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CITY OF VANCOUVER

POLICY REPORT DEVELOPMENT AND BUILDING

Report Date: November 30, 2006
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Meeting Date: February 13, 2007

TO: Vancouver City Council

FROM: Director of the Housing Centre in consultation with the Director of Legal Services and the Assistant Director of Licenses & Inspections

SUBJECT: Single Room Accommodation (SRA) By-law Status Report

RECOMMENDATION

A. THAT Council, having conditionally approved conversion or demolition permits for the following SRA-designated properties, and as the conditions have been met and the resulting conversion or demolition permits issued, now approve the removal of the following properties from Schedule A of the SRA By-law:

434 Richards Street (Empress Rooms);
909 Richards Street (Roseberry House);
746 Richards Street (Passlin Hotel);
24 Water Street (Grand Hotel);

FURTHER THAT Council, having authorized an exemption from the requirements of the SRA By-law of all 19 SRA-designated rooms at the following property, now approve the removal of this property from Schedule A of the SRA By-law:

347 West Pender Street (New Backpackers Hotel).

B. THAT Council authorize the Director of Legal Services to bring forward amendments to the SRA By-law and any consequential changes to the License By-law, generally in accordance with the draft amendments attached as Appendix A, that would:

- remove from Schedule A of the SRA By-law the properties listed in the above Recommendation A;
- increase the conditional \$5,000 per room fee to \$15,000 per room, which Council could attach to the approval of a conversion or demolition permit for deposit into the City's reserve fund for the creation of replacement housing;

- require Council to consider the recent history of an SRA hotel when presented with an application to convert or demolish its designated rooms;
- require an owner or operator of an SRA building to maintain for each designated room a standardized "room registration form" (Appendix E);
- require an owner or operator of an SRA building to identify on the business license specific room numbers of the maximum 10% of SRA units which are available for rent to temporary guests; and
- include provisions that would improve the effectiveness of and promote compliance with the By-law; and

FURTHER THAT the draft By-law be referred to a public meeting, following the format of a public hearing, to provide an opportunity for persons to make their views known to Council.

- C. THAT Council make application to the Province to amend the Vancouver Charter, deleting the requirement to deduct fees charged for SRA conversion or demolition permits from the portion of the Development Cost Levy (DCL) that is designated for replacement housing; and

FURTHER THAT in the interim, Council consider on a case-by-case basis, the requirement for applicants wishing to demolish SRA to enter into a Housing Agreement to secure affordability.

GENERAL MANAGER'S COMMENTS

The General Manager RECOMMENDS approval of A, B, and C.

COUNCIL POLICY

On May 16, 1991, Council confirmed its policy of one-for-one replacement of Single Room Occupancy (SRO) rooms in the Downtown South and endorsed the principle of developing new social housing, constructing unsubsidized SRO replacement projects, and retaining and upgrading the existing SRO stock as required in the absence of new replacement housing, with priority given to housing long-term Downtown South residents.

On June 3, 1997, Council approved a motion requesting the Provincial Government to amend the Vancouver Charter to enable the City to regulate the conversion and demolition of SRO hotel rooms providing residential accommodation. The Provincial Government amended the Charter (S. 193D) in July 1997.

On October 1, 1998, Council approved "A Program of Strategic Actions for the Downtown Eastside." Key recommendations included improving existing SROs, maintaining and upgrading housing for existing residents, and building replacement low-income housing.

On October 16, 2001, Council adopted a policy to maintain and expand housing opportunities in Vancouver for low and modest-income households with priority being given to: families with children; seniors on fixed incomes or in need of support; SRO residents; the mentally ill; the physically disabled; and others at risk of homelessness.

On March 26, 2002, Council endorsed the City's involvement in the Vancouver 2010 Olympic Winter Games and Paralympic Winter Games bid and that the City of Vancouver work with the

Vancouver 2010 Bid Corporation to work with community members to minimize the negative effects and to maximize the opportunities of hosting the Winter Games. The Inclusive Intent Statement (included in the Guarantees of the Bid Book) states that the goal is to ensure no evictions will occur as a result of the 2010 Winter Games.

On October 21, 2003, Council enacted the Single Room Accommodation By-law (SRA) to help manage the rate of change in the low-income housing stock.

On October 23, 2003 Council amended the Zoning and Development By-law to require an SRA Permit prior to the issuance of a Development Permit.

On June 14, 2005 Council adopted the Homeless Action Plan which makes recommendations in three areas to address homelessness: income, housing and support services.

On September 22, 2005 Council adopted the Housing Plan for the Downtown Eastside which outlines a number of actions, generally to maintain low-income housing stock in the Downtown Eastside at 10,000 units and replace existing SROs with better quality, self-contained social housing units over time.

SUMMARY

When the SRA By-law was approved by Council in October 2003, staff committed to monitoring the implementation of the By-law and updating Council on the progress of the By-law as required, including periodic amendments to the list of designated SRA buildings to remove those properties for which Council has approved exemptions and conversions or demolitions.

To date, staff have provided updates to Council on two previous occasions - June 8, 2004 and March 31, 2005. This report continues staff's commitment to update Council on the current status of the By-law. As well, it addresses the following motions which Council has referred to staff for report back:

- **Moratorium on SRA Conversions:**
On October 19, 2006, Council referred to staff the motion to *"impose a moratorium on any conversions or demolitions of SRA accommodation with the exception of conversions or demolitions that result in the development of social housing, shelters or SRA, pending a report from staff on the threat to this crucial housing"*; and further to *"direct staff to recommend measures necessary to strengthen the SRA bylaw, including increasing the conversion fee"*.
- **SRA Conversion Fee:**
On November 14, 2006, Council referred to staff the motion that *"the SRA By-law be amended so that the conversion fee of \$5,000 be raised to \$50,000 per unit"*.

PURPOSE

This report recommends amendments to remove from Schedule A of the SRA By-law those properties for which Council approved exemptions and conversion/demolition permits since March 2005 when the By-law was last amended. The report also provides an update on the administration of the SRA By-law including:

- the number of applications to convert or demolish designated rooms, number of buildings, rooms and tenants affected, the location of the affected buildings, the outcome of the applications and of the conversion and demolitions approved; and,
- any recommended amendments to the SRA By-law and its administration.

This report also addresses a number of matters related to the SRA By-law including:

- increasing the conditional \$5,000 per room fee, which Council may attach to an SRA conversion or demolition permit, to \$15,000 per room;
- application to amend provisions of the Vancouver Charter which require the City to deduct the SRA fee from the replacement housing component of the Development Cost Levy;
- monitoring and ensuring compliance with the SRA By-law;
- factors to be considered by Council when applications to convert or demolish SRA come forward, including a possible moratorium
- student housing as it relates to buildings designated under the SRA By-law; and,
- possible incentives for well-managed SRA.

An accompanying report titled "Downtown Eastside Housing Plan - Report Back on SROs" is being presented to Council concurrently; it provides a series of recommendations to improve livability in SROs and to keep them open until they can be replaced by better-quality low-income singles social housing.

BACKGROUND

History of the SRA By-law: The SRA By-law was approved in response to concerns about the loss of low-cost housing stock in the Downtown Core. In 1997, when the Province granted Charter authority to the City for a by-law regulating Single Room Accommodation, there were 7,523 SRO rooms in the Downtown Core. According to the Housing Centre's biannual *Survey of Low Income Housing in the Downtown Core*, between 1997 and 2003, there was a loss of more than 1,200 rooms (16% of the stock or an average of 170 a year). While the creation of replacement units during that time period generally offset those losses, the cancellation of the provincial *HOMES BC Program* in 2001 created uncertainty about the future production of low-income non-market housing.

