

Disappearing Homes

The loss of affordable housing in the DTES

April 2008

Carnegie Community
Action Project
(CCAP)

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Main Street action for housing organized by Streams of Justice.

Introduction

Residential hotel rooms are the housing of last resort for low-income people in Vancouver's Downtown Eastside. In the last few years and especially in the last few months, we have seen this housing stock disappear for a number of reasons, described in the neighbourhood as closures and soft conversions. This loss is happening despite the city policies for "Revitalization without Displacement and "1 for 1 replacement of hotels with social housing". Recent hotel purchases and housing announcements do not make up for the overall loss.

Closures happen when the city refuses to use its *Standards of Maintenance* bylaw to do required repairs and bill the owners. They also happen when owners simply empty a building so they will be easier to sell in a hot condo market, fueled by expansion of the Downtown Core, the new Woodward's development, the Heritage Incentive Program and the coming Olympics.

Soft conversions happen when landlords make their premises unavailable to people with welfare level incomes by increasing rents, renting to students only, or renting by the day and week. Sometimes renovations are involved. No level of government is actively working to stop these closures and soft conversions. As a result low-income people who call these rooms home may soon be on the street with no where to go in a housing market with a virtual zero vacancy rate for low-rent accommodation.

- *By Jean Swanson and Wendy Pedersen*

Who is CCAP?

The Carnegie Community Action Project is a project of the board of the Carnegie Community Centre Association, which has about 5000 members. CCAP works mostly on trying to get more and better housing and better incomes for people in the Downtown Eastside.

Why CCAP did the study

CCAP wanted to do a hotel survey to update what was done by Pivot in 2006 (Cracks in the Foundation) and the City of Vancouver in 2007 (2007 Survey of Low-Income Housing in the Downtown Core).

Although this report is about buildings and numbers it is also about human beings. We see people in our neighbourhood daily who tell us their rents are increasing, their rooms are closing, they're being evicted through no fault of their own, and they have no money for food because rents are taking up a large part of their small income. Many are homeless with no where to go. Many people volunteer at the Carnegie Centre because they can get meal tickets to supplement their meager welfare

cheques that are mostly taken up by rent payments. CCAP wanted a study to provide concrete evidence of what is happening in the hotels where many residents live.

What are SROs?

Residential hotel rooms, or single room occupancy (SRO) units, are single rooms in hotels or rooming houses. They are often about 10 feet by 10 or 12 feet in area, have no cooking facilities and have shared washroom facilities for



tenants on each floor. CCAP believes that SROs are not suitable permanent housing. We have a long-standing policy that SROs should be replaced 1 for 1 by new units of at least 400 square feet with kitchen and bathrooms. The city also has a policy that SROs should be replaced 1 for 1 with decent new housing. The SROs in the Downtown Eastside are often, but not always, poorly managed, full of bedbugs, cockroaches, in poor repair and dirty. Still, sleeping in an SRO is, in most cases, better than sleeping on the street.

While CCAP wants governments to use their massive surpluses to build decent accommodation to replace the SROs, we need to ensure that the SROs are preserved and affordable for low income people right now if we don't want more homelessness.

How CCAP did the study

For our study we went door to door to over 100 Downtown Eastside residential hotels listed in the City's Single Room Accommodation (SRA) bylaw and approached each SRO like a prospective tenant looking for room. We visited each hotel at least twice if we couldn't make contact the first time. Because we surveyed the hotels as renters, we believe our results may be more accurate than the city's 2007 Survey of Low-income housing in the Downtown Core.

For the survey we inquired about vacant rooms, rents, damage deposits, the number of rooms available, and whether income assistance recipients were allowed to rent. We kept an eye out for signs that the building might be converted, sold or demolished. After doing the survey we decided to exclude hotels that were owned by the province or non profits, since they appear to be committed to providing affordable housing in the community. Our survey excludes 13 privately-owned hotels (269 rooms) that emptied prior to the City's 2007 Survey.

The survey was done by Robert Bonner and Wendy Pedersen, CCAP staff and Audrey LaFerrier, a volunteer. Andrew Yan, Member of the Canadian Institute of Planners, made the data base and helped with recommendations.

Results: an overview

Of the 97 privately-owned hotels we found 55 managers who talked to us. They represented 57% of the 97 hotels with 73% (2905) of the rooms. Not being able to find a manager is not just a problem for surveyors. It represents a huge hurdle for people looking for a place to rent.

