



**HOUSING  
VANCOUVER**

# **SINGLE ROOM OCCUPANCY (SRO) REVITALIZATION ACTION PLAN**

November 2017

# MESSAGE FROM THE CO-CHAIRS

Dear SRO Task Force members,

The City of Vancouver and key partners in the non-profit sector, private sector, and senior governments have been at the forefront of the response to Vancouver's housing crisis. The City's new 10-Year Housing Strategy, *Housing Vancouver*, focuses on actions that ensure that existing and new housing is serving the needs of locals living and working in the City, including through investment in affordable housing using financial tools and assets, regulating and creating new opportunities for new and existing housing using policies and land use tools, and advocating to and partnering with other levels of government and partners in other sectors.

Together, *Housing Vancouver* actions will mitigate, as much as possible, the negative effects of the crisis on the majority of Vancouverites, and address the needs of residents with varying incomes across the housing continuum.

*Housing Vancouver* actions that increase the supply of low-income housing and address broader systemic inequities will alleviate some of the pressures currently facing the Single Room Occupancy (SRO) stock, and the tenants that reside in these buildings, by creating housing capacity elsewhere in the system and working to close the inequity gap.

However, we know that the depth of demand for low-income housing in our city means that existing SROs will continue to play a critical role even as new housing is built elsewhere. The SRO stock, as a unique housing form with its own particular challenges, requires unique and urgent interventions in order to improve the quality of the stock while protecting the tenants whose health, safety, and housing security is at risk.

The City's SRO Task Force, convened in 2016, was integral in framing the issues and shaping the actions identified in *Housing Vancouver* and in the SRO Revitalization Action Plan. We sincerely thank you for your time and participation on this Task Force, and for your invaluable perspectives, ideas and expertise that collectively helped to advance this important work.

The SRO Revitalization Action Plan is a living, breathing document that will continue to evolve, and we look forward to working collaboratively on next steps.

Yours truly,

Co-chairs of the SRO Task Force



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# TABLE OF CONTENTS

INTRODUCTION	4
SRO REPLACEMENT	6
THE NEED FOR SROS AND CHALLENGES IN THE EXISTING STOCK	9
CASE STUDY: LESSONS LEARNED FROM THE BALMORAL HOTEL	12
THE ROLE OF THE CITY, PROVINCE, AND NON-PROFIT SECTOR IN SROs	14
CASE STUDY: WORKING TOGETHER TO IMPROVE SROs	16
CASE STUDY: SRO COLLABORATIVE IN SAN FRANCISCO	17
SRO TASK FORCE: ENGAGEMENT	19
WORKING GROUP ON SUSTAINABLE PRIVATE SRO MODELS	22
VANCOUVER'S RESPONSE TO SROs: 30-YEAR VISION AND ACTION PLAN	24
CASE STUDY: WHAT ARE OTHER CITIES DOING TO ADDRESS SRO CHALLENGES?	25
HOW WILL WE KNOW WE'VE BEEN SUCCESSFUL? MONITORING & EVALUATION	29
WHAT DOES THE FUTURE HOLD?	30



# INTRODUCTION

An affordable and varied housing stock is an important foundation for meeting the needs of a growing population and ensuring a diverse, vibrant city. Vancouver, like other major urban centres around the world, is facing immense pressure to address the housing difficulties felt by many of the city's residents as a result of the current housing affordability crisis. The rapid escalation of housing costs in Vancouver is the result of several factors that have resulted in an unprecedented affordability crisis for locals. Strong population and economic growth and investment demand are all signs of a strong economy in normal times — but in the Vancouver context, excessive speculation has pushed land prices and housing costs far beyond local incomes and has posed a barrier to the development of affordable rental and social housing in the city.

High housing costs and rents combined with a near-zero vacancy rate in our city have resulted in immense housing stress for households across the housing continuum, but most acutely for those with extremely low incomes. A lack of affordable and adequate housing options across all incomes creates a downward pressure that intensifies at the lower end of the continuum, where a higher turnover rate, greater housing instability, and limited resources and other challenges result in more precarious housing conditions. Because our city has an uneven distribution of resources, income and wealth, many people are left behind. The most recent 2017 City of Vancouver Homeless Count found over 2,100 sheltered and unsheltered homeless people across the city. In addition, over 20,000 households citywide earning under \$30,000 are spending over 50 per cent of their income on housing, putting them at increased risk of homelessness.

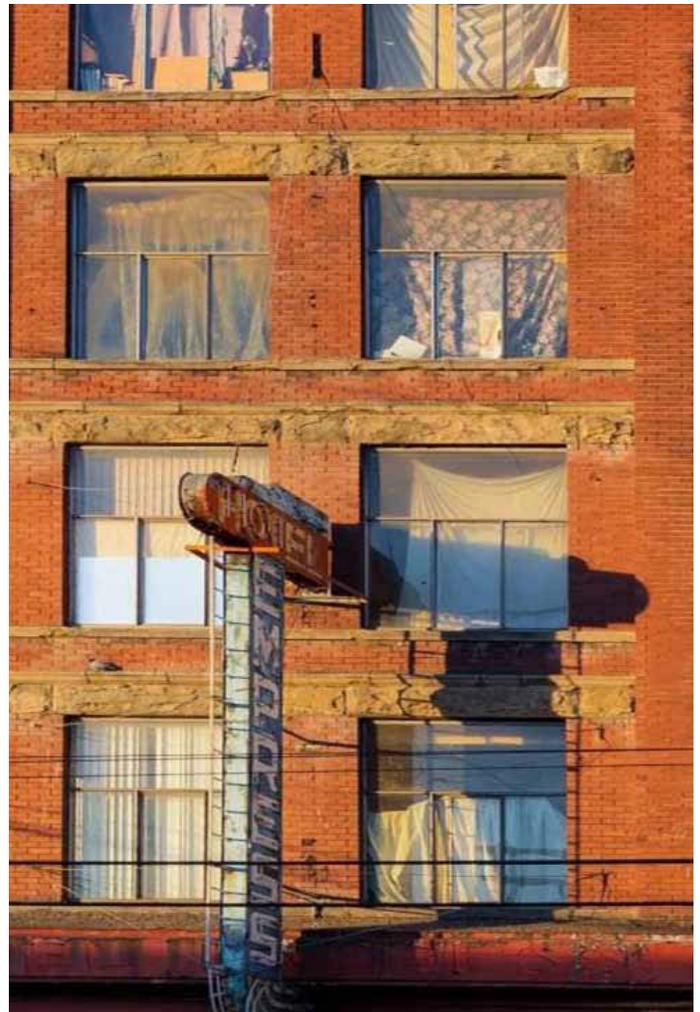
In the context of few adequate housing options available to those on limited or fixed incomes, Single Room Occupancy (SRO) hotels play a critical role in Vancouver's low-income housing stock as a last resort before homelessness for many of the City's most vulnerable tenants. Built in the early 1900s, SROs are rooming houses and residential hotels that contain very small single rooms and shared bathrooms and cooking facilities. Originally, SROs were all privately owned and served as accommodation for transient resource workers to support the resource economy. Over time, as the availability of low-income housing has not kept up with demand, SROs have become affordable housing of last resort, often housing some of the City's most vulnerable residents, some of whom are hard on housing.

SROs in Vancouver are both privately owned and owned by a non-profit or government. Most SROs are nearing the end of their useful life cycles and reflect an outdated housing form that compromise tenants' safety and dignity, with small rooms and shared bathrooms and kitchens. However, improving private SRO conditions while keeping rents affordable is an impossible challenge without additional investment or subsidies. The combination of increased development interest in SROs and the rising costs of properly managing and maintaining 100-year-old private SROs at rents affordable to those on income assistance has created an untenable situation for many SRO owners. As a result, the private SRO market is increasingly challenged to serve a function as suitable, affordable housing for low-income tenants. In response to market conditions, private owners are being pulled towards new business models that result in increased investment and loss of affordability, on the one hand, or disinvestment, closure or sale of buildings on the other. This is resulting in fewer and fewer adequate rooms being rented to low-income tenants, a trend that is only expected to intensify.

The challenges associated with an ageing and deteriorating building stock are compounded by the acute need to deliver adequate supports to tenants struggling with mental health and substance use challenges. Most private SRO owners are not equipped to address the needs of a vulnerable tenant population. Research done in development of the *Downtown Eastside (DTES) Plan* indicated that although a portion of SRO tenants are linked to the appropriate level of support, approximately 2,000 tenants currently require additional supports to live independently (Hotel Study, Honer et al. 2013). Those who suffer from disabilities, chronic health issues, or trauma, including women fleeing domestic violence, often find it impossible to secure good housing in the highly competitive and expensive Vancouver market. The urgency of the situation has been intensified by the recent opioid crisis that has resulted in an unprecedented number of drug overdoses, many of which have occurred inside residential premises such as SROs. Finally, as a City of Reconciliation,

we know that Urban Aboriginals are disproportionately impacted by poverty, mental health, and substance use challenges, and that there is an urgent need to work with Aboriginal partners to employ approaches that address the needs of this population.

The challenges seen in SROs today are a symptom of broader systemic issues including poverty, an inadequate health response to mental health and addictions needs, a shortage of low income-housing to meet the growing demand, and reliance on a private market to fill a gap for low-income housing. Recognizing the interconnectedness between all of these elements, any action on SROs will be inadequate on its own. The *SRO Revitalization Action Plan* aligns with key strategies and programs including the City of Vancouver's *Healthy City Strategy*, the *DTES Plan*, the *DTES Local Economic Development Strategy*, the *Mayor's Task Force on Mental Health and Addictions*, the *Supporting Tenants Enabling Pathways (STEP) Program*, the *Resilient City Strategy*, the *Metro Vancouver Aboriginal Executive Council Urban Aboriginal Strategy*, the *Provincial Poverty Reduction Plan*, the *DTES Second Generation Strategy*, and the *emerging National Housing Strategy*.



# SRO REPLACEMENT

SROs are an outdated housing form that is steadily losing affordability and liveability; for these reasons, it is increasingly difficult for low-income tenants to reside in these buildings. Longstanding Council policy is to replace all outdated SROs with self-contained social housing on a one-for-one basis in order to maintain housing options for our low-income residents.

## WHAT IS SRO REPLACEMENT?

SRO replacement can result in the replacement of the building itself, where a particular SRO is demolished and replaced with social housing units on a one for one basis on the same site or close by. More broadly, SRO replacement also refers to new low-income homes for singles — specifically, studio and one bedroom units in new social housing that are being built across the City and which are affordable and accessible to low-income tenants who may otherwise be living in SROs.

## WHAT COUNTS AS SRO REPLACEMENT?

In 1991, Council confirmed its policy of one-for-one replacement of SRO rooms in the Downtown South and endorsed the principle of developing new social housing while retaining and upgrading the existing stock. The *Housing and Homelessness Strategy*, approved in 2011,

also included a target of 1,000 SRO replacement units. Since 1992, over 3,000 units of SRO replacement housing designated for singles have been built and occupied. These include all studio and 1-bedroom units located inside the Downtown Core that met the definition of social housing at the time they were built.

