

Biltmore Hotel Resident Survey 2000

**Prepared for Sacramento Self Help Housing by
Kevin Macauley
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For information or questions please call John Foley, Sacramento Self Help Housing, 448-1074 or 444-8216

The Biltmore Hotel, 1009 1/2 J St., faces closure this winter. Many of the 41 residents fear they will have no place to go. Sacramento Self Help Housing (SSHH) interviewed residents to better understand their income and rental opportunities and to help advocate for retention of housing for SRO residents.

Summary

About 15,000 people in Sacramento do not have stable, long term housing, on any given night according to the Sacramento County Consolidated Plan. Without stable housing it is difficult to stay healthy, make appointments, and try to improve one's economic status. The Biltmore Hotel provides a stable place for 41 people to live. The majority of the residents have either a physical or mental disability which keeps them from working, and they have to rely on disability benefits for their income. The Biltmore, and other SRO Hotels, are seen as "last-chance, unsubsidized housing"¹, and if they weren't available most of the residents there would either be bouncing between temporary living arrangements with friends and families or be homeless. The Biltmore offers its residents a measure of stability as they try to get their lives back on track. If the Biltmore were to close, many of the residents fear that, due to unavailability of affordable housing, they would be back on the streets.

The Biltmore currently is facing closure because the owner decided it would be more lucrative for him to convert the Biltmore or the property it is on to other uses. That would involve having the residents vacate the premises and tearing down the building. The owner has offered each resident \$1500 in moving costs, which will not last very long in Sacramento's current housing climate. There is no alternative, low income housing for SRO residents. The 1998 policy that rescinded the requirement for a Certificate of Compliance to SHRA (Sacramento Housing and Redevelopment Agency) makes the demolition or conversion to other uses for an SRO easier. The owner of an SRO has no contractual obligations to the SHRA, so he/she can demolish or convert that SRO in any manner not prohibited by the Health and Safety Code of California(1999-33411.3) This makes it legal for the owner to do as he pleases with the property. The hearing to decide if the owner will be able to receive the Certificate of Conversion that is needed to be able to switch the uses of the property of the Biltmore will be at a City Council meeting in late October and early November.

On September 18-19 2000, a survey was conducted of 35 of the 41 residents of the Biltmore Hotel(85%) to obtain a resident profile, to evaluate the benefits the residents get from living there, and to ascertain what would become of the residents if the Biltmore were to be closed. Six of the residents were either not home at the time of the survey, or chose not to participate, so are not included in the findings. The findings of this survey are generally consistent with Scott Michael Decker's 1999 survey for SHRA of the general population of the SRO Hotels, and with the 1999-2000 survey conducted for Sacramento County by the International Quality Network on the general homeless population within Sacramento County for the City and County Board on Homelessness.

¹Taken from *The Downtown Elderly: Prepared by Members of the Coro Foundation: Public Affairs Training Program for Women: Sacramento Program.* (1983)

The typical resident at the Biltmore Hotel is a single male, about 47 years of age. He has lived in Sacramento for 23.5 years, and has lived at the Biltmore for 3.3 years. He makes about \$736 per month. His income comes from disability benefits from SSI. He has been diagnosed with a physical disability, or with a mental illness, or both. He may have a back problem from an injury. He has probably been diagnosed with other multiple health problems, such as vision problems, dental problems, chronic pain in the muscles or skeleton, and high blood pressure. He receives treatment for his health problems in and around Sacramento at such places as the C Street Clinic in the downtown area or Bi-Valley on Fair Oaks. One of the major reasons he is living at the Biltmore is the access to public transportation which, since he does not have a car, allows him to get around to all these various places for treatment of his problems. He probably walks the six blocks to El Hogar for treatment of his mental illness.

Immediately before he moved into the Biltmore, he was living in another SRO Hotel. The ones he lived in were shut down and he was forced to move. The 5-10 years before that he was bouncing around in unstable, temporary living arrangements with family and friends. He chose to live at the Biltmore because it offered an immediate rental opportunity after his other living arrangements fell through. It also offered him access to public transportation, which helped to keep his health in check, and it also offered low rent, that was affordable to him on his income.

