



ADMINISTRATIVE REPORT

Report Date: May 25, 2010  
Contact: Liza Jimenez  
Contact No.: 604.873.7975  
RTS No.: 8715  
VanRIMS No.: 08-2000-20  
Meeting Date: June 10, 2010

TO: Standing Committee on Planning and Environment

FROM: Managing Director of Social Development in consultation with Director of Legal Services

SUBJECT: SRA Exemption & Conversion Permit for 577 Richards (St. Clair Hotel)

***RECOMMENDATION***

- A. THAT Council approve an exemption from the Single Room Accommodation By-law for 15 rooms at 577 Richards Street (St. Clair Hotel); and
- B. THAT Council approve an SRA Conversion Permit to convert the remaining 21 rooms at 577 Richards Street (St. Clair Hotel) subject to the payment of \$30,000 (\$15,000 x 2 rooms).

***GENERAL MANAGER'S COMMENTS***

The General Manager of Community Services RECOMMENDS approval of A and B.

***CITY MANAGER'S COMMENTS***

The City Manager RECOMMENDS approval of A and B.

***COUNCIL POLICY***

Single Room Accommodation By-law ("SRA By-law") - In 2003 Council enacted this by-law to regulate the conversion and demolition of single room accommodation in the Downtown Core.

***SUMMARY & PURPOSE***

This report seeks Council approval of:

- (a) an exemption for 15 rooms from the Single Room Accommodation By-law on the basis that these rooms did not house permanent residents and have been operated as a budget hotel/hostel since the By-law was enacted in 2003; and

- (b) an SRA Conversion Permit to convert the remaining 21 rooms subject to the payment of \$30,000.

## ***BACKGROUND***

### **Exemption**

There are two bases for exemptions under the Single Room Accommodation By-law (the "SRA By-law"): size or use. With respect to size, a room qualifies for exemption if it is 320 square feet or greater. Exemptions based on use depend on permanent residents not being housed in the rooms and that portion of the building having been operated as a commercial hotel.

The exemption application for 15 rooms in the St. Clair Hotel is based on the use of these rooms. Council must grant the exemption if they are satisfied that the designated rooms meet the exemption conditions set out in the SRA By-law.

In December 2009, the SRA By-law was amended to eliminate the provision for exemption based on use. Applications for exemption will be accepted until June 15, 2010.

### **Conversion**

An owner of a building containing SRA-designated rooms must apply for an SRA Conversion Permit prior to a change in the configuration of a unit, an improvement to a unit, a change from permanent resident use to transient guest use, or a re-classification from Class 1-residential under the *Assessment Act*. Every SRA Conversion Permit application requires Council approval and the SRA By-law allows Council to impose conditions of approval. Some conditions of approval include (see Section 4.6):

- a levy of \$15,000/designated room to be deposited into a reserve fund for replacement housing
- the owner to enter into a Housing Agreement registered on title
- the owner to enter into a Heritage Revitalization Agreement

## ***DISCUSSION***

The St. Clair Hotel is located in the Downtown District on Richards Street between Dunsmuir and West Pender Streets, across from Cathedral Square. This narrow 4-storey building has 36 rooms on the 2nd through 4th floors. The St. Clair Hotel was municipally designated as heritage class 'B' in 1996. The owner, The Source Enterprises Ltd., renovated the heritage building when it bought the property in 1999 and has operated it primarily as a budget hotel.

