



ADMINISTRATIVE REPORT

Report Date: March 1, 2011
Contact: Brenda Prosen
Contact No.: 604.871.6858
RTS No.: 09023
VanRIMS No.: 08-2000-20
Meeting Date: March 17, 2011

TO: Standing Committee on City Services and Budgets

FROM: Managing Director of Social Development and Deputy General Manager of Community Services

SUBJECT: Single Room Accommodation (SRA) Permit for 120 Jackson Avenue, International Inn (500 Alexander Street)

RECOMMENDATION

- A. THAT Council approve an SRA Permit for the International Inn, located at 120 Jackson Avenue (500 Alexander Street), in order to alter the interior and exterior to 18 units and to demolish 4 units, as per DB434572, subject to the condition that prior to the issuance of the SRA permit the owner will enter into a registered:
- i. Housing Agreement requiring the 18 units to be rented at a monthly rent no greater than the shelter component of welfare for a single person which is currently set at \$375, and
 - ii. Section 219 Covenant disallowing stratification.
- 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.

These recommendations will not affect the continuation of the SRA designation of the 18 improved units.

CITY MANAGER'S COMMENTS

This project is important for the City as part of our Homelessness and Housing Strategy in seeking new approaches to providing affordable housing for Vancouver residents. In particular, this project includes the use of modular housing to increase the number of units on the site. Moreover, this innovative project supports Council's goal of ending street homelessness by 2015 and the City's urban health initiative, particularly in reducing health

and safety harms associated with survival sex work and enabling prevention and exiting opportunities. We would like to acknowledge Atira as the leader of this project, and their partners: Canadian Mortgage Housing Commission (CMHC), Provincial Rental Housing Corporation (PRHC), British Columbia Housing Management Commission (BCHMC), BC Hydro and the Vancouver Foundation.

GENERAL MANAGER'S COMMENTS

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

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

On July 28, 2009, Council directed staff to report back on strategies to address the negative impacts of the sex trade throughout Vancouver. The staff report is expected in the spring of 2011.

SUMMARY & PURPOSE

This report seeks Council's approval to issue an SRA Permit to Atira Women's Resource Society for the International Inn, 120 Jackson Avenue (500 Alexander Street) to alter the interior and exterior of 18 units and to demolish 4 units on the adjacent lot, subject to Atira entering into a Housing Agreement. The City of Vancouver's Housing Agreement with Atira will register their intent to rent the 18 single room occupancy units (SRO) at no more than the monthly shelter allowance rate (currently \$375/month) in perpetuity but because BC Housing has charges in priority to this Housing Agreement and are not a party to the Housing Agreement, the City's ability to safeguard rents is limited. The purpose of the Memorandum of Understanding (MOU) (Appendix C) is to help mitigate the risk to the City of the rents rising above the monthly shelter allowance rate.

The City will also register a Section 219 Covenant to disallow stratification of the units. Approval of an SRA Permit will not affect the SRA designation of the building as the rooms will remain less than 320 square feet.

The renovation of the International Inn at 120 Jackson Avenue (500 Alexander Street) is the first phase of a project that will result in 18 permanent housing units for homeless and at-risk young women in the Downtown Eastside. The second phase of the project includes the renovation of the neighbouring heritage house (2 units) on the adjacent lot at 502 Alexander Street and the construction of an additional 6 container (modular) housing units behind the heritage house. The completion of this project will create a total of 26 housing units for young women.

The project supports a number of Council priorities: the implementation of Council's Urban Health Initiative; Council's goal of ending street homelessness by 2015; Council's initiative to protect women in sex trade; and Council direction to pilot modular housing as an initiative to expedite affordable housing. The project also supports the Downtown Eastside Housing Plan to encourage the improvement of the maintenance and management of SRO stock.

The program at 120 Jackson Avenue will provide long-term supported housing for young women 'at-risk', including women who may be pregnant. The issues young women residing at 120 Jackson might be facing include: violence and abuse, poverty, racism, homelessness or unsafe housing, substance use and/or mental wellness issues. The project will also provide opportunities for young women to exit the sex trade, a key priority under the Urban Health Initiative.

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 International Inn is located in the sub-area of the Downtown Core called the Downtown Eastside (DTES). It is a 2-storey building listed in category "B" on the heritage registry. It is located at 120 Jackson Avenue (500 Alexander Street) in Sub-Area 4 Alexander/Powell of the Downtown Eastside/Oppenheimer District (DEOD), on the southeast corner of Alexander Street and Jackson Avenue (see Figure 1). The building served as a residential hotel with 22 rooms and a communal kitchen. The applicant purchased this site in July 2009 and the building has been vacant and closed since September 2010 in anticipation of building renovations.