He does not know what he would do if the Biltmore closed. He expects to become homeless and have to move onto the streets, while he waits for an opening so he can move into another SRO Hotel. He regrets that the Biltmore might be closing because it offers him some measure of stability and community, and even though he is still struggling to afford it, it was within his price range.

Background

Stable, long-term housing is a fundamental need that is economically out-of-reach for thousands of Sacramento residents. Sacramento faces an extreme housing shortage that is leaving thousands of people homeless. Federal, state, and local governments are budgeting less money for housing subsidies and development of additional housing units and are reducing public assistance grants. At the same time, many people work part-time or temporary jobs with low wages and no benefits. Without stable housing people can not improve their economic status or work through any other problems in their lives.

Homelessness contributes to drug/alcohol addiction, causes serious health problems, and exacerbates mental health problems.²

In Sacramento, the shortage of affordable housing is acutely felt. Thousands of men, women, and children are without stable housing on any given night. Most of these homeless people have income, but cannot afford the rent and move-in costs of market-rate housing; the median rent for a one-bedroom apartment in Sacramento is \$429/month with a security deposit equal to one month's rent, and most of the landlords require that the tenant's income be 3 times the rent.³ In the current housing market landlords are also more likely to raise rent with very little notice, people with low income would not be able to handle such increases with their money budgeted so tightly.⁴ The affordable housing shortage is compounded by the reduction of the county General Assistance grants in July 1998 from \$266 to \$206/month and the limitation of GA eligibility to 90 days within one year. During the 80's and early 90's, SROs were valued as a unique housing resource. City policy required replacement units to be available if an SRO was closed. This policy was changed in 1998, now all that is required is that SRO residents be given a 60 day notice and \$1500 by the owner if an SRO is closed.

With move-in costs ranging from \$250 to \$345/month, these hotels historically have been an affordable housing option for single adults. Public housing is currently unavailable to new applicants: 30,000 people are on the waiting list, and no new construction of additional units is planned by the Housing Authority to help SRO residents. The few hundred privately-owned subsidized rental units constructed each year cannot begin to meet these needs.⁵

There are currently 13 single room occupancy (SRO) or residential hotels that are operating in downtown Sacramento. Their 931 rooms are the permanent and primary residence for over 1,000 people with low incomes. Most of the people in the hotels pay 42-50% of their income for rent each month. The SRO Hotels rent for \$240-\$375 per month.

SRO units are considered to be "last-chance, unsubsidized housing". The private market has not replaced SRO units with rental housing affordable to that low-income population, and public funds to provide "safe, sanitary, and decent housing" have been drastically reduced. Other than homelessness, the only temporary alternative to SRO living may be found in the various shelters around Sacramento County.⁶

"For some people, living in an SRO is the last step before homelessness. For others, it is the first step out of homelessness. For yet others, the SRO is a waystation, a stopping

²Hailey-Dunsheath, Megan, *Friendship Housing: A Place to Call Home: Resident Survey 1998*, pg. 4 (July 1998)

³Andrew LePage, *The Sacramento Bee*, pg. D5 (business section) Monday, September 25, 2000

⁴*Ibid.* Pg. D5

⁵Hailey-Dunsheath, Megan, *Friendship Housing: A Place to Call Home: Resident Survey 1998*, Pg. 4 (July 1998)

⁶*The Downtown Elderly: Prepared by Members of the Coro Foundation : Public Affairs Training Program for Women; Sacramento Program (1985)*

place on a journey to a destination known only to them. For a few, living in an SRO is a way of life. The ways in which people arrive at living in SROs are as varied as the people themselves.

