



## ADMINISTRATIVE REPORT

Report Date: December 1, 2014  
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Meeting Date: December 16, 2014

TO: Vancouver City Council  
FROM: General Manager of Community Services  
SUBJECT: Single Room Accommodation Permit for Canadian North Star  
(5 West Hastings Street)

### **RECOMMENDATION**

- A. THAT Council approve a SRA Conversion Permit for the Canadian North Star, located at 5 West Hastings [*Parcel Identifier: 014-235-234, The East 26 Feet Of Lot 16, Block 3, Old Granville Townsite Plan 168*], to upgrade 31 existing rooms with bathrooms and cooking facilities, including creating 3 double rooms by incorporating redundant amenity spaces along the east wall into an existing room on each of the three residential floors with the total number of units remaining as 31. Approval is subject to an issuable development permit and the owner entering into a Housing Agreement for a term of 30 years requiring that:
- i.* 5 rooms (room numbers 209,309,403,404,405) be rented at a monthly rent no greater than the shelter component of Income Assistance (currently \$375); and,
  - ii.* 50% (13 rooms) of the remaining 26 rooms will be made available to tenants who are on income assistance and eligible for rent supplements subject to funding for the Provincial rent subsidy program. Potential eligible tenants will be referred for consideration and the applicant, as landlord, will make the final selection.
- B. THAT, subject to the approval of recommendation A, the Director of Legal Services be instructed to prepare a Housing Agreement in consultation with the Managing Director of Social Development and to bring forward the by-law necessary to approve the Housing Agreement.

## **REPORT SUMMARY**

This report seeks Council's approval to issue an SRA Conversion Permit to Five West Holdings Ltd. for the Canadian North Star (5 West Hastings) to upgrade 31 existing rooms with bathrooms and cooking facilities, including creating 3 double rooms (includes an adjoining bedroom) by incorporating redundant amenity spaces along the east wall into an existing room on each of the three residential floors with the total number of units remaining as 31. The 31 rooms will remain designated under the SRA by-law since they are smaller than 250 square feet (23.2m<sup>2</sup>). This permit is conditional on the enactment of a housing agreement (for 30 years) to secure five rooms at the shelter component of income assistance and 50% of the remaining 26 rooms (13) being made available for to tenants on income assistance and eligible for a rent supplement (subject to availability of funding for rent supplements), in addition to an issuable development permit consistent with the plans provided for this SRA permit application. (See Appendix A for Existing and Proposed floor plans, the application permit and affidavit).

## **COUNCIL AUTHORITY/PREVIOUS DECISIONS**

Relevant Council Policies for this site include:

1. On October 21, 2003, Council enacted the SRA By-law to regulate the conversion and demolition of SRAs in the Downtown Core.
2. 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.
3. On June 22, 2004, Council confirmed its objective of achieving a minimum of one-to-one replacement of Single Room Accommodation with self-contained social housing in the Downtown South and the Downtown Eastside.
4. On September 15, 2005, Council adopted the Downtown Eastside Housing Plan.
5. On July 28, 2011 Council endorsed the Housing & Homelessness Strategy 2012-2021 which includes Strategic Direction 1: Increase the supply of affordable housing and Strategic Direction 2: Encourage a housing mix across all neighbourhoods that enhances quality of life. The 3-Year Action Plan 2012-2014 identifies priority actions to achieve some of the Strategy's goals.
6. On March 15, 2014, Council adopted the Downtown Eastside Plan. The Plan sets out a vision for the future of the DTES to improve the lives of all those who currently live in the area, including low-income and middle-income residents, the homeless, seniors, women, children and families. The plan will also "enhance and accelerate a strategy to implement the Council's 2005 DTES Housing Plan" thereby improving the diversity of affordable market and non-market options in the neighborhood.
7. On March 15, 2014, Council adopted Policies and Guidelines for the Upgrade of Rooms Designated under the Single Room Accommodation (SRA) Bylaw (No. 8733), as part of the DTES Plan. The intent of the Guidelines is to provide flexibility to improve livability in rooms designated under the SRA Bylaw, while minimizing room loss and maintaining affordability. The Guidelines delineate a set of principles for livability which include light and ventilation, privacy, amenity space as well as affordability.

