge home sites, three (3) interim sites serving families. Altogether, they keep more than 1,200 people off the street nightly through interim housing programs, some directly operated while others are subcontracted.

## Plan for Site

HOPICS plans to convert the EC Motel from interim housing to permanent supportive housing (PSH) keeping the number of units the same at 31. The cost to convert is approximately \$4 million, of which \$3 million is being supported by the Conrad N. Hilton Foundation as part of a small cohort of Homekey conversion candidates, dramatically reducing their fundraising needs and helping to accelerate their conversion timeline. The scope of work will be installing kitchenettes, overhauling the plumbing and electrical systems, replacing flooring and resurfacing, and creating more common spaces. After the conversion, the EC Motel will be renamed Restoration Apartments.



## Opportunities and Challenges

HOPICS benefited from its participation in Homekey by acquiring an asset without any debt, which enables it to advance its mission while growing its balance sheet. Prior to its transition to interim housing site, the EC Motel was a notorious hub of crime, substance abuse, and other illicit activity, to the point that it was on the radar of the local city council office and Congressional representative. When HOPICS assumed control of the site, the change in ownership and use helped to stabilize the neighborhood. The illicit activity stopped as did complaints from neighbors, police no longer had to patrol the site, and a vacant house for rent across the street from the site that was never able to lease up due to the nuisance activity at the EC Motel, is now rented and has remained occupied.

Homekey funding also enabled HOPICS to expand and diversify its portfolio of interim housing options to include private rooms, which offer residents a level of privacy and personal restrooms unavailable in congregate shelters. Before participating in Homekey, HOPICS operated congregate facilities and several single-family home sites where adults or families may share a room (but not in an open space configuration).

Since HOPICS is not paying for rental expense to operate its residential program at the site, their bed-night rate of \$50-\$60 funded by the City of Los Angeles through Los Angeles Homeless Service Authority subsidy covers their operational costs. However, operating subsidy for its conversion to permanent supportive housing has yet to be committed. Currently, HOPICS and other Homekey housing operators are

pushing housing officials to make rental subsidies available for all the Homekey sites that need to convert to permanent supportive housing. They applied to the recent Continuum of Care NOFA for sponsor-based vouchers but were not successful.

The EC Motel was not without its share of challenges opening as a Homekey site. HOPICS is one of the few Homekey awardees in the City of Los Angeles that does not have real estate development expertise. As a result, the renovation scoping and rehabilitation process to convert the property to interim housing was all the more daunting in the abbreviated timeframe. HOPICS had only two months to occupy the site after taking possession of the property to meet Homekey's performance requirements. In that time, HOPICS had to secure building permits, complete renovations, and obtain approvals from local building officials and do additional due diligence of its own due to incomplete or inaccurate documents provided by the City's contractors for the original scope of the project. Currently, the EC Motel has seven unoccupied units because an unpermitted pool needs to be filled with concrete (and a prerequisite for obtaining their Certificate of Occupancy) and the property requires a vapor mitigation system, which has yet to be installed. Additionally, since the EC Motel was not originally intended for use as interim housing or permanent supportive housing, it lacks common areas for small or large group meetings.



## Key Takeaways

Homekey enabled HOPICS to advance its mission, stabilize the local neighborhood, develop permanent housing in South LA and grow assets without registering liabilities on its balance sheet. They have also been able to leverage their diverse supportive services infrastructure and partnerships to address a wide range of client recovery needs to ensure participants are provided the tools and foundation to stabilize and achieve a successful housing placement (almost 90% of exits have been to some form of permanent housing, including PSH). However, in contrast to their depth as an experienced supportive services and interim housing provider,

developing capacity in the discipline of real estate development has been very challenging for HOPICS. Converting the EC Motel to permanent housing may potentially pose the most risk to the organization, since long-term operating subsidies have yet to be committed. In response, they are partnering with a construction management company to provide real estate support, hire and screen contractors/subcontractors, etc. They also have an Associate Director of Property and Acquisition with extensive property development experience.

## About Enterprise

Enterprise is a national nonprofit that exists to make a good home possible for the millions of families without one. We support community development organizations on the ground, aggregate and invest capital for impact, advance housing policy at every level of government, and build and manage communities ourselves. Since 1982, we have invested \$44 billion and created 781,000 homes across all 50 states – all to make home and community places of pride, power and belonging. Join us at [enterprisecommunity.org](https://www.enterprisecommunity.org).

## About HOPICS

HOPICS provides a continuum of homeless services and specialized behavioral health care, including a Trauma Recovery Center dedicated for victims and witnesses of crime. HOPICS also serves as the regional lead for the SPA 6 (South LA) Coordinated Entry System for Homeless Single Adults and Families. Through HOPICS' existing integrated health and social services programming, the division currently provides services to some of the most underserved communities, which include: homeless or at risk of becoming homeless; mentally ill; African American and Hispanic/Latino racial/ethnic groups; members of immigrant groups-including undocumented persons; individuals with severe trauma-related symptoms or complex psychological issues; and juvenile victims, including minors who have had contact with the justice system. In addition to its several Rapid Re-Housing programs, as well as the SPA 6 Access Center, HOPICS also operates the first publicly funded enhanced bridge housing for transgender women through a unique SSG divisional collaboration with APAIT. Learn more at [ssg.org](https://www.ssg.org).