"Within the variety of people and situations, three issues appear to recur: homelessness, the causes of which tend to be multiple and mutually reinforcing, and tend to vary from being purely personal to solely structural; economics issues, such as declining incomes, declining benefits, and the dismantling of legitimate opportunity structures; and affordable housing, the need for which continues to increase and the numbers of which continue to decrease."⁷

Sacramento Self Help Housing(SSHH)

Many residents of Sacramento have no safe and reliable places to call home. To respond to this need, SSHH helps people find and maintain housing. SSHH works in Friendship Park at Loaves & Fishes and at Francis House at 1422 C. Street. In the first six months of the year 2000 they worked with 1,444 homeless adults and 704 homeless children, helping 737 find stable housing. When people came to the offices at Loaves & Fishes and at Francis House, fewer than 10% had stayed in a place of their own the previous night. The staff sit down one-on-one with people and work through problems that prevent them from obtaining housing. People who talked to the staff all had low incomes. Of those seen in the first six months of 2000: One-third were disabled and receive Social Security income of less than \$700 per month. 28% receive welfare payments through Temporary Assistance for Needy Families, less than \$600 monthly for a family of three, plus food stamps. 20% were working but could not find stable housing despite holding down a job.

Everyday, the staff of Sacramento Self Help Housing see people who are in the same situation as the residents of the Biltmore. SSHH has first hand experience on what would happen to the residents of the Biltmore if they were forced out of their current living situation. The majority would be back on the streets, and without a stable place to be, many of their problems which come with being homeless would either resurface, or even worsen. That is why SSHH is concerned about the fate of the residents at the Biltmore, because closure of the Biltmore would only start the same cycle over again. This is why SSHH conducted this survey.

Biltmore Resident Survey Results

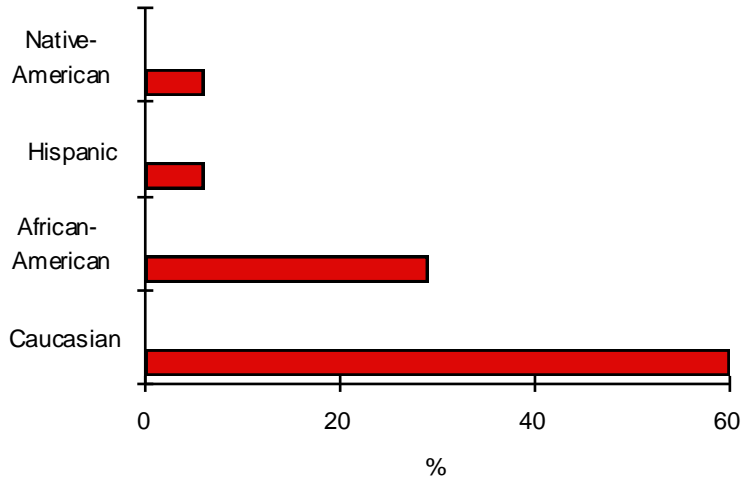
Demographic Information

The residents surveyed have a higher proportion of men than women. The residents surveyed are predominantly Caucasian(60%), with African-American(29%). Hispanic(7%) and Native American(3%) ethnicities represented.

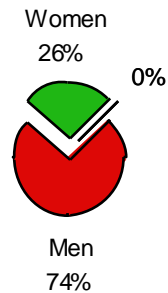
⁷Decker, Scott Michael. *The Single Room Occupancy Hotel Resident Survey: An Exploratory study of Residents of Hotels in the Sacramento Merged Downtown Redevelopment District.* (Thesis for M.A. in Social Work at California State University, Sacramento)(1999) p. 25.

- The percentage of African Americans represented at the Biltmore(29%) is more than the percentage within the city/county (17%)⁸

Race



GENDER



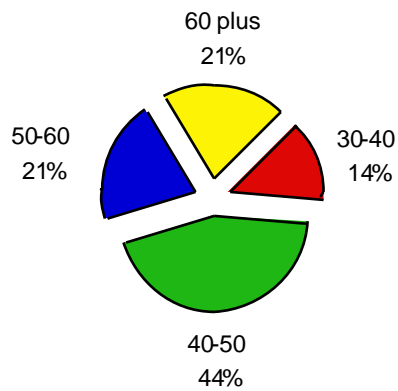
- The percentage of women represented at the Biltmore(26%) is slightly lower than the percentage of women within the general homeless population.(28%)⁹

Not all ages are represented among the sample residents, no one is under the age of 30. But the predominant ages are 40-50.