In addition, a 2003 PriceWaterHouseCoopers study (*SRO Conversion/Demolition Update for the Downtown Vancouver, 2001-2015*) forecast that an estimated 1,600 to 1,800 SRO rooms would be lost between 2001 and 2015 (an average of 114-128 per year without the SRA By-law or conversion/demolition fee). It was anticipated that the pressure to demolish SRO buildings for higher value residential redevelopment would likely accelerate as sites in the Downtown peninsula approach build-out. As well, the pressure to convert to tourist use would likely also increase as the international profile of Vancouver increases with the approach of the 2010 Winter Olympics. In light of these factors, a mechanism to control the loss of the existing stock was required.

On October 21, 2003, Council enacted the SRA By-law to regulate the conversion and demolition of single room accommodation in the Downtown Core.

The List of Buildings with Designated SRA Rooms: When the By-law was enacted in the fall of 2003, 198 buildings with a total of 9,418 rooms in the Downtown Core were designated and included in Schedule A of the By-law. These include:

- all the rooming houses and residential hotels (as identified in Appendix A of the Housing Centre's *2003 Survey of Low-income Housing in the Downtown Core*);
- all non-market housing which consists of, or includes rooms and one bedrooms that are less than 320 square feet (Appendix B in the *2003 Survey*); and
- all buildings and rooms that have been closed due to fire or other reasons (closed and vacant rooms could re-open as SRA and being vacant at the time of designation was not considered an allowed reason for not being designated) (Appendix D in the *2003 Survey*).

It should be noted that SNRFs (Appendix C in the *2003 Survey*) are not included on the list because they are not governed by the Residential Tenancy Act.

IMPLEMENTATION OF THE BY-LAW SINCE ENACTMENT

Since enactment, Council has approved a number of applications for SRA conversion and demolition permits, as well as for exemptions from the By-law.

Obtaining an Exemption from the SRA By-law: As noted above, the list of buildings with designated rooms was based on the Housing Centre's *2003 Survey of Low-Income Housing in the Downtown Core*. The purpose of this bi-annual survey is to monitor the low-income housing stock and to track changes to the number of buildings and rooms, vacancy rates and rents. However, it does not identify which rooms in a building are greater than 320 square feet or which rooms are used for non-permanent resident purposes such as tourist (or transient guest) use. As well, some buildings on the list had already been substantially or totally converted to transient guest or other non-residential uses prior to enactment of the By-law. Those buildings remained on the list since they may have included rooms rented to permanent residents all or part of the year even if their primary business was tourist use.

The SRA By-law was structured so that affected property owners could request that all or a portion of rooms in their buildings be exempted from Schedule A of the SRA By-law. To be eligible for an exemption under the By-Law, owners must complete an application form and provide evidence satisfactory to Council that from and after October 21, 2003 (the date of enactment of the SRA By-law):

1. a) a permanent resident did not occupy or customarily occupy the room as living accommodation; and,
b) the room is not in a building or portion of a building classified under the Assessment Act and its regulation as Class 1-residential; and,
c) the room is in a building or portion of a building in respect of which the owner has an obligation to pay or remit hotel room tax under the *Hotel Room Tax Act* and its regulations;
OR,
2. the designated room is greater than 320 sq. feet.

There is no application fee for owners seeking an exemption for designated rooms. If the applicant satisfies Council that all applicable requirements and conditions of exemption have been met in accordance with Section 3.1 of the By-law, Council must grant the exemption.

To date, Council has approved 9 exemptions for a total of 470 rooms (see Table 1 below). Eight of the owners applied for exemption from the By-law on the basis that they were operating as tourist accommodation before the enactment of the By-law in October 2003. One owner (The Empress Rooms) filed for exemption as 7 rooms were larger than 320 sq. ft.

All of the owners were able to submit evidence to substantiate their claims and therefore these rooms were exempted.

Table 1: Summary of Council-approved Exemption Applications

Address	Name	# Designated Rooms Exempted	Date of Council Approval
1176 Granville St.	Howard Johnson	110	2003 Nov 18
1221 Granville St.	Ramada Inn and Suites	116	2003 Nov 18
1018 Granville St.	Global Village Backpackers	67	2004 Feb 10
310 Cambie St.	Cambie International Hostel	42	2004 Mar 23
515 Seymour St.	Seymour/Cambie Hostel	37	2004 Mar 23
1212 Granville St.	Ambassador	38	2004 Mar 23
826 W. Hastings St.	Jolly Taxpayer	34	2004 Nov 02
434 Richards St.	Empress Rooms	7	2005 Jun 30
347 W Pender	New Backpackers Hotel	19	2006 Oct 03
TOTAL		470	

Obtaining an SRA Conversion or Demolition Permit: Under the By-law, an owner wanting to convert or demolish designated SRA rooms must apply to Council for a conversion or demolition permit.

Since enactment staff have received a number of enquiries regarding applications for conversion or demolition permits. Each proposed project involving the conversion or demolition of single room accommodation has been dealt with on a case-by-case basis to respect the particular circumstances of the application.

General guidelines have been used to determine whether a conversion or demolition permit is required for proposed work being completed on a building with designated SRA rooms. A conversion or demolition permit is generally not required if:

- The work involved is of a cosmetic nature only (i.e., the applicant is updating existing fixtures only and is not demolishing walls, or installing new fixtures, drywall, etc.); and,
- The number of designated SRA rooms is NOT being reduced; and
- The nature of the renovations does NOT result in "conversion" as defined under the SRA By-law (i.e. no material effect on the well being of tenants).

For those proposed projects that require a conversion or demolition permit, the owner must pay an application fee of \$1,000 for the first ten rooms and \$100 for each subsequent designated room that s/he is seeking to convert or demolish, up to a maximum application fee of \$6,000. Council considers each application on its own merits. Council can refuse the application, approve it outright, or attach conditions to the approval. In making a decision on whether or not to approve a permit to demolish or convert a building with designated SRA rooms, the Vancouver Charter requires that Council consider the following factors:

- the accommodation that will be available to the tenants affected by the conversion or demolition;
- the supply of low cost accommodation in the Downtown Core;
- the condition of the building; and,
- the need to replace or improve, over time, single room accommodation in the city.

Conditions for Approval of an SRA Conversion or Demolition Permit: Council may attach one or more conditions to the approval of an SRA conversion or demolition permit to achieve public objectives. These conditions include the owner entering into a Housing Agreement, a Heritage Revitalization Agreement, paying \$5,000 per room into a reserve fund for the creation of replacement housing, and other conditions as Council deems appropriate. The \$5,000 per room conversion/demolition fee will be discussed further in a later section of this report.

To date, staff have processed and reported to Council 14 conversion or demolition permit applications for decision as outlined in Table 2.

