



ADMINISTRATIVE REPORT

Report Date: March 11, 2013  
Contact: Jim De Hoop/Abi Bond  
Contact No.: 7479/7670  
RTS No.: 10040  
VanRIMS No.: 08-2000-20  
Meeting Date: April 10, 2013

TO: Standing Committee on City Finance and Services  
FROM: General Manager of Community Services  
SUBJECT: Single Room Accommodation By-law Conversion Permit 71 - 77 East Hastings Street

**RECOMMENDATION**

- A. THAT Council approve an SRA Conversion permit for 71-77 E. Hastings (Parcel Identifier: 014-950-219, Lot 19 and Parcel Identifier: 014-950-481, Lot 20, all of Block 8 District Lot 196 Plan 184) to:
- i. allow renovations to install private bathrooms and cooking facilities in each of the 19 units making them self-contained dwelling units.
  - ii. vary Section 10.21.2 of the Zoning and Development By-law to allow 17 of the 19 dwelling units to be less than 29.7 m<sup>2</sup> (320 sf).
  - iii. require the owner, as a condition of the SRA permit, to agree to an amendment of the existing Housing Agreement to make 5 units available to tenants who are eligible for the provincial Shelter Aid for Elderly Renters (SAFER).
- B. THAT, subject to the approval of RECOMMENDATION A, the Director of Legal Services be instructed to prepare the amendment to the Housing Agreement in consultation with the Managing Director of Social Development and to bring forward the by-law necessary to approve the amendment to the Housing Agreement.

**REPORT SUMMARY**

In February 2008, Council approved a Heritage Revitalization Agreement (HRA) and a Single Room Accommodation (SRA) Conversion/Demolition Permit to rehabilitate and restore the buildings at 71 -77 East Hastings Street. The HRA compensated for associated costs of rehabilitating and designating the "C" listed Heritage Register

building and the SRA Permit enabled the rehabilitation and re-opening of 19 SRA-designated rooms which had been closed for approximately 40 years. The SRA permit has expired because work under the development permit application did not proceed. The building has been purchased by a new owner who now wishes to proceed with the project. Because the SRA Permit has expired, this report recommends Council again approve an SRA permit in order for the project to proceed.

### ***COUNCIL AUTHORITY/PREVIOUS DECISIONS***

Relevant Council Policies for this site include:

- Housing and Homelessness Strategy 2012-2021, adopted June 28, 2011;
- Housing and Homelessness Strategy - 3 year Action Plan, adopted June 28, 2011;
- Downtown Eastside Housing Plan, adopted September 1, 2005;
- Single Room Accommodation By-law no. 8733, enacted October 21, 2003 and last amended December 15, 2009; and
- Heritage Building Rehabilitation Program, adopted in 2003.

### ***CITY MANAGER'S/GENERAL MANAGER'S COMMENTS***

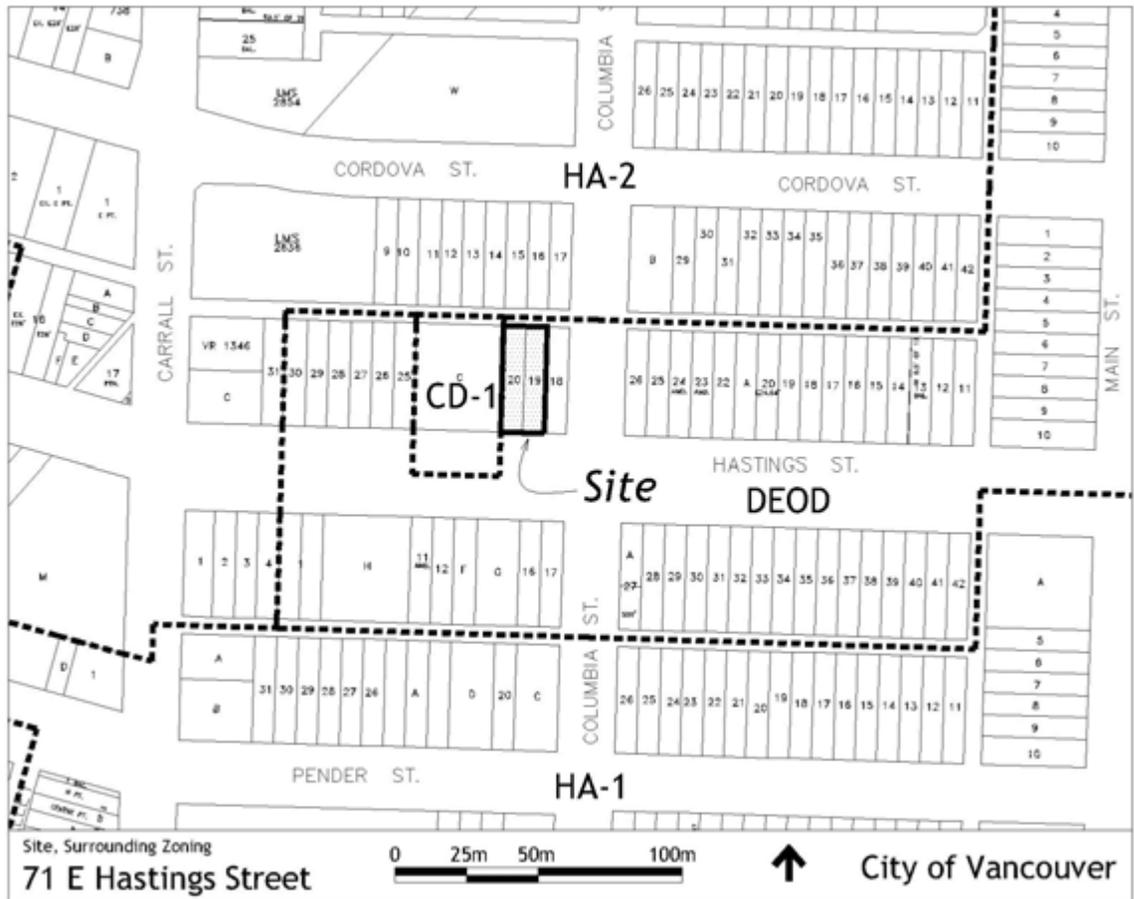
The General Manager of Community Services RECOMMENDS approval of recommendations A and B.

