



ADMINISTRATIVE REPORT

Report Date: June 14, 2011
Contact: Brenda Prosen
Contact No.: 604.871.6858
RTS No.: 09161
VanRIMS No.: 08-2000-20
Meeting Date: June 30, 2011

TO: Standing Committee on Planning and Environment
FROM: Managing Director of Social Development
SUBJECT: Single Room Accommodation Permit for 606 Powell Street (Drake Hotel)

RECOMMENDATION

THAT Council approve a Single Room Accommodation Permit for the Drake Hotel, located at 606 Powell Street for the demolition of 26 SRA-designated units to make way for the development of a 146 unit non-market supportive housing project, as per DE414637.

CITY MANAGER'S COMMENTS

This project is one of the 14 site partnerships between BC Housing and the City of Vancouver. It is part of the Homelessness and Housing Strategy and furthers the City's goal for one-for-one replacement of SROs. The project will increase the social housing stock with the addition of 120 units.

GENERAL MANAGER'S COMMENTS

The General Manager of Community Services RECOMMENDS approval of the foregoing.

COUNCIL POLICY

Relevant Council Policies for this site include:

- Single Room Accommodation By-law No. 8733, enacted October 21, 2003 and last amended December 15, 2009;
- Downtown Eastside Housing Plan, adopted September 15, 2005.

On October 21, 2003, Council enacted the Single Room Accommodation (SRA) By-law to regulate the conversion and demolition of single room accommodation. 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. Owners wanting to convert or demolish SRA-designated rooms must apply for and obtain a conversion/demolition permit. Council evaluates each

application on its own merits and may refuse the permit, approve the permit, or approve the permit with conditions.

On September 15, 2005, Council adopted the Downtown Eastside Housing Plan. The plan addresses the future of housing in Chinatown, Downtown Eastside Oppenheimer District, Gastown, Hastings Corridor, Industrial Lands, Strathcona, Thornton Park and Victory Square.

SUMMARY & PURPOSE

This report seeks Council's approval to issue an SRA Permit for the Drake Hotel (606 Powell Street) to completely demolish all 26 rooms to enable the development of 146 self-contained non-market supportive housing units. 606 Powell Street was identified as one of the original twelve (12) partnership sites in the Memorandum of Understanding between the City and BC Housing approved by Council on December 19, 2007, regarding the City/Province Social and Supportive Housing Partnership.

The project supports a number of Council priorities:

- The maintenance and expansion of 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, Single Room Occupancy (SRO) residents, and the mentally ill, physically disabled and others at risk of homelessness;
- The purchase of private-owned sites for non-market housing projects and leasing the sites to non-profit societies or co-operatives associations; and
- Council's goal of ending street homelessness by 2015. The project also supports the Downtown Eastside Housing Plan for one-for-one replacement of SROs with social housing over time.

The rezoning of this site was approved at Public Hearing on June 22, 2010. The lease terms and other arrangements for social and supportive housing at this site was approved by Council on January 18, 2011.

BACKGROUND

In October 2003, Council enacted the SRA By-law to regulate the conversion and demolition of single room accommodation. An owner wanting to change the configuration of an existing SRA-designated unit must apply for and obtain approval from Council for an SRA Permit, which must be issued prior to the issuance of a building or development permit. Council assesses each application and may refuse the permit, approve the permit outright, or approve the permit subject to conditions such as a Housing Agreement, a Heritage Revitalization Agreement, and/or payment of a fee towards the City's replacement housing fund.

DISCUSSION

The Drake Hotel is a 4-storey building on the southwest corner of Powell Street and Princess Avenue which is not on the heritage registry. It is located at 606 Powell Street in the sub-area of the Downtown Core called the Downtown Eastside and is zoned Sub-Area 4 Alexander/Powell of the Downtown-Eastside/Oppenheimer District. The ground floor is used as a pub with 250 seats and the second, third, and fourth floors serve as a residential hotel with 26 rooms. The City acquired this site in 2007 and it is currently leased to BC Housing and operated by Atira Women's Resource Society (Atira).