Table 2: Summary of Council-approved Conversion and Demolition Permit Applications

Address	Building Name	No. of Rooms	No. of Tenants Requiring Relocation	Date of Council Approval	Conditions: 1. Housing Agreement; 2. Heritage Revitaliz'n Agreement; 3. \$5,000/room; 4. Voluntary Contribut'n 5. Special Needs Fac.	Replacement Units/Remain in SRA Stock
806 Richards	Plaza	33	0	2003 Nov 04	3	0
511 Union		8	4	2003 Dec 10	2 and 4	0
24 Water	Grand	44	0	2004 Mar 09	2	0
1212 Granville	Ambassador	4	4	2004 Mar 23	1	0
1261 Granville	Granville Hotel	100	30	2004 Jun 08	1	83
746 Richards	Passlin	43	32	2004 Sep 28	1	46
510 Homer	Victorian	56	0	2005 Feb 01	3	0
309 Carrall	Rainier	48	0	2005 May 12	1	48
909 Richards	Roseberry	8	4	2005 May 26	3 and 4	0
434 Richards	Empress Rooms	11	0	2005 Jun 30	3	0
137 E Hastings	Onsite	18	17	2006 Apr 04	5	30
412 Carrall	Pennsylvania	70	0	2006 Jul 11	1 and 2	44
210 Carrall	Spinning Wheel	27	0	2006 Jul 11	2 and 3	0
53 W Hastings	Strathcona	56	0	2006 Sep 26 (previous approval on 2005 Jun 16 was rescinded)	2	0
TOTAL		526	91			251

Details of each of the above conversion or demolition permit applications approved by Council are provided in Appendix B.

As indicated in the above table, since enactment of the SRA By-law, Council has considered applications for the conversion or demolition of 14 buildings with a total of 526 rooms. All have been approved with conditions:

- Seven (7) conversion/demolition applications were approved subject to heritage requirements and five (5) applications were approved subject to housing agreements, e.g. requirements that the units be rental.

- Seven (7) conversion/demolition permits were granted to buildings that were totally vacant prior to the enactment of the by-law (3 of these with rooms that had been vacant since the 1970's). None of the 289 rooms in these 7 buildings were occupied and consequently no tenants were displaced. NOTE: Vacant SRA rooms are still designated under the SRA By-law; owners wanting to convert or redevelop these rooms must still obtain Council approval.
- Six (6) conversion/demolition permits were granted to buildings which were partially occupied. Out of a total of 180 rooms in these 6 buildings, 91 rooms were occupied and the tenants received assistance in relocation.
- Council has levied a total of \$440,000 in SRA payments and received \$60,000 in voluntary contributions towards the Replacement Housing Fund. Note: The Vancouver Charter requires that monies collected under the SRA By-law be deducted from any development cost levies to a maximum of the replacement housing component of the DCL By-law. As two out of the 14 projects require DCL payments, a deduction of \$205,000 from the replacement housing component of DCL resulted. This issue is addressed in a later section of this report.
- Not all conversion/demolition permits have resulted in loss of SRA rooms. Under the SRA By-law, renovations which change the physical layout of a room, e.g. increasing the area of a room or adding a bathroom and cooking facilities would require a conversion permit but the room would remain SRA-designated if less than 320 square feet. Four such conversion projects were approved by Council resulting in 205 improved SRA units, while the fifth project provided 46 replacement social housing (self-contained) units.

Summary: Generally, the conversions and demolitions to date have been approved on the basis that they generated replacement social housing units, and/or provided significant heritage benefits, and/or that the rooms had been vacant for many years.

To date, four types of conversion/demolition applications have been put forward to Council for approval. They are 1) redevelopment to strata condominium, 2) conversion to tourist hotel, 3) conversion to market rental, and 4) conversion to social or low-cost housing. The following table shows a breakdown of each type of application and the corresponding number of rooms affected:

Table 3: Summary of Conversion and Demolition Permit Applications By Type:

Type of Conversion/Demolition Application	Total # of Rooms Lost (2003-2006)	Average # of Rooms Lost per Year (2003-2006)
Redevelopment to Strata Condos	192	64
Conversion to Tourist Hotel	60	20
Conversion to Market Rental	38	13
Conversion to Social or Low-cost Housing	236	78
GROSS LOSSES:	526	175
Minus: Replacement Units	251	83
SUBTOTAL:	275	92
Minus: Long Term Vacant Rooms	111	37
NET LOSSES:	164	55

Pending Applications for Exemptions and Conversion/Demolition Permits: As of the date of this report, there are 3 conversion/demolition permit applications and 3 exemption applications in process, as summarized in the following Table 4:

Table 4: Summary of Pending Applications for Conversion/Demolition Permits and Exemption:

Type of Application	Address	No. of Rooms/ Total	Description	No. of Tenants Requiring Relocation	Replacement units/Remain in SRA Stock
Exemption:	403 E Hastings	101/195	Tourist Accom.	0	N/A
	666 Alexander	5/9	≥320 sq. ft.	0	N/A
	399 Smithe	10/24	≥320 sq. ft.	10	N/A
TOTAL EXEMPTIONS:		116/228		10	
Conversion/ Demolition:	71 E Hastings	16/16	Vacant for over 30 years	0	19
	9 W Cordova	22/22	Vacant for over 30 years	0	0
	399 Smithe	14/24	Market Rental	13	0
TOTAL CONV'S/DEMO'S:		52/62		13	19

Limitations of the SRA By-law: The Province amended the Charter at the City's request in 1997, giving the City the power under the SRA By-law to regulate the conversion and/or demolition of rooming houses and residential SRO hotels. The Charter, however, does not allow the City under the purview of the SRA By-law to regulate rents or users (e.g. students) or to require SRA rooms to remain open if they are no longer economically viable. The SRA By-law also does not control situations where landlords evict tenants or close buildings. Evictions are governed by the Province's Residential Tenancy Act. An owner has the right to close an SRA building but cannot demolish or convert it to another use, such as a tourist hotel, without the City's approval.

CURRENT STATUS of SRA

SRA Closures: The typical SRO building is about a hundred years old, has structural, plumbing and electrical problems, and does not meet today's seismic code. SRO buildings that are not well-managed and maintained will often find themselves in violation of City Health, Building, Fire and Standards of Maintenance By-laws. For a private SRA owner, the economics of properly managing and maintaining an SRA at current rent levels (i.e. at or just over the shelter allowance of \$325 that has been frozen since 1991) are challenging. Adding to this challenge is the nature of the tenants, many of whom face mental illness and/or drug addictions, and are in need of some type of supportive housing either in a care facility or an institutional environment. Walls, doors, fire safety equipment, plumbing facilities, etc. are all subject to damage by tenants in need of treatment and care. Many SRO owners either cannot afford to maintain or staff their buildings adequately, or they disinvest in the property in anticipation of future redevelopment opportunities. Often this results in building closures either by the owner voluntarily or by the City. The following is a list of SRO buildings closed since the enactment of the By-law:

SRO Closures since October 21, 2003 (SRA By-law Enactment Date)			
Building	No. of Rooms	Date closed	Details
New American Hotel 928 Main	37	08/2006	Pub closed by City; Owner evicted tenants on the basis of building repairs; no records of any permits on file; building remains vacant
Burns Block 18 West Hastings	18	03/2006	Deemed unsafe due to Fire By-law violations; building remains vacant
Pender Hotel 31 West Pender	37	02/2006	Deemed unsafe due to Building By-law violations; building remains vacant
New Wings Hotel 143 Dunlevy	55	04/2005	Several business license hearings and numerous serious police incidents; owner received CMHC's RRAP grant in 2005 and closed building for renovations; building will be reopening by the end of 2006 under new non-profit management
Marr Hotel 401 Powell	24	07/2004	Business License revoked due to numerous non-compliances with the Standards of Maintenance By-law; building remains vacant but is currently being renovated and will reopen as a for-profit SRA
TOTAL	171		

A number of Downtown Eastside community groups have expressed concerns about the future of the closed SRO buildings and are seeking regular updates from staff about any proposed SRA conversion or demolition and/or development permit applications. A search of our records indicates the following:

New American Hotel: To date, staff have not received any formal applications regarding any potential projects on this property.