The *DTES Local Area Plan*, adopted by Council in 2014, set a target to replace 5,000 SRO units with self-contained social housing over 30 years, while improving the quality and affordability of the existing stock in the interim. In the context of growing inequity, the Plan recognized the importance of designing social housing that meets the needs of low-income residents by requiring that a minimum of one-third of units in all new social housing projects be rented at the shelter component of income assistance. The Plan also expanded SRO replacement housing to include housing projects citywide, not just those located in the Downtown Core. As a result, one-bedroom and studios units that rent at the shelter component of income assistance in new social housing projects citywide count towards DTES SRO replacement targets. Since the Plan was approved, 892 units that meet this definition have been built and occupied. See table 1 for the SRO replacement achieved to date under the City’s Downtown SRO Replacement Policy and the DTES Plan.

**Table 1:** SRO Replacement Housing, 1992-2017

Policy	Target	Criteria	# Units Built and Occupied to September 30, 2017	On Track
<i>Downtown South SRO Replacement Policy</i> (1991) and <i>DTES Housing Plan</i> (2005)	Replace SRO rooms on 1-for-1 basis with social housing.	Studios and 1-bedroom units in new social housing located in the Downtown Core and occupied in 1991 or later.	3,069	
<i>Housing and Homelessness Strategy</i> (2012-2021)	Replace 1,000 SRO rooms with self-contained social housing.	Studios and 1-bedroom units within new social housing (as per the definition of social housing) located in the Downtown Core and occupied in December 2010 or later.	1,243	
<i>DTES Local Area Plan</i> (2014)	Replace 5,000 SRO rooms with self-contained social housing.	Studios and 1-bedroom units within new social housing (at \$375 rents) located citywide and occupied in December, 2012 or later.	892	



125 E 125 ST

IRVING HOTEL

HOTEL  
B A  
ART GALLERY  
POTTER'S COMMUNITY



## WHAT ARE SOME EXAMPLES OF SRO REPLACEMENT PROJECTS?

There are a number of recently approved and completed projects that count towards the DTES Plan SRO replacement targets. These include the units that are renting at shelter component of income assistance at 138 E Hastings, 1107 Seymour, and 111 Princess. Once completed, the singles shelter units at 41 E Hastings, 288 E Hastings and 33 W Cordova will also count towards SRO replacement targets.

## WHY DO WE STILL NEED SROS IF WE ARE REPLACING THEM?

While the steady expansion of SRO replacement housing has not yet resulted in a reduction in homelessness, it is meeting a critical need for choice and better housing for residents. Through a focus on affordability, the delivery of SRO replacement housing has mitigated the impacts of what is being lost, and the situation would likely be far worse today without these interventions.

Despite these efforts, the pace of SRO replacement housing has not kept up with the need. The increasing demand from low-income tenants for housing means that existing SROs continue to serve a critical need, even as replacement housing is built elsewhere.

# THE NEED FOR SROS AND CHALLENGES IN THE EXISTING STOCK.

Traditionally, SROs were all owned privately; however, over time, many of these buildings have been converted to non-profit or government ownership. For many low-income and vulnerable tenants, the transition to non-market management has been a positive one, leading to increased security of tenure and affordability, improved living conditions, and a greater level of supports.

## HOW DO WE TRACK THE SRO STOCK?

The City's Biennial Low-Income Housing Survey has been tracking the non-market and Single Room Accommodation (SRA)-designated housing stock in the Downtown Core since 1992. SRA includes all rooms less than 320 sf in both private as non-market housing, including rooming houses and residential hotels, located within the Downtown Core boundary. As of 2015, there were a total of 7,199 open SRA-designated rooms in the downtown core, fifty-five per cent of which are in the private sector and the remaining forty-five per cent in the non-market sector. In the analysis below, the non-market SRO stock includes all government and non-profit-owned SROs, as well as buildings owned and operated by Chinese Societies. The private SRO stock includes all privately-owned SROs, including those operated by non-profit housing providers on short-term leases or contracts. Of the total stock, 94 per cent is located in the Downtown Eastside (DTES). Table 1 shows the proportion of buildings and rooms in each owner category.

**Table 2:** SRA-designated Buildings by Ownership Type

	Ownership Type	# Buildings	# Rooms	Per cent of Total Stock	Rent Range
<b>Non-Market SROs</b>	Government owned and operated	35	2,311	32 per cent	~\$375
	Non-Profit owned and operated	14	689	10 per cent	\$375-\$425
	Chinese Society owned and operated	10	223	3 per cent	\$80-\$420
<b>Private SROs</b>	Privately owned and non-profit operated	15	878	12 per cent	\$375-\$425
	Privately owned and operated	82	3,098	43 per cent	\$375- \$800
	<b>TOTAL</b>	<b>156</b>	<b>7,199</b>	<b>100 per cent</b>	

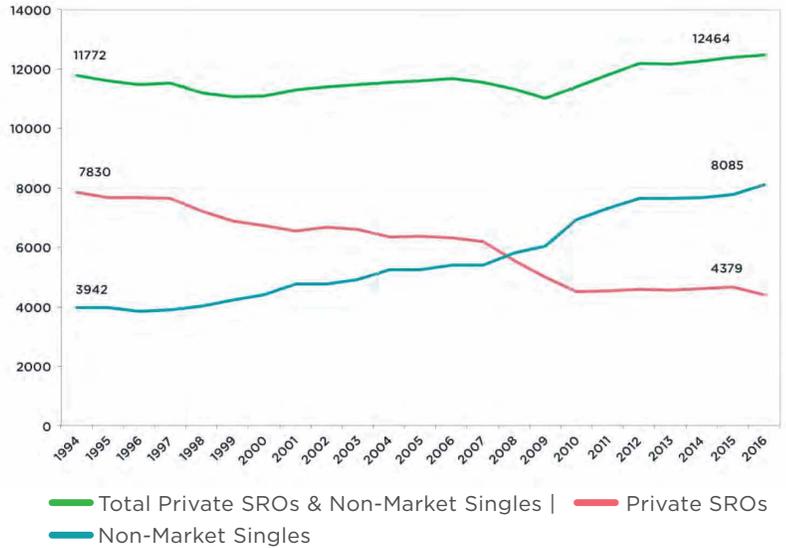
## HOW HAS THE SRO STOCK CHANGED OVER TIME?

Over the last 10 years, the Downtown Core has seen a steady decrease in privately-owned SROs and an increase in non-market housing. This trend is primarily due to BC Housing’s purchase of approximately 1,500 SRO rooms in 2006 and 2007. While these rooms were not converted to self-contained units, BC Housing’s investment in these buildings has improved the stock and secured rents that are affordable to individuals on income assistance.

## WHAT ARE THE DIFFERENCES BETWEEN THE PRIVATE AND NON-MARKET SRO STOCK?

While non-market SROs provide security of tenure, are affordable to low income tenants, and are generally equipped with some level of supports, the private SRO stock has seen a steady decrease with regards to both vacancy rates and affordability, with only 17 per cent of rents in 2015 renting at or below the \$375 shelter component of income assistance, compared to 24 per cent in 2013. At this rate, it would be expected that by 2020 there would be no more private SROs renting at the shelter component of income assistance.

**Figure 1:** Change in Private SROs and Non-Market Housing for Singles, 1994-2016



**Figure 2:** SRO Building Categorization and Risk





Buildings within the private SRO stock vary significantly with regards to rents, level of tenant needs, management practices, and physical condition. Figure 2 illustrates this tension between disinvestment and loss of affordability. In the private stock, buildings that are not maintained and have a higher number of violations are typically more affordable and accessible to more vulnerable tenants. In buildings with greater investment and higher maintenance standards, there is often a loss of affordability and a higher-earning, more stable tenant base.

This tension that exists between improving building condition and maintaining affordability is both the result of increased development interest in the stock and the increasingly challenging economics of properly managing and maintaining a 100-year old private SRO at rents affordable to those on income assistance.

At one end of the spectrum, buildings with some of the lowest rents are increasingly at risk of closure, sale, or disinvestment. Where disinvestment is coupled with poor management practices, criminal activity, a lack of owner responsiveness and little to no tenant supports, the risk to both the buildings' physical condition and the health and safety of its tenants, but particularly the safety of women, is significantly compounded.

At the opposite end of the private SRO spectrum are buildings with both new and long-time owners who have taken advantage of the shift in the market and rental pressures by making improvements to rooms that don't trigger the SRA by-Law, raising rents, and shifting the

tenant base to a mid-income demographic, including students and service workers. Sometimes, this shift is accompanied by discriminatory landlord practices including fixed-term leases, tenant buy-outs and evictions. Since competition for market rents is so fierce, lower-income individuals with mental health or substance use challenges cannot compete with students or service workers for these units. Although there is an urgent need for affordable housing options for the mid-earning segment of the renter population as well, the gentrification of SROs is not an effective solution. The City's priority for the SRO stock remains on the City's poorest and most vulnerable tenants, whose displacement from this type of housing leaves them with no real housing alternatives, and is a key driver of homelessness.

In the middle of the spectrum are a number of buildings with owners who, to varying degrees, are managing to maintain and operate their buildings without significantly compromising the rents. There is a need to better understand the models that are employed in these buildings as potential best practice frameworks for the stock at large. However, increasing financial pressures, limited supports for owners in addressing tenant needs, and a lack of adequate succession planning is putting many of these buildings at risk of disinvestment, rising rents, or sale to new investors. Without adequate interventions and supports, these buildings may also risk falling to either extreme of the spectrum.

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## CASE STUDY: LESSONS LEARNED FROM THE BALMORAL HOTEL

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In May, 2017, after numerous attempts over many years to compel the owners of the Balmoral Hotel to address the building's structural and maintenance issues, the City of Vancouver found the building to be unsafe to occupy and ordered the building closed. This required the immediate evacuation and relocation of over 150 tenants, many of whom were long-time residents experiencing physical and mental health and/or addictions challenges.

During the initial stages of evacuation, emergency shelter options were made available to tenants, but most residents were reluctant to leave the building without the certainty of alternative housing options. A few days into the response, the City's Office of Emergency Management established a formal coordination structure. The evacuation and relocation was then carried out by a multitude of stakeholders including BC Housing, Vancouver Coastal Health, various advocacy groups including the SRO Collaborative and the DTES Women's Centre, a number of City of Vancouver departments (Community Services, DBL, VPD, VFRS and Engineering), East Van Movers, and Ocean West Contracting. Over ten days, all partners worked tirelessly under a compressed timeline to identify a registry of tenants and corresponding needs, ensure that rooms were packed and boarded up, transport tenants belongings, coordinate tenant compensation from the owner, and relocate tenants to permanent housing in a safe and timely manner. BC Housing played a critical role in securing permanent housing for all 150 tenants through leveraging partnerships with both private SRO owners and non-profit housing providers.

