

## Why SROs Matter - Andrew An, CCAP Planner

The state of Single Room Occupancy (SRO) hotels have emerged to illustrate the problems of public policy in the Downtown Eastside. SROs can be both a problem and a solution for the neighborhood where poorly managed hotels have captured the headlines with their decrepit conditions while properly managed hotels have quietly provided sanctuaries for low income people in Vancouver who have nowhere else to live. In this latter capacity, SRO hotels can start the healing process for one of Canada's poorest neighborhoods. However, through a lack of mayoral and council leadership, commitment, and creativity, this final line of housing before homelessness is now gravely threatened.

SRO (also know as Single Residential Accommodation) hotels are typically early 20<sup>th</sup> century residential hotels with shared bathroom and cooking facilities. Historically, SROs housed single men during the winter off-season for British Columbia's mining, fishing, and forestry industries. More recently, SROs have begun to house low-income men and women, both old and young, and of various ethnicities. Not everyone who lives in SROs is mentally ill, a criminal, or abusing substances. Many are simply poor who need housing.

SROs matter because they are the only form of low income housing where the City has a direct level of control. Where the creation of new low income housing currently requires both the funding and cooperation from senior levels of government, SROs have historically housed Vancouver's low income population. Through the City's zoning and regulatory policies, the City has the power to affect the quality and quantity of SROs. Admittedly, SROs are not an ideal form of affordable low income housing as they are typically tiny units with no private bathrooms or kitchens. However, as surplus rich senior levels of government continually refuse to invest in housing low income single individuals and welfare rates remain stagnant; this is a stock that the City can ill afford to lose.

This being said, the number of SRO rooms in Vancouver have precipitously declined from 13,300 in 1970 to 6,079 in 2006. While 82 new rooms for low-income singles were opened between June 2005 and June 2006, the City lost almost 400 units due to conversions, rent increases and closures during the same period. With nearly 5,000 units, SROs represent almost half of the affordable low income units in the Downtown Eastside. However, combined with a voracious real estate market yearning to convert these hotels, there is a perfect storm brewing to sweep those low income tenants who are living in SROs onto the streets.

Through its Single Rental Accommodations by-law, the City has tried to regulate Vancouver's dwindling number of SROs by charging a \$5,000 a room conversion fee to stem the SRO loss. As speculators in the city's real estate market now see this fee as a minor price of doing business,

Council is current considering raising the rate to \$15,000 a room as well as evoking a 50 square foot a bed rule to discourage SRO to backpacker hotel conversions. However, with a single SRO room now worth between \$35,000 to \$50,000, this fee is likely too low as many in the Downtown Eastside community are requesting the conversion fee be raised to \$50,000 a room.

The SRO dilemma is hardly unique to the City of Vancouver, but few cities have so inadequately protected its SROs. Last year, the City of Los Angeles passed a conversion moratorium for its SRO stock. To combat the loss of its SROs, San Francisco implemented a series of initiatives to save its SRO stock. For over 27 years, developers must replace each unit that is lost or else pay the city 80 percent of the cost of replacing that same unit plus land acquisition costs. Non-profit groups in San Francisco were given the “right of enforcement” where groups of tenants and their advocates can organize, repair blatant maintenance and safety problems, and bill the landlord. This 1990 extension of the bylaw prevents the City of San Francisco from inadvertently becoming an eviction service through deferred building maintenance. This is in stark contrast to the City of Vancouver where it has inadvertently emerged as an eviction service for slumlords.

While strong SRO bylaws have hardly ended real estate development in San Francisco, it has ensured that homelessness is not aggravated by real estate speculation in low income neighborhoods. The pragmatic public policy rationale in dealing with SROs is relatively straightforward. Homelessness is expensive to the public purse. Service and shelter costs for homeless people ranged from \$30,000 to \$40,000 per year, on average, compared to \$22,000 to \$28,000 per year for housed individuals (formerly homeless people living in social housing). The cost to jail this person would be \$67,500 a year or \$200 per day in a correctional institution. SROs are not the solution to Vancouver’s homeless problem, but, by ignoring the stock and not replacing the lost units, the homeless problem becomes worst.

Just as there has been an emerging Vancouver “brand” of creating a vibrant downtown, Vancouver has the opportunity to create a healthy low-income friendly neighborhood in the Downtown Eastside. Instead of focusing on a “broken windows” style of policing to solve homelessness, the City should start “replacing windows” on SROs through a series of innovative supports and economic incentives for good and disincentives for bad SRO owners. A stable, safe, and rehabilitated stock of SRO hotels begins to engage Vancouver’s homelessness crisis and a chance to stabilize the neighborhood. The Downtown Eastside is an opportunity to show the world how Vancouver can create compassionate and inventive solutions to the problems of deep urban poverty.