



ADMINISTRATIVE REPORT

Report Date: February 20, 2013
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Meeting Date: February 27, 2013

TO: Standing Committee on City Finance and Services

FROM: Managing Director of Social Development in consultation with the Director of Facilities Planning and Development

SUBJECT: SRA Demolition Permit and Replacement for 1390 Granville (the Old Continental)

RECOMMENDATION

- A. THAT Council approve a Single Room Accommodation Conversion/Demolition Permit to allow for the demolition of the 109 SRA-designated units at 1390 Granville Street (the Old Continental).
- B. THAT Council approve the tenant relocation plan of the current tenants to the newly acquired interim housing facility at 3484 Kingsway (to be called the Kingsway Continental), or other housing in their existing neighbourhood as outlined in this report and reconfirm the 2010 Granville Loops Policy Plan which requires the replacement of 109 SRO units at 1390 Granville with social housing.

REPORT SUMMARY

This report reviews the application by the city for an SRA Demolition permit to demolish/deconstruct the Old Continental at 1390 Granville Street. This City-owned building was slated for decommissioning in 1993 but has continued to operate due to the continued needs for social housing that is affordable for those at welfare rates. The City's Chief Building official has determined that the building is now beyond re-use or rehabilitation. In preparation for this, the City recently purchased replacement accommodation at 3483 Kingsway and preparations are underway to relocate the majority of tenants to the "Kingsway Continental" and those who wish to stay in the neighbourhood will be relocated in units at the refurbished Yale Hotel or other appropriate accommodation in the Downtown South. Work has been underway for the last 12 months to locate and purchase this replacement housing and with plans in place, staff have reviewed the application in accordance with existing Council policy and conclude that the SRA Permit is supportable and recommend approval of the application. As part of the 2010 Granville Loops Policy Plan, all 109 designated SRA rooms

in the Old Continental will be replaced with new social housing through development opportunities in Downtown South.

COUNCIL AUTHORITY/PREVIOUS DECISIONS

Relevant Council Policies for this site include:

- 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 22, 2004, Council confirmed its objective of achieving a minimum of one-to-one replacement of Single Room Accommodation units in the Downtown South and the Downtown Eastside.
- The Granville Loops Policy Plan (2010) confirmed land use policy for the loops area including policies related to the provision of affordable rental housing (including the replacement of all designated units at 1390 Granville Street with social housing), cycling facilities, and further policies in relation to building sites which would allow for greater height and density without significantly impacting neighbourhood livability or urban design.
- On June 28, 2011, Council adopted the Housing and Homelessness Strategy 2012-2021 with the goal to increase the supply of affordable housing; encourage a housing mix across all neighbourhoods that enhances quality of life; and provide strong leadership and support partners to enhance housing stability.
- On June 28, 2011, Council also adopted the Housing and Homelessness 3-year Action Plan 2012-2014 that further identifies priority actions to achieve some of the Strategy's goals. The priority action that relate to this application is to protect, update and enhance existing SROs, supportive, social, and purpose built rental housing.

CITY MANAGER'S/GENERAL MANAGER'S COMMENTS

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

REPORT

Background/Context

The Old Continental

The Old Continental is a City-owned and operated building located at 1390 Granville Street within the Granville bridge loops (Figure 1). Built in 1911, the Old Continental was originally a hotel and consists of 109 single rooms with shared toilet & shower facilities. The building was purchased by the City in 1955 as part of a land assembly for the new Granville Street Bridge. It was operated as a YWCA hostel until 1974 and then as a room-and-board hostel by the City with Provincial funding until the late 1980s when it no longer met the Provincial Licensing Standards. By 1993, the provincial financial support had been transferred to a

replacement facility, the New Continental at Seymour and Helmcken Streets, leaving the City fully responsible for the operating costs of the Old Continental.

Figure 1



In April 1990, with the building almost half empty and the upper floors closed, Council approved the use of 42 rooms in the building as an emergency shelter until September 1991. This use was further extended to September 1992.

In September 1992, the Director of Housing and Properties considered three options for the future of the building: retain as an emergency shelter; convert to an SRO with retention of some emergency beds; or demolish. Based on staff recommendations Council approved a renovation of the building at a cost of \$700,000 and its continued operation as a combined SRO (88 units) and emergency shelter (22 units).

In 1995, the 22 emergency shelter beds were also converted to monthly occupancy. The operating costs of the facility were to be covered by rents and capital requirements were to be provided from the Capital Fund. The Non-Market Housing Group in Community Services has operated the program in the intervening years; Facilities Design and Management has been responsible for the building operation and maintenance.

Downtown South and the one-for-one replacement Policy

At the time Council approved the *Downtown South Goals and Policies* in 1991 and 1993, the Old Continental site was excluded from the one-for-one replacement requirements because the building was in the process of being replaced by the New Continental and it was intended that it would be decommissioned following that replacement. However, given concerns about the loss of and need for rental housing, particularly for those at the lowest income ranges as outlined in Vancouver's Housing and Homelessness Strategy 2012-2021, staff are recommending a one-for-one replacement for the 109 units at the Old Continental.

