

ADMINISTRATIVE REPORT

Report Date: January 26, 2016 Contact: Mukhtar Latif Contact No.: 604.871.6939

RTS No.: 11290 VanRIMS No.: 08-2000-20

Meeting Date: February 23, 2016

TO: Vancouver City Council

FROM: Chief Housing Officer

SUBJECT: Single Room Accommodation Permit for Star Beach Haven

(658 Alexander Street)

RECOMMENDATION

- A. THAT Council approve a Single Room Accommodation (SRA) Conversion Permit in accordance with the Single Room Accommodation By-law for Star Beach Haven, located at 658 Alexander Street [Parcel Identifier: 015-598-501 Lot 12 Block 43 District Lot 196 Plan 196], to combine two SRA-designated rooms and add a washroom and kitchen to the combined room, increase the size of another SRA-designated room and combine it with a reconfigured ground floor shared washroom, and repair and replace existing fixtures throughout the building, including rooms and common areas, subject to:
 - i. the development permit (DB449673), consistent with the plans provided for this SRA permit application, being issuable and,
 - ii. the owner of the property entering into and registering on title to the property a Housing Agreement that, for not less than 30 years, requires:
 - (a) four rooms (rooms 2, 3, 11 and 12) be rented at a monthly rent no greater than the average SRO rent for the Downtown Core as determined by the City of Vancouver's biannual Survey of Housing in the Downtown Core (currently \$448/month) and;
 - (b) four rooms be made available to tenants who are on income assistance and eligible for rent supplements subject to funding for the provincial rent subsidy program. Potential eligible tenants will be referred for consideration by the City or a delegate of the City and the applicant, as landlord, will make the final selection after having considered prospective tenants in good faith (where good faith consideration of a prospective tenant includes the application of objective and defensible criteria that meets the legal requirements of the Canadian Human Rights Act, the BC Human Rights Code and the Residential Tenancy Act).

- (c) such other terms and conditions as the Director of Legal Services in consultation with the Chief Housing Officer may require.
- B. THAT, subject to the approval of recommendation A and execution by the owner and its mortgagees of the Housing Agreement contemplated by recommendation A, the Director of Legal Services be instructed to prepare a Housing Agreement in consultation with the Chief Housing Officer and to bring forward for enactment the Bylaw necessary to approve the Housing Agreement.

REPORT SUMMARY

This report seeks Council's approval to issue an SRA Conversion Permit to Rose Hotels Ltd. for Star Beach Haven, located at 658 Alexander St. The 19-dwelling rooming house is in need of repair and has been the target of permitting and inspections enforcement for a number of years. An SRA Conversion Permit is required to legitimize unpermitted work that is being carried out in the building, including:

- combining two rooms and adding a washroom and kitchen to the combined room,
- increasing the size of another room and combining it with a reconfigured ground floor shared washroom; and,
- repairing and replacing existing fixtures throughout the building.

The work without permit triggered a stop work order on the combined rooms in February, 2015 and an SRA conversion permit is required in order to proceed with the associated development permit. The work proposed under the SRA permit will result in the loss of one SRA designated room. All remaining rooms, including the converted self-contained unit, will continue to be SRA designated. The SRA Conversion Permit is conditional to the enactment of a Housing Agreement for 30 years to secure four of the rooms (rooms 2, 3, 11 and 12) to be rented at a monthly rent no greater than the average SRO rent for the Downtown Core and four of the rooms to be made available to tenants who are on income assistance and eligible for rent supplements, subject to funding for the provincial rent subsidy program. The recommendations in this report will allow the owner to obtain the required development, building and trades permits to bring the building into compliance with City Bylaws, will improve condition and livability throughout the building, and will secure affordability for the term of the Housing Agreement.

COUNCIL AUTHORITY/PREVIOUS DECISIONS

Relevant Council Policies for this site include:

- 1. On October 21, 2003, Council enacted the SRA Bylaw to regulate the conversion and demolition of SRAs in the Downtown Core.
- 2. On October 23, 2003, Council amended the Zoning and Development Bylaw to require an SRA Permit prior to the issuance of a Development Permit.
- 3. On June 22, 2004, Council confirmed its objective of achieving a minimum of one-to-one replacement of Single Room Accommodation with self-contained social housing in the Downtown South and the Downtown Eastside.
- 4. On September 15, 2005, Council adopted the Downtown Eastside Housing Plan.