Burns Block: The owner put the property up for sale soon after its closure in March 2006. The property is still listed for sale at a price of about \$2 million, almost 4 times what the owner paid for in 2003. Meanwhile, staff have not received any formal applications to redevelop. However, the owner has called staff on several occasions regarding possible incentives that could make the reopening of his building as SRA more economically feasible.

Pender Hotel: The current owner bought the Pender soon after its closure in February 2006. In April, the owner put forward a proposal to staff for the conversion of the Pender to a "boutique hotel". This proposal was reviewed by staff from Heritage Planning, Development Services, Central Area Planning and Housing Centre and did not receive support. To date, no formal applications have been received, although recent inquiries to staff seem to indicate that a conversion to a boutique tourist hotel is still being contemplated.

New Wings Hotel: After 1½ years of closure, renovations have finally completed and the rooms will be reopening by the end of 2006 under new non-profit management.

Marr Hotel: On October 14, 2005, the owner obtained a building permit to renovate the hotel's 24 SRA rooms. Renovations are still in progress and the building is expected to reopen within the next six months. These rooms will remain in the SRA inventory.

Vacancies: The Housing Centre surveys the low-income housing stock in the downtown core every two years, and monitors vacancy and rental rates as well as tracks any changes in the number of units. According to the *2005 Survey of Low-Income Housing in the Downtown Core*, out of an estimated 5,800 rooms in the 134 privately-owned SRA buildings surveyed, there were 573 units vacant, giving a vacancy rate of 10%. Sixty percent of the vacant rooms (or 344 rooms) were concentrated in 15 of the 134 SRA buildings. The 2006 closures of the American Hotel, the Burns Block and the Pender Hotel removed 91 rooms from the stock. The average vacancy rate was unaffected but the number of rooms available was reduced based on the 2005 survey to 482 rooms, assuming the tenants moved into other SRA buildings.

The bi-annual survey of low-income stock only includes rooms that are vacant and available in the vacancy rates. Closed rooms are excluded. However, vacant SRA rooms are still designated under the SRA By-law. While an owner can voluntarily close an SRA building as the By-law has no control over this type of closure, s/he cannot demolish or convert a vacant room or building to another use, such as a tourist hotel, without the City's approval.

It should be noted that finding vacant rooms that are available is becoming more difficult. The City and Province, with the participation of non-profit organizations, have initiated an active outreach program to move homeless from the street and into housing. SRO units for the outreach undertaking to date have been found, but finding rooms for a large scale relocation or outreach program could be a problem.

Pressure from Current Speculation and Development Market: In addition to the six applications currently in process (see Table 4 on page 9), staff are also dealing with a number of formal enquiries relating to potential demolition and redevelopment of SRA properties that have just sold, or are for sale with options to purchase. The continuing demand to purchase and develop condominium apartments in the downtown area is contributing to escalating land values in the Downtown Eastside, and many SRA hotel owners have put their properties up for sale as a result. Between March and October 2006, staff is aware of 13 SRA-designated properties (totalling 606 rooms) in DTES which have been sold in this eight-month period, at average asking prices almost double what they were when the By-law was enacted in 2003. Although these sales may or may not lead to future conversions or demolitions, interest to develop DTES sites has intensified in the weeks leading up to and following the successful sales of Woodward's market condos.

SUBSTANTIVE ISSUES RELATING TO ON-GOING IMPLEMENTATION OF THE BY-LAW

The SRA By-law is intended to manage the rate of change of low-cost housing in the Downtown Core. It is difficult to say how many potential demolitions or conversions have been or will be deterred because of the By-law. It is interesting to note, however, that many would-be applicants now are more aware of the \$5,000 per room SRA fee and are considering the fee as part of the cost of doing business. Some options that are being explored in order to slow down conversions and demolitions of SRA involve a review of the following issues:

The Conditional \$5,000 per room Demolition/Conversion Fee: A key component of the SRA By-law as a mechanism to manage the rate of change, is a \$5000 per room demolition fee which Council may impose as a condition of issuing an SRA conversion or demolition permit.

When staff recommended the \$5,000 per room fee in 2003, the decision was based on a 2003 PriceWaterHouseCoopers study which projected that if a \$5,000 per room fee were levied, there would be an estimated loss of 1,000 SRA rooms between 2001 and 2015 due to conversions or redevelopment of SRA (or an average of 70 rooms lost per year) - as opposed to 1,100 SRA rooms (or an average of 80 rooms lost per year) during the same period, in the absence of a By-law or fee.

Since enactment of the By-law, between 2003 and 2006, Council has approved conversion and demolition permits for 14 buildings totaling 526 rooms (see Table 2 on page 7). However, 4 of these conversions did not result in loss of rooms, but rather resulted in 205 improved rooms which remained in the SRA inventory. As well, another conversion project resulted in 46 replacement self-contained units which, although not SRA-designated, will provide social housing to low-income tenants. Therefore, effectively, the 14 conversion and demolition permits approved by Council generated a net loss of 275 rooms (see Table 3 on page 8). This amounts to an average of 92 rooms lost per year since enactment of the By-law in October 2003.

It should be noted that the losses would have been significantly higher without the SRA By-law, as the City would not have been able to secure replacement units or the retention of SRA-designation without using the By-law as leverage. But with respect to the \$5,000 fee acting as a deterrent and as evidenced by current real estate activities, property sales prices and land values have increased significantly to almost double of what they were before By-law enactment. This is causing increased speculation amongst the SRA industry, and in some instances, resulting in disinvestment by some SRA owners in their properties in anticipation of future redevelopment opportunities. Furthermore, there is currently no commitment from senior government to fund social housing that would replace SRA. Until there is, Council may want to consider increasing the \$5,000 fee to limit further conversions and demolitions.

In light of the above and the current development market, staff is recommending that the SRA conversion/demolition fee be increased. It is important to note that the SRA conversion/demolition fee was not based on the cost to replace SRA but on what disincentives would be required to keep losses at replacement levels. As current sales trends indicate that selling prices of condos and land values have almost doubled since enactment of the By-law, staff recommend that the \$5,000 SRA fee be at least doubled. And given the lack of senior government funding for replacement housing, it may not be possible to replace the 70 units per year anticipated by the PriceWaterHouseCoopers study. Therefore, it is recommended that the fee be increased to \$15,000 per room and that the fee be reviewed in two years (2008) to ensure that it is achieving the objective of maintaining the rate of SRA losses to the level of replacement housing.

SRA Fees and Development Cost Levies: The Vancouver Charter requires that the \$5,000 per room conditional fee, which Council can attach to a conversion or demolition permit, be deducted from the component of the Development Cost Levy (DCL) allocated to replacement housing. The result of this is that the SRA By-law fees would not impact the viability of demolishing SRA for sites that comprise larger redevelopments. (NOTE: the fee does have an impact on potential SRA conversions as conversions generally do not generate DCLs unless additional floor space is added).