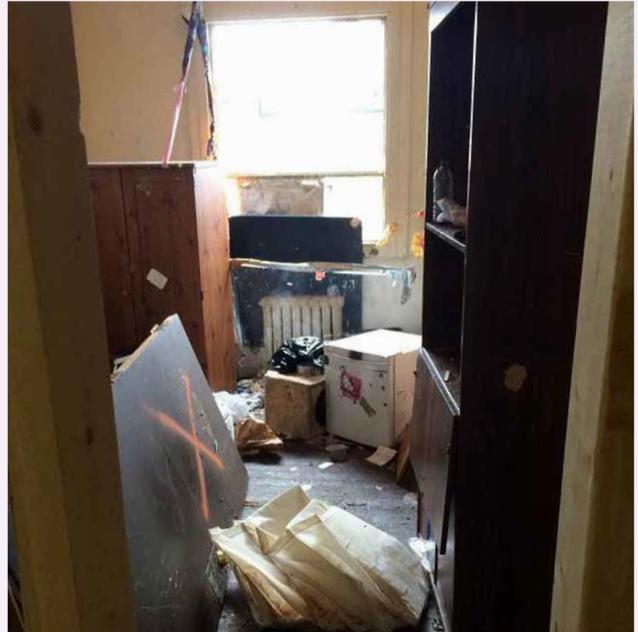
The tremendous effort and level of collaboration between all stakeholders was critical to a successful outcome, while also working to strengthen relationships between partners. The City demonstrated that addressing building safety is an utmost priority, and all partners showed their commitment to ensuring that no one became homeless in the process. However, there was also recognition among stakeholders that if not for two critical factors that compelled tenants to move out of the building - tenant compensation and the availability of alternative permanent housing options - the evacuation and relocation may not have been as successful. The experience reinforced that building closure and the displacement of tenants should only be used as an absolute measure of last resort.



In the wake of the Balmoral closure, a number of key lessons emerged about the need to take proactive action prior to the development of an emergency situation that requires a building's closure:

- 1) Firstly, the years of building neglect on the owner's part signaled the need for a stronger City regulatory framework that holds owners more accountable for poor management and building maintenance practices, including relevant changes to the Vancouver Charter, which governs the City's by-laws. This also includes identifying critical buildings before they become a serious health, safety, or financial risk.
- 2) Secondly, a lack of the owners' ability to provide an accurate tenant registry during the Balmoral relocation created significant challenges for tenant tracking, verification, and outreach. This highlighted the need for the City to enhance its use of the SRA by-law to ensure that owners maintain an accurate tenant registry at all times, as well as to implement an auditing process with provincial partners to ensure a level of compliance and data accuracy.
- 3) Thirdly, the events of the Balmoral emphasized the importance of collaboration between all stakeholders, including BC Housing, Vancouver Coastal Health, private and non-profit housing providers, and advocates. These partnerships proved critical during the relocation process, and also need to be strengthened with regards to collecting accurate data and information about buildings and tenants, identifying at-risk buildings and informing priorities, and proactively addressing building condition and tenant needs prior to the development of an emergency situation.

In the rare event that another building must be closed at some point in the future, the City is developing Tenant Evacuation and Relocation Plan tools that include four key components; a decision support tool that helps determine the threshold for triggering the plan, an operational plan with a proposed coordination structure and staffing guidelines, a process for tenant verification, outreach, and inventory of available housing options, as well as an emergency communications strategy.



## THANK YOU

**A sincere thank you to all of the partners who worked tirelessly over many days to ensure that every single Balmoral tenant was safely evacuated and housed following the emergency closure of the building. The success of this effort was only possible because of your hard work and dedication to this project. A special thank you to BC Housing, Vancouver Coastal Health, the SRO Collaborative, the DTES Women's Centre, East Van Movers, Ocean West Contracting, and many of our colleagues across all City departments.**

# THE ROLE OF THE CITY, PROVINCE, AND NON-PROFIT SECTOR IN SROs

Despite the immense difficulties currently facing SRO buildings and the tenants that reside in them, the scale of the challenge would be even greater today without the collective efforts of the City, the Province, and non-profit and community partners over the last 25 years. Together, the City and its partners have played a critical role in the preservation and improvement of SROs as low-income residential housing.

## WHAT IS THE ROLE OF THE CITY?

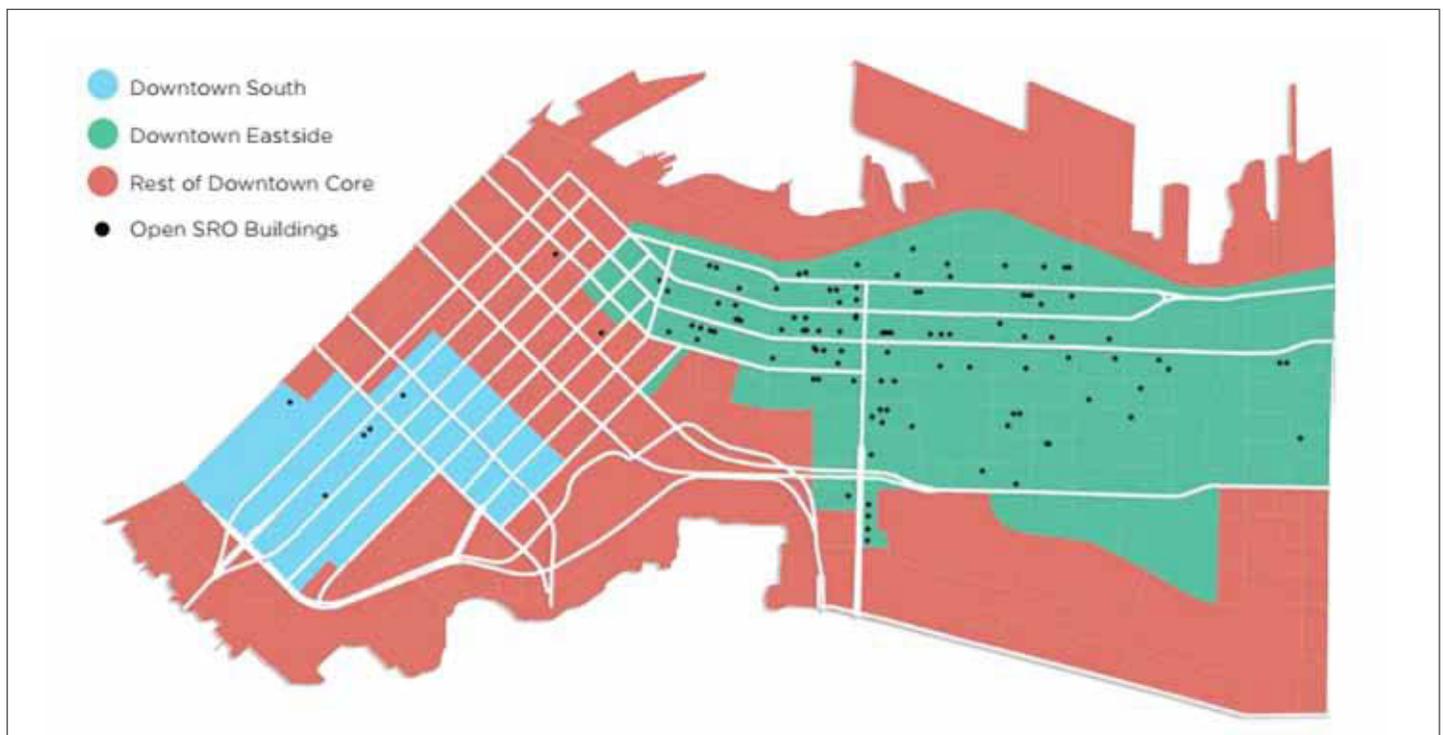
As a regulator, investor, and partner, the City has played a key role in ensuring the protection of the existing stock as well as in the provision of new social housing. Beginning in the 1970s, the City acquired a number of SROs in partnership with CMHC and BC Housing in an effort to secure a portion of the stock as low-income housing. In 1991, Council first adopted its policy of one-for-one replacement of SRO rooms in the Downtown South with self-contained social housing. The City's *SRO Replacement Policy* has been reinforced through various strategies and plans, including the *DTES Housing Plan (2005)*, the *Housing and Homelessness Strategy (2012-2021)*, and the *DTES Plan (2014)*.

The *Single Room Accommodation By-law*, enacted by Council in 2003, has played a critical role in preserving existing rooming houses and residential hotels as low-income housing. Initially adopted in response to concerns

about the loss of SROs due to conversions to backpacker hostels and redevelopment, the *SRA by-law* regulates the conversion and demolition of SRAs, which includes all rooms less than 320 square feet in both private and non-market housing located within the downtown core boundary. Without the *SRA By-law*, the majority of the SRO stock located in prime real estate areas would now be lost to demolition or conversion to commercial hotels or condos. However, market pressures have limited the *SRA By-law's* ability to control private rents – even without major improvements or any form of conversion, some rents have escalated in recent years far beyond levels affordable to low-income tenants.

In addition to implementing the *SRA By-law*, the City has also employed its role as a regulator to enforce the City's health and safety bylaws, including the *Standards of Maintenance By-law*, *Building By-law*, and *Fire By-law*, in order to encourage compliance with required property standards and improve the physical condition of buildings. In the past, the City's enforcement action of at-risk buildings has varied from verbal instructions to court injunctions, prosecutions, and business license hearings. Outcomes have ranged from compliance, to funds being diverted to fines rather than repairs and, in some instances, to the closure of buildings. In many cases, the use of legal

**Figure 3:** SRA By-law Downtown Core Boundary



enforcement tools and prosecution fines did not necessarily result in positive, sustained outcomes for problem premises. As such, over the last five years the enforcement model has shifted from a legal enforcement model to a coordinated approach focused on working proactively with owners of problem premises. As a result, both injunctions and prosecutions have steadily declined, particularly for violations of the City's Standards of Maintenance by-law, while inspections activity has significantly increased. The collaborative enforcement model has avoided some of the limitations inherent in the City's legal enforcement tools (namely timing) and has helped steer owners to direct capital into their buildings to fix or remediate issues.

As an investor, the City has contributed to the delivery of SRO replacement through the provision of new social housing. The City has contributed a substantial amount of land at nominal value to subsidize new social housing, and has enabled new housing opportunities through community plans. It has also provided grants to non-profit housing partners and utilized Community Amenity Contributions to secure new social housing as a public benefit through the provision of additional density. Furthermore, the City and Province have partnered to foster pathways out of homelessness by securing 600 units of temporary modular housing with vital health and social supports, as well as opening almost 300 temporary winter shelter beds each year.

As part of the *DTES Plan*, the City also established an SRA Upgrade Grant program which, to date, has helped improve building conditions and tenant liveability in four SROs, or 251 rooms.

As a partner, the City has played a role in furthering protections for SRO tenants through tenant advocacy funding for First United Church, delivery of an SRO Management Training program, and ongoing advocacy to senior levels of government regarding increased rent subsidies, income assistance, and changes to the Residential Tenancy Act.

## WHAT IS THE ROLE OF THE PROVINCE?

The Province has a longstanding commitment to supporting and housing low-income and vulnerable individuals. Over the years, the Province has played an integral role in both the provision of new SRO replacement housing and in preserving, protecting, and improving a significant portion of the private SRO stock.