- 5. On July 28, 2011 Council endorsed the Housing & Homelessness Strategy 2012-2021 which includes Strategic Direction 1: Increase the supply of affordable housing and Strategic Direction 2: Encourage a housing mix across all neighborhoods that enhances quality of life. The 3-Year Action Plan 2012-2014 identifies priority actions to achieve some of the Strategy's goals.
- 6. On March 15, 2014, Council adopted the Downtown Eastside Plan. The Plan sets out a vision for the future of the DTES to improve the lives of all those who currently live in the area, including low-income and middle-income residents, the homeless, seniors, women, children and families. The plan will also "enhance and accelerate a strategy to implement the Council's 2005 DTES Housing Plan" thereby improving the diversity of affordable market and non-market options in the neighborhood.
- 7. On March 15, 2014, Council adopted Policies and Guidelines for the Upgrade of Rooms Designated under the Single Room Accommodation (SRA) Bylaw (No. 8733), as part of the DTES Plan. The intent of the Guidelines is to provide flexibility to improve livability in rooms designated under the SRA Bylaw, while minimizing room loss and maintaining affordability. The Guidelines delineate a set of principles for livability which include light and ventilation, privacy, amenity space as well as affordability.
- 8. On July 22, 2015, Council adopted amendments to the SRA Bylaw that include:
 - authorizing Council to impose a \$125,000 charge per room, rather than a \$15,000 charge per room as a condition of a conversion or demolition permit to allow for the provision of replacement housing;
 - approval in principle to allocate up to \$2 million from the 2015-2018
 Capital Plan for a partnership program that will leverage additional
 external funding to support upgrading of private SROs, and the purchase
 & lease of buildings to maintain affordability and support SRO tenants
 subject to report back on program details and funding partners; and,
 - amending the definition of "conversion" or "convert" to clarify that any
 repair that involves the relocation of a permanent resident during the
 repairs is not a minor repair and will require a conversion permit

CITY MANAGER'S/GENERAL MANAGER'S COMMENTS

The Chief Housing Officer recommends approval of the foregoing.

REPORT

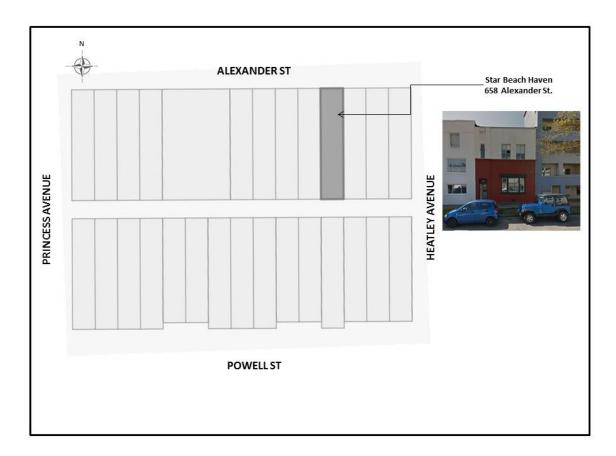
Background/Context

Star Beach Haven

Star Beach Haven is a rooming house with 19 rooms located at 658 Alexander St. The building was bought in foreclosure in February, 2014 by Rose Hotels Ltd. Previous to this, the building was managed ineffectively and was the site of ongoing drug trade activity and crime, which eventually led to the property's seizure by the BC's Civil Forfeiture Office. The building has been the subject of significant licensing and enforcement activity for a number of years.

Since taking possession of the property, the new owners have worked with the Residential Tenancy Branch and the Vancouver Police Department to improve the safety and security in the building. They have also worked to improve the overall condition of the building and remedy its safety and maintenance issues; however, a significant amount of the work that has been undertaken by the new owners is unpermitted and exceeds what was required under the Standards of Maintenance Bylaw. As a result, a stop work order was issued on two of the rooms in February, 2015. The work without permit triggered the need for an SRA permit and the owners cannot proceed with the development permit until an SRA permit has been approved.