To date, two conversion/demolition permits have been issued to developers who were required to pay both the \$5,000 per room SRA fee and DCL as their projects involved new development. One was the Roseberry, the other was the Plaza. In the case of these two hotels, the SRA fee and DCLs combined would have covered only 10% of the cost to replace the SRA units. The fee is designed to discourage the demolition of SRA. The requirement to deduct the SRA fee from the DCLs would eliminate this disincentive and render the fee ineffective.

Staff therefore recommend that Council make application to the Province to amend the Vancouver Charter to eliminate the requirement to deduct the SRA fee from the replacement housing component of DCLs. As changes to the Charter could be a long process, staff further recommend that in the interim, Council adopt a policy to consider, on a case-by-case basis,

requiring a Housing Agreement as a condition of any conversion/demolition permit for redevelopment projects involving the loss of SRA.

Moratorium on SRA Conversions and Demolitions

The lack of replacement housing for single-room occupancy hotels, most of which are close to 100 years old and need to be replaced, the increasing homelessness in the City and region, and the increasing development pressures in the Downtown Eastside have all raised the issue of whether a moratorium should be placed on the conversion or demolition of SRA buildings at least until 2010. A moratorium is not recommended at this time as it could preclude projects that would convert SRA into self-contained social housing units, for example, the Granville and Pennsylvania Hotels, or the replacement housing generated through rezonings (e.g. L'Hermitage at Richards and Robson). As well a moratorium would not stop the closures of buildings which the SRA By-law cannot control, e.g. the Pender or the Burns Block.

A moratorium with exceptions would be difficult to administer and would likely require reporting to Council to seek advice whether the moratorium would be applicable to individual proposals or not. As each application is reported to Council for consideration now, a preferred approach would be to clarify the factors that would be considered to ensure that SRA owners/purchasers fully understand Council's intent.

The tripling of the conversion/demolition fee to \$15,000 per room should reduce the viability of conversion/demolition and consequently the number of applications. To address the closures of SRA buildings outside the SRA By-law, and to ensure the SRA owners and potential purchasers appreciate the importance of keeping the SRA rooms open and operating, it is recommended that Council add an additional factor to the four prescribed by the Charter that Council must consider when presented with an application to convert or demolish an SRA. The additional factor recommended is the recent history of the hotel taking into account any by-law infractions, including compliance with the Standards of Maintenance, Building, Fire and Health By-laws; the Residential Tenancy Act and other relevant Provincial regulations; whether the building has been operating and occupied; tenant support and relocation plans, etc. It is recommended that the SRA By-law be amended to add this factor to the four included in the By-law now.

Monitoring and Ensuring Compliance with the By-law: SRA staff are working closely with Property Use Inspectors (PUIs) in monitoring SRA. PUIs inform SRA staff of change of ownership in order to ensure that the new owners can be made aware of the requirements of the By-law. PUIs and SRA staff are in frequent communication regarding any renovations or changes being carried out with or without permit to ensure that the SRA By-law requirements are being adhered to. Finally, all information is noted in PRISM (the City's permit review and inspections system) to ensure that other permit staff are aware of the history of any SRA issues related to specific properties.

Since enactment of the By-law, PUIs have conducted site visits of SRA-designated buildings as part of their regular Standards of Maintenance By-law inspections. SRA staff have developed an inspection report and checklist (Appendix C) that is used by the PUIs to assist in the ongoing monitoring of SRA. The PUIs have also responded to individual requests for SRA By-law related inspection based on complaints received.

Some of the items the PUI checks for under the SRA By-law include:

- Notice of Designation (Appendix D) - required under Section 2.3 of the By-law to be permanently posted in a conspicuous location, eg. Front office, lobby, etc.;

- Guest ledgers - required under Section 5.2 of the By-law as part of record maintenance;
- The number of rooms, if any, that are being rented on a nightly basis - Section 4.12 of the By-law restricts nightly rentals to a maximum of 10% of all designated rooms in the building; and
- If any work relating to conversions or demolitions of rooms is being carried out without prior approval from Council.

If any contraventions of the SRA By-law were revealed during the inspections, the PUI would refer to SRA staff for appropriate action.

Since enactment of the By-law, SRA staff has coordinated efforts with Property Use Inspections and By-law Administration staff on the following issues:

1. **Student housing in SRA-designated buildings:** Some SRA building owners are renting to students, and there is a concern in the community that students will be favoured as tenants because of their ability to afford higher rents. While some students are choosing to live in SRA because they provide relatively affordable accommodation, as long as the rooms are rented on a monthly basis, there is no contravention of the SRA by-law. There is a potential issue with landlords renting SRA rooms to students on a weekly basis. Staff are monitoring this and are pursuing enforcement of the By-law where it is contravened. It is important to note that the By-law regulates use and not the users (i.e. the type of tenants that an owner may accommodate).
2. **Compliance with conditions attached to the approval of a conversion permit:** There has been one instance of an SRA building being renovated in contravention of both the SRA and the Building By-laws. Council approved this conversion application on the condition that all other City permits be obtained and the unapproved work done without permits be made safe and approved by the Chief Building Official. Although it has been over a year since Council's decision, the condition remains outstanding. Staff are currently pursuing enforcement action under the Building By-law as most of the infractions are building code issues.
3. **Complaints from the community regarding illegal conversions:** There have been complaints regarding illegal conversions of SRA rooms to tourist use. Inspections are being carried out and evidence is being collected. Enforcement options are currently being reviewed.
4. **Exemption compliance:** Staff are aware of some SRA owners/operators that have been providing accommodation for tourists from the date of enactment of the By-law and therefore may be eligible for an exemption, but have not come forward for an exemption. There are no time limits specified in the By-law for owners seeking an exemption of designated rooms. Staff will send another letter reminding owners and operators of the requirements of the By-law, as well as encouraging those who may be eligible for an exemption from the By-law to contact staff.

The Housing Centre, through the bi-annual *Survey of Low-income Housing for the Downtown Core*, also monitors vacancies, rent rates, etc. Staff that conduct surveys for this report also refer any infractions to PUI and SRA staff. This systematic data collection takes place every two years. The next survey is scheduled for 2007.

Possible Incentives for Well-Managed Private Sector SRA Buildings: As noted previously, staff are dealing with a number of enquiries dealing with SRA designated buildings. A number of these enquiries come from private owners seeking incentives that the City could offer to help improve the economic viability of their SRA operations.

The Downtown Eastside Housing Plan, the Homeless Action Plan, and the SRA By-law recognize the importance of the affordable housing stock provided by SRA hotels and set strategic directions to sustain this housing stock pending its replacement. To address the various challenges faced by building owners and operators, a number of initiatives are underway under the auspices of the Vancouver Agreement. The objective of these initiatives is to work in partnership with motivated hotel owners/operators to improve living conditions in SRA in the Downtown Eastside. City-supported Vancouver Agreement initiatives include:

- Building improvements to SROs
- SRO Management Training Program
- Tenant Support Services
- Bed Bugs Pilot Project

An accompanying report which updates Council on the Downtown Eastside Housing Plan and provides a series of recommendations to improve livability in SROs and to keep them open until they can be replaced by better-quality low-income singles social housing, is being presented to Council concurrently.

PROPOSED AMENDMENTS TO THE BY-LAW

In addition to required periodic amendments to Schedule A (to remove those designated rooms for which Council has approved exemptions and SRA conversion or demolition permits), staff have identified a number of amendments to the By-law that would assist in administration and enforcement.