⁸Hailey-Dunsheath, Megan. *Friendship Housing: A Place to Call Home: Resident Survey*. (July 1998) data taken from pg. 9 on the comparisons between the general population in Sacramento County with the population of the residents of Friendship Housing.

⁹Data taken from *Human Assistance Field Survey: The Homeless Population*. Conducted by International Quality Network. (August 2000) Section 1-3 [study highlights]

AGE

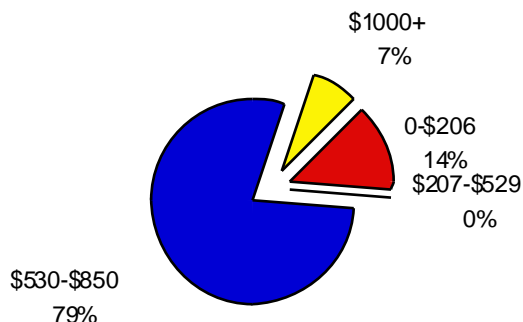


- The respondents were long term residents of Sacramento, **the median time of residency within the county is 23.5 years.**
- The median time of stay at the Biltmore for those surveyed is 3.3 years.

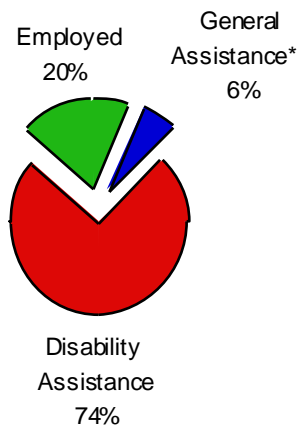
Income/Employment

The Biltmore serves as housing for very low income people, especially recipients of SSI and Social Security. The majority of the respondents would have difficulty finding and affording market-rate housing at their current level of income. The median monthly income of the respondents is \$736.

Monthly Income



Sources Of Income



* this represents two roommates who receive general assistance

The majority of the respondents receive their income through some type of assistance program. 31% are on SSI only, while 7% are on Social Security only. But 26% of the respondents receive both Social Security and SSI. Of the respondents, 20% are employed. Other sources of income include State Disability (3%), V.A. Disability (3%), General Assistance (6%), and V.A. Pension (3%). The residents that were surveyed receive income from a variety of sources, but the source of income most of the residents rely on is from SSI, Social Security, or a combination of both. The two sources account for nearly half of the income that the residents receive in a month. This shows that many of the residents are unable to work due to a mental or physical disability. The majority of those that are able to work are employed about 40 hours per week. They work at a variety of jobs such as building maintenance, manager of an upholstery shop, and support person at a printing shop.

Types of Assistance

Most of the Biltmore Hotel residents receive Social Security or Supplemental Security Income (SSI). Social Security benefits are earned by working and paying into the system through payroll deduction. To be eligible for Social Security, one has to deduct from their pay for 40 quarters.

SSI is disability assistance for people who are permanently disabled as determined by the Social Security Administration. Many times disabled people are not able to work and build up enough quarters to be eligible for regular Social Security, one can get assistance this way. But a person can also receive SSI if they reach retirement age and are not eligible for Social Security.

A person can receive both SSI and Social Security if they are permanently disabled, but were able to work and deduct enough from their paycheck for 40 quarters that they could be eligible for both SSI and Social Security.