Single Room Accommodation (SRA) By-law

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

Under the SRA By-law, owners wanting to convert or demolish SRA-designated rooms must apply for and obtain an SRA Conversion/Demolition Permit. Council evaluates each application on its own merits and may refuse the permit, approve the permit, or approve the permit with conditions. The SRA By-law also allows Council to require conditions such as a levy of \$15,000/unit to deposit into a reserve fund for replacement housing.

Strategic Analysis

SRA Conversion / Demolition Permit and one-for-one replacement

The condition of the Old Continental pose health and safety risks to tenants and staff and the City Building Inspector has determined the building to be beyond re-use or rehabilitation for residential purposes in its current condition.

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. Adequacy of Replacement Accommodation for Affected Tenants:** Efforts to provide affected tenants with improved accommodation are currently underway. As of this date, of 85 Old Continental tenants, 52 will be moving to the Kingsway Continental which is City owned. Units at the Old Continental average 140 Sq. Ft. with tenants sharing washroom facilities while units at the Kingsway Continental average 240 Sq. Ft., each with its own bathroom with bathtub and shower facilities. The needs of individual tenants have been identified and are being addressed by proactively linking them with appropriate social and health services. Those tenants who have chosen not to relocate to the Kingsway Continental are being supported in making alternate accommodation arrangements.
- 2. Supply of Low-Cost Accommodation:** The low-income stock has remained relatively stable in the downtown area between January 2003 (11,384 units), when the SRA By-law was enacted, and January 2013 (12,126 units). Many of the original SRO units have been replaced with self-contained units which is considered an appropriate standard for low income accommodation.

However, all sub-areas of the Downtown Core have seen a decrease in the number of units renting at or below shelter rates, indicating a loss of low-income accommodations. In 2011, only 24% of the SRO stock was renting at or below the shelter component of welfare (currently set at \$375 per month). In summary, it is appropriate that the city has replaced the 109 Old Continental units with the 123 low income self-contained units at the Kingsway Continental. The permanent replacement of this capacity in Downtown South will be undertaken as soon as possible.

3. **Condition of the Building:** The building is 100 years old and is now beyond its useful life with significant building envelope and systems issues that are reaching the point of impacting on the health and safety of tenants and staff. A 2011 report on the overall condition of the Old Continental listed 28 “currently critical” items requiring upgrades in the immediate future. Identified deficiencies include 1) fixed capital cost items including: inadequate alarm systems to meet present code requirements; lack of adequate fire separation walls in various locations in the building; inadequate fire escapes; and 2) other hazards discovered with increasing frequency over time, including asbestos containing materials; lead based paint and mold exposure in several areas. Independent consultants have confirmed that the cost of upgrading the current conditions of this City-owned and operated building are in excess of \$8,000,000.
4. **Need to Improve and Replace Single Room Accommodation** Staff are recommending that the loss of 109 units at the Old Continental be replaced by singles social housing units to be delivered through the redevelopment as outlined in the 2010 Granville Policy Plan (<http://former.vancouver.ca/commsvcs/guidelines/G016.pdf>). Section 4.2 of the 2010 Granville Policy Plan states that the existing units at the Old Continental are to be replaced with new non-market housing in the immediate area with funding to be provided through the redevelopment of the City-owned sites in the Loops.
5. **Unique Features of Building and Land:** In 1994, a private donor commissioned an internationally celebrated marine-mural artist, who goes by the name “Wyland”, to create a 7,200 sq. ft. mural depicting orca whales on the Continental’s south façade. Over time, the mural’s colour values faded but, in 2009, in time for the 2010 Games, Wyland’s own foundation, in Irvine, California, paid for its complete refurbishment. Public Art staff have commissioned a digital photographic record of this large mural, which for 19 years has provided an artistic gateway to the downtown for travellers heading north on Granville Bridge.

Financial

The costs associated with making modifications at the Kingsway Continental location and moving of tenants have been incorporated in the approved 2013 operating and capital budgets for non-market housing and facilities planning and development. More specifically, \$2 million was approved in the 2013 Capital Budget for the renovation and roughly \$426,000 for building maintenance and operation of the Kingsway Continental. The anticipated completion timeline for renovations and the move is summer 2013. Planning for the decommissioning process for the Old Continental will begin late 2013 with the full cost for complete decommissioning and demolition (approximately \$1.5million) to be included as part of the 2014 capital budget.

CONCLUSION

The Old Continental has provided affordable housing to low-income downtown south residents since the mid-1950s but it is now beyond its useful life. This report seeks Council approval to demolish the 109 designated SRA rooms. Staff has been working with tenants and have developed a robust tenant relocation plan to the newly purchased Kingsway Continental as well as other accommodation in the downtown south. The one-for-one replacement of SRO rooms as self-contained social housing will be delivered through the redevelopment of the site and surrounding area (as directed in the 2010 Granville Loops Policy).

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