Amendments to Schedule A of the By-law: Periodically staff need to amend the list of designated SRA buildings to remove those that have been demolished or converted. This report recommends the removal from Schedule A of the SRA By-law of the following properties for which Council has approved exemptions, as well as SRA conversion or demolition permits:

Exemption: 347 W Pender Street (New Backpackers Hotel)

SRA Conversion/Demolition Permits:

- 434 Richards Street (Empress Rooms)
- 909 Richards Street (Roseberry House)
- 746 Richards Street (Passlin Hotel)
- 24 Water Street (Grand Hotel)

Revision: 333 Columbia (Secondary Addresses: 325 & 335 Columbia St.; 77 E Hastings St.) - there are 2 interconnected buildings straddling 3 lots at this property. While all of the main and secondary civic addresses for this property have been included in Schedule A, the legal description needs to be updated to include all 3 lots.

Provision for Time-Limited SRA Permits: Currently, there are no provisions in the By-law which allow for temporary conversions. Recently, the Vancouver Coastal Health Authority and Portland Hotel Society jointly entered into a ten-year lease agreement with the owner of a privately-owned SRA building, to convert the building's 18 SRA-designated rooms to a

Special Needs Residential Facility (SNRF) for clients of In-Site (the Safe Injection Site). As the proposed change from SRA to SNRF providing short-term transitional housing constituted a conversion under the By-law, Council approval of an SRA conversion permit was required and granted.

Even though the Development Permit for the SNRF use is time-limited, as is the lease agreement, the SRA conversion permit is not. Technically, under the By-law, once the conversion permit is granted and the actual conversion had taken place, the building can be removed from the SRA By-law.

Staff therefore recommend that a section be added to the By-law to allow for time-limited conversion permits and that the SRA-designation resumes once the temporary use expires.

Provision to Terminate Council Preliminary Conditions: The By-law sets time limits on SRA conversion or demolition permits that have been issued with conditions. The applicants have 12 months to comply with and remove these conditions. However, there is no time limit from the date Council approves a permit to when it is issued. This has proven to be a problem as the delays are due to the applicant being unwilling or unable to address the issues that must be resolved prior to the issuance of the conversion or demolition permit.

There are currently four applications (2 exemptions and 2 conversion permit applications) that have been dormant despite attempts from staff to reactivate. Two of these applicants have in fact sold their SRA properties and the new owners have been notified. There are currently no provisions in the By-law to terminate applications that have been inactive for a period of time for various reasons (eg. project abandoned, unable to meet condition attached to the approval of a conversion permit, etc.). Staff therefore recommend a section be added to the By-law requiring that if the permit has not been issued within 12 months, Council approval will lapse.

Maintenance of Records: Section 5.2 of the By-law sets out the requirements for maintenance of records. It states: "An owner must maintain within the building, for the then current calendar year and the three immediately preceding calendar years, records pertaining to each designated room including:

- a) records required to be kept under the Hotel Guest Registration Act;
- b) records required to be kept under the Hotel Room Tax Act;
- c) records required to be kept under the Social Service Tax Act;
- d) property tax assessment records;
- e) guest ledgers; and
- f) rent receipts showing the room number, name of each permanent resident or transient guest, amount of rent, and period of time to which the rent payment applies."

It is the experience of the Property Use Inspection staff that collection of records from SRO operators is a challenging and, at times, impossible task. Many guest ledgers are haphazardly put together and are interchangeable with the rent receipt books. It is challenging enough just to enforce requirements under the City's own jurisdiction, let alone legislation which is under the purview of the Province, such as those listed in Sections 5.2 (a) (b) and (c).

It is therefore recommended that Sections 5.2 (a), (b), and (c) be deleted. It is further recommended that a new standardized "room registration form" be developed and added as Schedule C to the By-law, and that an owner be required to maintain the completed forms within the building for a minimum of four years (current year plus 3 subsequent years). Some of the information on the new standardized form would include: occupant's name, occupant's permanent home address, picture identification (eg. Driver's License or Date of Birth), room

number occupied, room rate per day/week/or month, dates and length of stay (whether daily, weekly or monthly), method of payment, emergency contact, social service contact (name of agency), etc. A sample of the proposed Room Registration Form is attached as Appendix E.

Clarifying Definitions: Currently, "Permanent Resident" and "Transient Guest" are defined as follows: "*Permanent Resident*" means an individual who, in return for rent, occupies or usually occupies a room as his or her residence. "*Transient Guest*" means a tourist, hosteller, or other individual who, in return for rent, occupies a room on a transient basis for business or pleasure, and not as his or her residence. The definitions lack precision and hotel owners are finding it difficult to understand the distinction. Staff therefore recommend that these definitions be clarified to specify a 30-day length of stay which would constitute permanent residency versus transient stay.

Housing Agreement: Section 4.6(d) of the SRA By-law sets out that Council may, as a condition of approving a conversion or demolition permit for a designated property, require the owner to execute and deliver to the City any instrument required by Council, and register such instrument against the title of the property. Over the last three years, staff has been using this section of the By-law to effect the requirement of a Housing Agreement as a condition for approval of a conversion/demolition permit. As the Vancouver Charter specifically refers to a Housing Agreement as being the legal instrument which Council may require as a condition of a permit, staff therefore recommend that Section 4.6(d) of the By-law be revised to replace the word "instrument" with "Housing Agreement". This revision would be consistent with Sections 4.6 (b) and (c) of the By-law, both of which specifies the names of the legal instruments, i.e., a Heritage Revitalization Agreement and a Section 219 Covenant.

Specifying Room Numbers for the 10% Permitted Nightly Rentals: Section 4.12 of the SRA By-law provides owners of SRA buildings with the option to rent out vacant SRA rooms, up to a maximum of 10% of the total number of SRA rooms in the building, to transient guests on a nightly or weekly basis. In order to facilitate records' maintenance for owners and improve inspection process for staff, it is recommended that owners identify the specific room numbers that are set aside for transient guests on their business license.

RESOURCES

The continued implementation and administration of the SRA By-law require permanent staffing resources to continue administering it. The proposed changes aimed at strengthening the By-law also require additional inspection staff to monitor and ensure compliance with the By-law. Subject to Council approval of the recommendations included in this report, the Director of the Housing Centre and the Deputy Chief License Inspector will report to Council with any additional staffing resource requirements in early 2007.

CONCLUSION

This report provides an overview of the implementation of the Single Room Accommodation By-law since its enactment on October 21, 2003. While the By-law is so far having a desired effect on managing the rate of loss of low-income housing in the Downtown Core, recent pressures from the development market as well as the lack of senior government funding for replacement housing warrant a review of the By-law to look at measures that would improve its effectiveness and promote compliance. This report also addresses motions recently put forward by Council in relation to strengthening the SRA By-law, and recommends changes to increase the efficiency and effectiveness of implementing the By-law.