### ***REPORT***

#### ***Background/Context***

##### **71-77 E. Hastings Street**

In 2008, Council approved a Heritage Revitalization Agreement and an SRA Permit application to retain and restore the existing mixed-use buildings at this site (see figure below) and to construct a one-storey addition over the east building. The uses would remain the same with retail on the ground floor and housing on the upper floors. However, the project did not proceed and the building was sold. The new owner now wants to proceed with the project as approved in 2008 and is working through the prior to conditions of the development permit (DE 04013). While the approved Heritage Revitalization Agreement and Housing Agreement are registered on title, as per Section 4 of the SRA By-law, the SRA permit has expired. The DE cannot be issued without an approved SRA Permit. The applicant has submitted a new SRA permit application that proposes the same conversion as the 2005 application that was approved by Council in 2008. The proposal would renovate 16 designated SRA rooms on the upper floors that have been closed for approximately 40 years to create 19 new units, each with its own private washroom and cooking facilities. The applicant is not requesting any amendments to the HRA and will carry out the work required; however, this report recommends an amendment to the existing Housing Agreement registered on title to require 5 of the units be available for tenants eligible for SAFER.



### 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.

With respect to the validity of a permit, Section 4.8 of the By-law states that a conversion or demolition permit is valid for 12 months from the date of its issuance unless:

- (a) within that 12 month period, the permit holder has lawfully commenced the conversion or demolition authorized by the conversion or demolition permit, in which case the conversion or demolition permit is valid for 24 months from the date of its issuance;
- (b) within that 24 month period, the owner completes the conversion or demolition in compliance with the requirements of all city by-laws and permits for the work of the conversion or demolition;

- (c) Council renews the conversion or demolition permit for 12 months or less as Council considers reasonable in the circumstances; or
- (d) Council, as a condition of issuing the conversion or demolition permit, establishes another period of time during which the conversion or demolition permit is to be valid.

### ***Strategic Analysis***

The applicant has indicated they want to move forward with the project and requirements of the HRA and HA previously approved by Council in 2008 to provide 19 self-contained units. Seventeen of the 19 units will be smaller than 320 square feet (ranging from 224sf to 301sf) and therefore require Council to vary the minimum unit size in the Zoning and Development by-law. These 17 units will remain designated under the SRA by-law and be protected in the Housing Agreement. As such they will remain rental units until such time as Council consider and approve an application to remove them from the SRA Bylaw. The other two units are larger than 320 sq. ft. (365sf and 357sf) and will no longer be designated under the SRA By-law. These two units will also be protected as rental for a minimum of 20 years with the Housing Agreement. The applicant has indicated their intention to rent out the units for \$650-\$700 per room. The applicant has additionally agreed to make five of these units available to tenants who are eligible for the provincial rental subsidy program, SAFER which will be secured through an amendment to the Housing Agreement registered on title. This program provides monthly cash payments to subsidize rents for low-moderate income seniors. The program reimburses the difference between 30% of a person's total income and their rent to a maximum rent of \$700. The program provides the most subsidy to people with the least income which will create a higher level of affordability for tenants in the 5 units available to SAFER recipients.