In 2007, the Province made a substantial investment in the SRO stock through the purchase of 24 private SRO buildings, equal to approximately 1,500 rooms, in the DTES and surrounding areas. Many of the buildings were in poor condition when purchased and although initial upgrades were undertaken to address immediate health and safety concerns, it was not enough to improve basic living standards. As a result, in 2011 the Province created the *SRO Renewal Initiative* in order to renovate and restore 13 of the 24 previously purchased SROs. The \$143.3 million project included seismic upgrades for basic fire and life safety improvements, heritage rehabilitation, new plumbing and electrical infrastructure, interior room upgrades, and renewed living and program spaces.

BC Housing's investment in these buildings significantly improved living conditions, secured rents at affordable rates, and resulted in clean, affordable, and safe long-term housing with access to integrated social programs and services for the approximately 900 at-risk residents that call these buildings home. Construction finished on Tamura House in February 2017, bringing to a close the renovation phase of the SRO Renewal Initiative project. The project demonstrated the tremendous amount of money required to conduct substantial upgrades in SROs even when rooms are not converted to self-contained units. Considering this, the approach on any future investment in SROs may be to convert rooms to self-contained units in order to further maximize investment and improve livability for tenants.

The Province has also played a key role in the provision of new SRO replacement housing. Beginning in 2010, the Province worked with the City to develop 14 new supportive housing sites with over 1400 units throughout the city. Under the terms of the partnership, the City provided the land, while the Province provided construction funding. Completed buildings were leased at nominal rents to non-profit operators on 60 year terms. Ongoing operating subsidies enabled the new self-contained units to rent at the shelter component of income assistance, allowing very low-income singles, some of whom were homeless or coming from SROs, to be adequately housed and supported.

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## CASE STUDY: WORKING TOGETHER TO IMPROVE SROS

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The complex ecosystem in which SROs are embedded requires the collective roles and efforts of all partners, including government, non-profits and the private sector in order to achieve a substantial and meaningful impact. To date, many of the biggest impacts have been achieved when all partners have worked together to achieve a common goal.

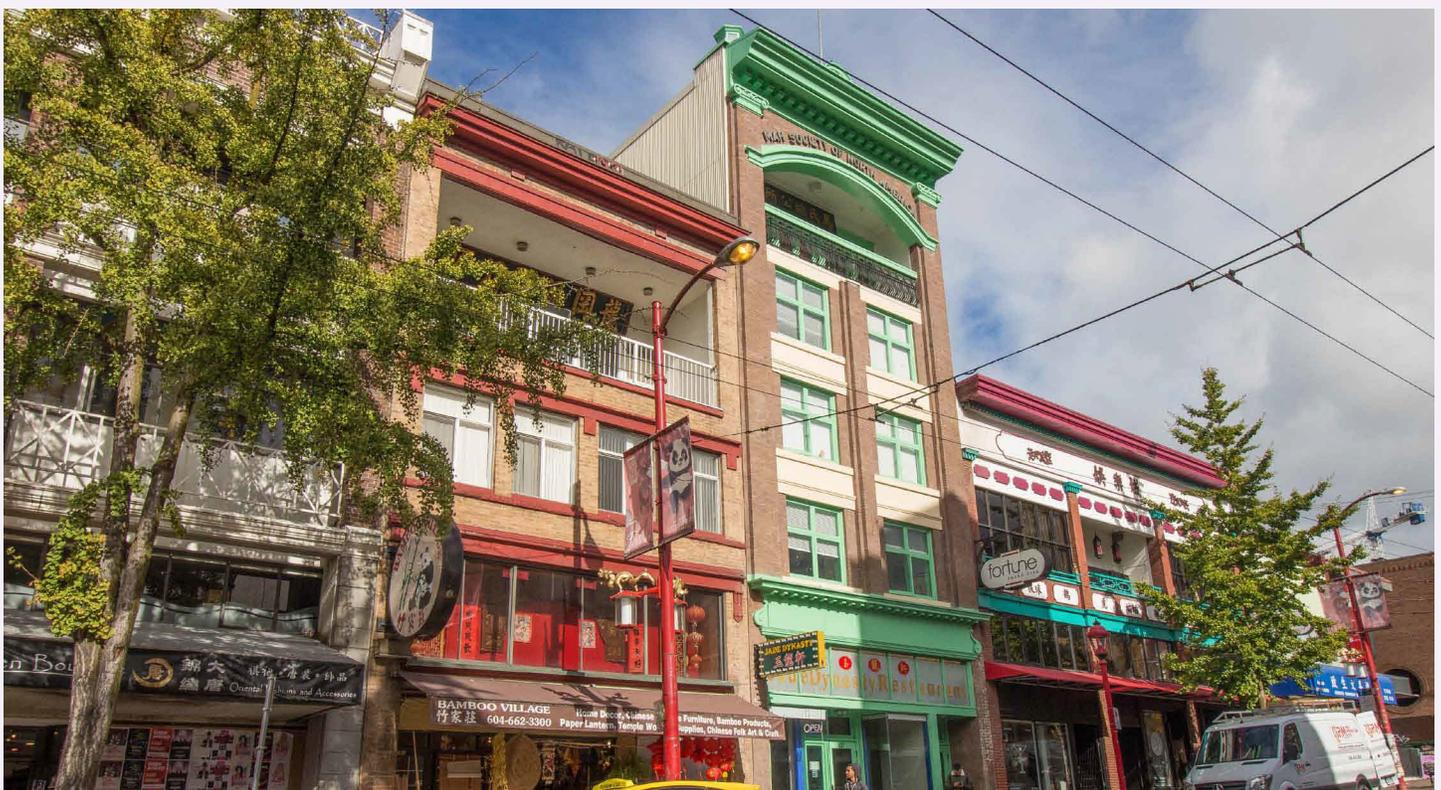
Between March 2016 and May 2017, the Mah Society, the City of Vancouver, BC Housing, and Atira Property Management worked in partnership to substantially renovate the Asia Hotel, a 5 Storey Class C heritage SRO owned by the Mah Society, in order to improve livability and conditions for its 36 tenants. Critical repairs completed included building envelope, heritage, building services, and fire and life safety repairs.

The 15-month project cost \$2.5 million and was completed in May 2017. The City of Vancouver provided \$180,000 in SRA upgrade grants, \$200,000 in Chinatown Revitalization Grants, and \$50,000 in DTES Capital Grants, while BC

Housing provided \$500,000 and the Mah Society provided \$1.6 M. Atira managed the units in the building and oversaw the relocation of all tenants both before and after the renovations. Upon completion of the project, original tenants from the Asia Hotel were provided with first right of refusal at the same affordable rents. One third of the units in the building were secured at the shelter component of income assistance through a Housing Agreement.

### WHAT ARE THE NEXT STEPS?

As part of the SRO Revitalization Action Plan, the City has requested partnership funding to launch a new SRO Fund to expand SRO reinvestment on a larger scale to ensure that all of the SRO stock in the city is habitable, supported, and affordable for low-income tenants. The priority focus will be on the ten worst- managed SROs that house the most vulnerable tenants. Partnerships with government, non-profit organizations and the private sector are critical to success in scoping and funding building improvements, coordinating tenant relocation during renovations, and operating the building once renovations are complete.





## WHAT IS THE ROLE OF NON-PROFITS AND COMMUNITY PARTNERS?

Non-profit housing operators and service providers have also played a critical role for SROs. A number of non-profits, including Atira Property Management, Community Builders and Portland Hotel Society manage both government and privately-owned SROs, a transition that has often improved tenants' quality of life while enhancing housing security. Other community partners, such as Vancity, have been very supportive of non-profit management of SROs through a number of financing and investment tools that support common values and goals in the community.

The City's advocacy groups have also been integral in making positive changes for private SRO tenants. The DTES SRO Collaborative Society, established in 2015 and modelled after the SRO Collaborative in San Francisco, has been working to improve tenants' living conditions and housing security by organizing and empowering tenants in the worst, privately-run SROs. The SRO Collaborative brings tenants together to file complaints for safety and management conditions at the Residential Tenancy Branch, and supports City inspector's efforts, where possible, to bring buildings into compliance.

Earlier this year, the City was a partner in funding the SRO Collaborative's "Tenant Overdose Response Organizer" pilot program. An SRO Collaborative staff member was partnered

with a Vancouver Coastal Health nurse to provide peer-based naloxone training, distribute harm reduction supplies, and connect tenants to other health services in twelve private SRO buildings. The 6-month pilot program was extended until January 2018 and is serving as an opportunity for the Collaborative to gain access to private buildings, improve tenant health and safety, build rapport with owners, and lay the groundwork for potential future initiatives around tenant supports and capacity building in the private stock.

The daily advocacy of women's organizations like the DTES Women's Centre has also been integral in ensuring that women, who are particularly vulnerable to exploitation, injustice and injury, have a safe refuge from conditions of poverty and violence. The DTES Women's Centre, founded in 1978, is one of the few safe spaces in the DTES exclusively for self-identified women, many of whom live in SROs and other marginalized housing. The Centre assists women with their immediate and crisis needs so they can develop stability and access the resources they need to improve health, family and employment situations.

The collective efforts of the City, the Province, and non-profit and community groups have played a critical role in slowing the rate of change in the SRO stock and improving conditions for some SRO tenant, including women. However, SRO buildings and the tenants that reside in them are becoming increasingly vulnerable, the result of numerous factors including ageing and deteriorating buildings, a high proportion of tenants with mental health and substance use challenges, and changing market conditions that have seen increased development interest and speculation in the stock. The scale of the challenge requires renewed collaboration between all levels of government, non-profits, the private sector and other partners to enhance efforts that extend the life of the stock while protecting the tenants whose housing and future is at stake.

## CASE STUDY: SRO COLLABORATIVE IN SAN FRANCISCO

In San Francisco, the Department of Building Inspection (DBI) coordinates the SRO Collaborative Program in order to improve living conditions and safety for residents in low-income SRO hotels. Established in 1991, DBI works with four non-profit organizations to improve SRO habitability by catering to specific SRO tenant populations, including the Mission SRO Collaborative, the Chinatown SRO Collaborative, the Central City SRO Collaborative, and the SRO Families United Collaborative.

The four SRO Collaboratives support tenants through outreach and tenant stabilization, including needs assessment, housing retention planning, advocacy, housing referrals, and community workshops and



meetings. Through their work over the years, many organizers feel their work has been integral to getting the upper hand on bad landlords. Owners are charged high fees and penalties for non-compliance by the City, and this money is then put back into programs like the Collaborative.



# SRO TASK FORCE: ENGAGEMENT

## HOW DID THE SRO TASK FORCE BEGIN?

The SRO Task Force was convened in October, 2016 in response to the “Our Homes Can’t Wait” homeless encampment on the City-owned lot at 58 W Hastings (pictured), which reignited discussions around housing affordability and poverty in the DTES. Among other issues, there was growing concern from the community about the loss of affordability, lack of security, and deteriorating living standards facing tenants in SRO buildings. The SRO Task Force brought together a variety of stakeholders in order to identify concerns and develop near and longer-term recommendations to support the ongoing evolution of the SRO strategy and to inform broader initiatives, including Housing Vancouver, as well as enforcement actions under the Development, Buildings, and Licensing department.