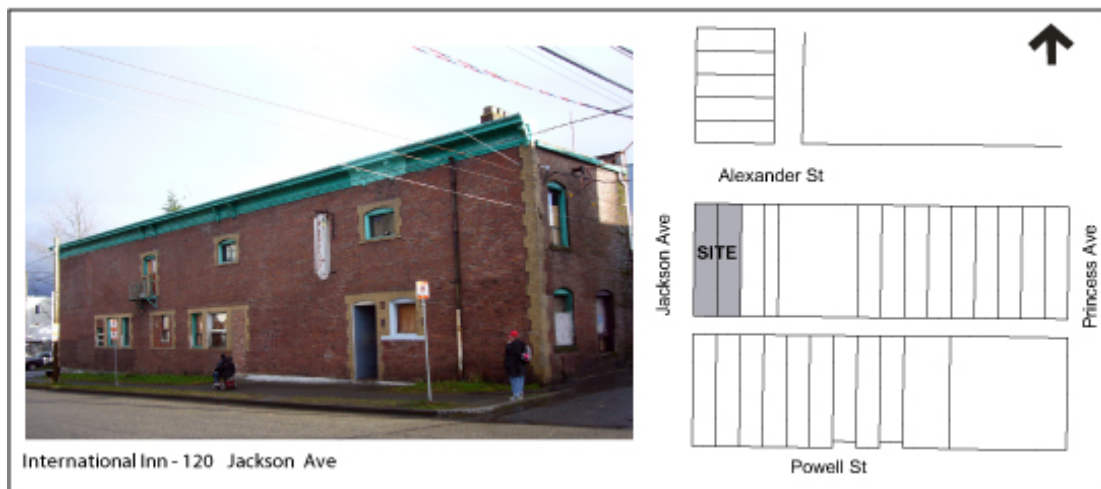


Figure 1: International Inn, 120 Jackson Avenue (500 Alexander Street)

Atira made this SRA Permit application in late September 2010 to renovate 18 units and to demolish 4 units located in an annex to the International Inn. The proposal also includes renovations to the existing communal kitchen, the 5 common bathrooms, and the creation of a new laundry facility. Units on the second floor would be reoriented to face Jackson Street, instead of the neighbouring property, and the units will be enlarged by making use of the wide hallway space. This renovation is primarily funded by the Shelter Enhancement Program of the Canada Mortgage and Housing Corporation (CMHC).

The renovated units at 120 Jackson Avenue will serve to provide low barrier supportive housing for young women in the Downtown Eastside and will be operated by Atira Women's Resource Society. Subject to the continued receipt of grants and available funds, the building will have a 'House Mom' on site and additional support services for the residents will be provided on site by Atira and its partner organizations.

This combined development/building permit application (DB434572) has received approval and will require a building inspection by the district inspector prior to permit issuance and subject to the issuance of the SRA Permit.

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 International Inn is currently vacant. Atira provided assistance and support and found new housing for the previous tenants through their tenant liaison worker and housing outreach worker.
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 Provincial partnership to develop 14 social and supportive housing sites across the City. By 2009 36% of the SRO stock was renting at or below the shelter component of welfare currently set at \$375.

The following table shows the net changes of SRO and social housing units by sub-area.

Sub-Area	Change Since 2003						TOTAL
	SRO			Social Housing (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 4 SRO units in the Downtown Eastside. There would also be an increase of 6 Social Housing units should the container housing application be approved, this is a separate development and building permit process under application DE414592.

Three new projects are expected to open in the Downtown Eastside (DTES) in the first half of 2011, increasing the stock by a total of 213 units:

- 1005 Station Street: 80 self-contained units for low-income singles operated by Portland Hotel Society (PHS). This project is on City-owned land, funded by the Provincial Homelessness Initiative (PHI). This project opened in January 2011.
 - Union Gospel Project (601 East Hastings Street): 37 self-contained units operated by Union Gospel Mission. This project opened in January 2011.
 - Pender Suites (337 West Pender Street): 96 self-contained units operated by Coast Foundation Society. This project is on City-owned land, funded by the PHI. The anticipated completion date is May 2011.
3. **Conditions of the Building:** Like many buildings constructed in the late 19th and early 20th centuries, the International Inn requires upgrades. This proposal includes extensive mechanical, electrical and structural renovations to bring the building into building code compliance. Individual units will have new windows and sinks, the common bathrooms and communal kitchen will be expanded and upgraded, and a new laundry facility will be installed.
 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 has recently bought and leased 24 SRO buildings to improve and secure low cost housing. Investment has been made to renovate and upgrade this stock of housing. As noted under Factor 2, "Supply of Low-Cost Accommodation", losses in SRO stock were more than 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 legislation. The applicant, Atira, purchased the property in 2009 with the intention of upgrading and renovating the building.