CCAP found that 1327 or 46% of the rooms we obtained information on are closed, unaffordable by people on welfare, or in grave danger of closing or becoming unaffordable. In addition we found at least 364 rooms in hotels that rent weekly, daily, as hostels or hotels, but also rent monthly at under \$425. We fear these rooms could be lost when pressure for Olympic housing ramps up if the city refuses to enforce its SRA bylaw.

Results: rents

According to the City, 67% of Downtown Eastside residents are low income (Housing Plan for the Downtown Eastside, p. 14). Thousands of residents rely on income assistance which provides only \$375 a month for shelter. Only 4 hotels in our study had rooms available for \$375 or less: the Afton, Patrick Anthony Residence, May Wah and Low Young Court. Among them a total of 6 rooms were available for a vacancy rate of .2% in the rooms we have data on.

The total monthly benefit for a single person on welfare who is expected to work is \$610. If renters have to pay more than \$375, housing costs eat into the money available for food, transportation, phone, and other necessities, making survival work necessary sometimes. Survival work includes prostitution, panhandling, vending and scavenging from garbage cans. As hotels increase their rents beyond the \$375 allocated for shelter by the Ministry of Employment and Income Assistance, they become soft conversions.

Sixteen more hotels rented rooms at the welfare rate of \$375 or less but none had vacant rooms.





Results: daily and weekly rentals

Some hotels, many with beer parlours, rent monthly, daily and weekly. This is a form of soft conversion where residential rooms are gradually replaced by daily or weekly rentals that are not affordable to local residents. The Single Room Accommodation bylaw says that the hotels it lists (which are the ones we studied) cannot rent more than 10% of their rooms on a daily or weekly basis without permission from the city.

This website - www.hostels.com/en/ca.bc.va.html lists the Shamrock Hostel, C&N Central Station Hostel (Ivanhoe), Grand Trunk Hostel, and St. Clair Hotel (outside the boundaries of our study but listed in the SRA bylaw). As surveyors and community members we have no way of knowing if these accommodations are complying with the bylaw and only renting 10 percent of their rooms on a daily/weekly basis.

Other hotels that rent daily or weekly include the Lotus, Ivanhoe, West, Astoria, Columbia, and Regent. In fact we found that the last 3 had vacancies only for people who rented daily or weekly.

The Columbia has refused to rent to people we have sent there asking to rent a room monthly. CCAP is concerned about daily and weekly rentals because they are in the \$40 per day/\$200 per week range and completely unaffordable for low-income people.

Unless the city shares data it has about these hotels with the community, we have no way of knowing if the hotels are renting 10% or 90% of their rooms at a daily or weekly rate. When these hotels refuse to rent on a monthly basis to new people, we become suspicious that they may be renting more than 10% on a daily or weekly basis.

Results: double bunking

Double bunking is where the hotel puts two tenants in one room, typically strangers. Each pays \$375, the welfare shelter allowance, for a total of \$750 a month. The space is much too small for two people and the owner takes in a lot

Five said they rent some rooms at the welfare rate and some above that rate. CCAP regards this as a sign that these hotels are probably gradually converting to higher rents.

And 24 hotels, of the 49 which provided rent information, rented above the welfare rate. Rents in these places ranged from \$395 to \$650 per month (few with bath). Three of these were taking new tenants only on an expensive weekly or daily basis. Of the 24 hotels renting above the welfare shelter rate, 14 hotels with 889 rooms rent for over \$425 a month, becoming virtually inaccessible to people depending on welfare for their income.

West of Main St. prices were higher, with 62% of the rooms renting above welfare, while east of Main 33% were above the welfare support level. This could be because the hotels west of Main St. are closer to the influence of the new 40 storey condo tower at Woodward's and closer to the Downtown Core so land prices are higher and speculation is more intense than east of Main.

of money. We have heard from at least two sources that double bunking is happening in these hotels, and we need city inspectors to confirm or reject this information: Golden Crown, Brandiz, Powell Rooms, and Lucky Lodge.