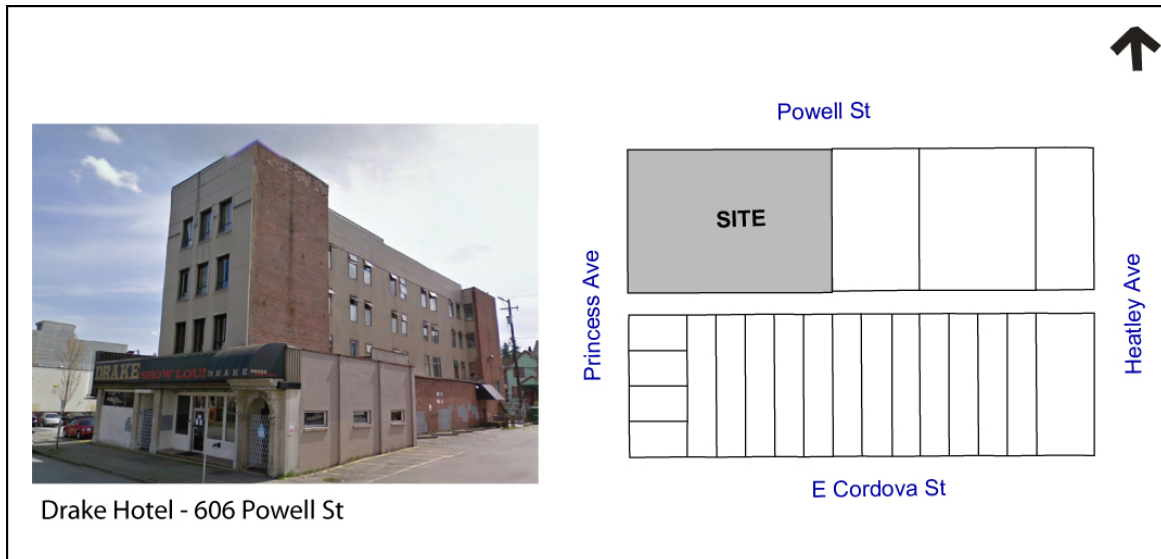


Figure 1: Drake Hotel, 606 Powell Street

The SRA Permit application (see Appendix A and B) was made in March 2011 to demolish all 26 units and develop 146 self-contained non-market supportive housing units for women and women-led families, with 105 units for singles and 41 family units to be managed by RainCity Housing and Support Society (RainCity). The proposal includes three commercial retail units along the Powell Street frontage and amenity space for residents along the Princess Avenue frontage. RainCity offices are to be located on the second floor.

The development permit application has received approval, subject to “prior-to” conditions being satisfied (DE414637).

The Vancouver Charter requires Council to consider a number of factors in deciding whether to grant an SRA conversion or demolition permit. These factors include:

1. **Accommodation for Affected Tenants:** As of June 2011, all 26 SRA-designated units at the Drake Hotel were occupied, with monthly rents ranging between \$325 and \$375. As required, BC Housing provided City staff with a Tenant Relocation Plan, prepared by Atira as part of the SRA conversion/demolition permit application. BC Housing and Atira have indicated that all tenants can expect to continue residing in their respective units, until such time as the Building (Demolition) Permit becomes issuable and termination notices have been served in accordance with the requirements of the Residential Tenancy act. BC Housing with the assistance of Atira will provide tenants with support and assistance in finding future accommodation.
2. **Supply of Low-Cost Accommodation:** The total low-income housing stock for singles in the Downtown Core includes privately owned SROs and social housing units (owned and operated by government and/or non-profit organizations). The low-income stock remained relatively stable between January 2003 (11,380 units), when the SRA By-law was enacted and January 2010 (11,340 units). By the end of 2013, there will be over 1,100 additional units of social housing for singles in the Downtown core, primarily as a result of the City and the Provincial partnership to develop 14 social and supportive housing sites across the City. In 2009, 36% of the SRO stock was renting at or below the shelter component of welfare currently set at \$375.

Appendix C outlines the timeline for 14 partnership sites currently under construction and the proposed timeline for those sites under development.