Currently, the building is occupied by 14 tenants, seven of whom were referred by Vancouver Coastal Health's hotel housing outreach team and are some of the City's most vulnerable tenants. The owners have provided a notarized affidavit that existing tenants will not be displaced. Five of the rooms are vacant due to uninhabitable conditions. Should Council approve this application, work can proceed and the rooms will once again be able to be occupied.



Single Room Accommodation (SRA) Bylaw

On October 21, 2003, Council enacted the SRA Bylaw to regulate the conversion and demolition of SRAs in the Downtown Core. The SRA Bylaw designated all rooms in residential hotels, rooming houses, and other buildings in the Downtown Core as identified in the "2003 Survey of Low-Income Housing in the Downtown Core".

Under the SRA Bylaw, owners wanting to convert or demolish SRA-designated rooms must apply for and obtain an SRA Conversion/Demolition permit. Council evaluates each application on its own merits and may refuse the permit, approve the permit, or approve the permit with conditions.

Currently, the SRA Bylaw also allows Council to require conditions such as a levy of \$125,000/room to deposit into a reserve fund for replacement social housing. The owners submitted a formal SRA permit application on November 17th, 2015, agreeing to embed significant affordability for four rooms for 30 years at the average SRO rents for the Downtown Core (currently at \$448 per month) and four rooms for 30 years for individuals who are on income assistance and eligible for rent supplements, subject to funding for the provincial rent subsidy program.

Staff are not recommending imposing the SRA permit levy in this case as the application supports improvement in condition and liveability throughout the building, retains all remaining rooms as SRA-designated, ensures affordability for a portion of the rooms, and allows the owners to bring the building fully into compliance with City bylaws.

Strategic Analysis

SRA Conversion/Demolition Permit

When the current owners, Chris Los and Man Shun (Helen) Poon, purchased Star Beach Haven, the building was in need of significant repair. A fire that left two rooms water damaged prompted the new owners to begin extensive unpermitted work on the building, including:

- combining two rooms and adding a washroom and kitchen to the combined room,
- increasing the size of another SRA-designated room and combining it with a reconfigured ground floor shared washroom to make use of wasted space; and,
- repairing and replacing existing fixtures throughout the building, including rooms and common areas.

The work without permit triggered a stop work order on the combined rooms and the need for an SRA conversion permit in order to proceed with the development permit.

Currently, the building has 19 dwellings in total, including 16 sleeping units and 3 self-contained units. The conversion of two rooms into one self-contained unit will result in the loss of one SRA designated room, resulting in 14 sleeping units and 4 self-contained units. After renovations are complete, all 18 dwellings will continue to be under 320 sf. and will remain SRA designated. The SRA permit pertains not only to two rooms being converted into a larger self-contained dwelling unit, but also to renovations already conducted and proposed throughout the building. The approval of an SRA permit will allow the owners to proceed with the trades and building permits required,

legitimize the proposed layout of the building, and bring the building into compliance with the Building Bylaw, Electrical Bylaw, Standards of Maintenance Bylaw and the SRA Bylaw.

The SRA permit will secure four rooms for 30 years at the average SRO rents for the Downtown Core (currently at \$448 per month) and four rooms for 30 years for individuals who are on income assistance and eligible for rent supplements through the provincial rent subsidy program, at no cost to the City of Vancouver. These conditions will be secured by a Housing Agreement with a term of 30 years. The remaining rooms will be rented at market rents.

- 1. Adequacy of Replacement Accommodation for Affected Tenants: The owner has submitted a Statutory Declaration assuring that no tenants in occupied rooms will be displaced as a result of the work being carried out under the associated building permit application. At the time of SRA permit application, 12 dwellings were occupied. Since then, two more dwellings have been occupied, for a current total of 14 occupied dwellings.
- 2. Supply of Low-Cost Accommodation: The low-income stock remained relatively stable in the downtown area between January 2004 (11,549), the year after the SRA By-law was enacted, and January 2014 (12,230). However, all sub-areas of the Downtown Core have seen a decrease in the number of rooms renting at or below shelter rates, indicating a loss of low-income accommodations. In 2013, only 24% of the Downtown Core and 26% of the Downtown Eastside private market SRO stock was renting at or below the shelter component of welfare (currently set at \$375 per month).