Health Care

When asked about their mental and physical health status, 52% of respondents said that they had been diagnosed with a mental disability: 40% of those were diagnosed with schizophrenia, and 20% were diagnosed with depression, or manic depression. Other types of diagnosed mental disabilities were Post Traumatic Stress Disorder and anger control problems. Of those diagnosed 38% are currently getting treatment for their

problem. Of those receiving treatment, 64% are getting treatment close by the Biltmore in the downtown/midtown area (at El Hogar and the Loaves & Fishes Guest House) The other 36% receive treatment at locations further away such as Human Resources Consultant and the Mather VA Clinic. (Sixty-nine percent of the respondents said one of the reasons that they lived at the Biltmore was the access to public transportation for the services they use)

- Of those surveyed, 59% have been diagnosed with a physical disability.
- 28% of those said that it was a problem with their back, from an injury or a disease such as scoliosis.
- 17% reported problems with their legs, arms, and problems with arthritis. Other problems included glaucoma, high blood pressure, Hepatitis C, Multiple Sclerosis, diabetes, asthma, and dyslexia.
- 34% of the respondents who were diagnosed with a physical disability are currently able to get treatment for their ailments.
- 14% of those receive treatment in the downtown area, at places such as the C Street Clinic, El Hogar, and Molina at 19th and I.
- 86% get treatment elsewhere around Sacramento such as clinics on Folsom Boulevard, or The Primary Care Clinic, and UC Davis Medical Center on Stockton Boulevard.
- 90% of those surveyed reported having multiple health problems. The most recurring problems that people reported having were vision problems, dental problems, chronic pain in the muscles, skeleton or somewhere else, and high blood pressure.
- 62% who responded to having multiple health problems said they were getting treatment for these problems either in downtown/midtown Sacramento at places such as El Hogar, the Loaves & Fishes Guest House, and Molina on 19th and I. Elsewhere in Sacramento where people are being treated for their multiple health problems are Bi-Valley on Fair Oaks, the Broadway Family Clinic, Human Resources Consultant, Kaiser/Cal Expo, Mather, Medical Clinic of Sacramento, Primary Care, Sutter General, and UC Davis on Stockton.

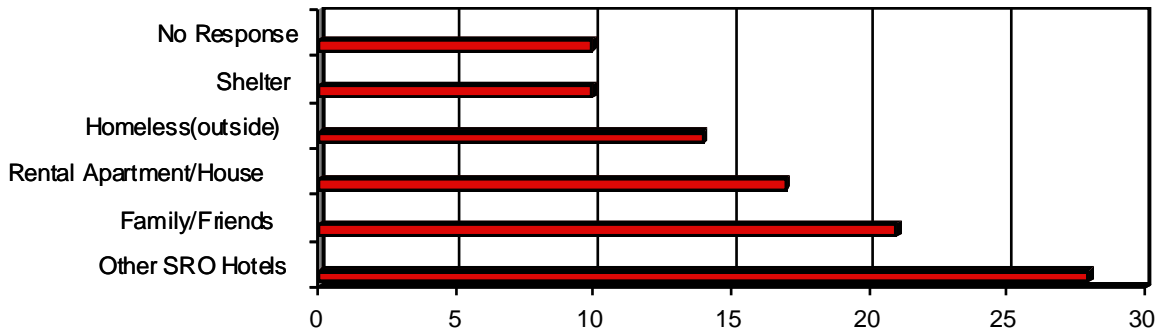
Housing Issues

The housing market in Sacramento is a crisis for those with low income, such as the residents at the Biltmore Hotel. It is even harder to obtain affordable, decent, secure housing for those on a fixed disability income. The median amount of time that residents have stayed at the Biltmore is 3.3 years, and their stay there has brought a measure of stability to their lives. Just prior to moving into the Biltmore, of those surveyed 28% had lived in other SRO Hotels, many of which were closed for various reasons and they were forced to move. Other living arrangements included staying temporarily with friends and family(21%), which is an unstable housing arrangement. Among the respondents, 17%

were able to rent an apartment or house for a short time, and 14% slept outside and had no shelter. Ten percent lived in various shelters throughout Sacramento, and 10% had no response to the question.