The applicant has indicated that any other changes to the conditions of the Housing Agreement previously agreed and approved by Council would result in the project becoming financially unfeasible and in particular make the upgrading of the rooms to self-contained unviable. The applicant has indicated that they would instead request Council approve the removal of the HRA and HA registered on title and re-open the rooms without making them self-contained. Staff are recommending approval of this previously approved application as it will bring back into use, long-standing and currently empty units, enable them to be upgraded to self-contained units and additionally provide five units for SAFER eligible renters.

### **SRA Conversion / Demolition Permit**

As outlined in the Vancouver Charter, Council is required to consider a number of factors in deciding on an SRA Conversion/Demolition permit, specifically:

1. *Accommodation for Affected Tenants:* The residential rooms on the two upper storeys of 71 East Hastings Street provided accommodation for permanent residents at one time, and were therefore included in the SRA By-law. According to City records, however, these rooms have been vacant for almost 40 years due to their dilapidated and uninhabitable condition. Therefore, no tenants will directly be affected as a result of this SRA conversion/demolition approval.

2. *The condition of the building:* Like many buildings constructed in the early 20th century, the building at 71 East Hastings Street requires upgrading. The applicant will undertake extensive renovations that will significantly improve the quality of this “C” listed heritage building and will provide better, self-contained accommodation for low-income tenants.
  
3. *The supply and future availability of low cost accommodation in the Downtown Core:* The low-income stock 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).

Sub-Area	Change from 2003 to 2013									
	SRO (private market)				Social Housing *includes supportive housing (non-market for singles)				Total Change	Total % Change
	2003	2013	Change	% Change	2003	2013	Change	% Change		
Downtown Eastside	5,273	3,946	-1,327	-34%	3,899	5,816	1,917	33%	590	6%
Downtown South	784	457	-327	-72%	808	1,267	459	36%	132	8%
Rest of Downtown Core	433	81	-352	-435%	187	559	372	67%	20	3%
<b>TOTAL</b>	<b>6,490</b>	<b>4484</b>	<b>-2,006</b>	<b>-45%</b>	<b>4,894</b>	<b>7,642</b>	<b>2,748</b>	<b>36%</b>	<b>742</b>	<b>6%</b>

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). The current proposal, if approved, will provide 19 upgraded self-contained units. As a condition of the SRA Permit, they will continue to be operated as monthly rental similar to the rest of the units for a period of 20 years as previously approved by Council. The reopening of these updated units is consistent with Council policy to:

- Maintain and upgrade housing in the Downtown Eastside;
- Improve existing SRA room; and,
- Encourage a diversity of housing in the Downtown Eastside.

4. *The Need to Replace or Improve SRA Units:* : The proposed development is in keeping with Council’s policy to improve existing SRA rooms and maintain/upgrade housing in the Downtown Eastside. Once renovations are complete, 19 upgraded self-contained units will become available and will provide much needed housing. As a condition for approval of the SRA conversion permit, staff recommend that existing Housing Agreement registered on title requiring monthly rental tenure of all 19 units to permanent residents, be amended to also require that 5 of the units be made available tenants who are eligible for SAFER. Any future application to change the use or stratify this building 71 East Hastings will be subject to all necessary City approvals and the Council of the day will maintain unfettered right to refuse such an application.

**Review and Notification**

*Public Consultation:* Standard notification procedures were followed when the initial development permit application was submitted in 2005. 261 surrounding property

owners were notified and invited to comment on the proposal. Staff received no response to the proposal.

With respect to this current application, staff met with DTES Local Area Planning Committee to inform them of the SRA Permit application. Some members of the Committee are opposed to the SRA permit application due to a concern that rents ranging from \$650-\$700 are not as affordable to all low-income residents in the DTES.

***Implications/Related Issues/Risk (if applicable)***

***Financial***

There are no incremental financial implications should Council approve the SRA conversion permit application. This will enable the developer to proceed with the rehabilitation work originally contemplated and approved by Council in February 2008 (RTS#07036), which also involves a Heritage Revitalization Agreement and associated incentive package estimated at \$2.1 million comprised of property tax exemption (\$173,670), façade grant (\$50,000), and the bonus density.

***CONCLUSION***

In 2008, Council approved an HRA and SRA Conversion permit to rehabilitate 71-77 E. Hastings and re-open designated SRA rooms that had been closed for approximately 40 years. Work did not proceed and the SRA permit expired. The applicant now wants to proceed with the HRA and this report recommends Council approve an SRA Permit similar to the one previously approved as the previous permit expired. Approval will result in renovated to self-contained units - seventeen of the units will remain designated under and subject to the SRA by-law and all 19 units will be secured as rental for a minimum of 20 years, with an amendment to the Housing Agreement to secure 5 units for tenants eligible for SAFER .

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