DRAFT AMENDMENTS - SRA BY-LAW NO. 8733

Note: An amending by-law will be prepared generally in accordance with the provisions listed below, which are subject to change and refinement prior to By-law enactment:

1. Remove the following properties from Schedule A of the Single Room Accommodation By-law (By-law No. 8733):

434 Richards Street (Empress Rooms)
 909 Richards Street (Roseberry House)
 746 Richards Street (Passlin Hotel)
 24 Water Street (Grand Hotel)
 347 West Pender Street (New Backpackers Hotel)

Amend Schedule A to revise legal description for the following SRA-designated property:

COLUMN 1: CIVIC ADDRESS(ES)	COLUMN 2: LEGAL DESCRIPTION	COLUMN 3: SECONDARY CIVIC ADDRESS(ES)	COLUMN 4: CURRENT NAME OF BUILDING
333 COLUMBIA ST.	PARCEL IDENTIFIER: 005-320-861 LOT 18 BLOCK 8 DISTRICT LOT 196 PLAN 184; PARCEL IDENTIFIER: 014-950-219 LOT 19 BLOCK 8 DISTRICT LOT 196 PLAN 184; PARCEL IDENTIFIER: 014-950-481 LOT 20 BLOCK 8 DISTRICT LOT 196 PLAN 184	325 & 335 COLUMBIA ST.; 77 E HASTINGS ST.	EVERGREEN ROOMS

2. Provision of Time-limited SRA Permits:
 - To Section 4 of the By-law, add a clause which allows for time-limited conversion permits and requires that SRA-designation be resumed once the temporary use expires.
3. Provision to Terminate Council Preliminary Approval:
 - To Section 4 of the By-law, add a clause requiring that if the conditions set by Council for approving a conversion or demolition permit have not been met and the permit not issued within 12 months, Council approval be lapsed.
4. Maintenance of Records:
 - Repeal Section 5.2 (a), (b), and (c).
 - Replace with a clause which requires an owner or operator to maintain a standardized "Room Registration Form" for each designated room within the building for a minimum of four years (current year plus 3 subsequent years).
 - Add the standardized "Room Registration Form" to the By-law as Schedule C.
5. Clarifying definitions for "Permanent Resident" and "Transient Guest"
 - Clarify the definitions for "permanent resident" and "transient guest" contained in Section 1.2 of the By-law, to specify that a 30-day length of stay would constitute permanent residency versus transient stay.

6. Specifying "Housing Agreement" in Section 4.6(d)
 - Amend Section 4.6(d) of the SRA By-law by specifying Housing Agreement as being one of the legal instruments which Council may require as a condition of a permit.
7. Specifying Room Numbers for the 10% Permitted Nightly Rentals
 - Add a clause to Section 4.12 of the SRA By-law to require an owner or operator to identify on the annual Business License the specific room numbers of the 10% of all designated rooms in the building which are set aside for nightly rental.

DRAFT AMENDMENTS - LICENSE BY-LAW NO. 4450

Note: If considered necessary by the Director of Legal Services, concurring amendments to the License By-law will be made.

Details of the 15 Council-Approved Conversion or Demolition Permit Applications:

The Plaza (806 Richards Street): The Plaza Hotel contained 33 designated SRA rooms. It was to be demolished as part of a larger redevelopment project that had been scheduled for the Development Permit Board before the SRA By-law was enacted. In response to the enactment of the SRA By-law, the applicant proposed rezoning the property. As part of the rezoning, the applicant offered a contribution to the City's Affordable Housing Fund of \$1.08 million, in addition to a cultural amenity. Because the Vancouver Charter requires that payments required under the SRA By-law are deducted from the development cost levies to a maximum of the replacement housing component of the DCL By-law, the \$165,000 fee (\$5,000/33 rooms) was deducted from the replacement housing component of the DCL (net contribution of \$915,000 to the City's Affordable Housing Fund)

511 Union: 511 Union contained 8 designated SRA rooms. A development permit had been applied for before the SRA By-law was enacted. Council approved an SRA Permit to convert 8 SRA rooms to 4 self-contained dwelling units in exchange for a Heritage Revitalization Agreement and a \$20,000 contribution to the City's Affordable Housing Fund.

The Grand (24 Water Street): The Grand contained 44 designated SRA rooms that had been closed for 30 years. The owner proposed to renovate it as part of a larger redevelopment project. Council approved the SRA Permit on the condition that the owner enter into a Heritage Revitalization Agreement.

The Ambassador (1212 Granville Street): The Ambassador contained rooms that provided accommodation for tourists (38 rooms) and for permanent residents (4 rooms). The owner of the Ambassador (and the Canadian Hotel (1203 Seymour St.) submitted an application to exempt 38 rooms, as well as an application to convert the remaining 4 designated SRA rooms in the Ambassador to tourist use. Council approved the SRA Permit on the condition that the owner enter into a 5-year Housing Agreement that would require the owner to maintain monthly rent rates of all 26 SRA-rooms in the Canadian Hotel at current levels and maintain current tenant services (housekeeping and 24-hour presence at front desk for security). The value of the Housing Agreement maintaining rents is more than the equivalent of the \$20,000 (\$5,000 per four rooms) which Council could have required as a condition of the SRA conversion permit. The Housing Agreement guarantees 26 SRA rooms of above average quality in an area that typically has higher rents than other parts of the downtown core, and at the end of the 5-year Housing Agreement, all 26 rooms will remain SRA designated.

Granville Hotel (1261 Granville Street): The Granville contained 100 designated rooms when the City purchased the building in the spring of 2004. The City then applied for an SRA permit to demolish 17 designated rooms and to convert the remaining 83 rooms to non-market housing with the units to be rented at the shelter component of welfare and to include washrooms and cooking facilities. Council approved the SRA permit application. The renovations improved the quality of the housing, and broadened the range of low-income housing in the City's non-market housing portfolio which currently contains primarily sleeping rooms.

Passlin (746 Richards Street): This project demonstrates how the SRA By-law can leverage opportunities for the creation of replacement low-cost housing. Owners of the Passlin (746 Richards St.) applied for an SRA Demolition Permit for all 43 designated rooms so that they could redevelop this site along with adjacent land. Negotiations resulted in an agreement to bonus the new development with 99,639 sq. ft. of additional density, and an investment of

\$720,000 in Downtown South Development Cost Levy funds in the project, in return for the developer giving the City 46 units of low-cost housing worth approximately \$5,765,000.

The Victorian Hotel (514 Homer Street): Located in Victory Square, the Victorian Hotel contains 56 designated SRA rooms. The owners initially applied for an exemption from the By-law but because all of the 56 rooms in the Victorian were assessed as Class 1-residential for tax purposes, they did not meet the criteria for exemption as set out in the By-law. The owners then applied for an SRA conversion permit to convert to tourist use. Building inspection reports showed that extensive work had been carried out without permits over a period of 2-3 years prior to the enactment of the By-law, and that 9 rooms were still closed due to renovations. As a condition of approving the conversion, Council required that the applicant obtain all necessary City permits required for the alterations carried out and that the alterations be inspected and approved for occupancy by the Chief Building Official. Further, the owner was required to pay \$280,000 (\$5,000 per 56 rooms converted/demolished) to be deposited to the replacement housing fund. The owners asked Council to reconsider its decision. On October 25, 2005, Council agreed and reduced the SRA fee to \$45,000 (\$5000 for each of the 9 rooms still under renovations). The applicant must still obtain all necessary City permits and approvals for the work without permit, as well as enter into a 219 Covenant with the City requiring the Homer and Pender facades to be rehabilitated in phases and to be completed within three years.

The Rainier Hotel (309 Carrall Street): The Rainier Hotel is a 3-storey "C" listed heritage building along the proposed Carrall Greenway in Historic Gastown. An SRA conversion application was submitted for the 48 designated SRA rooms to permit the owner to proceed with plans to install a washroom and cooking facilities in each of the rooms. In exchange for the owner entering into a housing agreement, securing a measure of affordability over time, Council waived the conversion fee of \$5,000 per room. The rooms remain designated under the SRA By-law because they are smaller than 320 square feet. (NOTE: The Rainier has recently sold and the new owner is not planning to carry out the improvements proposed by the previous applicant to install private washrooms and cooking facilities in each room. The new owner has submitted application to carry out cosmetic upgrades instead and reopen the rooms as traditional SRO rooms.)