The following table shows the net changes of SRO (private market) and social housing units (non-market for singles) between 2004 and 2014 by sub-area. The reduction of private market SROs and increase in Social Housing in the DTES over this period was largely due to the purchase of over 900 rooms in 13 SROs by BC housing. Other non-market housing for singles that opened in the DTES in the last ten years include Woodwards (125 units), Pacific Coast Apartments (96 units) and the Lux (92 units).

If this SRA permit is approved and the new housing is occupied, the table would be amended with a decrease of 1 private market room in the Downtown Eastside. The total ten year change in units in the Downtown Eastside would decrease from 423 to 422 rooms and the increase of rooms across the Downtown Core would be reduced from 712 to 711 rooms.

	Change from 2004 to 2014						
	SRO (private market)			Social Housing			
				*includes supportive			
Sub-Area				housing			
				(non-market for singles)		TOTAL	
	2004	2014	Change	2004	2014	Change	
Downtown Eastside	5,206	4,046	-1,160	4,223	5,806	1,583	423
Downtown South	692	452	-240	808	1,367	559	319
Rest of Downtown Core	433	81	-352	187	478	291	-61
TOTAL	6.331	4.579	-1.752	5.218	7.651	2.433	681

Table 1: SRO (private market) and Social Housing (non-market for singles), Change from 2004 to 2014

- 3. Need to Improve and Replace Single Room Accommodation: The proposed renovation is in keeping with Council's policy to improve existing SRA rooms and maintain/upgrade housing in the Downtown Eastside. Once the work proposed under the SRA permit is complete, all 18 dwellings, including four of the currently vacant rooms, will be available to tenants and provide much needed rental housing.
- 4. Condition of the Building: 658 Alexander St. is a 2-story, residential building on a 25 by 122 ft. lot. The building has a long history of licensing and enforcement activity and requires upgrades in all rooms and common areas. Due to the extent of the work already underway, an SRA permit is required to address current violations of the Building Bylaw, Electrical Bylaw, and Standards of Maintenance Bylaw throughout the building.
- 5. Unique Features of Building and Land: 658 Alexander St was built in 1912 and underwent renovations in 1950. The building is not designated under the Heritage Bylaw.

Implications/Related Issues/Risk (if applicable)

Financial

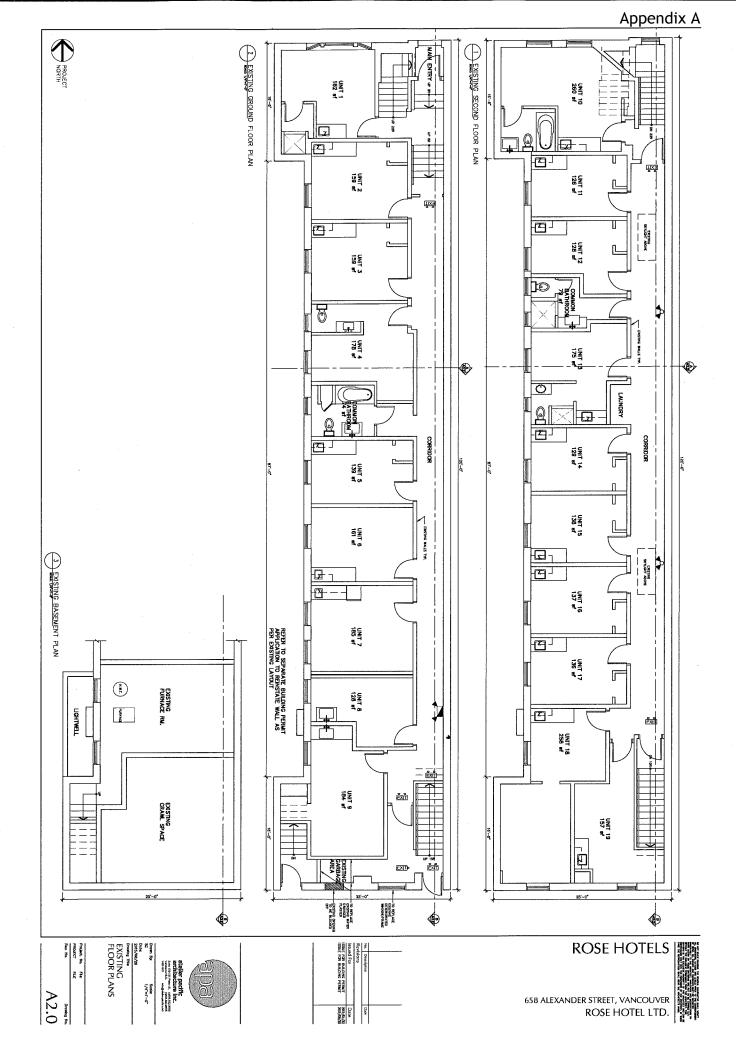
Staff recommend not requiring the payment of the per room SRA charge (\$125,000) for the conversion of two rooms into one self-contained unit, given the upgrades to all rooms proposed by the property owner are much needed and will be subject to the following conditions to be secured through a Housing Agreement:

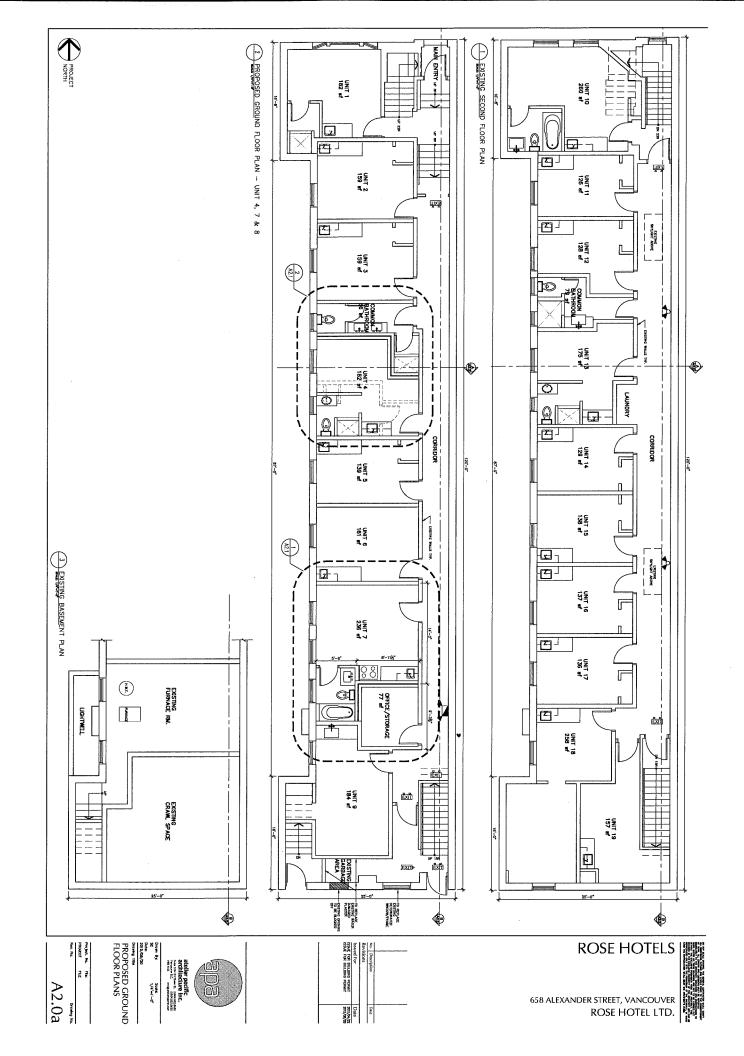
- Four of the 18 SRA designated rooms to be secured for 30 years at the average SRO rent for the Downtown Core (currently at \$448/month); and
- Four of the 18 SRA designated rooms to be made available for tenants on income assistance and eligible for rent supplements. The City or a delegate of the City will refer potential eligible tenants to the landlord for consideration and the landlord will make the final selection.