## WHO PARTICIPATED ON THE SRO TASK FORCE?

The core task force membership was composed of 23 individuals and included representatives from City departments, BC Housing, Vancity, the Residential Tenancy Branch, the SRO Collaborative, non-profit housing providers, the private sector (including two private SRO owners), and tenants from three private SROs. The Task Force was co-chaired by Kaye Krishna, General Manager of Development, Buildings and Licensing, and Kathleen Llewellyn-Thomas, General Manager of Community Services, and convened three times over the course of three months.

In addition to the three task force meetings, City staff and a number of task force members also consulted with six key groups. Engagement sessions were held with community advocates and SRO tenants and, for the first time, a large cohort of private SRO owners, managers, and workers. The details of the engagement sessions are in Table 3.

## HOW WERE PARTICIPANTS ENGAGED?

The engagement sessions were set up as roundtable discussions, each facilitated by at least one task force member. A note taker was assigned to each table to ensure that all information was accurately captured.

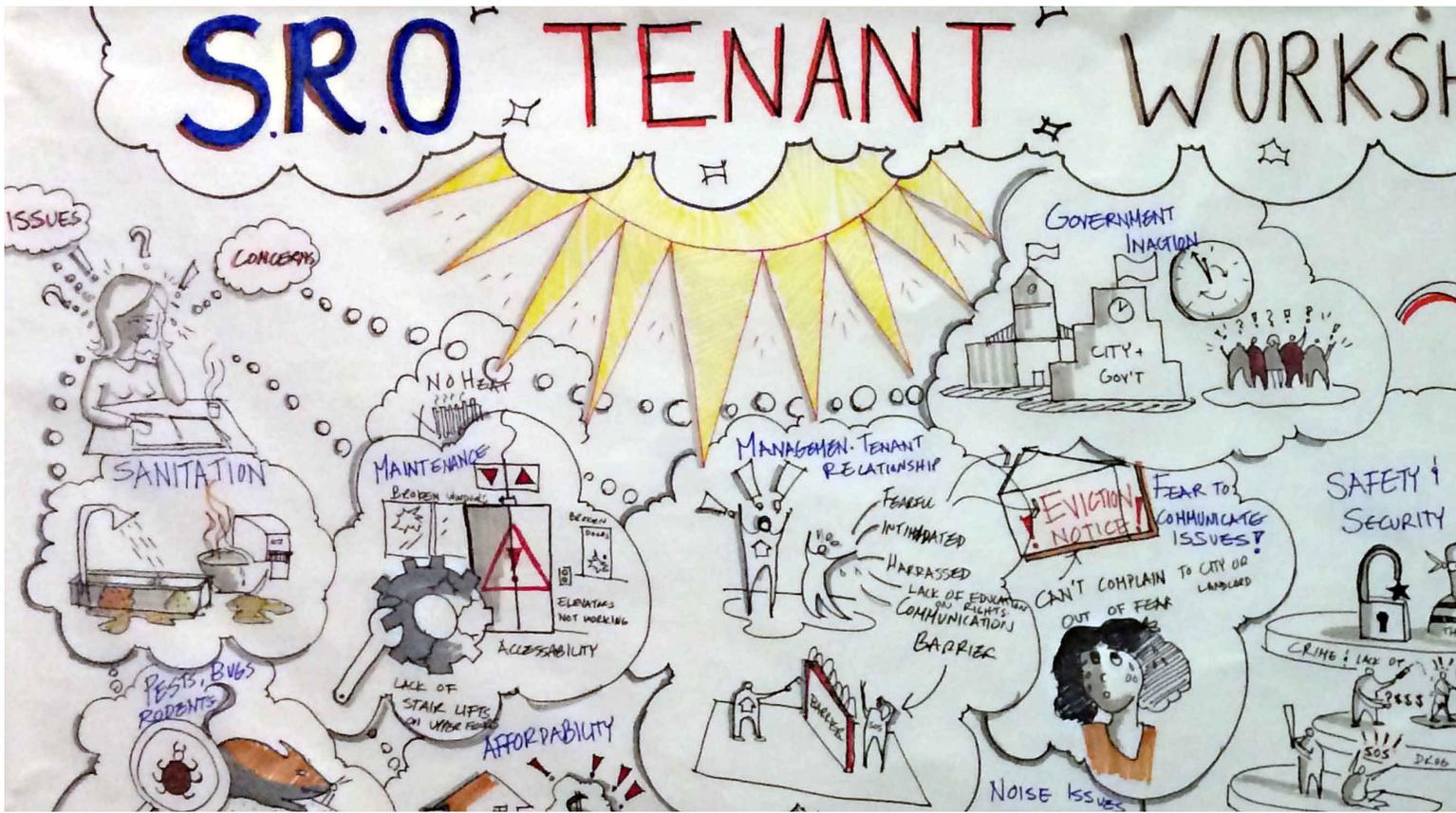
At each session, participants were asked to respond to three general discussion questions:

- What do you see as the biggest challenges or concerns in SRO buildings?
- How do you deal with these?
- What actions can the City and other partners take to support you?

All information gathered was brought back to the task force members for comment, synthesis, and analysis. It was communicated at the beginning of each engagement session that all feedback would be noted and considered, and that feasible actions would be incorporated into the recommendations while others would be further explored as part of larger future initiatives.

**Table 3:** SRO Task Force Engagement Session Summary

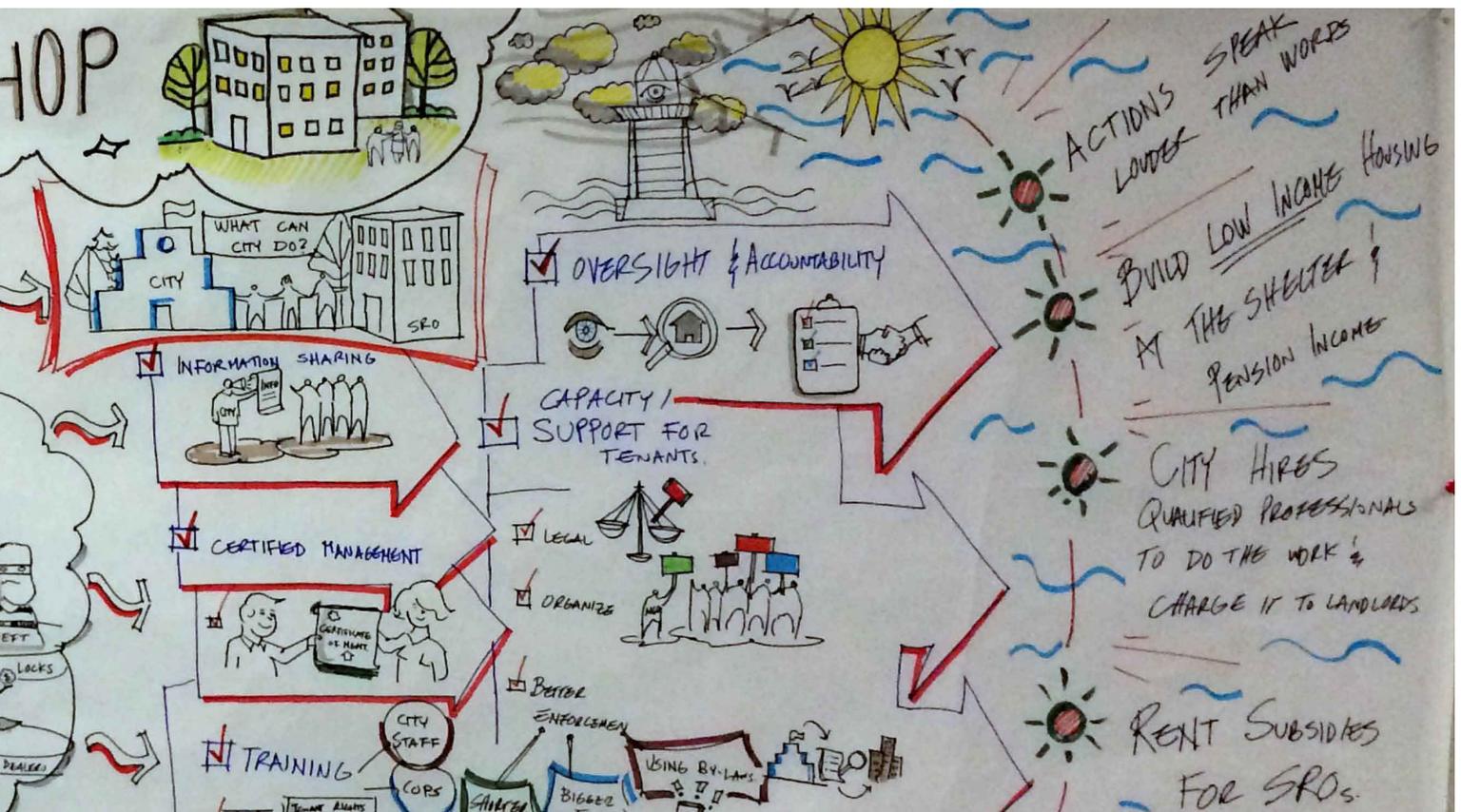
Engagement Session	Date	Outreach	# Participants
Advocates	October 27, 2016	Invitation letter to key advocate groups	10
SRO Tenants	November 7, 2016	<ul style="list-style-type: none"> <li>• 400 posters and 1200 handbills (English)</li> <li>• 125 posters and 125 handbills (Chinese)</li> </ul>	45 (including 10 Chinese tenants, 2 hearing impaired tenants)
Private SRO Owners/Managers	November 8, 2016	Invitation letter to all private SRO owners	40 (representing 25 SROs)
SRO Tenants (Women)	November 14, 2016	<ul style="list-style-type: none"> <li>• 100 handbills (English)</li> <li>• 25 posters (Chinese)</li> </ul>	25
SRO Tenants (Chinese Women)	December 1, 2016	<ul style="list-style-type: none"> <li>• 100 handbills (Chinese)</li> <li>• 25 posters (Chinese)</li> </ul>	8
SRO Workers	December 3, 2016	Invitation Letter and outreach through SRO Collaborative	16
TOTAL			144



## WHAT WERE THE KEY THEMES AND FINDINGS?

The primary objective of the engagement strategy was to obtain a balanced perspective on the key areas of concern and better understand the needs of both SRO tenants and landlords, as well as to identify partner roles and collective actions that could be undertaken to better address these needs. Although there were notable areas of disagreement between participants as well as between groups, a number of key themes emerged that supported a common narrative around key challenges and desired outcomes. A high level summary of key themes and findings is provided below.