Roseberry House (909 Richards Street): City staff had extensive discussions with the owner regarding the proposed redevelopment of 909 Richards and two adjacent properties, prior to the enactment of the SRA By-law. These discussions established the parameters for the form of development on this site for a 7-storey multiple dwelling with 60 units including 10 street-oriented townhouses. The project received conditional approval by the Development Permit Board on November 8, 2004 subject to Council approval for demolition of the SRA-designated building containing 8 designated rooms. The developer applied for an SRA demolition permit and submitted a tenant relocation plan for the two affected tenants. Staff recommended the application of the \$5000 per room demolition fee (\$40,000) for replacement housing but noted to Council that this would be deducted from the replacement housing component of the DCL. The developer had budgeted for \$40,000 in SRA fees, unaware that they would be deducted from the DCLs and therefore offered a voluntary contribution of \$40,000 to the City's affordable housing fund which would not be offset by a reduction in DCLs. Council accepted the voluntary contribution from the applicant to the City's Affordable Housing fund in addition to charging the \$40,000 SRA fee and approved the SRA Permit.

Empress Rooms (434 Richards Street): The Empress Rooms, built in the early 1900's, is a 3-storey building containing 18 designated SRA rooms which had been vacant for more than 30 years. The applicant proposed to convert these into 10 self-contained rental dwelling units. 7

of the 18 SRA- designated rooms at 434 Richards (Empress Rooms) were over 320 sq. ft. and therefore qualified for an exemption under the SRA By-law. Council approved the SRA permit for the remaining 11 rooms with the condition that the owner enter into agreements securing the proposed heritage restoration measures, and prohibiting strata-titling of the site for a minimum of 30 years and on the condition the owner pay the \$5000 per room demolition fee (\$5000 X 11 rooms = \$55,000) deposited to the City's Replacement Housing Fund.

Onsite Residence (137 East Hastings Street): This project is a joint-partnership between the Vancouver Coastal Health Authority and the Portland Hotel Society, who have a 10-year lease agreement with the owner, to renovate the two upper floors above the Supervised Injection Site (Insite) to provide 30 SNRF (special needs residential facility) units. The facility will provide transitional housing for clients of Insite, who will receive a variety for support, such as home nursing care, home detox support, counseling, and assistance in finding longer-term housing. This project resulted in the conversion of 18 SRA-designated rooms.

Pennsylvania Hotel (412 Carrall Street): The Pennsylvania Hotel contained 70 SRA-designated rooms. The proposed development, which is funded by all 3 levels of government, will reduce the number of rooms to allow upgrading to 44 larger self-contained units. On July 11, 2006, Council approved staff's recommendation to approve the SRA conversion/demolition permit application, on the condition that the owner enter into a Heritage Revitalization Agreement and a Housing Agreement with the City, prohibiting stratification of the site, requiring non-profit ownership and operation of the building, and limiting occupancy to households in core housing need for 60 years.

Spinning Wheel Hotel (210 Carrall Street): Located in historic Gastown district, the Spinning Wheel is a 3-storey municipally designated, "B" listed heritage building that contained 27 SRA-designated rooms. These rooms had been ordered closed by the Health Department in October 2002 due to unsanitary conditions (lack of heat, hot water and functional washroom facilities). The applicant began discussions with staff to convert the 27 rooms to 5 live-work units in late 2004, when the market was still relatively calm (pre-Woodward's sales). Staff considered the application in the context of the proposed upgrades to preserve and revitalize this building, and recommended that Council approve the SRA permit application on the condition that the owner enter into a Heritage Revitalization Agreement with the City, and make payment of \$135,000 (\$5000 x 27 rooms to be demolished) to the City's Replacement Housing Fund.

Strathcona Hotel (51 West Hastings Street): This municipally-designated, "B" listed heritage building, largely gutted after fire damage in the 1990s, originally contained 56 units, which had been closed and vacant since 1973.

1st SRA application: On June 16, 2005, Council approved an SRA demolition permit application to demolish 6 units with the condition that the owner enter into a Housing Agreement securing rental accommodation for the remaining 50 units for a period of 6 years with 20 of those limited to 110% of the shelter component of income assistance (\$357.50) with any rent increase tied to an increase in the shelter component of income assistance. Because they are smaller than 320 square feet, all 50 rooms remain designated under the Single Room Accommodation By-law. The project was partly underway when it met with financial problems. In early 2006, the property was sold.

2nd SRA application: On September 26, 2006, Council approved the new owner's proposal to convert the 56 SRA-designated rooms to 29 live-work strata-title units, on the condition that the owner enter into a Heritage Revitalization Agreement with the City.

Property Use Inspection Checklist:



COMMUNITY SERVICES GROUP
Licences and Inspections

**SINGLE ROOM ACCOMMODATION
INSPECTION REPORT**

SRA20000

Property Address _____ Date of Inspection _____

Building Name _____

Name of Contact Person: _____

Reason for Inspection _____

Contact Person is: Owner Hotel Operator Other _____

Notice of Designation Posted? Yes If Yes, is it in a conspicuous location (eg. Lobby)?

Yes No further action.

No Have owner/operator relocate notice.

No If owner/operator does not have copy of the By-law and
Notice of Designation, notify SRA staff to resend

The following questions could help determine how the SRA-designated building is actually being used (ie. Accommodation for permanent residents VS transient guests):

of rooms vacant at time of inspection _____

Of the rooms that are occupied, how many are daily or weekly _____ monthly _____

Daily rental rates: (min) _____ (max) _____

Weekly rental rates: (min) _____ (max) _____

Monthly rental rates: (min) _____ (max) _____

Guests' register or receipt books could also be checked on a random basis to determine actual use of rooms (ie. Accommodation for permanent residents VS transient guests):

Guests Register or receipt books checked? Yes No

If Yes, for what periods (eg. July 1 to July 15 2004)?

Lodging House Operator's Permit Expiry Date: _____

Inspector's Comments: _____

Date Report Made _____ Inspector's Name _____

SCHEDULE B

**NOTICE OF
SINGLE ROOM ACCOMMODATION
DESIGNATION**



**CITY OF VANCOUVER
HOUSING CENTRE**

ALL ROOMS OR

ROOM NUMBERS:

OF THE

(Name of the SRA Designated Building)

AT

(Civic Address of the SRA Designated Building)

MUST PROVIDE SINGLE ROOM ACCOMMODATION FOR PERMANENT RESIDENTS

AS DESIGNATED BY THE SINGLE ROOM ACCOMMODATION BY-LAW NO. _____

ENACTED BY THE CITY OF VANCOUVER ON OCTOBER 21 , 2003.

In accordance with Section 2.3 of the Single Room Accommodation, this Notice must be permanently posted in a conspicuous location at the front desk or in the lobby or public entrance of the above building.

NO PERSON SHALL REVERSE, ALTER, DEFACE, COVER, REMOVE OR IN ANY WAY TAMPER WITH THIS NOTICE UNLESS AUTHORIZED BY THE HOUSING CENTRE DIRECTOR.

For more information contact
City of Vancouver Housing Centre
604.871.6198