The last three may have the same owner or manager. Double bunking would be prohibited if the city passed a proposed amendment to its bylaws and required 80 sq. ft per bed instead of the current 50. However this would have a downside for low-income people, as it would prevent couples from living together in a room and could create more street homelessness if it reduces the number of beds available. Also, it may be the only way that people with only \$375 per month for shelter can find a room. Double bunking represents the desperation of low-income residents for affordable shelter.

Results: student housing only

Two places at least have become student only housing, another form of soft conversion: Creekside and Belmont Student Housing. This is unchanged from 2006.

The Shamrock may also be renting to students to the exclusion of local residents. The City claims that they can do nothing about landlords who rent only to students. Many language schools surround the west end of the Downtown Eastside.

The new Woodward's development will have space for Simon Fraser University and generate more students in the neighbourhood. Students need and deserve housing, but when they move into SROs it takes available housing from low-income residents who may be in more need.

Results: closures and soft conversions

SRO closures are a huge issue in the Downtown Eastside. Hundreds of rooms have closed in the last few years, diminishing the supply of SRO rooms available from 5,699 in 1997 to 4,992 in 2007, according to the City.



Cordova Residence, 56 E Cordova, 1-3 years before redevelopment.

This is a list of recent SRO closures:

- Backpacker's Inn, 42 rooms, closed
- 334 Carrall, 30 apartments, closed
- Dominion Hotel, 67 rooms, closed
- Phoenix Apartments, 18 units, closed
- St. Clair on Richards, 15 units, converting to tourist (just outside DTES)
- And the last 2 rooms of No. 5 Orange were found to be closed in our survey.

Total closed to low-income residents in last four months or so: 174. This number does not include the 76 units lost with the closure of Marie Gomez because that project is social housing. But this loss represents a significant loss contributing to rising homelessness. Had the province and city not bought the empty Pender (36 rooms), Marr (22), Rainier (47), and Drake (24) the situation would be even worse.

Some hotels are in grave danger:

- Star Beach Haven, 19 rooms, eviction notices issued, probably illegal;
- Pacific Hotel, 72 total units, letter given to tenants telling them to leave by Sept. 30;
- Columbia Hotel (78 units) has vacancies but is not taking monthly renters. CCAP has repeatedly asked the city to enforce the SRA bylaw at this hotel but is not aware of any results. A potential 78 units could be lost to low-income tenants and may already be lost.
- Cordova Rooms, 56 units, has been sold recently. The new owner told tenants they had one to three years before having to move.

Total in grave danger: 225

We also need to know if hotels renting as hostels and by the day and week (Shamrock, Ivanhoe, St. Clair, Grand Trunk, Astoria, Regent, Cobalt, West, Lotus) are sticking to their 10 percent limit or exceeding it. We believe, but are not sure, that the Astoria and West rent only a small portion of their rooms by the day and week.

We don't know about the others. If the city does not inspect and enforce the 10% rule in these hotels, we could lose as many as 452 units for low-income residents. With the Olympics coming in 2010 and hundreds of thousands of visitors expected, it is reasonable to expect that some of these hotels and others may try to evict permanent residents in favour of tourists who can pay more.

There are 889 rooms that we surveyed renting above \$425 a month. The Colonial Residence for example has about 50 vacant rooms and is renovating and this seems to be an example of a dangerous trend to empty rooms out by attrition, renovate them and then rent them out for as much as the market can bear. Community advocates are wary of buildings with large numbers of empty rooms because sometimes having an empty building is a condition of sale.

The danger list

Taking all this into account, low-income people have already lost over 1000 rooms to closures and soft conversions: (thousands more could follow if our governments don't act immediately)

- Already closed to low-income people in last few months: 174
- In grave danger of being closed: 225
- Soft conversions to student use: 39 (at least)
- Soft conversion to rents above \$425: 889
- Subtotal of rooms in our study not available to low income tenants even if they were vacant: 1102
- **Subtotal of rooms unavailable to people with welfare level income or in grave danger: 1327** (46 % of the rooms we have data on.)

Soft conversion to hotel/hostel/ daily/weekly: unknown but daily/weekly rentals are happening

in buildings with 364 units we surveyed in addition to the ones renting monthly for over \$425.

Total rooms unavailable to people on income assistance or in danger of becoming unavailable: 1691 or 58% of the rooms we obtained information on.