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

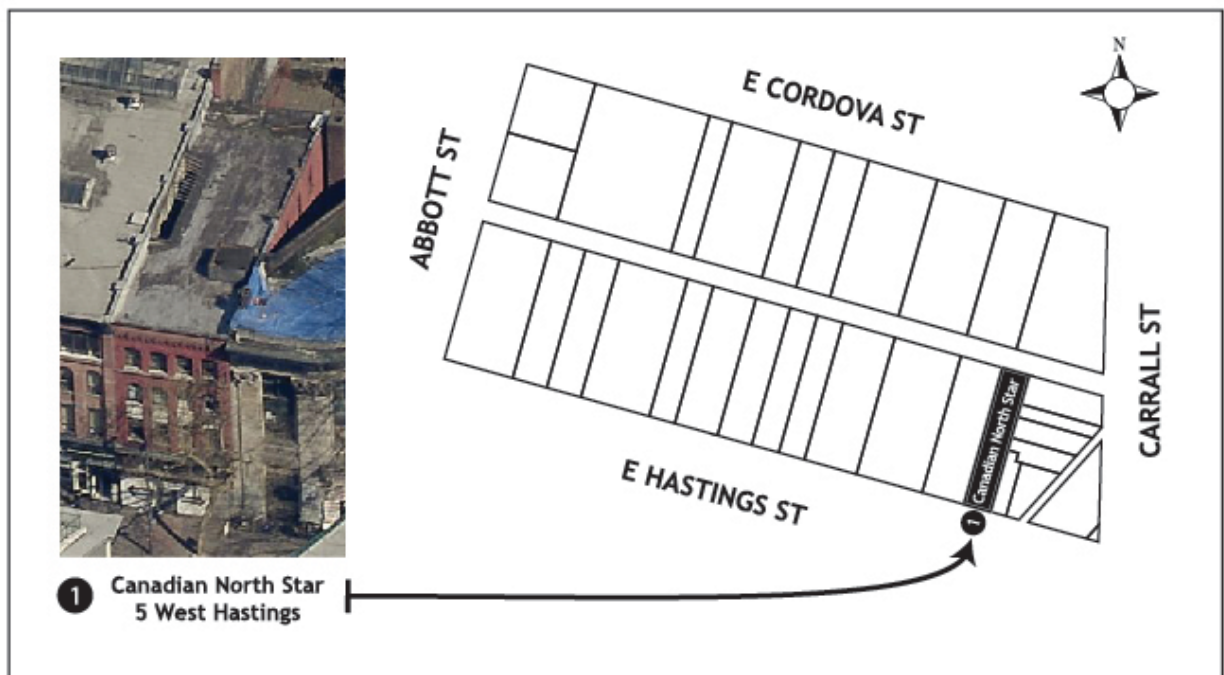
The General Manager of Community Services RECOMMENDS approval of the foregoing.

### **REPORT**

#### **Background/Context**

##### **The Canadian North Star**

The Canadian North Star is a rooming house located at 5 West Hastings Street and owned by Five West Holding Ltd. The 31 SRA-designated rooms on the second, third and fourth floors, as well as the commercial floors, were all closed in 1999 for significant and persistent contraventions of City of Vancouver by-laws and have been deemed unsafe for occupancy. The rear wall of the building has been completely removed, fully exposing the rooming house to the deleterious effects of the elements.



##### **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/room to deposit into a reserve fund for replacement housing. This report does not recommend the \$15,000/door levy since the converted rooms will continue to remain designated under the by-law and will be significantly improved through the addition of bathrooms and cooking facilities.

## *Strategic Analysis*

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

The Canadian North Star's 31 SRA-designated rooms have been unoccupied and deteriorating for more than 10 years. This permit will allow these rooms to be made self-contained, secures 5 rooms at the shelter component of income assistance (currently \$375), and all the rooms will remain designation under the SRA By-law. In addition the applicant will make 50% of the remaining 26 rooms available to tenants who are on income assistance and are supported with Provincial rent supplements at no cost to the City of Vancouver. These conditions will be secured by a Housing Agreement with a term of 30 years.

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:** There are no affected tenants as the Canadian North Star has been vacant for more than 10 years.
- 2. Supply of Low-Cost Accommodation:** The low-income stock remained relatively stable in the downtown area between January 2004 (11,549), the year after the SRA By-law was enacted, and January 2014 (12,230). However, all sub-areas of the Downtown Core have seen a decrease in the number of rooms renting at or below shelter rates, indicating a loss of low-income accommodations. In 2013, only 24% of the Downtown Core and 26% of the Downtown Eastside private market SRO stock was renting at or below the shelter component of welfare (currently set at \$375 per month).

The following table shows the net changes of SRO (private market) and social housing units (non-market for singles) between 2004 and 2014 by sub-area. The reduction of private market SROs and increase in Social Housing in the DTES over this period was largely due to the purchase of over 900 rooms in 13 SROs by BC housing. Other non-market housing for singles that opened in the DTES in the last ten years include Woodward's (125 units), Pacific Coast Apartments (96 units) and the Lux (92 units).