CONCLUSION

This report seeks Council's approval to issue an SRA Conversion Permit to Rose Hotels Ltd. for Star Beach Haven, located at 658 Alexander St, to combine two rooms and add a washroom and kitchen to the combined room, increase the size of another room and combine it with a reconfigured ground floor shared washroom, and repair and replace existing fixtures throughout the building, including rooms and common areas. The building currently contains 19 SRA designated rooms and the work proposed under the permit will result in the loss of one SRA designated room. The SRA Conversion Permit is conditional to the enactment of a Housing Agreement for 30 years to secure four of the rooms (rooms 2, 3, 11 and 12) to be rented at a monthly rent no greater than the average SRO rent for the Downtown Core and four of the rooms to be made available to tenants who are on income assistance and eligible for rent supplements, subject to funding for the provincial rent subsidy program. Since taking possession, the owners have undertaken significant unpermitted work on the building, which triggered a stop work order on the combined rooms. The owners cannot proceed with the development permit until an SRA permit has been approved. Therefore, this report recommends approving an SRA permit to allow the owners to proceed with securing the required development, building and trades permits to bring the building into compliance with the Zoning and Development Bylaw, Building Bylaw, Electrical Bylaw, Standards of Maintenance Bylaw and the SRA Bylaw, to improve condition and livability throughout the building, and to secure affordability for the term of the Housing Agreement.

* * * * *





VANCOUVER

or DEMOLITION* PERMIT APPLICATION

	SR No.
Civic Address: 658 Alexander	
Legal Description: Lot 12 Subdivision Block	42 District Lot 196 Plan WAP (
Building Name: LOSE HOTEL	
This area must be completed by the person signing this application.	
Your Name: (Anny LDS	You are the:
Mailing Address: 301-335 Fost Broadway	01 🗹 Property Owner
City: Vising Busting	02 Agent for Property Owner
Postal Code: UST M2	and the second s
Phone Number: 404 603 3844	
Company Name: 2058 efo 1645 LTD	
Non-Profit Number (if applicable) - A/IA -	
Note: If the applicant is NOT the property owner, a letter of consent signed by the	e owner must also be submitted
	c owner must also be submitted.
Owner's information (If owner is a corporation, provide Incorporation Certification)	ite and names and addresses of all directors & associates):
Property Owner's Name: ROSE HOTELS LTO	
Address: 1219 HARWWO ST	City: VANCOUNER
Postal Code:	Phone Number: 1004 603 2896
Property Owner's Name:	
Address:	City:
Postal Code:	Phone Number:
Property Owner's Name:	
Address	
Postal Code:	City:
	Phone Number:
This application is to: (Check applicable box)	÷
001 CJ Convert* occupancy of designated room(s) Total #	of storeys in this building:
002 □ Change term or nature of tenancy of designated room(s) 003 □ Change frequency of rent payments for designated room(s) Total #	of SRA rooms in this building.
004 CI Convert® vacant designated room(s)	
005 2 Repair or alter designated room(s) Total # 006 □ Demolish* designated room(s)	of non-SRA rooms in this building:
	of tenants in this building:
	of permanent residents in the building:
Describe nature of the proposed conversion or demolition:	
and not appropriate as a direction unit.	105 square feet and poorly configured
and not appropriate as a dwelling unit. 1) Reconfigur bothoom (shared) and Room #4	to make use of works space and
increase size at Room #4 to add acute	Please continue application on reverse

City of Vancouver Single Room Accommodation Conversion or Demolition Permit Application - continued

THIS SECTION MUST BE COMPLETED:	ora s
Are there any permanent residents needing to relocate as a result of this proposed conversion?	
🗆 Yes 🗸 Wo	
If Yes, you must provide the following information:	
The number of permanent residents that will be affected?	
2. Tenant Relocation Plan Application Form	
You must also include with this application the following required supporting documents:	
An affidavit, swom by the owner or, if the owner is a corporation, by a director of the corporation, setting out why the owner wants to convert or demolish the designated room.	
One set of floor plans of the existing and proposed floor layout as described below*	
3. Tentative schedule for opnstruction (if applicable)	

* Explanatory Notes:

- Definition of "conversion" or "convert" means the following under the Single Room Accommodation By-law:
 - "(a) a change in the form of occupancy, intended form of occupancy, or customary form of occupancy of a designated room from living accommodation for a permanent resident to living accommodation for a transient guest or to another purpose,
- (b) a change in the term or nature of the tenancy to which a permanent resident has the right in respect of a designated room,
- (c) a change in the frequency of the rent payments a permanent resident must make in respect of a designated room,
- (d) an occupancy or use, or the suffering or allowing of an occupancy or use, of a vacant designated room for a purpose other than living accommodation for a permanent resident,
 - (e) a repair or alteration to a designated room or any improvement or fixture in it or a replacement of any such improvement or fixture, except for repairs or alterations that are minor in nature and have no material effect on the enjoyment by permanent residents of their living accommodation, and do not include the relocation of a permanent resident during the repair or alteration and does not result in the room ceasing to be a designated room,
 - (f) a reclassification of a building or any portion of a building from Class 1-residential to any other class referred to in the Assessment Act and its regulations, or
 - (g) a loss of exemption in respect of a designated room from an obligation to pay or remit hotel room tax under the Hotel Room Tax Act and its regulations:"
- Definition of "demolition" or "demolish" means the following under the Single Room Accommodation By-law: "to pull, knock, or tear down or to raze, wholly or partially, a designated room"
- Floor plans must be legible, drawn to a scale NOT less than 1/8" to 1', and must:
 - (a) Include dimensions and layout of all floor levels including basement and underground parking;
 - (b) Identify on each floor:
 - rooms that provide accommodation for permanent residents;
 - rooms that provide accommodation for transient guests (tourists);
 - rooms that provide other non-residential accommodation uses (e.g., lounge, storage rooms, etc.);
- (c) Indicate on each floor the square footage of all rooms and common areas;

Classical Line Classical	
United that Unit	

As owner or owner's agent, I have verified that the information contained within this document and associated applications and plans is correct, and describes a use, a building or a work which complies with all relevant by-laws and statutes. I acknowledge that responsibility for by-law compliance rests with the owner and the owner's employees, agents and contractors. I will indemnify and save harmless the City of Vancouver, its officials, employees and agents against all claims, liabilities and expenses of every kind, in respect of anything done or not done pursuant to this application or fact sheet or ensuing permit, including negligence and/or the failure to observe all by-laws, acts or regulations.

	, , , , ,		
Further, I acknowledge that any inf the report to Council and as such, I			sion/demolition permit application will be attached to
SIGNED AT VANCOUVER, BC THIS	09	DAY OF Sept 20 15	I I NA
	Control of the Contro		Signature of Applicant

Canada

Province of British Columbia

In the Matter of the City of Vancouver Single Room Accommodation By-law (the "By-law")

	AFFIDAVIT	
1, Christopher los	, of30	(Print Address)
(Print Name)		(Print Address)
make oath and say as follows:		
1. I am a director of Rose Ho	Name of Co	the registered owner
of real property in Vancouver, British Columbia PARCEL IDENTIFIER: 015-598-501 LOT 1 address 658 ALEXANDER ST., and as such depose in this affidavit.	ımbia bearing 2 BLOCK 43	g the legal description: DISTRICT LOT 196 PLAN 196 and civic
following purpose:	ollowing roon	ms in the building on the property for the
Room Nos: 1-19		
Purpose: 1) Reconfigure grand floor 2) Add washrown to unit to 3) Cosnetic and structural at 4) Repair of reflace expetain 5) Reconfigure Rooms 7 and 6) Add washroom to Room	1	all other unite and common areas
Sworn before me at Vancouver, British)	
A Commissioner for taking Affidavits for British Columbia))))	Christopher Los Owner's signature

Lisa Niro
Lawyer and Notary Public
Bell Alliance
#201-1367 West Broadway
Vancouver, B.C. Canada V6H 4A7
(604) 873-8723

(Commissioner's Stamp or Seal must be provided)

Statutory Declaration

Canada

Province of British Columbia

In the matter of the premises located at 658 Alexander Street and legally described as:

Lot 12 Block 43 Plan VAP196 District Lot 196 Land District 36

PID: 015-598-501

To Wit:

I, Man Shun Poon, President, agent for the registered owner of the property (Rose Hotels Ltd) 658 Alexander St, do solemnly declare that:

- 1. No tenants in occupied units will be displaced as a result of the work being carried out under the associated Building Permit Application.
- 2. Twelve (12) units in the building are occupied as of the date of this declaration.

AND I make this solemn declaration, conscientiously believing it to be true and knowing that it is of the same force and effect as if made under oath and by virtue of the Canada Evidence Act.

JOHN CHAO

Barrister & Solicitor #200 - 5455 West Boulevard Vancouver, B.C. V6M 3W5 Tel: 604-568-6252