We believe that all of the privately-owned SROs are at risk of closure or conversion. But our survey shows that the closures and conversions, with over 1300 rooms already inaccessible to people on welfare, and more at risk, are probably already increasing homelessness. In addition to the Olympics, it is expected that the SFU Fine Arts School will attract over 1000 more students to the area. With rampant speculation, more hotels that we are not aware of this month could close next month. So this survey is probably a conservative account of the danger to low-rent SROs and their residents.

CCAP's visioning

CCAP is currently doing a neighbourhood visioning process with low income community residents. When asked on the visioning questionnaire if they would like to continue to live in the Downtown Eastside if they had safe, secure housing, over 90 percent said "yes." When asked where they would go if they lose their Downtown Eastside housing, the most common answer is "the street." Others say "home to mother," New Westminster, Surrey, East Van, West Van, homeless, suicide, jail, crime, alleys, Georgia Viaduct, Stanley Park, and "I don't think about it. It's too depressing." Thousands of low-income human beings live in Vancouver's SROs. Yes, the hotels desperately need to be replaced. Yes, governments can afford to do it with their budget surpluses and \$250 million Housing Endowment Fund. Yes, it would be \$33 million a year cheaper (according to the recent SFU study) to build housing than to maintain homelessness. And yes, until that housing is built, the SROs must be kept open.

Recommendations

The City of Vancouver and province of BC could



take many steps to prevent homelessness, keep rooms open, and keep people in their housing. This is just a short list. For a creative and ethical government that is interested in preserving low-income rental housing, there is no shortage of ways to prevent more closures and conversions.

1. Build housing:

Government should use their multi-year billion dollar surpluses and the Province's \$250 million Housing Endowment Fund to build enough 400 sq. ft. units in the Downtown Eastside to replace the SROs and provide new housing for people who are homeless.

2. Enforce existing bylaws:

By enforcing existing bylaws, the City could almost overnight acquire a number of poorly run SRO buildings. The Standards of Maintenance bylaw allows the City to make repairs and bill those repairs to the owner. If the owner cannot afford repairs, the city can collect the bill through the property tax rolls, and ultimately force the sale of the hotel.

Even if an owner keeps the building, the repairs will make the buildings safer and more comfortable for low-income residents, and will prevent the building from being condemned and closed.

The City must also enforce the SRA bylaw because there are as many as seven hotels that may be renting illegally to tourists.

3. Make rent control effective:

Last year welfare shelter rates increased from \$325 to \$375 per month. Even though rent control supposedly restricts increases to about inflation plus 2% (or \$13 a month on a \$325 rent), rents on virtually all rooms are now \$375 or over. It is clear that rent control has to apply to the unit, not the tenant. Under current law, as soon as a tenant moves, even within a building, landlords can increase rents to what the market will bear. The Province should change the Residential Tenancy Act so that rent control applies to the unit, not the tenant.

4. Change city land use policy:

Property speculation is rampant in the Downtown Eastside because of the growth of the Downtown core, Woodward's Redevelopment and Eco-density Plan, the Heritage Incentive Program, and City plans to densify the area. As land values increase, owners charge higher rents, and convert SROs to more profitable uses. The City should insulate the Downtown Eastside from higher densities and towers and stop new condos until the SROs are replaced one for one in the neighbourhood by new social housing as the City's 2005 Downtown Eastside Housing Plan calls for.

5. Make conversion/ closure data public:

While community groups struggle to protect tenants from hotel closures and evictions, city inspectors visit hotels often and can look at records and books. The City should make information about maintenance problems, vacancies, daily and weekly rentals, and rents public so the community can figure out where and when the next closures or conversions are coming.

6. Buy hotels:

While SROs are not good housing, it would be good for the City and province to continue buying them. With land prices escalating in the community, SROs not only provide stopgap housing, but can provide the land to build decent housing on. The City and province will not lose money on such a plan, but will create equity that could be put towards new social housing on the sites of the old SROs. With land prices escalating in the community, SROs not only provide stopgap housing, but can provide the land to build decent housing on. The City and Province should buy more hotels.

7. Enact a Safe Housing Act:

The city should bring in a safe housing act like New York City did. With this act New York designates 200 buildings a year to bring up to health and safety standards. If the landlord won't, the city does the work and bills the owner.