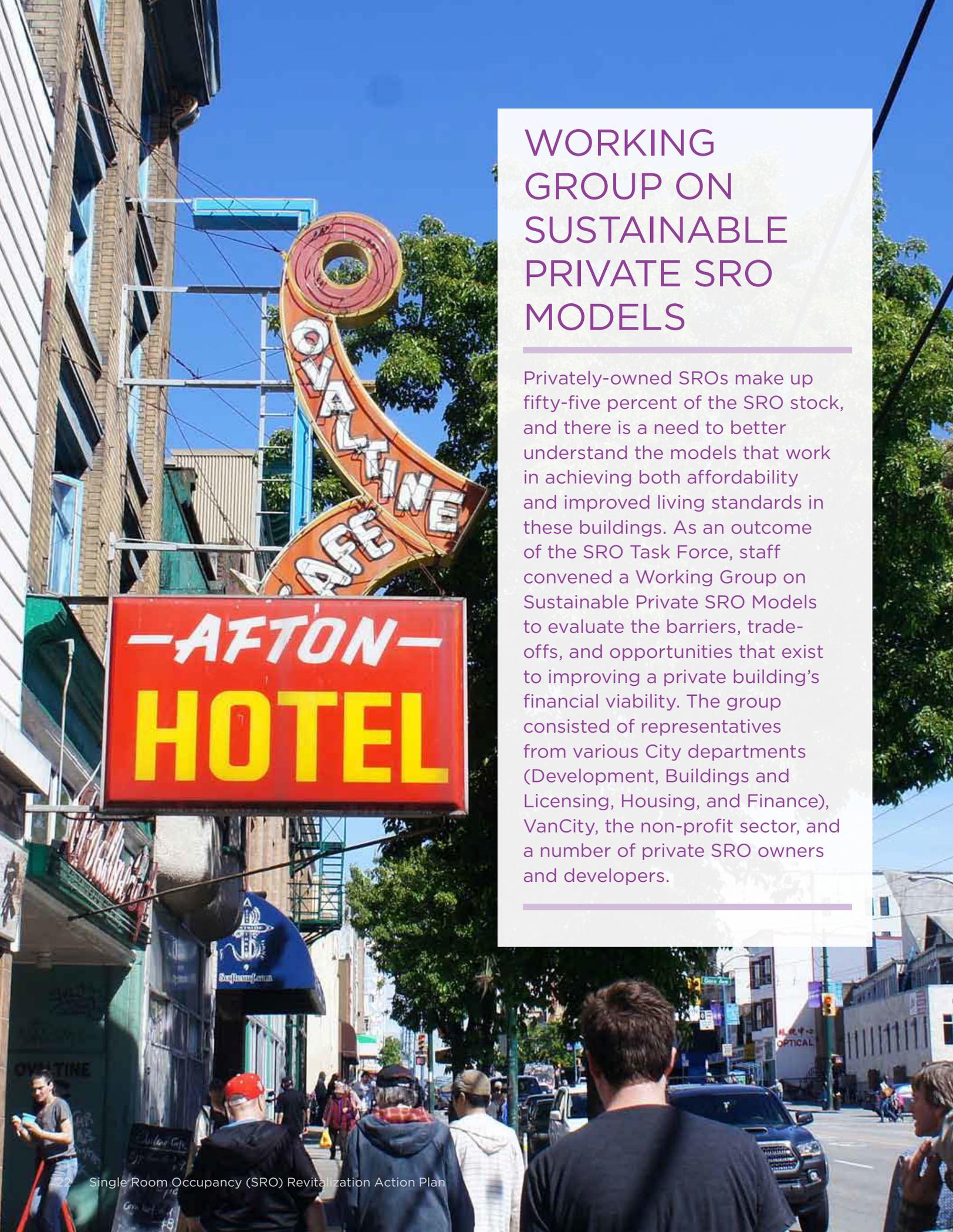
- Inadequate Response to Systemic Issues:** There was a strong sense from participants across groups that the challenges seen in SROs are reflective of greater systemic issues in the Downtown Eastside that require a heightened government and political response in order to be adequately addressed. Many participants referred to the DTES neighborhood as “ground zero”, where the concentration of services, high tolerance, and lack of enforcement around behavior, crime, and neighborhood maintenance perpetuates instability and chaos.
- Tenant Supports:** Many SRO tenants reported experiencing some level of crisis and expressed the need for increased access to in-house health, social, and employment supports. A number of landlords and managers of private SRO buildings said they feel poorly equipped to address tenants’ mental health and substance use challenges and feel that “non-profit expectations” are being unfairly placed on the private sector without any additional subsidy.
- Building Condition and Maintenance:** Most task force participants agreed that poor building and room conditions in many SRO buildings are impacting liveability and further compromising SRO tenants’ health and ability to thrive. Key issues noted were pests, bed bugs, mold, poor ventilation and air circulation, electrical and plumbing issues, inadequate cooking and laundry facilities, and lack of functioning elevators, all of which are exacerbated in cases of landlord negligence. It was also noted that landlord practices that foster a culture of fairness, order, and shared responsibility can encourage tenants to participate in the care and maintenance of buildings.
- Safety and Security:** Many SRO tenants, particularly women, reported feeling unsafe in both their buildings and the neighborhood due to racism, discrimination, sexual and verbal harassment, theft, criminal tenants, and fear of backlash from management and other tenants. Participants identified a need for increased security and policing in both the neighborhood and inside the buildings themselves.
- Management Practices:** A number of participants reported that illegal management practices and power imbalances between SRO tenants, workers, and owners contribute to a sense of fear and insecurity that tenants



feel in some buildings, and that there is a need for better staff training. Some of the issues identified include a lack of front entrance security measures, little control over access to the building, and manager and owner practices such as pocketing illegal guest fees, forcing double occupancy in rooms, allowing nightly rentals, not returning damage deposits, accepting bribes, enabling drug dealing, and engaging in welfare fraud. There was a recognition that the absence of fair wages, training, worker's rights and job security further exacerbates the issues by causing workers in some SRO buildings to feel that they are at the mercy of the building's landlords.

- Women's Health and Safety:** Participants in the Women-only SRO workshop described the systemic racism, discrimination, stigma, violence and exploitation they experience from building staff and other tenants on a daily basis. Many women described SROs as a "danger zone" in which they live in constant fear and must keep a low profile to avoid being targeted. Participants also expressed the negative health impacts they experience as a result of living in mouldy, dilapidated buildings. Many women also highlighted the strength they feel in each other, the importance of women's advocacy and activism, and the need to treat safety and security as a human right.

- Tenant Rights:** Many tenants, not just those in SROs, lack information and support in resolving issues around evictions, repairs, privacy and other issues that affect their ability to access and remain in housing. Participants identified the need for increased advocacy and access to information to support tenants.
- Affordability:** Many SRO tenants are increasingly challenged to find habitable rooms at rents they can afford. Participants identified a need for higher income assistance rates, increased employment opportunities, and more secure, affordable housing options to keep up with the increasingly high cost of living.
- SRO Economics:** A recurring theme raised by most participants was around the real or perceived financial pressures that exist in adequately managing and maintaining a private SRO. SRO owners indicated that high capital and operating costs, an onerous permitting process and rising property taxes make it difficult to make necessary repairs and maintain rents at levels affordable to those on limited or fixed incomes. Some landlords reported that without financial incentives or additional subsidies, they face unrealistic expectations around affordability and feel "caught between a rock and a hard place."



## WORKING GROUP ON SUSTAINABLE PRIVATE SRO MODELS

Privately-owned SROs make up fifty-five percent of the SRO stock, and there is a need to better understand the models that work in achieving both affordability and improved living standards in these buildings. As an outcome of the SRO Task Force, staff convened a Working Group on Sustainable Private SRO Models to evaluate the barriers, trade-offs, and opportunities that exist to improving a private building's financial viability. The group consisted of representatives from various City departments (Development, Buildings and Licensing, Housing, and Finance), VanCity, the non-profit sector, and a number of private SRO owners and developers.

## WHAT DID THE WORKING GROUP LEARN?

The group reviewed pro formas for a number of SRO buildings and explored both incentive and disincentive tools that could encourage reinvestment while maintaining affordable rent levels. Over three sessions, the group produced a number of key takeaways.

Firstly, the group agreed that the City's SRO replacement policy needs to be refined and clarified, with a clearer link made between existing SROs and new replacement housing, so that existing SROs can be repurposed into a more suitable use aligned with their form and function (ie: worker housing, unrestricted market rental, etc.) as new social housing comes online.

There was a strong sense among group members that improving a private SRO building while operating it at \$375 rents is impossible without some form of subsidy, let alone to service any debt on the property. Most private SRO owners need to make decisions between improving assets or keeping rents low, but cannot do both. The group agreed that private SRO owners cannot be expected to take on the role of government or non-profit by shouldering the burden of housing the City's low-income and vulnerable tenants. Buildings in the private sector should not be subject to the same expectations around affordability and tenant supports without additional incentives or interventions. In the absence of a large scale government investment or some other subsidy in the building, the only current sustainable model for these buildings is to serve a higher-income, stable tenant base.

The group discussed three potential outcomes for a private SRO building: replacement with social housing on or off site, transfer to government/ non-profit ownership or management, or maintaining in the private sector with additional tools. The most effective pathway for each private SRO building depends on a number of factors, including:

- Land costs
- The building's condition and associated maintenance requirements
- The owner's intent/ motivation (family business or income property versus new investor, cooperative versus uncooperative owner)
- The revenue generating potential of the property, including rents from both residential and retail components
- The tenant base (low-income and/or vulnerable tenants versus students/service workers)
- The redevelopment potential of the site through zoning, as well as heritage considerations.

Because of the variations between SROs, participants acknowledged that strategies need to be considered on an individual building basis.

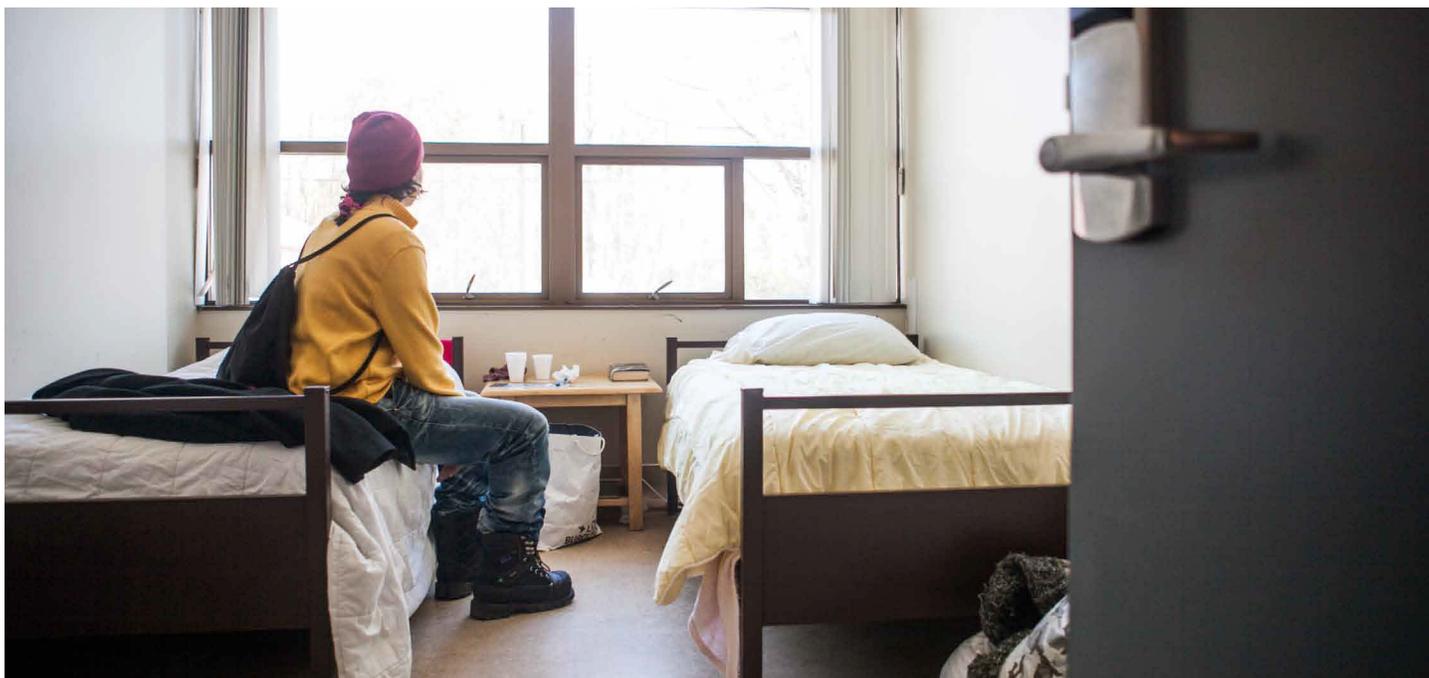
The group agreed that the most sustainable SRO model for a private building is one where the revenue generated allows for both improvements and affordability and where the level of supports matches the tenant need. Potential financial and revenue-generating tools were identified by group members, including:

- Owner-driven revenue, including retail, car parks, billboards, telus towers, or movie filming
- Financial incentives for heritage preservation
- Energy grants through BC Hydro
- Low-interest financing/loans through community lender or CMHC

- Property tax deferrals in exchange for reinvestment into building
- Expanded Provincial rent subsidies tied to the unit instead of to the tenant to enable reliable income stream
- Owner/operator education, including SRO management and asset management training to maximize cost efficiencies
- Partnerships with non-profits to support and manage tenant population

The group learned that enforcement tools can work alongside reinvestment strategies to exercise pressure on private owners and reposition their buildings into more effective management. Additional enforcement tools that both mitigate loss of affordability and improve maintenance and management standards were identified, including:

- Capped appreciation (i.e. section 219 covenant to keep sale price affordable) or other interventions to mitigate market sales price when buildings change hands
- Changes to property valuation and tax assessment methodologies
- Empty Homes Tax on SROs to discourage building closure/ vacancies, or speculation purchases
- Business License fees tied to rents
- SRA By-law enforcement to protect against "renovictions"
- Liens on title for non-compliance with orders
- Use of civil forfeiture or expropriation of buildings with ongoing non-compliance
- Additional business or liquor license conditions to improve management standards and use of business license hearings
- Stronger provisions in existing health and safety bylaws, including through relevant Charter changes



## VANCOUVER'S RESPONSE TO SROS: 30-YEAR VISION AND ACTION PLAN

*Housing Vancouver* actions and the *SRO Revitalization Action Plan* are based on findings from the SRO Task force meetings, focused engagement sessions, the SRO Working Group, and staff's own technical analysis of SRO buildings, all of which reaffirmed the urgent need for enhanced interventions and shared responsibility to improve and extend the life of this existing stock while protecting tenants' health, safety and wellbeing. The lessons learned from the recent closure of the Balmoral Hotel and a best practice review of cities across North America has also informed the approach.

### SRO REPLACEMENT AND REVITALIZATION: 30-YEAR GOAL

The 30-year goal is for all SRO tenants to live in safe, secure, dignified, and affordable housing, with their own private bathrooms and kitchens. This means that by the end of 30 years, all outdated 7,200 SRA-designated rooms (both private and non-market) will be replaced with self-contained social or supportive affordable housing units for low-income tenants, either in existing buildings through rehabilitation and conversion to self-contained social housing units, or with new social housing on or off site. Citywide, any new or rehabilitated social housing units that are self-contained, designated for singles (studio or one-bedroom) and are rented at the shelter component of income assistance will be counted as SRO replacement. In both redevelopment and replacement scenarios, the focus will be on ensuring that tenants' interests are protected and that they have access to safe, affordable units that they can call home.

Rehabilitation or replacement of SROs at rents affordable to low-income individuals will be challenging without a significant injection of capital. A small number of private SRO owners and some non-profits will have the independent resources and capacity to be able to replace their SROs as social housing on a one for one basis either on or off site, and will then be able to demolish or repurpose their existing SRA buildings as hotels, condos, or unrestricted self-contained rental housing. For the most part, however, rising land and construction costs, together with heritage requirements on many SRA buildings, will significantly constrain most private and non-profit owners from rehabilitating or replacing their buildings as social housing, and the stock will not be able to function as adequate low-income housing without major interventions. Therefore, achieving this 30-year goal will require significant government investment to both secure the stock and then invest in either its rehabilitation or replacement. In addition to the provision of housing, it will also require employing a systems-based approach that addresses the many facets of the housing crisis as it is experienced by the city's most vulnerable individuals, including addressing poverty and income inequity, as well as the current health crisis.

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## CASE STUDIES: ACTIONS TO ADDRESS SRO CHALLENGES IN OTHER CITIES

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On both coasts, cities in North America are struggling with housing affordability challenges, and seeking new ways to ensure that the most vulnerable and low-income residents are protected. As income inequity and the demand for low-income housing increases, SROs still serve a critical housing need in many cities, and there is renewed urgency to protect and improve these buildings while improving liveability for the tenants that reside in them.

### **NEW YORK CITY: PROACTIVE PRESERVATION INITIATIVE**

In New York City, the Department of Housing Preservation and Development's Proactive Preservation Initiative (PPI) is the City's comprehensive approach to identifying and addressing deteriorating physical conditions in multi-family buildings across the city before they endanger the health and safety of residents and threaten the quality of the surrounding neighbourhood. PPI uses a network of information sources such as Housing Code violations, unpaid fees and fines, and referrals from community groups and advocates to pre-emptively identify buildings that are at risk of falling into serious disrepair. Through a variety of intervention strategies and programs, PPI employs both aggressive enforcement tools including litigation and lien sales, as well as incentives, such as low-cost repair loans, finance counselling, and referrals to non-profits, to ensure that owners are both accountable and equipped to maintain their buildings in safe condition.

### **SAN FRANCISCO: MASTER LEASE AND SMALL SITES PROGRAM**

In San Francisco's SRO Master Lease Program, the Department of Public Health – Housing and Urban Health Section enables non-profit housing providers to contract hotels from private landlords on a long term basis. With a budget of \$14 million/year, the City subsidizes monthly rents while building owners retain responsibility for large capital repairs and any renovations prior to leasing. Part of the City's Housing First Strategy, the Master Lease Program has enabled many units of supportive, low-income housing units to come online rapidly.

The Small Sites Acquisition Program supports non-profit and for-profit companies to purchase SROs and other small apartments with 5-25 rooms in order to prevent economic evictions of low-income tenants and mitigate the overall net loss of low-income housing in San Francisco. Since 2014, a \$20 million investment has been used to purchase 12 buildings (over 100 units), all with existing tenants that were at risk of displacement. The City subsidizes up to \$250,000/unit and this amount is combined with a traditional mortgage loan. A condition of the purchase is that long-term affordability restrictions are placed on each of the properties.

To date, the programs have been funded by Housing Trust Fund revenues and affordable housing fees paid by housing developers in San Francisco. Recently, a new Housing

Accelerator Fund was established to support a broad spectrum of project types, all coordinated with the City's standard affordable housing programs. For SROs, the fund supports short to medium real-estate secured loans for acquisition and light to substantial rehabilitation of the properties.

### **TORONTO: TORONTO RENOVATES REPAIR & RENOVATION FUNDING FOR ROOMING HOUSES & SIMILAR ACCOMMODATIONS WITH SINGLE ROOM OCCUPANCY**

The Toronto Renovates pilot program aimed to provide supports to both private and non-profit landlords and operators of rooming houses and other single room occupancy accommodation to improve and maintain their buildings, while protecting the existing residents. A \$5 million investment from the federal and provincial Investment in Affordable Housing Program enabled the renovation of 26 rooming houses with nearly 500 rooms over two years, with average renovation costs of \$10,000/room. Eligible health and safety repairs included structural, building envelope, interior walls, floor and ceiling, plumbing, electrical, heating and ventilation, and fire safety. The funding was provided in the form of a 15-year forgivable loan, and the agreements required that rents remain affordable during this time period. The program primarily served buildings renting to low-income singles, seniors, persons with disabilities, and those experiencing mental health issues.

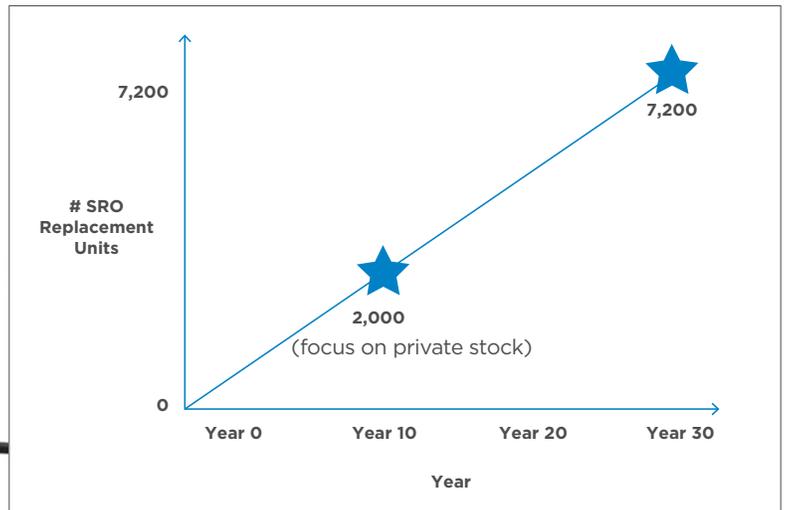


## SRO REPLACEMENT AND REVITALIZATION: 10-YEAR GOAL

Over the next 10 years, the increasing demand for low-income housing will mean that SROs will still serve a critical need even as new social housing is built elsewhere and SRO tenants flow through the housing system. Therefore, the 10-year goal is to both accelerate the delivery of new SRO replacement housing, while also managing and improving the existing SRO stock.

Over the next 10 years, the City and its partners will accelerate the replacement of SROs with self-contained social housing, with a goal of replacing 50 per cent of the remaining private SROs in the next 10 years. The aim is to provide appropriate long-term housing for the most vulnerable tenants currently living in private SROs. Data shows that there are currently 2,000 SRO tenants in critical need of new housing and supports, so a *Housing Vancouver* accelerated SRO replacement target of 2,000 new supportive housing units for incomes <\$15,000 has been set for low-income singles moving from SROs. Capital funding and operating subsidies will be needed so units can be rented at shelter assistance rates to ensure that new social housing units are serving those most at-risk.

**Figure 4:** 10 and 30-Year SRO Replacement Goals for both Private and Non-Market Stock



While new SRO replacement social housing comes online, the focus of the City's actions over the next ten years will be on creating better living conditions and improving safety and security for SRO tenants in existing SROs, while also mitigating loss of affordability in the stock. Existing non-profit owned SROs will continue to be supported through the City's *SRA Upgrade Grant Program*, stronger collaboration between City enforcement and non-profit housing providers, improved accountability with funders, and addressing challenges with leases held with private SRO owners.