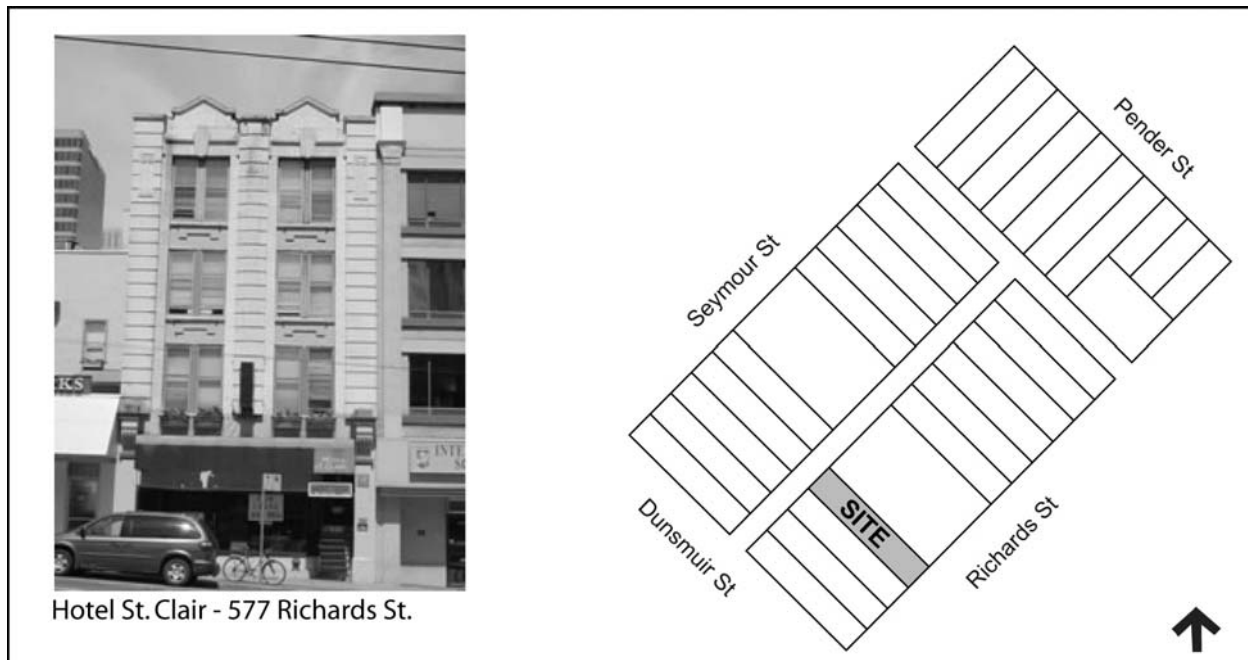


Figure 1: St. Clair Hotel, 577 Richards St.

The SRA By-law is a tool that allows Council to manage the rate of change in the stock of low-income housing by considering each conversion or demolition on a case-by-case basis. Properties designated as SRA were identified in the bi-annual Low Income Housing Survey. The St. Clair was routinely captured in these surveys, however in the 2003 survey, when the SRA By-law was enacted, it was noted that 26 units were closed and 4 were open.

The owners bought the property in 1999 at which time the rooms that were open were rented to low income permanent residents. Subsequently, as tenants moved out the rooms were used for transient purposes. It is noted that at times some transient guests have opted to stay for a longer term and have paid a monthly rate (\$750). However the rooms do not act as a primary residence as guests have permanent addresses elsewhere.

### Exemption Application

The owner of the St. Clair initially applied to exempt all the rooms in the hotel on the basis of use, but not all the rooms precisely meet all the exemption conditions (see Appendix A). The SRA By-law requires that 3 conditions be met for an exemption based on use. These conditions are:

- a permanent resident does not occupy or customarily occupy the room as living accommodation
- the room is not in a building or a portion of a building classified under the *Assessment Act* and its regulations as Class 1 - residential
- the room is in a building or portion of a building in respect of which the owner has an obligation to pay hotel room tax under the Hotel Room Tax Act and its regulations

Many letters, a site visit and evidence was collected which formed the basis for the recommendation for an exemption for these 15 rooms. These rooms meet the conditions for

exemption. Recommendation A is that Council approve an exemption from the provisions of the SRS By-law for these 15 rooms at the St. Clair Hotel.

### **SRA Conversion Permit Application**

The remaining 21 rooms at the St. Clair Hotel do not qualify for an exemption because they were classified under the *Assessment Act* as Class 1-residential in 2003. The owner is now applying for an SRA Conversion Permit (see Appendix B) to convert these remaining 21 units in order to remove the entire building from the application of the SRA By-law.

In 2008 the entire hotel was classified under the Assessment Act as commercial. The SRA Conversion Permit application is based on a re-classification of a portion of the property from Class 1 (residential) to Class 6 (commercial) as well as a change in use from permanent residents to tourist use as it operates today.

