From: <u>"Singh, Sandra" < Sandra.Singh@vancouver.ca ></u>

To: "Direct to Mayor and Council

Date: 6/27/2025 4:57:23 PM

Subject: Update: The West and Empress Hotels

Hello Mayor and Council,

This email includes information from staff in Legal Services and ACCS in follow-up to the recent email you received from Wendy Peterson

Lenders have commenced foreclosure proceedings on two SRO buildings owned by Christopher Wall. The properties are located at 488 Carrall Street (the West Hotel) and 235 E Hastings (the Empress Hotel). These are relatively standard foreclosure proceedings on two heavily indebted properties, in which the lenders are seeking to sell the properties to recover the money that is owed to them. The lenders are seeking a shorter time period than the standard six months to begin selling the properties. The application seeking a shorter time period won't be heard until near the end of July, at the earliest.—As part of the court proceeding or Petition, the lender is also seeking vacant possession of the properties as a possible remedy, but this has not yet been granted by the Court and may never be argued in Court if the property can be sold without being emptied.

There are approximately 200 tenants living across the two buildings who could be impacted by the foreclosures. It is staff's understanding that if the applicant is successful in securing the Court to order vacant possession, then tenant protections under the Residential Tenancy Act are quite limited. The order for vacant possession can likely be enforced, as long as the tenants have been made a party to the proceedings.

The City cannot intervene in the foreclosure proceedings as it is not a named party to the Petition – and is not a registered holder of any interest in the lands. The Tenant Resource and Advisory Centre could seek to represent one or more of the tenants, and it is staff's understanding that the SRO Collaborative has been assisting tenants with securing legal counsel.

There may be a question about the room conversion fee in the SRA Bylaw. In order to require the \$300,000/door charge, Council would need to impose that condition on an SRA Conversion or Demolition Permit. A room becoming vacant does not meet the definition of "conversion" or "demolition" under section 1.2 of the SRA By-law, therefore we would not have grounds to require an SRA Permit (or the associated charge).

We will keep you updated as the situation progresses. For now, if you have any questions about this matter, please reach out to Margaret Wittgens and she will work with colleagues in ACCS and Legal Services to respond through the weekly Q&A.

Thank you,

Sandra

Sandra Singh | Deputy City Manager

City of Vancouver

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The City of Vancouver acknowledges the unceded homelands of the x m k y m (Musqueam), S wx\u817 wû7mesh (Squamish), and Selilwitulh (Tsleil-Waututh) Nations.

From: Wendy Pedersen < wendy@srocollaborative.org >

Sent: Wednesday, June 25, 2025 12:10 PM

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Subject: Urgent Action Required: Prevent SRO Receivership and Mass Homelessness

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Dear Elected Representatives, Provincial and City Staff,

(Bcc: DTES organization leaders)

Re: Preventing Receivership and Mass Displacement of SRO Tenants

"Should I get a tent and rent a storage unit?" asked Robert, a tenant at the West Hotel, after receiving a legal notice of foreclosure.

This week, approximately 200 tenants at the West Hotel (488 Carrall St.) and Empress Hotel (235 E. Hastings) received court packages about foreclosure from a private lender. It appears the lender is seeking vacant possession of the buildings. The owner, Christopher Wall, has defaulted on his mortgage, and the lender is now calling in the full \$4.6 million debt.

Wall owns a total of seven SRO buildings in the Downtown Eastside. If the West and Empress are lost to receivership, there is serious concern this could trigger instability across the entire portfolio, putting up to 400 tenants at risk of homelessness.

The Need for a Solution

Several weeks ago, the SRO Collaborative reached out to your offices to share concerns about the growing financial instability of these buildings and to explore possible solutions together. While those conversations acknowledged the urgency of the situation, no immediate path forward was identified.

Since then, we've continued to search for viable options. With the help of Jenn McGinn, we engaged Vancity Credit Union, who connected with Christopher Wall to explore refinancing. Although Vancity expressed strong interest in supporting the tenants, we believe they could not offer a workable financing solution under the current circumstances.

With few tools left to stabilize the situation through refinancing, we believe the quickest and most effective path forward is acquisition by a trusted non-profit partner — and that process is already well underway.

The DTES Community Land Trust, in partnership with the SRO Collaborative, has developed a community ownership model that includes peer-based supports for tenants

and a long-term vision for sustainability. The Land Trust has already negotiated a purchase and sale agreement for two of Wall's other buildings (the Arlington and York Hotels), completed full due diligence, and secured a \$1 million federal funding pledge.

With potential for a city grant towards capital improvements, the Land Trust is seeking an additional \$9 million (\$138,000/door) to finalize the acquisition. This investment would prevent foreclosures, preserve housing for hundreds of low-income tenants, and send a clear signal to lenders that community-led solutions are on the horizon.

Why This Matters

Christopher Wall is regarded by many as one of the most respectful and responsible landlords in the DTES. The SRO Collaborative has a long-standing, positive working relationship with his team and tenants. We want to build on this, not dismantle it under court-ordered vacant possession.

Our shared vision, developed alongside our partner, the DTES Community Land Trust and their Elder/Tenant Advisory Committee, is for community ownership, holistic tenant-led stewardship, and deep affordability. This approach directly supports the City and Province's mandates to:

- Improve community safety
- Prevent homelessness
- Preserve and upgrade low-income housing stock

Supporting Data

The urgency is underscored by the results of a recent City–SRO Collaborative survey of 900 SRO tenants:

- Over 60% of tenants moved into SROs directly from homelessness
- 70% say they would become homeless again if they lost their unit
- 75% expressed a desire to help improve their buildings and communities

Tenants are not just vulnerable, they are deeply committed to the Downtown Eastside. We have a chance to safeguard their homes and support their leadership.

We Need You at the Table

We are urging the City and Province to urgently step forward now with a coordinated

solution. With your support, this can be a rare success story: tenants protected, homelessness averted, and housing secured under a proven, community-led model.

Please contact me directly to discuss next steps.

With respect,
Wendy Pedersen
Executive Director | SRO Collaborative
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