Business

Portland banking on low-rent SRO hotels to ease housing problems

Updated Apr 27, 2019; Posted Apr 27, 2019

SRO: Single room occupancies in Portland

By Molly Harbarger | The Oregonian/OregonLive and Elliot Njus | The Oregonian/OregonLive

Jennifer Carder has lived in the Barbara Maher Apartments building in North Portland for only four months but she already feels more at home than she has in years.

Every wall of her tiny room is covered in photos, crafts and other belongings. She's got a cat, Bubba T. Boobooface, who greets her at the door.

Sure, she shares the bathroom and kitchen with the building's 33 other women. But her room is the first place Carder, 37, has had to herself since she became homeless while in the grip of addiction to alcohol and opiates.

Now with a new job at Little Big Burger and eight months of sobriety, she's confident her recovery is going to stick — in no small part because of the roof over her head, modest though it might be.

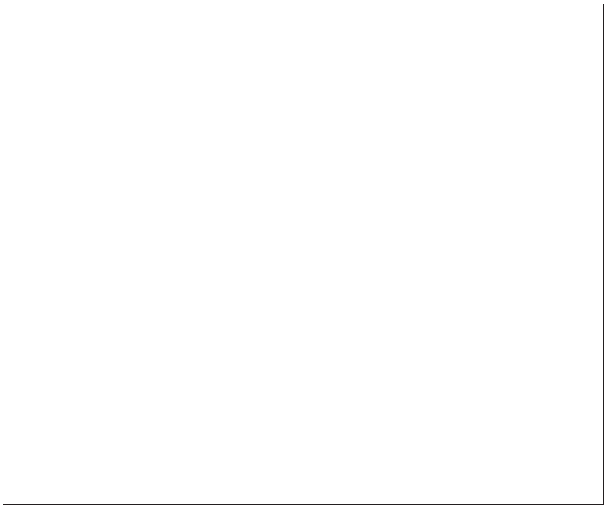
push toward a type of housing that fell out of favor decades ago.

Single-room-occupancy hotels, or SROs, were once ubiquitous in the central city, an affordable haven for people who otherwise would land on the street. For the last 50 years, though, the landlords who owned SROs retired or sold the decaying buildings to developers who put up expensive homes, offices or upscale hotels in their place.

But in recent years, housing advocates have convinced state and local officials that these buildings can be renovated or built from the ground up to serve the growing number of people who are homeless or on the brink.

The city and county are staking more than $20 million on four projects they hope will both provide a home for the poorest in the city and fulfill a pledge to create housing bundled with social services for people suffering from addiction or other medical problems.

The idea has its detractors — among them longtime homeless services workers who find the sparse dorm-like SRO units lack the dignity of a fully outfitted apartment.



Yet supporters say the few remaining SROs are effective to stabilize people who might otherwise go to shelters, hospitals or jails.

HOUSING OF LAST RESORT

Single-room-occupancy hotels started to pop up around the turn of the past century

needed a place to stay.

The SROs fit their needs perfectly as a short-term stop while they hunted for jobs and saved to bring their families west.

As the migration slowed and the economy changed, they became a refuge for the poverty-stricken. Most don't require identification or a background check. Rent could be paid in cash for a day, week or month at a time.

"The housing of last resort was rooming houses," said Sean Hubert, chief housing and strategy officer for the nonprofit Central City Concern. "The rooms sort of were one step away from homelessness."

Then, they started to disappear.

By the 1970s, the SRO buildings had come to be seen as a flophouses. The hotels, most family owned, started to fall into disrepair. When those families sold the buildings, many were remodeled for other uses or torn down.

The city didn't keep track of how many of the units were lost. An inventory created by the housing nonprofit Northwest Pilot Project found that from 1978 through 2015, downtown lost nearly 40% of its rentals — more than 2,000 units — that were affordable to minimum-wage workers. Many of those were SROs.

elsewhere. The Stewart Apartments over Mary's Club, the downtown strip club, are set to close after the building's owner died in 2017.

