

March 23, 2020  
City of Victoria  
1 Centennial Square  
Victoria, BC V8W, 1P6

Dear Mayor Helps and Council,

**RE: Hudson Place Two – 1700 Blanshard Street  
Development Permit with Variances Application No. 00106  
Executed SRWs and Response to Committee of the Whole Amendments, carried Jan. 23, 2020**

We are writing this letter in response to the motion carried by the Committee of the Whole on January 23, 2020. We would also like to confirm that the required Statutory Right of Ways have been completed and executed.

**Motion – That the applicant meet with the Downtown Residents Association Land Use Committee.**

Applicant met with the DRA LUC on February 4<sup>th</sup> at the Townline Development office. The project elevations and renderings were discussed in relation to the setback variances. General comments were supportive of the project, and we anticipate receiving the DRA LUC comments in near future.

**Motion – That the applicant considers locking in the rental units under a rental agreement.**

We are very pleased to propose 245 purpose-built rental suites to the Victoria community in the near future. As a long-established neighbour in Victoria, we see the need for more rental housing and we want to be a part of building that supply for the city.

As was discussed at the Committee of the Whole meeting, Townline has had a long-standing relationship with the City of Victoria through the redevelopment of the Hudson District, which included the extensive revitalization and repurposing of the former Hudson Bay department store to help the City preserve a vital piece of heritage. The Hudson District, in which Hudson Place Two will be a part of, was rezoned to permit both strata condominiums and rental apartments. Over the course of 14 years, we have voluntarily built 404 rental suites in addition to 328 condominium suites in the Hudson District. We hope to add 245 purpose-built rental suites at Hudson Place Two with the City's support.

This opportunity has been made possible with the successful advancement of our project through CMHC's Rental Construction Financing Initiative. The financing agreement comes with qualifications, which we have highlighted in our letter dated January 7, 2020. While we are confident that the application with CMHC is moving forward, a building permit is required by CMHC in order to approve funding. This is one of many risks in the loan-underwriting process and ultimately receiving financing to build the project. It is ultimately the collaboration of federal financing and predictable municipal approvals that allows this rental housing project to be a success.

At Council's request, we have considered in great detail the option to voluntarily enter into a Housing Agreement. However, given the financing risks outlined above, the fact that the zoning permits both strata condominiums and rental apartments, and the development permit status of this application where a Housing Agreement is not required, we are simply unable to enter into a Housing Agreement. The ramifications of unnecessarily binding the project to one form of development when funding is not secured could hamper the outcome of delivering much-needed housing.

We are excited to continue Townline's strong legacy in providing a rich mix of rental housing, strata housing, and commercial retail in the Hudson District. Despite the strong sales momentum we have achieved with the condominiums at Hudson Place One, we are committed to providing this additional rental stock to the Hudson District.

Sincerely,



Dave English  
Senior Development Manager