8. Enact a Rate of Change bylaw:

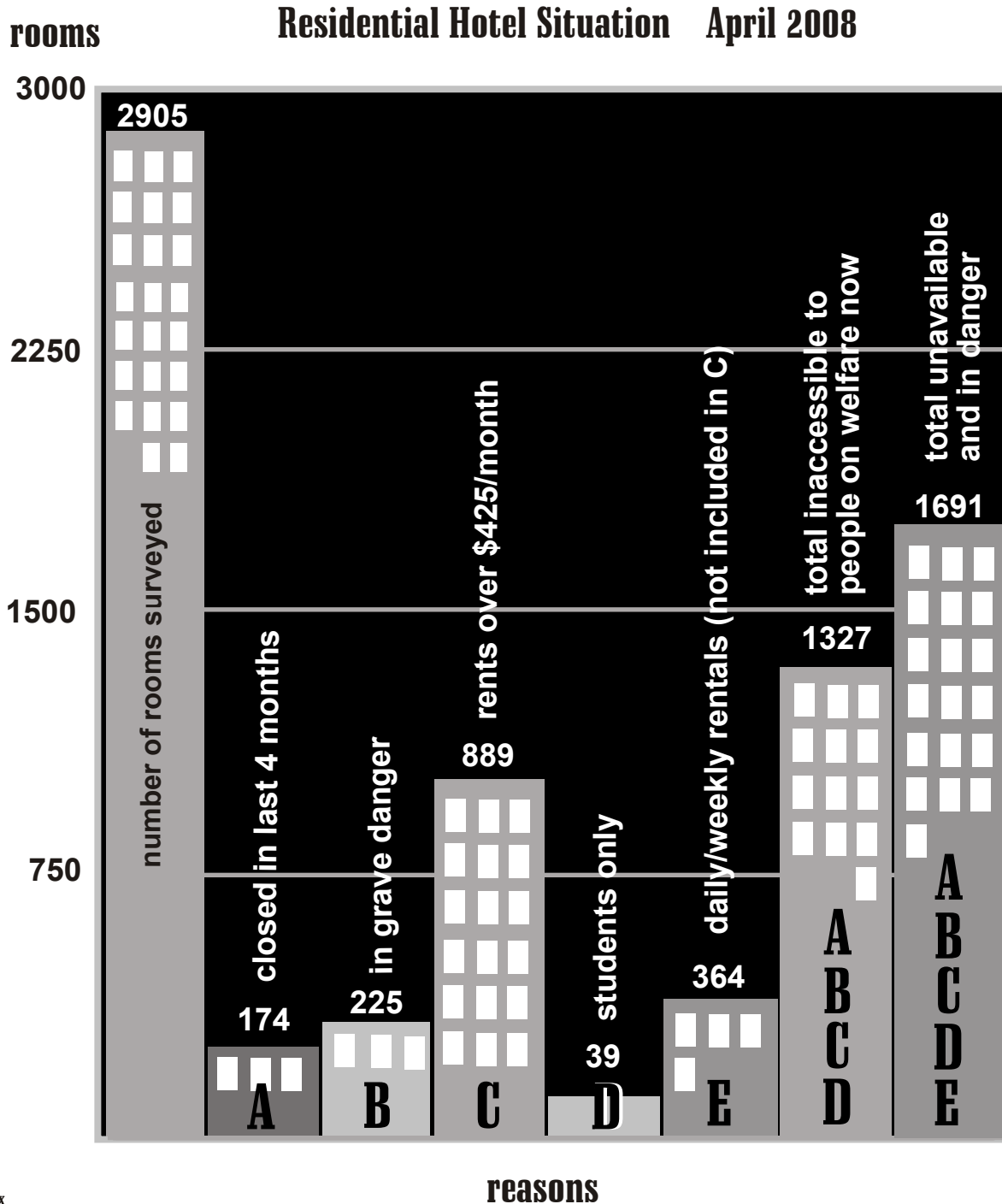
Apartment areas in Vancouver have a rate of change bylaw to protect rental apartments



from closure and conversion. The city told CCAP we didn't need a rate of change bylaw because we already have the SRA bylaw for the Downtown Eastside. The SRA bylaw to protect the SRO stock is clearly not working. The city should enact a rate of change bylaw for the Downtown Eastside that would prevent closure and conversion of SRO and rental accommodation until new social housing is built.

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Thanks to Dave Eby for his help and the Downtown Eastside Residents' Association for sharing hotel information with us.



design: flux