Condition of Approval

Through the SRA permitting process the City encourages re-investment in SRA-designated buildings while discouraging owners from neglecting or emptying their buildings in the hope of obtaining permission to convert or demolish in the future. This application is aligned with those goals and staff recommend approval of the application for the following reasons:

Firstly, this project leverages funding from multiple sources to provide much need housing for women at extreme risk of homelessness. Young women who are homeless or living in unsafe housing face many challenges, and have difficulty accessing the support services they need. These units will help fill the need for low-barrier supportive housing for these young women.

Secondly, improvements to the building will help maintain this low-income stock in the long term.

Thirdly, the SRA permit will not affect the SRA status of the building. The renovations are such that the 18 remaining units will be upgraded and improved, but remain less than 320 square feet. Any future changes to the building will still require an SRA permit application process.

Fourthly, the Housing Agreement registers Atira's intent to secure the 18 units as long-term rental at shelter allowance rent levels currently set at \$375/month, in perpetuity. The registration of a Section 219 Covenant will also disallow stratification of the units. In addition, this site is presently charged with a Section 219 Covenant and option to purchase in favour of the Provincial Rental Housing Corporation (PRHC), a mortgage in favour of the British Columbia Housing Management Commission (BCHMC), and a second mortgage in favour of CMHC. The City normally requires priority over such charges (i.e. the City's agreements taking precedence over other agreements on title), but it must forego priority on this occasion as the other charges secure the interim construction financing and the long-term financing following completion of the renovations at 120 Jackson Avenue. The City's position on title following these existing agreements means that while the existing agreements remain in priority until the financing is discharged, the City has no mechanism to control the rent levels as set out in the Housing Agreement. In agreeing to the terms of the Housing Agreement, Atira has registered their intent to charge rents no more than the shelter allowance rates.

Lastly, the City of Vancouver has entered into an MOU with BC Housing (Appendix C), who hold agreements in priority to the City's Housing Agreement. The purpose of the MOU is to help mitigate the risk to the City of the rents rising above the monthly shelter allowance rate because the Housing Agreement is superseded by BC Housing's agreements. The MOU states that both parties intend to safeguard as many SRO units as possible at rents no more than the monthly shelter allowance.

FINANCIAL IMPLICATIONS


There are no financial implications.

CONCLUSION

This report seeks Council's approval to issue an SRA Permit for the International Inn, 120 Jackson Avenue (500 Alexander Street) to demolish 4 units and to renovate the remaining 18 units, all subject to Atira entering into a Housing Agreement that registers their intent to rent the 18 units at no more than the monthly shelter allowance (currently \$375/month) in perpetuity and a Section 219 Covenant that disallows strata-title subdivision. This arrangement acknowledges priority for the other charges on title and the attached MOU. These 18 rooms will be less than 320 square feet and therefore will remain SRA-designated.

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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. _____

SEP 30 2011 CIVIC ADDRESS: 120 JACKSON AVENUE, VANCOUVER, BC

LEGAL DESCRIPTION: Lot 1 Subdivision _____ Block 42 District Lot 196 Plan 196

REFERRED TO: Building Name: INTERNATIONAL INN

FILE NO: _____

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

Your Name: JANICE ABBOTT You are the:

Mailing Address: 101 EAST CORDOVA STREET 01 Property Owner

City: VANCOUVER 02 Agent for Property Owner

Postal Code: V6A 1K7

Phone Number: 604-331-1420

Company Name: ATIRA DEVELOPMENT 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>Atira Development Society (see attached)</u>	
Address: <u>101 East Cordova St</u>	City: <u>Vancouver BC</u>
Postal Code: <u>V6A 1K7</u>	Phone Number: <u>604-331-1407.</u>
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)

<p>001 <input type="checkbox"/> Convert* occupancy of designated room(s)</p> <p>002 <input type="checkbox"/> Change term or nature of tenancy of designated room(s)</p> <p>003 <input type="checkbox"/> Change frequency of rent payments for designated room(s)</p> <p>004 <input checked="" type="checkbox"/> Convert* vacant designated room(s)</p> <p>005 <input type="checkbox"/> Repair or alter designated room(s)</p> <p>006 <input type="checkbox"/> Demolish* designated room(s)</p> <p><small>*see definitions of "conversion" and "demolition" on reverse side of form under "Explanatory Notes"</small></p>	<p>Total # of storeys in this building: <u>2</u></p> <p>Total # of SRA rooms in this building: <u>23</u></p> <p>Total # of non-SRA rooms in this building: <u>0</u></p>
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Describe nature of the proposed conversion or demolition:

Will undergo a major renovation to refurbish the dilapidated building. Suites will be relocated on the second floor. When complete, the building will provide housing to young women.