Across the U.S., millions of SRO units have fallen victim to the same trend.

As the stock of private-market SRO hotels declined, federal tax incentives to build affordable housing pushed developers toward building studio or one-bedroom apartments for low-income singles. Those targeted people earn meager incomes, but still appreciably more than the typical SRO dweller makes. Even then, the efforts failed to keep up with the need.

In Portland, an SRO usually rents for less than $600 a month without any subsidy. A typical studio apartment on the open market costs nearly twice that.

Carder, who has a grant to pay for her first year of rent, will eventually use her earnings to pay 30 percent of her income for a room, as does everyone in her building.

Even with a full-time job, she thinks it's the only way she would be able to avoid homelessness again.

"I don't see how I could even afford my own apartment by myself," Carder said.

Fisheye

The Portland Housing Bureau has long dealt with the impacts of disappearing SROs, but it has only now started to see them as part of the solution.

The agency occasionally jumped to action to relocate residents or find a nonprofit to buy a building amid public outcry over its closure. In 2016, the city bureau bought the 69-unit Joyce Hotel outright for $4.2 million. It became the first publicly owned SRO building in recent memory.

The bureau then last year bought the Westwind Apartments, a 70-unit SRO building in Old Town Chinatown, with $4 million from Multnomah County's sale of Wapato Jail.

While the Joyce can be renovated as is, the Westwind will be torn down and replaced because of its poor condition, said bureau Director Shannon Callahan. But its location in Old Town Chinatown was attractive and the replacement will likely aim to serve residents similar to those who live in the building today.

The bureau is also taking the step of helping finance brand-new SRO buildings for the first time in nearly three decades. It, along with the state, is contributing $4.5 million to a veterans housing project, called Findley Commons, run by nonprofit Do Good Multnomah. It also contributed to a new $15 million Central City Concern development with 40 SRO units.

"As we're looking at places we can spend dollars as a city, we have to look at this housing type, Callahan said. "I think this is really where, if we're going to get out of shelter and off the street, this is the model."

A LACK OF DIGNITY

Some in the affordable housing world see the push for modern SROs as a step backward.

The nonprofit Northwest Pilot Project has helped relocate SRO hotel residents after their buildings shuttered suddenly for sale or redevelopment, leaving residents without a place to go. Bobby Weinstock, the group's housing advocate, said most of those residents were already trying to find their way out of SROs.

He thinks affordable housing construction for single residents should focus on studio apartments, where "everybody has the dignity of their own bathroom and their own modest kitchen."

“The push, I think, for new SROs is an economic, financial decision to keep the cost of development as low as possible,” he said. “But then I think there’s other costs.”

Cascadia Behavioral Health, a local leader in helping homeless people with mental health issues, has moved away from SROs.

Its Royal Palm Hotel in Old Town Chinatown long functioned as a place for homeless people in mental health crisis to come inside and get treatment. The building was decaying, though, and even a grant from the U.S. Department of Housing and Urban Development struggled to keep it up to code. Cascadia then lost the grant when federal policy shifted away from transitional housing.

Finally, Cascadia decided to close the 30-bed SRO portion of the building. The nonprofit still uses the ground floor space for offices and is temporarily leasing out the residential floors to Central City Concern while it rehabilitates ones of its buildings.

“Cascadia has found that having separate bath facilities along with a microwave and refrigerator for each resident with this population is very important from the principles of privacy, self-sufficiency and dignity for all residents,” said spokeswoman Jennifer Moffatt.

SHARED SPACE CREATES COMMUNITY

Central City Concern disagrees. The nonprofit was created to help preserve SRO buildings and is now Portland’s largest owner of them, used chiefly as transitional housing for people dealing with addiction and mental health issues.

The agency has long said SROs are uniquely suited to the needs of people who struggle the most to stay in housing. They provide a roof and locked door for safety, but the shared kitchens create a sense of community that help people thrive inside.

Lloyd Kneeland Jr. is pretty sure he would never have gotten clean and sober without being forced to cook with his neighbors at the Richard Harris Building, a Central City property off West Burnside and the Northwest Park Blocks.