If this SRA permit is approved and the new housing is occupied, the table would be amended with an increase of 31 rooms of SRO (private market) in the Downtown Eastside. The total ten year change in units in the Downtown Eastside would increase from 423 to 454 rooms and the increase of rooms across the Downtown Core would be raised from 681 to 712 rooms. The 31 rooms were not included in the 2004 number since they were closed and not available for rent. Approval of

this application would bring these closed rooms back on stream and increase the overall stock available for rent.

Table 1: SRO (private market) and Social Housing (non-market for singles), Change from 2004 to 2014

| Sub-Area              | Change from 2004 to 2014 |              |               |   |              |              |            |
|-----------------------|--------------------------|--------------|---------------|---|--------------|--------------|------------|
|                       | SRO (private market)     |              |               | Social Housing<br>*includes supportive<br>housing<br>(non-market for singles) |              |              | TOTAL      |
|                       | 2004                     | 2014         | Change        | 2004  | 2014         | Change       |            |
| Downtown Eastside     | 5,206                    | 4,046        | -1,160        | 4,223   | 5,806        | 1,583        | 423        |
| Downtown South        | 692                      | 452          | -240          | 808   | 1,367        | 559          | 319        |
| Rest of Downtown Core | 433                      | 81           | -352          | 187   | 478          | 291          | -61        |
| <b>TOTAL</b>          | <b>6,331</b>             | <b>4,579</b> | <b>-1,752</b> | <b>5,218</b>  | <b>7,651</b> | <b>2,433</b> | <b>681</b> |

3. **Need to Improve and Replace Single Room Accommodation:** The proposed renovation is in keeping with Council's polity to improve existing SRA rooms and maintain/upgrade housing in the Downtown Eastside. Once renovations are complete, 31 upgraded self-contained units will be become available and will provide much need housing.
4. **Condition of the Building:** 5 West Hastings is a four storey 26-foot-wide building, the ground floor of which is commercial. The three upper floors are comprised of 31 SRA-designated rooms that have been vacant for over 10 years. The rear wall of the residential floors of the building has collapsed and is in urgent need of repair. A May 20, 2014 report by John Bryson & Partners Structural Engineers indicated that the buildings rear brick wall has been completely removed and part of the roof of the single storey part of the building, at the rear, has been removed. They note in their report that the building is open to weather and remains subject to the deteriorating effects of the elements. The Canadian North Star has been deemed unsafe to occupy but according to a certified engineer's report is not currently a danger to either the public or adjacent buildings (the condition of the building must be reassessed by the end of November 2014).
5. **Unique Features of Building and Land:** Built in 1904, 5 West Hastings and has been designated by the City of Vancouver as significant heritage site - B(M). Known as the Drexel Rooms until the 1980's, the Canadian North Star was closed in 1999 for significant and persistent contraventions of City of Vancouver by-laws. In 2006 it was occupied by squatters protesting the lack of affordable housing and evictions from SRO's in the lead up to the 2010 Winter Olympics.

## **Policies and Guidelines for the Upgrade of Rooms Designated under the Single Room Accommodation (SRA) Bylaw (No. 8733)**

This application is the first to be considered following the adoption by Council of the *Policies and Guidelines for the Upgrade of Rooms Designated under the Single Room Accommodation (SRA) Bylaw (No. 8733)* on March 15, 2014 as part of the DTES Plan. The intent of the Guideline is to provide flexibility to:

- Improve livability in SRA rooms through the addition of washrooms and cooking facilities, as well as set out principles for livability such as light and ventilation, privacy, and amenity space;
- Minimize room loss by allowing smaller upgraded SRA room; and,
- Maintain affordability of upgraded rooms with rent targets of 1/3 of the rooms renting at the shelter component of income assistance, 1/3 at no more than the average SRO (currently \$424/month) rent and 1/3 above SRO rents.

This application brings back into use a building that has been vacant for over 10 years and needs major repair. A 30 year Housing Agreement is recommended to secure a portion of the upgraded rooms at the shelter component of income assistance, as well as making 50% of the remaining 26 rooms available to tenants on income assistance who are eligible for rent supplements subject to provincial funding.

### ***Financial Implications***

There are no financial implications.

### ***CONCLUSION***

This report seeks Council's approval to issue an SRA Permit to Five West Holdings Ltd for the Canadian North Star (5 West Hastings) to allow upgrade 31 existing SRA designated rooms to include bathrooms and cooking facilities. One SRA room on each of the three residential floors will be renovated to incorporate redundant amenity space, creation double rooms. Approval of this application would bring back into use 31 rooms and each of those rooms will be designated under the SRA by-law.

Approval of this project supports the Housing and Homelessness Strategy and the implementation of the DTES Housing Plan which was recently adopted by Council as part of the DTES Plan.

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