The following table shows the net changes of SRO (private market) and social housing units (non-market) by sub area:

Sub-Area	Change from 2003 to 2010						TOTAL
	SRO (private market)			Social Housing (non-market for singles)			
	2003	2010	Change	2003	2010	Change	
Downtown Eastside	5,273	3,827	-1,446	3,899	5,463	1,564	118
Downtown South	784	544	-240	808	1,063	255	16
Rest of Downtown Core	433	30	-403	187	409	222	-181
TOTAL	6,490	4,401	-2,089	4,894	6,935	2,041	-47

If this SRA permit application is approved, the above table would be amended with a decrease of 26 Social Housing units in the Downtown Eastside in 2011. Once the project is completed in 2013 there will be an increase of 146 Social Housing units in the Downtown Eastside.

Three new projects were opened in the Downtown Eastside in the first half of 2011, increasing the social housing stock by a total of 213 units:

- 601 East Hastings Street (Union Gospel Project): 37 self-contained units operated by Union Gospel Mission. This project opened in April 2011.
- 337 West Pender Street (Pacific Coast Apartments): 96 units of supportive housing for core-need singles operated by the Coast Foundation Society. This project is on City-owned land, funded by the Provincial Homelessness Initiative. This project opened in May 2011.
- 1005 Station Street: 80 self-contained units for low-income singles operated by Portland Hotel Society. This project is on City-owned land, funded by the Provincial Homelessness Initiative. This project opened in January 2011.

In addition, in the first half of 2011 two new projects opened in the Downtown Core outside the Downtown Eastside increasing the social housing stock by a total of 214 units:

- 525 Abbott Street (Sorella): 108 self-contained units operated by Atira. This project is on City-owned land, funded by the Provincial Homelessness Initiative. This project opened in May 2011.
- 1338 Seymour: 106 self-contained units operated by More Than a Roof, funded by the Provincial Homelessness Initiative. This project opened in May 2011.

3. **Conditions of the Building:** Like many buildings constructed in the late 19th and early 20th centuries, the Drake Hotel would require significant upgrades in order to meet current building standards. If this project is approved, the proposed building would result in the replacement of all 26 SRA-designated units with 146 new self-contained units, representing significant improvements to the quality of the accommodation for low-income tenants.

4. **Need to Improve and Replace Single Room Accommodation:** There has been a significant effort to improve the existing SRO stock in recent years. Throughout the Downtown Core, the Province bought and leased 23 SRO buildings to improve and secure low cost housing. Investment has been made to renovate and upgrade this stock of housing. As noted in Factor 2, "Supply of Low-Cost Accommodation", losses in SRO stock were offset by the increase in social housing in this area.
5. **History of Building and Land:** This property has a history of poor maintenance and non-compliance with Provincial legislation. The City purchased this property in 2007 and the redevelopment of this property would help to meet Council's housing objectives for the Downtown Eastside.

FINANCIAL IMPLICATIONS

There are no financial implications.

CONCLUSION

This report seeks Council's approval to issue a SRA Permit for the Drake Hotel (606 Powell Street) to demolish all 26 rooms to make way for the development of 146 self-contained non-market supportive housing units. The units will further the goal of one-to-one replacement of SROs with better quality social housing as outlined in the Housing Plan for the Downtown Eastside. The new development is a partnership between the City and the Province and is consistent with the Memorandum of Understanding between the City and the Province.

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Single Room Accommodation Permit Application



CITY OF VANCOUVER
COMMUNITY SERVICES
Housing Centre

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

SR No. _____

Civic Address: 606-636 POWELL STREET, VANCOUVER, B.C.
 Legal Description: Lot 6 Subdivision _____ Block 52 District Lot 196 Plan BCP46210
 Building Name: CURRENT - THE DRAYS HOTEL

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

Your Name: PEGGY DOUGLAS You are the:

Mailing Address: 191 ALEXANDER STREET 01 Property Owner

City: VANCOUVER, B.C. 02 Agent for Property Owner

Postal Code: V6A 1B8

Phone Number: _____

Company Name: RAINCITY HOUSING AND SUPPORT SOCIETY

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: <u>RAINCITY HOUSING AND SUPPORT SOCIETY</u>	City: <u>VANCOUVER, B.C.</u>	<u>PROJECT WILL BE LEASED FROM CITY TO RAINCITY -</u>
Address: <u>191 ALEXANDER STREET</u>	Phone Number: _____	
Postal Code: <u>V6A 1B8</u>		
Property Owner's Name: _____	City: _____	
Address: _____	Phone Number: _____	
Postal Code: _____		
Property Owner's Name: _____	City: _____	
Address: _____	Phone Number: _____	
Postal Code: _____		

This application is to: (Check applicable box)

001 <input type="checkbox"/> Convert* occupancy of designated room(s)	Total # of storeys in this building: <u>4</u>
002 <input type="checkbox"/> Change term or nature of tenancy of designated room(s)	Total # of SRA rooms in this building: <u>26</u>
003 <input type="checkbox"/> Change frequency of rent payments for designated room(s)	Total # of non-SRA rooms in this building: _____
004 <input type="checkbox"/> Convert* vacant designated room(s)	
005 <input type="checkbox"/> Repair or alter designated room(s)	
006 <input checked="" type="checkbox"/> Demolish* designated room(s)	

*see definitions of "conversion" and "demolition" on reverse side of form under "Explanatory Notes"

Describe nature of the proposed conversion or demolition:

THIS IS PART OF THE CITY'S 12 SITE SUPPORTIVE HOUSING. THE 26 SRA UNITS ARE TO BE DEMOLISHED & REPLACED WITH A NEW 147 UNIT NON-PROFIT SUPPORTED HOUSING PROJECT FOR WOMEN & CHILDREN

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

THIS SECTION MUST BE COMPLETED:	OFFICE USE
Are there any permanent residents needing to relocate as a result of this proposed conversion? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
If Yes, you must provide the following information:	
1. The number of permanent residents that will be affected? <u>26</u>	
2. A list of names of the residents needing relocation, their room nos. and length of residency	
3. Proposed relocation strategy for existing tenants	
You must also include with this application the following required supporting documents:	
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)	

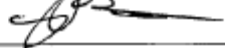
* Explanatory Notes:

- 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 25 DAY OF March 2011 
Signature of Applicant

City of Vancouver and BC Housing New Supportive/Social Housing Projects

14 Sites Status Report (as of June 10, 2011)

Projects Under Construction:

	Address	Service Provider	# Units	Construction Start	Estimated Occupancy Date
1	1005 Station	PHS	80	November 09	January 2011
2	1338 Seymour	More Than a Roof	106	November 09	June 2011
3	188 East 1 st	Lookout Emergency Aid Society	129	December 09	4 th Quarter 2011
4	337 West Pender	Coast	96	December 09	May 2011
5	525 Abbott	Atira	108	December 09	May 2011
6	3595 West 17 th	Coast	51	May 2010	4 th Quarter 2011

Total Number of Units: Buildings 1-6: 570

Projects Under Development:

	Address	Service Provider	# Units	Construction Start	Estimated Occupancy Date
7	1227 Howe	McLaren House	110	May 2011	3 rd Quarter 2012
8	1601 West 7th St at Fir	Katherine Sanford/MPA	62	December 2010	2 nd Quarter 2012
9	215 West 2nd	RainCity	147	June 2011	3 rd Quarter 2012
10	1050 Expo Blvd	127/St James Society	89	2 nd Quarter 2012	3 rd Quarter 2013
11	111 Princess	Portland Hotel Society	139	4 th Quarter 2011	2 nd Quarter 2013
12	1134 Burrard	Kettle Friendship Society	141	3 rd Quarter 2011	3 rd Quarter 2013
13	675-691 East Broadway	Van Native Housing Society	103	1 st Quarter 2012	3 rd Quarter 2013
14	606 Powell	RainCity	146	1 st Quarter 2012	3 rd Quarter 2013

Total Number of Units Buildings 7-14: 937

Complete Total (buildings 1-14): 1,507