Kneeland, 36, has diabetes and during the 20 years he was on methamphetamines, he ignored it. The disease eventually landed him in the hospital more than five years ago and cost him a foot, which was amputated. From there, his only options were recovery or back to the street. He didn’t want to get clean, but he was also tired of being homeless after eight years.

excited to have a full-size refrigerator to better manage his diet, as well as a built-in

audience to line up for his meals.

Friends he met in the kitchen pushed him to attend recovery meetings. He also found a mentor in one of the older men in the building who had already gone through the program.

“Getting involved with the community of people who were all trying to do something better with their lives was really important to me,” Kneeland said.

The building helped him physically. But the community was what gave him new purpose in life.

He eventually moved in a studio apartment with a tiny kitchen and bathroom on the top floors of the same building. There, he can serve as a mentor to newer people going through recovery while he’s in school to be an addiction counselor.

He hopes to be the connection that eventually helps someone else stay in housing.

Marc Jolin, director of the city-county office tasked with overseeing homelessness programs, said that’s why the SROs are so effective.

The Joint Office of Homeless Services can fund social services for residents but it can’t recreate the social networks that form among people on the streets to keep each other safe and sane.

“One challenge of moving inside is the feeling of loss of those connections,” Jolin said. “A building that focuses and recognizes the importance of that can actually get people out of their room into common areas and building relationships.”

Portland SRO investments ☆

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THE MATH WORKS

But ultimately, much of the appeal comes down to math.

The small footprint of an SRO allows more residents at a lower development price. Centralized utilities further cut down on construction costs and limit maintenance costs down the road.

An SRO can get within swinging distance of breaking even without subsidized rent and still remain affordable to someone whose only income is from Social Security or disability payments. That's important because there aren't enough housing vouchers for everyone who qualifies for them.

"In my experience, people want space," said Tony Bernal, the senior director of public policy and funding for the nonprofit Transition Projects Inc. "It's nice to have a studio to yourself, or a one-bedroom, but it's not always going to be an option for folks."

Transition Projects is building a state and Metro-backed project called LISAH, or Low-Income Single Adult Housing. It will include 36 SRO units, as well as 35 studio apartments in a separate building.

Transition Projects will charge a rent closer to Portland's average for the studio apartments, which the federal government will cover most of. The agency will then use that subsidy to offset the cost of its well-below-market SROs, which will rent for as little as $286 a month.

"We know that there are some models that can get very low income folks into housing, and SROs are one of them," Bernal said.

For other projects, the savings from building SROs could also help balance out some of

services on site, officials hope to keep residents off the street for the long term. It also saves the public costs otherwise absorbed through the courts, jails and hospitals.

But the cost of those services is substantial.

Do Good Multnomah, a nonprofit building an affordable housing project for veterans in Southeast Portland that includes SROs and supportive services, plans to largely finance its development with money from the Portland Housing Bureau and other agencies.

It still wouldn't be able to operate the building without a $7,000 per-unit per year grant from the Joint Office of Homeless Services.

"As much as developing is difficult work, the work actually starts when the doors are open and the veterans are in there and we are starting to build a sense of community," said director Chris Aiosa.

HOME FOR NOW

Next door to Carder, the new Barbara Maher building resident, lives Robin Lloyd, who's been in the building for four years.

Lloyd embraces the community the building fosters. She often leaves her door open so Carder can heat up her coffee in Lloyd's microwave. And Lloyd feels safer to have other women nearby to help if her health issues flare up.

Lloyd came to the North Williams SRO about four years ago after drugs took over her life. But now she's clean and uses Social Security benefits to pay her $215 portion of the rent. She visits her adult children for weekends without the worry of losing all of her belongings -- a constant risk when she lived on the street.

But she would appreciate some more space and is starting to look to a future where she and her boyfriend find a place of their own with a private bathroom.

"Here, I love coming home," Lloyd said. "I consider this definitely my home — for now."

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