As outlined in the Vancouver Charter and the SRA By-law, Council is required to consider five factors in deciding whether or not to grant an SRA Conversion Permit. These factors are:

1. the accommodation that will be available to the tenants affected by the conversion or demolition;
  2. the supply of low cost accommodation in the Downtown Core and other parts of the City;
  3. the condition of the building;
  4. the need to replace or improve single room accommodation in the City; and
  5. Recent history of the land and building, and the use and occupancy of the building.
1. **Accommodation for affected tenants:** As of May 2009, there were two permanent residents that also serve as maintenance and security for the hotel. The owners have indicated in writing that they will not evict these tenants should Council approve an SRA Conversion Permit. All other guests rent daily or weekly.
  2. **Supply of low cost accommodation in the Downtown Core:** The total low-income housing stock for singles in the Downtown Core remained relatively stable between January 2003 (11,390 units), when the SRA By-law was enacted, and January 2010 (11,340 units), representing a 50 unit decrease.
  3. **Condition of the Building:** St. Clair Hotel is in good physical condition for a hotel that was built in the early 1900's. The current owners have reinvested in the plumbing and maintenance of this municipally designated "B" heritage building.
  4. **Need to Improve and Replace Single Room Accommodation:** Since the enactment of the SRA By-law in 2003, there were three SRA Conversion Permits issued within this sub-area of the Downtown Core, which resulted in a net loss of 64 rooms (Victorian, Empress, and Passlin Hotels). The 43 rooms in the Passlin Hotel were replaced on a one-for-one basis with the Doug Story Apartments which is operated by Coast Foundation Society as social housing.
  5. **History of Building and Land:** The building has routinely had positive inspection reports reflecting a good record of maintenance and business management practices.

In summary, 19 of the 21 rooms that are the subject of the conversion application have not been an active supply of the low income housing stock for some time because they have been rented on a daily or weekly basis since the SRA By-law was enacted. The remaining 2 rooms are occupied by two tenants that serve as maintenance and security staff for the hotel. It is recommended that Council approve an SRA Conversion Permit because the hotel for the most part has not customarily housed permanent residents since the date of the SRA By-law enactment in 2003.

### **Condition of Approval**

A reasonable condition of approval is to charge the conditional levy for the 2 remaining rooms (\$30,000) that would require replacement. The two long term residents are covered by the protections from eviction in the Residential Tenancy Act. In addition, the owner has committed to not evicting them as a result of Council's approval of a conversion permit (see Appendix C).

It is not recommended that the fee be applied to the remaining 19 rooms because they did not accommodate permanent residents and would have qualified for exemption except for the Assessment Act classification criteria.

### ***CONCLUSION***

It is recommended that Council approve an exemption for 15 rooms and an SRA Conversion Permit to convert the remaining 21 rooms subject to the payment of \$30,000 to be deposited into the SRA replacement housing fund. The St. Clair Hotel has been operating primarily as a budget hotel for tourists since 2003. Approving an SRA Conversion Permit will not result in displacing the two long term tenants that exist as the owners have confirmed that they will not evict them.

\* \* \* \* \*

APPLICATION TO EXEMPT DESIGNATED ROOMS FROM  
SCHEDULE A OF SINGLE ROOM ACCOMMODATION BY-LAW

To: Housing Centre Director  
Vancouver City Hall  
453 West 12<sup>th</sup> Avenue  
Vancouver, BC V5Y 1V4



City of  
Vancouver

The undersigned applies to Council to exempt the following property or specific rooms therein from Schedule A of the Single Room Accommodation By-law.