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 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> 7 </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:

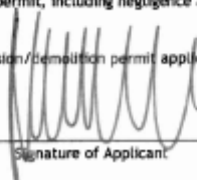
- Definition of "conversion" or "convert" means the following under the Single Room Accommodation By-law:
 - "(a) a change in the form of occupancy, intended form of occupancy, or customary form of occupancy of a designated room from living accommodation for a permanent resident to living accommodation 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 <hr/> <hr/> <hr/>

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 28 DAY OF September 2016



Signature of Applicant

MEMORANDUM OF UNDERSTANDING (MOU)

**Between British Columbia Housing Management Commission and
The City Of Vancouver**

Regarding Atira Women's Resource Society and 120 Jackson Avenue

The City of Vancouver and BC Housing intend to safeguard the number of single room occupancy units that rent at no more than the monthly shelter allowance. It acknowledges our joint desire to collaborate on strategies that address community needs and services across the housing continuum.

The City of Vancouver's Housing Agreement with Atira registers their intent to rent the single room occupancy units at no more than the monthly shelter allowance rate in perpetuity but because BC Housing has charges in priority to this Housing Agreement and are not a party to the Housing Agreement, the City's ability to safeguard rents is limited. The purpose of this MOU is to help mitigate the risk to the City of the rents rising above the monthly shelter allowance.

This MOU aligns with the City of Vancouver's report to Council (March 15, 2011) on the Single Room Accommodation (SRA) Permit for Atira Women's Resource Society, who is the owner of 120 Jackson Avenue, International Inn (500 Alexander Street).

The City of Vancouver's recommendations to Council are for 18 replacement single room occupancy units in the International Inn, 120 Jackson Avenue. The Housing Agreement registered on title by the City of Vancouver is a condition of City Council approval for the conversion and demolition of the residential rooms.

The Housing Agreement states that the monthly rent for each of the 18 designated rooms shall not exceed the maximum monthly shelter allowance for a one-person family unit set out in the monthly shelter allowance of the Employment and Assistance Act, S.B.C, Chapter 40. Future rates are to be bound by any amendments, reenactments and/or successor legislation. As of July 1, 2010, the maximum monthly shelter allowance was \$375. Any increase in the shelter allowance will be applied only to those units renting at the minimum level. The Housing Agreement does not apply to the single-family house (502 Alexander Street) or the housing fashioned from container (modular) units.

The City normally requires priority over all other charges on title but must relinquish priority on this occasion as the other charges secure the interim construction financing and long-term financing following completion of the renovations to 120 Jackson Avenue. The City's position on title below these charges means that during the time they remain in priority on title (until the financing is discharged) the City has no control over the rent levels as set out in the Housing Agreement. In agreeing to the terms of the Housing Agreement, Atira have registered their intent to charge rent no more than the shelter allowance rates, but the charges held in priority do give Atira flexibility to raise rents in order to meet on-going financial obligations.

The City of Vancouver and BC Housing acknowledge that the rents charged by Atira will be monitored in accordance with the City of Vancouver's Housing Agreement. It is the intent of the City's Housing Policy staff to require evidence in the form of rent rolls from Atira as a

minimum on an annual basis. Should the rents rise due to Atira's operational requirements and/or financial obligations, the City's Housing Policy staff will be provided with evidence of the financial situation in a timely way. Issues of non-compliance with the Housing Agreement will be reported back to the Mayor and Council.

This MOU affirms our joint commitment to the safeguarding of as many units as possible are rented at no more than the monthly shelter allowance.

This MOU is not legally binding, and is intended only to outline the basic format of the proposed arrangements. The creation of legal obligations among the parties will only arise in the future upon further action by the parties, including approval by the City's elected Council.

IN WITNESS whereof the duly authorized signatory of each of the below parties has executed this Memorandum of Understanding effective as of the ___ day of _____, 2011.

BRITISH COLUMBIA HOUSING MANAGEMENT COMMISSION

By it's authorized signatory:

Name:

Title:

CITY OF VANCOUVER

By it's authorized signatory:

Name:

Title: