



ADMINISTRATIVE REPORT

Report Date: August 26, 2010
Contact: Liza Jimenez
Contact No.: 604.871.6848
RTS No.: 08803
VanRIMS No.: 08-2000-20
Meeting Date: September 23, 2010

TO: Standing Committee on Planning and Environment
FROM: Managing Director of Social Development Department
SUBJECT: Single Room Accommodation (SRA) Permit for 31 West Pender Street (Pender Hotel)

RECOMMENDATION

- A. THAT Council approve an SRA Permit for the Pender Hotel, located at 31 West Pender Street, to convert all 40 units in order to construct 24 studios and 13 Healing Lodges, as per DE413839, subject to the condition that prior to the issuance of the SRA permit that the owner will enter into a registered:
 - i. Housing Agreement requiring the 24 studio units to be rented at a monthly rent no greater than the shelter component of welfare for a single person which is currently \$375, and
 - ii. 219 Covenant disallowing subdivision by strata plan.

- B. THAT, subject to the approval of RECOMMENDATION A, the Director of Legal Services be instructed to prepare the necessary agreements described above in consultation with the Managing Director of Social Development and to bring forward the by-law necessary to approve the housing agreement.

GENERAL MANAGER'S COMMENTS

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

CITY MANAGER'S COMMENTS

The City Manager RECOMMENDS approval of the aforementioned.

COUNCIL POLICY

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

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

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.

SUMMARY & PURPOSE

This report seeks Council's approval to issue an SRA Permit for the Pender Hotel (31 W. Pender St.) to convert 40 rooms into 24 studios and 13 Healing Lodge units of 2 and 3-bedrooms. This property is now owned by Provincial Rental Housing Corporation (BC Housing) and will serve to permanently house Aboriginal people at risk of homelessness and temporarily house Aboriginal people who have travelled to Vancouver for medical treatment.

BACKGROUND

In October 2003, Council enacted the Single Room Accommodation (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 Pender Hotel is a 3-storey building which is listed in category "B" on the heritage registry. It is located at 31 W. Pender in the Downtown District (DD), on the north side of Pender Street between Abbott and Carrall Streets see Figure 1 below. BC Housing purchased this building in 2008 which has been closed since 2006. The second and third floors served as a residential hotel with 40 rooms. The ground floor is a vacant commercial retail unit.

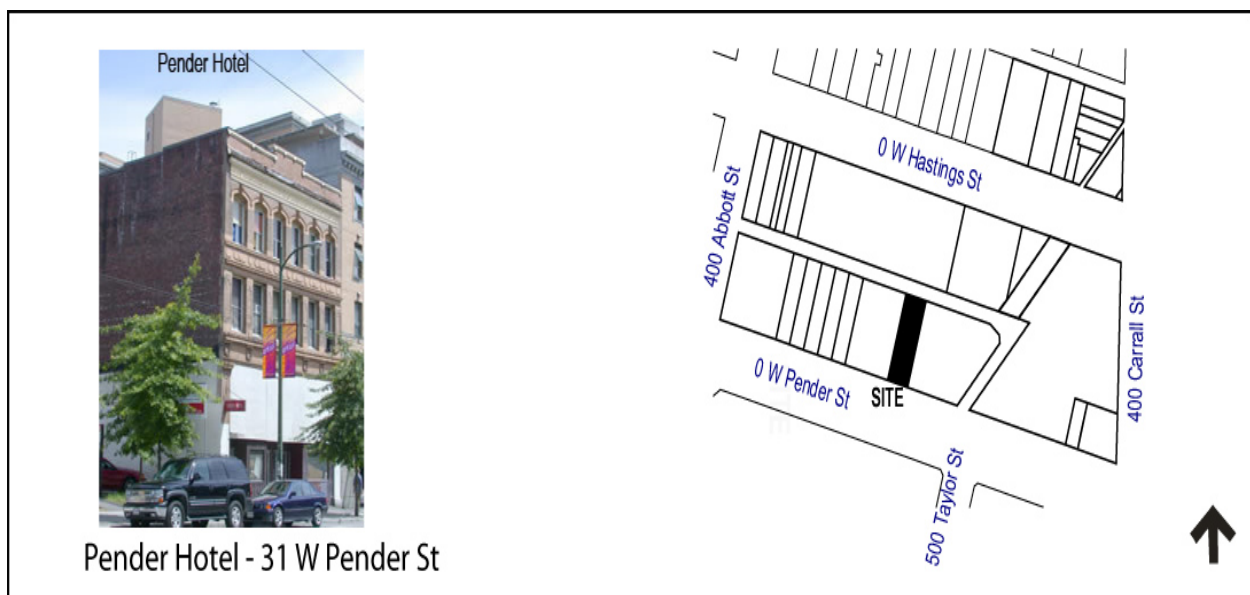


Figure 1: Pender Hotel, 31 W. Pender Street

PRHC made this application in August 2010 to create 24 studios for permanent housing and 13 Healing Lodge units, which are considered as group residence housing, for Aboriginals temporarily in Vancouver for health care (see Appendix A). Vancouver Native Housing Society (VNHS) will operate the new building. Stays at the Healing Lodge component may vary from days to months. This re-development is primarily funded by Infrastructure Canada as part of the stimulus funding.

At the rear of the ground floor level there will be a small cafeteria-style dining lounge with full food service for Healing Lodge residents. The street front ground level will be an art gallery exhibiting creative works by First Nation artists. The neighbouring building at 27 W. Pender is also operated by VNHS as permanent low-income housing for Aboriginal people.

This application has received development approval, subject to "prior-to" conditions being satisfied (DE413839).

The Vancouver Charter requires Council to consider a number of factors in deciding whether or not to grant an SRA conversion or demolition permit. These factors include:

1. **Accommodation for Affected Tenants:** There are no affected tenants as the Pender Hotel is vacant.
2. **Supply of Low-Cost Accommodation:** 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). By the end of 2013, there will be over 1,100 additional units of non-market housing for singles. The following table shows the net changes of SRO and non-market housing by sub-area.

Sub-Area	Change Since 2003						TOTAL
	SROs			Non-Market (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

3. **Condition of the Building:** Like many buildings constructed in the late 19th and early 20th centuries, the Pender Hotel requires upgrades. The project includes the façade retention of this historical building, a category "B" on the heritage registry.
4. **Need to Improve and Replace Single Room Accommodation:** The Pender Hotel is located in the sub-area of the Downtown Core called the Downtown Eastside. Since the enactment of the SRA By-law in 2003, the SRO stock has decreased by 1,446 rooms in this sub-area because 9 SRA Permits were issued (-160 rooms), 2 properties were recently exempted (140 units) and over 1,100 units were converted to non-market stock. Throughout the Downtown Core, the Province has recently purchased and/or leased 24 SRO buildings as a means of improving and securing low cost housing - the Pender Hotel is one of these.

5. **History of Building and Land:** This property has a history of poor maintenance and as a result was ordered to be closed by the Chief Building Official because it was unsafe to occupy in February 2006. PRHC purchased the vacant building in 2008.

Conditions of Approval

There are two issues to consider with this application: loss of rooms and history of the building. First, there will be an overall loss in units from 40 to 37, 13 of which will be for short-term rental. However, there are significant benefits that compensate for this loss. The building will not be stratified and all units will be improved with private kitchens and bathrooms. The 24 studio apartments will be secured as long-term rental at welfare rent levels currently, \$375/month for the life of the building. In addition, the 13 Healing Lodge units help fill the need for a culturally-sensitive medical stay facilities for Aboriginal people and their companions who are required to travel to Vancouver for medical treatment. Vancouver Native Housing conducted a needs assessment that revealed that there are over 100,000 Aboriginal medical overnight stays in Vancouver every year. The proposal includes a space for ceremonial functions, a smudge room and a seating area for congregating for the guests of the Healing Lodge units.

Second, regarding the history of the building, this re-development plan proposes that the new units be secured as non-market housing in perpetuity and operated by VNHS. This society has other well managed buildings in Vancouver and one directly next door (Ian Leman Place at 27 W. Pender). These factors of good management and non-market tenure make it unlikely that this new proposal will result in a similar situation in 2006 where the City closed the building. Also, it will not encourage owners of other buildings to neglect their building in the hope of obtaining permission to convert in the future.

The units will be greater than 320 square feet which makes the SRA By-law no longer applicable, however this is not a concern. PRHC ownership, VNHS management and the conditions of conversion approval provides assurances that it will be operated for social housing purposes.

CONCLUSION

Staff recommend approval of the SRA Permit application to convert 40 units to construct 24 studios and 13 Healing Lodges subject to the owner entering into a registered a Housing Agreement and 219 Covenant.

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CITY OF VANCOUVER
COMMUNITY SERVICES
Housing Centre

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

Civic Address: 31 West Pender SR No. _____
 Legal Description: Lot B Subdivision Lot 31 Block 29 District Lot 541 Plan 210
 Building Name: Pender Hotel

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

Your Name: **CRAIG CRAWFORD**

Mailing Address: 1701 - 4555 Kingsway

City: Burnaby, BC

Postal Code: V5H 4V8

Phone Number: 604 - 433 - 1711

Company Name: Provincial Rental Housing Corporation

You are the:
 01 Director of the Property Owner
 02 Agent for Property Owner

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: Provincial Rental Housing Corporation

Address: 1701 - 4555 Kingsway City: Burnaby, BC

Postal Code: V5H 4V8 Phone Number: 604.433.1711

Property Owner's Name: _____

Address: _____ City: _____

Postal Code: _____ Phone Number: _____

Property Owner's Name: _____

Address: _____ City: _____

Postal Code: _____ Phone Number: _____

This application is to: (Check applicable box)

001 Convert occupancy of designated room(s)
 002 Change term or nature of tenancy of designated room(s)
 003 Change frequency of rent payments for designated room(s)
 004 Convert vacant designated room(s)
 005 Repair or alter designated room(s)
 006 Demolish designated room(s)

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

Total # of storeys in this building: 4

Total # of SRA rooms in this building: 40

Total # of non-SRA rooms in this building: 1

Describe nature of the proposed conversion or demolition:

demolish existing vacant 40 single room
accommodation units
retain heritage facade
rebuild/new construction seven storeys to include
24 self contained studio units,
13 Healing Lodge Units (20 rooms)
and ground floor commercial
space including First Nations Art Gallery

Please continue application on reverse

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 type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
If Yes, you must provide the following information:	
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	
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:**

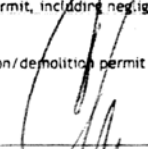
- Definition of "conversion" or "convert" means the following under the Single Room Accommodation By-law:
 - (a) a change in the form of occupancy, intended form of occupancy, or customary form of occupancy of a designated room from living accommodation for a permanent resident to living accommodation 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 19th DAY OF August 2010


 Signature of Applicant
CRAIG CRAWFORD