1. Civic Address: 577 RICHARDS ST. VANCOUVER, B.C. V6B 2Z5  
Legal Description: Lot 20 Subdivision \_\_\_\_\_ Block 34 District Lot 541 Plan 015-488-811  
Building Name: ST. CLAIR HOTEL

2. Total number of rooms in the above building: 36 Proposed # of rooms to be exempt: 36

Floor level	# of rooms on this floor	Proposed Room Nos. to be exempt	(Attach separate sheet if more space required)
<u>1</u>	<u>10</u>	Room Nos. <u>1 TO 12</u>	
<u>2</u>	<u>13</u>	Room Nos. <u>12A TO 24</u>	
<u>3</u>	<u>13</u>	Room Nos. <u>25 TO 36</u>	
_____	_____	Room Nos. _____	
_____	_____	Room Nos. _____	

3. The following documents are attached and form part of this Application (see "Required Information for Application to Exempt Designated Rooms from Schedule A of SRA By-law" on the reverse side of this form):  
AFFIDAVIT - P. J. FALCONER, B.C.  
B.C. ASSESSMENTS: 2003 - 2004 - 2005  
DAILY SUMMARY SHEETS - AUG 2003 - DEC. 2004 - JULY 2005 - DEC. 2006

(Please note that any information and documents provided with this SRA exemption application will be attached to the report to Council and as such, be made available to the public.)

4. Please print names and addresses of owner(s). If owner is a corporation, you must provide Incorporation Certificate ATTACHED and names and addresses of all directors and associates (Attach separate sheet if more space required):  
THE SOURCE ENTERPRISES LTD. 929 MAIN ST. VANCOUVER V6A 2V8  
Director(s): LORRAINE SHORROCK - 1503 W. KING EDWARD AVE. VANCOUVER V6J 2V7  
" FRANK SHORROCK - 1503 W. KING EDWARD AVE. VANCOUVER V6J 2V7

5. I am the:  Property Owner  Property/Building Manager  Agent for owner  Other \_\_\_\_\_  
6. I file this application with the full consent of the owner(s).  
7. I declare that the statements contained in this application and all attached documents and plans are true and correct.  
Name of Applicant (Please print): LORRAINE SHORROCK  
Name of Company (if applicable): THE SOURCE ENTERPRISES LTD  
Mailing Address: 929 MAIN ST. City: VANCOUVER Postal Code: V6A 2V8  
Telephone: 604-684-9914 Cell Phone: N/A Fax: N/A

Signature of Applicant: L. Shorrock Date: MAY 5, 2008

Office Use:	
Application No. <u>SA</u>	Date Received: _____
To Council: _____	Decision: _____

Canada

Province of British Columbia

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

AFFIDAVIT

I, LORRAINE SHORROCK, of 1503 W. KING EDWARD AVE VANCOUVER  
(Print Name) (Print Address)

Vancouver, British Columbia, make oath and say as follows:

1. I am the registered owner of real property in Vancouver, British Columbia bearing the legal description LOT 20 BLOCK 34 PLAN 210 DISTRICT LOT 541 NEW WESTMINSTER ST CLAIR HOTEL and civic address 577 Richards Street, and as such have personal knowledge of the matters to which I depose in this affidavit.

2. I make this affidavit in respect of every room ("room") on the property.

3. From and after October 23, 2003 to the date of this affidavit:

- (a) no permanent resident as defined in the By-law has occupied or customarily occupied any room as living accommodation as defined in the By-law;
- (b) no room is in a building or portion of a building classified under the *Assessment Act* of British Columbia or its regulations as Class 1 - residential; and
- (c) each 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.

Sworn before me at Vancouver, British Columbia this <u>2</u> day of <u>May</u> , 2008  <u>[Signature]</u> A Commissioner for taking Affidavits for British Columbia	) ) ) ) ) ) ) ) ) )	<u>[Signature]</u> Owner's signature
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A NOTARY PUBLIC in and for the  
Province of British Columbia

ROBERT J. FALCONER, Q.C.  
(Commissioner's Stamp or Seal must be provided)  
Barrister & Solicitor  
1123 - 409 GRANVILLE ST.



CITY OF VANCOUVER  
COMMUNITY SERVICES  
Housing Centre

SINGLE ROOM ACCOMMODATION  
CONVERSION\* or DEMOLITION\*  
PERMIT APPLICATION

SR No. \_\_\_\_\_

Civic Address: 577 RICHARDS ST.  
 Legal Description: Lot 20 <sup>Plan</sup> 210 Block 34 District Lot 541 Plan R1D 015-488811  
 Building Name: ST. CHAIR HOTEL

This area must be completed by the person signing this application.