- **45% moved into the Biltmore from homelessness or temporary housing.**

Prior Housing Arrangement



Percent of Residents

- **In the last year to year and a half 3 SRO Hotels have shut down: the Royal, the Woodruff, and the Clinton. Many of the residents of the Biltmore lived in one of these hotels previously. This illustrates, especially in light of the 1998 ordinance, how unstable the housing situation can be at SRO Hotels.**

The respondents' reasons for choosing to live at the Biltmore reflected not only their difficulties in obtaining market rate housing, but also the extent of the unavailability of housing for people with low incomes. Economic concerns were foremost, the Biltmore offers a low security deposit and a rent that is about average for the local SRO Hotels. But many respondents said that there was an immediate rental opportunity at the Biltmore where they could move into the Biltmore quickly after losing their previous housing arrangement. Also as important to the respondents was the fact that the Biltmore was centrally located near public transportation and the services they used. This was very important since the majority of the people surveyed had either a mental or physical disability, and they were being treated for these disabilities either directly in the downtown area or elsewhere in Sacramento.

Reasons for choosing to live at the Biltmore

<i>Reason</i>	<i>% Respondents</i>
Immediate Rental Opportunity	72
Access to Public Transportation	69
Low Rent	62
Close to services I use	48
Low/No Security Deposit	45
Convenient to Friends/Family	28
Convenient to Work	21

Policy Changes and the Absence of Affordable Housing

Prior to 1998, city policy required that there had to be replacement housing if any SRO was closed. The policy was changed in 1998, now all that is required is that an SRO resident be given 60 days notice and \$1500 if an SRO is closed. "[The 1998 policy] rescinding the requirement for a Certificate of Compliance to SHRA (Sacramento Housing and Redevelopment Agency) policy will make the demolition or conversion to other uses of an SRO easier. An owner of an SRO with no contractual obligations to SHRA may now demolish or convert that SRO in any manner not prohibited by the Health and Safety Code of California(1999[-] 33411.3)...the supply of units for low and very low income households is projected to meet 51.4% of the established need in the year 2000. In the face of the shortage of affordable housing, the city has eased the restrictions on exacerbating the shortage."¹⁰ For this reason, in many of the studies on the homeless population and the SRO residents, people living in the SRO Hotels are considered "at risk of being homeless".¹¹ What should be a stable housing situation rarely is as stable as the residents would want it or need it to be.

Resident Income and the Current Housing Situation

The people surveyed at the Biltmore were very unsure of where they would be able to go if they had to leave the Biltmore. The majority of the residents being disabled either mentally or physically are forced to rely on public assistance and can't work. 52% reported having problems with credit, and people would most likely not be willing to rent to them. "In this market, landlords can afford to be picky, so your credit history and references can be critical."¹² Most can not afford housing at the market rate. According to the *Sacramento Bee* on August 20, 2000, over the last year the area's average rent has jumped 7%, to \$719 a month, and vacancies have fallen to an all-time low. More than

¹⁰Decker, Scott Michael. *The Single Room Occupancy Hotel Resident Survey: An Exploratory Study of Residents of Hotels in the Sacramento Merged Downtown Redevelopment District.* (1999). Pg. 92

¹¹From *Human Assistance Field Survey: The Homeless Population.* (Conducted by International Quality Network/ sponsored by Sacramento County Department of Human Assistance. (August 2000) Section 1-1 (study highlights)

¹²Andrew Le Page, *The Sacramento Bee*, pg. A1, Sunday August 22,2000, Vol. 288

32,000 people are waiting for subsidized Section 8 housing in Sacramento County,¹³ and even relatively well-to-do renters say they are searching weeks for a new apartment.¹⁴ The median income among the Biltmore residents is \$736. Of those surveyed, 66% make less or just slightly more than the average monthly rent for Sacramento. It is nearly impossible for them to get a decent apartment at the market rate. Even when the owner gives the residents who are forced out \$1500 for moving costs, most would be turned down right away because most owners require that renters make 2 1/2 times to 3 times the amount of rent, and most people on disability or low paying jobs would not qualify in that category.¹⁵

When asked what they would do if the Biltmore closed, many of the residents responded that they would try to get into another SRO hotel. Many of the residents had lived in other SRO hotels previously before moving to the Biltmore. The hotels offer an affordable rate of rent and a certain level of stability that can't be found in Sacramento's current volatile housing market because the SRO hotels rarely have rent hikes. Most of the SRO hotels in the downtown area have no vacancies, and the turnover rate at the beginning of the month is not very high. If there is any turnover, and if there is no waiting list, new tenants usually move right in to vacant units. When asked, a few of the managers at the downtown hotels mentioned that there were 3 or 4 vacancies on September 1st, but all the rooms were rented quickly.