For privately owned buildings, the City will leverage partnerships to establish an SRO Revitalization Fund to improve and transition the worst 10 SRO buildings, or approximately 900 units, to non-profit management. The City will also employ a strong "sticks and carrots" approach through a new regulatory framework that links proactive enforcement with funding and benefits. A strong City enforcement pathway will push non-cooperative private owners to make repairs, or ultimately to disposition their building to a non-profit or cooperative private owner. Cooperative owners will be supported to access low costs loans, asset management and operations training, as well as partnerships with non-profits, in order to invest in their buildings and bring them back to good repair, improve management operations, and ultimately improve overall livability for tenants. At the same time, the City will enhance support to the peer-based rental advocacy network in Vancouver and will continue to collaborate with the Province on poverty reduction, increased tenant health supports, rent control, and improved tenant protections.

The City will enhance and leverage its role as a regulator of SROs, an investor with other partners, and an advocate for new powers and partnerships to implement all of these actions, described in more detail below.

### **1) Leverage Federal, Provincial and Community Partners to align actions for maximizing impacts.**

- Issue a call-to-action to senior levels of government to initiate a \$200 million SRO Revitalization Fund and \$10 million/year in operating funds to acquire, lease, and renovate 10 SROs, or approximately 900 rooms, in the Downtown Eastside to promote changes in management, ownership and investment, and improve liveability for tenants, with a focus on the worst privately-run buildings.
  - o Work with Provincial partners to coordinate information collection and enforcement action, including evidence that could lead to the Province securing an SRO through expropriation or civil forfeiture.
  - o Request City Charter authority to support private owners' reinvestment in buildings through provision of direct funding (i.e. low-cost loan) in exchange for strong performance management and affordability conditions, or work with Vancity to administer loans on government's behalf.

### **2) Lead with a proactive enforcement and regulatory approach that links enforcement escalation with funding and capacity building in order to bring private SRO buildings to good repair, improve management operations, and improve livability for tenants.**

- Conduct a comprehensive legal and regulatory review of the City's health and safety by-laws in order to identify opportunities for strengthening current enforcement tools and assessing the feasibility of implementing additional tools, such as imposing tax liens, including through relevant Charter changes.

- Initiate a critical building plan for each of the 10 worst SROs buildings to promote changes in management, ownership, and investment to improve liveability for tenants.
- Revise existing Rental Property Standards Database to improve information collection and monitoring of the SRO stock in order to identify at-risk buildings before they become a serious health, safety or financial problem, and inform priorities and actions.
- Develop and implement an online SRO Management and Asset Training Program and dedicated SRO website aimed at increasing capacity, knowledge, and information sharing to adequately maintain, invest, and manage SRO buildings while addressing tenant needs.
- Impose additional management requirements on SRO owners through amendments to the SRA by-law, including mandatory security and operational plans, building maintenance schedules, asset management reporting, and completion of SRO Management Training program.
- Create an annual building permit for conducting minor repairs in SRA-designated properties in order to accelerate speed of repairs and encourage work to be carried out in a consistent and professional manner.
- Dedicate property use inspectors specifically for enforcement in SROs to enhance capacity for conducting more frequent and thorough SRA inspections and audits, to strengthen relationships with owners and tenants, and to serve as a point of contact for improving tenant access to resources and information.

### 3) Strengthen regulatory powers in order to mitigate further loss of affordability and building closure in the private SRO stock associated with speculative purchases of SROs.

- Increase SRA replacement fee from \$125,000/door to \$180,000/door through amendments to the SRA by-laws in order to reflect the current cost of replacement housing and address challenges associated with SRO purchases made on the basis of speculation, including building closure and disinvestment.
- Work with Provincial partners to explore changes to property valuation and tax assessment methodologies to facilitate reinvestment in buildings upon changes in ownership without compromising affordability.
- Monitor the impacts of the Empty Homes Tax and consider amendments to the by-law to further strengthen the intent of the tax, including investigation into the potential impact on the SRO hotel stock.
- Explore creating a specific SRA category in Business License by-laws to be able to impose higher annual license fees based on rent structure to discourage rent increases at turnover.

### 4) Build capacity among SRO tenants through increased support for peer-based, citywide advocacy network, and improved channels for reporting and sharing information.

- Grow capacity of peer-based advocacy network, including SRO Collaborative and recently formed Vancouver Tenant's Union.
- Modify the City of Vancouver website to make it easier for tenants to access information about their buildings, to report safety concerns, to acquire transparency surrounding the complaints process, and to shorten response time to reports and complaints.
- Improve tenants' ability to access documentation for notices of violation that can be used as evidence at the RTB.

### 5) Advocate to the Province to increase supports and strengthen tenant protections for SRO tenants

- Work with Province in development of *BC Poverty Reduction Plan* that would increase income assistance rates to \$1,500/month (including the shelter component of income assistance at \$600/month).
- Request Province to expand health and social supports, including outreach, to tenants living in private SROs.
- Strengthen the RTA with respect to landlord responsibilities to tenants, including:
  - Clarifying the timing and content of eviction notices and other landlord monetary obligations in the event that a building must be vacated
  - Expediting RTB hearings for tenants living in SRA buildings so that hearings can be held ahead of eviction
  - Holding RTB hearings in-person in the community for tenants under special circumstances, and hold mass hearings in cases where multiple tenants are facing the same issues with regards to a building.
- Work with Province to strengthen rent controls by creating a specific category in the *Residential Tenancy Act* for SRA-designated properties by tying rent increases to the room as opposed to the tenant in an effort to slow rent increases and tenant displacement.
- Work with the Province to expand rent subsidies in private SROs with priority given to buildings in good standing.



# HOW WILL WE KNOW WE'VE BEEN SUCCESSFUL? MONITORING & EVALUATION:

An update outlining progress towards *SRO Revitalization Action Plan* goals will be presented through ongoing engagement with SRO Task Force members regularly. Baseline indicators will be established to measure and evaluate our progress which will help fine tune priority actions or shift the focus as necessary, building on existing indicators tracked by the City through the *Housing Vancouver Strategy*, the *Healthy City Strategy*, the *DTES Plan*, as well as new indicators.

**Output Measures:** The City will work with partners to enhance both the quality and frequency of data collection related to SROs. The City will provide regular updates on progress towards SRO Revitalization goals, including indicators already tracked through other Strategies and new housing indicators, as outlined in table 5 below.

**Table 5:** Indicators for measuring progress towards *SRO Revitalization Action Plan* goals

Category	Indicator	Source	Timing
New Housing for SRO Tenants	# New SRO replacement housing units designated for singles inside the DTES	Housing Vancouver Update	Quarterly
	# New SRO replacement housing units designated for singles outside the DTES	Housing Vancouver Update	Quarterly
Conditions in Existing SRO Housing	# SRO rooms transitioned to non-market management	BC Housing and City of Vancouver, Housing Projects	Quarterly
	# SRO rooms upgraded	BC Housing and City of Vancouver, Housing Projects	Quarterly
	# \$ publicly invested in SRO Buildings	BC Housing and City of Vancouver	Quarterly
	# Buildings with outstanding health and safety bylaw violations	Rental Property Standards Database	Quarterly
	# Closed SRO Rooms	Low-Income Housing Survey	Annually
Affordability in Existing SRO Housing	# SRO rooms/units renting at shelter component of income assistance	Low-Income Housing Survey	Annually
	# Rent Subsidies in SRO Buildings	BC Housing	Annually
	# Building sales to private owners	Realtors	Annually
Tenant Health, Safety and Well Being	# Sheltered and unsheltered homeless individuals	Annual City of Vancouver Homeless Count	Annually
	# SRO tenants reporting lack of supports to address mental health, and addiction challenges	DTES Tenant Demographic Survey	Biennially
	# SRO tenants reporting satisfaction with housing	DTES Tenant Demographic Survey	Biennially
	# Overdoses in private SRO buildings	BC Coroner's Report	Quarterly
	# Tenants displaced due to "renovictions"	CoV "Renoviction" Tracker	Quarterly
	# RTB violations	Residential Tenancy Branch	Quarterly
	# Calls for service in SRO buildings	Vancouver Police Department	Quarterly

**Outcome Measures:** In addition to reporting on progress related to the SRO Revitalization Action Plan goals, the City will also continue to monitor and report on outcomes that reflect the relationship between housing and the broad set of social determinants of health. The City of Vancouver *Healthy City Strategy* (2014-2025) and the *DTES Plan* (2014) both have concrete goals, targets, and key measurement indicators across key goals relating to community connection, human services, poverty reduction, active living, and accessibility to a broad set of amenities and needs. The *SRO Revitalization Action Plan* aligns with the *Healthy City Strategy* and *DTES Plan*, and has incorporated some of these indicators into key metrics.

**Request new data from senior government:** Many of the indicators here require cooperation from the Provincial government to provide relevant data, including metrics related to poverty, health, and housing affordability. Through this Action Plan the City will continue to work with senior government partners to increase and improve the data available on these and related indicators.

# WHAT DOES THE FUTURE HOLD?

The immense pressure currently facing Vancouver's residents to access and remain in housing is significantly compounded for those with incomes below \$15,000. A lack of adequate and affordable housing options for this income bracket means that SROs continue to play a critical housing role in Vancouver, often as a last resort for individuals cycling in and out of homelessness. SRO buildings and the tenants that reside in them are increasingly vulnerable, the result of numerous factors including ageing and deteriorating buildings, a high proportion of tenants with mental health and substance use challenges, and changing market conditions that have seen increased development interest and speculation in the stock. Increasingly, SROs are being lost from disinvestment, closure or sale, and also to loss of affordability and tenant displacement.

The challenges seen in SROs today are a symptom of broader systemic issues including poverty, an inadequate health response to mental health and addictions needs, a shortage of low income-housing to meet growing demand, and reliance on a private market to fill a gap as low-income housing. The scale of the challenge requires unique interventions that are closely linked with all other efforts related to poverty reduction, improved health outcomes, and increased supply of low-income housing options.

*Housing Vancouver* sets an ambitious target of 2,000 new SRO replacement supportive housing units designated for singles moving from SROs, in order to meet the most urgent need. Until these units come online, there is a need to improve and secure the existing stock, while protecting the tenants who reside in these buildings. *The SRO Revitalization Action Plan* hopes to achieve this through a combination of increased funding, enhanced regulation, and renewed partnerships.

Through the establishment of an SRO Revitalization Fund, 10 of the worst private SROs will be secured and upgraded through either lease or acquisition, improving living conditions for close to 1,000 residents. The City will also employ a strong proactive regulatory framework that links enforcement escalation with funding and capacity building to bring private SROs into good repair and improve operations and liveability for tenants. Finally, the City will enhance support to the peer-based rental advocacy network in Vancouver and will continue to advocate to the Province for poverty reduction, increased tenant health supports, rent control, and improved tenant protections.

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The implementation of *the SRO Revitalization Action Plan* will require the collective roles and efforts of all partners, including all levels of government and the non-profit and private sectors, to achieve a substantial and meaningful impact in improving the SRO building stock, and protecting some of the City's most vulnerable residents.

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