Your Name: LORRAINE SHORROCK You are the:

Mailing Address: 929 MAIN ST. 01  Property Owner

City: VANCOUVER 02  Agent for Property Owner

Postal Code: V6A 2V8

Phone Number: (604) 684-9914

Company Name: THE SOURCE ENTERPRISES LTD

Note: If the applicant is NOT the property owner, a letter of consent signed by the owner must also be submitted.

Owner's information (if owner is a corporation, provide Incorporation Certificate and names and addresses of all directors & associates):

Property Owner's Name  
THE SOURCE ENTERPRISES LTD.

Address: 929 MAIN ST. City: VANCOUVER

Postal Code: V6A 2V8 Phone Number: (604) 684-9914

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Property Owner's Name

Address: City:

Postal Code: Phone Number:

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Property Owner's Name

Address: City:

Postal Code: Phone Number:

<p>This application is to: (Check applicable <input checked="" type="checkbox"/>)</p> <p>001 <input checked="" type="checkbox"/> Convert* occupancy of designated room(s)</p> <p>002 <input checked="" type="checkbox"/> Change term or nature of tenancy of designated room(s)</p> <p>003 <input type="checkbox"/> Change frequency of rent payments for designated room(s)</p> <p>004 <input type="checkbox"/> Convert* vacant designated room(s)</p> <p>005 <input type="checkbox"/> Repair or alter designated room(s)</p> <p>006 <input type="checkbox"/> Demolish* designated room(s)</p> <p>*see definitions of "conversion" and "demolition" on reverse side of form under "Explanatory Notes"</p>	<p>Total # of storeys in this building: <u>4</u></p> <p>Total # of SRA rooms in this building: _____</p> <p>Total # of non-SRA rooms in this building: _____</p>
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Describe nature of the proposed conversion or demolition:

BEFORE + AFTER 2003 WE HAVE NOT BEEN HOUSING PERMANENT GUESTS  
+ HAVE BEEN OPERATING AS A YOUTH HOSTEL.



THIS SECTION MUST BE COMPLETED:	OFFICE USE
Are there any permanent residents needing to relocate as a result of this proposed conversion?	
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
<b>If Yes, you must provide the following information:</b>	
1. The number of permanent residents that will be affected? _____	
2. A list of names of the residents needing relocation, their room nos. and length of residency	
3. Proposed relocation strategy for existing tenants	
<b>You must also include with this application the following required supporting documents:</b>	
1. An affidavit, sworn 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	
2. Records required under the Hotel Guest Registration Act or Hotel Room Tax Act, tax assessment records, guest ledgers, and daily rent receipts, for the current calendar year and for the three immediately preceding calendar years, in respect of the designated room	
3. One set of floor plans of the existing and proposed floor layout as described below*	
4. Tentative schedule for construction (if applicable)	

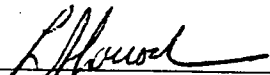
\* Explanatory Notes:

- 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,
  - (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;

Office Use Only

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 information and documents provided with this SRA conversion/demolition permit application will be attached to the report to Council and as such, be made available to the public.

SIGNED AT VANCOUVER, BC THIS 3<sup>RD</sup> DAY OF JUNE 2001   
Signature of Applicant



# The Source Enterprises Limited

929 Main Street, Vancouver, V6A 2V  
B.C. Canada  
Telephone (604) 684-9914.

Specialist in cabinet and door  
hardware, darts and pub decc  
antiques and architectural  
glass and fitments.

e-mail: [sourceentvan@telus.net](mailto:sourceentvan@telus.net)  
www. [sourceenterprises.bc.ca](http://sourceenterprises.bc.ca)

January 10, 2010

Ms. Liza Jimenez  
SRA By-law Co-ordinator  
Housing Centre  
City of Vancouver  
453 West 12<sup>th</sup> Ave.  
Vancouver V5Y 1V4

**RE: 577 Richards Street – St. Clair Hotel  
Removal of S.R.A. designation**

Dear Ms. Jimenez:

We confirm that if Council sees fit to remove the above property from the S.R.A. list, there will not be an eviction of the two long term tenants without just cause.

Up until last year we had one tenant of ten years, however medical problems caused him to leave.

Hoping this meets your requirements.

Sincerely,

Lorraine Shorrock