Many of the SRO Hotels have waiting lists, and some residents at the Biltmore stated that they might try to get on some of the waiting lists and live with friends or family or at a local motel (which costs, on average, about \$600 per month) while they wait to get into one of the other hotels. For example, the Shasta Hotel's waiting list, as well as the waiting list at the Pensione K is about 35 to 45 days or longer. The manager of the Sequoia stated that there are "more people on the waiting list [for the Sequoia Hotel] than there are available rooms. Other SRO hotels such as the Flagstone, Marshall, and the Berry do not have waiting lists and operate on a "first come, first serve" basis, and all of the managers at these hotels stated that currently there were no vacancies. Even at the SRO hotels in the downtown area it is difficult to determine exactly how long the wait would be for a room, if a room would become available at all. This would require too many destabilizing relocations for an already fragile population.

Because of these obstacles in getting new, affordable, and decent housing, many of the respondents, when asked what they would do if the Biltmore closed, responded that they did not have anywhere else to go and would most likely end up on the streets.

¹³*Ibid.* Andrew LePage and Stuart Leavenworth, Pg. A1

¹⁴*Ibid.* Pg. A1

¹⁵Andrew LePage, *The Sacramento Bee*, pg. D5, (business section) Monday, September 25, 2000

Conclusion

Low Income plus High Rents Equals Homelessness

The people living at the Biltmore Hotel have a low income and would have a difficult time in finding affordable housing anywhere in Sacramento. The average amount of income is \$736. The current housing market in Sacramento is such that there is little to no alternative besides the SRO hotels as far as stable, decent, affordable housing.

Poor Rental History plus a Tight Housing Market Equals Homelessness

Before moving to the Biltmore, most people either lived in other SRO hotels, or they bounced around between temporary living arrangements with family or friends, or they were homeless or living in shelters. With a poor rental history, with poor or no

credit, there is almost no place for the residents of the Biltmore to be able to go if the Biltmore closes.¹⁶ Many of the residents feared that they would have to move out on the streets or back into temporary living arrangements, because of this lack of stable, affordable housing.

Reduced Access to Public Transportation plus Disability Equals Homelessness

The Biltmore offers its residents a measure of stability and community at a level of rent that is affordable, \$310 per month. The majority of the residents have a mental or physical disability. Most of the residents receive disability benefits, and even with the low cost of rent at the Biltmore, the residents are just able to squeak by. The closure of the Biltmore would be a disruption that would impact health, employment, and stability. The majority of the residents are receiving treatment for their disabilities and/or health problems, and the Biltmore is in a location that allows them easy access to the services they use. Whether it be because the services they use are close by in Downtown Sacramento or because the Biltmore is close by to public transportation, these are both reasons why residents chose to stay at the hotel. These facets of their lives will be impacted and disrupted if they have to leave the Biltmore.

\$1500 will not Guarantee Stable Replacement Housing

Most of the options open to the Biltmore residents are temporary at best. The \$1500 in moving costs, would only last for a short while in today's housing market. Most of the tenants have lived at the Biltmore for more than three years. The Biltmore offered a chance for long term tenancy if that was what was needed or wanted by the resident. There are very few options for affordable, long term housing if the Biltmore is closed. Sacramento needs affordable, long-term, stable housing which would take a step towards alleviating the current housing problem for disabled, low income individuals. Currently, there is little in the way of decent, affordable housing open to people with low incomes, such as the residents of the Biltmore. They will not regain stable housing with \$1500 of relocation money. They need affordable replacement housing.

¹Andrew LePage, *The Sacramento Bee*, Pg. D5 (business section) Monday, September 25, 2000.

