

Updated – January 20th, 2023 (originally submitted June 13th, 2022)

Mayor Alto & Council
City of Victoria
City Hall
1 Centennial Square
Victoria, BC V8W 1P6

Dear Mayor & Council,

RE: Application to Rezone 710 Caledonia Avenue & 1961 Douglas Street

We are pleased to provide this revised Letter to the Mayor. A letter was previously submitted to Council on March 25th, 2022, revised and resubmitted on June 13th, 2022. The original letter has been included as an appendix for reference.

This letter provides an update to the project following Council's unanimous support to proceed to Public Hearing, received at the Committee of the Whole meeting on October 6th, 2022.

PROJECT INTRODUCTION

The proposed mixed-use development, presented through a progressive partnership between Chard Development Ltd. (on behalf of 710 Caledonia Equity Limited Partnership) and BC Housing Provincial Rental Housing Corporation (PRHC), occupies the properties located at 710 Caledonia Avenue and 1961 Douglas Street within the Burnside Gorge neighbourhood. Bound by Douglas, Caledonia and Discovery, the vision for this redevelopment is a socially conscious and inclusive community comprised of three distinct residential buildings over a shared commercial podium that includes office, retail, a full-service grocery store, and a childcare facility, complemented by a large public urban plaza.

This development will create a complete community which includes a diversity of employment-generating spaces, below-market residential rental housing (with rents starting at \$375 per month), market residential rental and home ownership opportunities. Active transportation and accessibility are at the heart of this application, with environmental standards exceeding City policy.

We are seeking to amend these properties from the current zoning to a new, site-specific zone. The project supports many of the OCP and Downtown Core Area Plan (DCAP) policies in the City of Victoria providing 13% more affordable homes than what is required under the Inclusionary Housing Policy, responding to principles outlined in the Climate Leadership Plan as well as the Urban Forest Master Plan, Tree Protection Bylaw 21-035, Go Victoria Mobility Strategy, and Housing Strategy Phases 1 and 2.

This application is only viable with the strategic partnership with BC Housing and their concurrent application for 722-726 Discovery Street which will provide permanent, purpose-built supportive housing to replace the temporary shelter located within the Capital City Center Hotel at 1961 Douglas Street. This modular housing project will be constructed prior to construction commencing at 710 Caledonia and 1961 Douglas to ensure there is no displacement of current residents. In addition, no businesses will be displaced with this application.

KEY PROJECT BENEFITS

A Diverse Range of Housing

This community will welcome a range of age groups, family structures and income levels. When considered in tandem with the concurrent application for 722-726 Discovery Street, the proposed development offers housing types that reach nearly all levels of the housing continuum. Considered independently:

- The project provides a total of 451 housing units to include:
 - Below-market rental (133 units – to be owned by BC Housing and operated by a not-for-profit)
 - Purpose-built market rental (171 units)
 - Market condominium (147 units)
- The below-market rental building will offer 20% of the suites at shelter rates (Rents starting from \$375 in a studio & one bedroom, and \$570 in a two bedroom), 50% at rent-geared-to-income (Rents starting from \$882 in a one bedroom, \$1,133 in a two bedroom, and \$1,470 in a three bedroom, and 30% at near market rents (Rents starting from \$1,095 in a one bedroom, \$1,436 in a two bedroom, and \$1,795 in a three bedroom. Rent ranges for these homes will reflect the BC Housing HILS (Housing Income Limits) which are updated annually and the BC Housing 'Shelter Rate' which is tied to income assistance levels.
- The project exceeds the City of Victoria's Inclusionary Housing Policy by offering 133 non-market units that will be owned by BC Housing.
- G.P. Rollo & Associates (GPRA) was engaged by the City to provide a land lift analysis on the proposed development. The modelling confirmed that the land value will fall below the value from BC Assessment and produced a negative land value given the significant amenities provided on site due to the partnership with BC Housing.

Employment and Economic Renewal

The proposal will provide 99,852 sf of permanent, employment-generating space. The main components of this include 40,000 sf of dedicated office space supporting professionals in industries such as healthcare and technology, 44,000 sf of community-serving retail space, and a 5,710 sf childcare facility accommodating at least 40 children. These uses are estimated to generate over 1,000 jobs. The development will also create over 2,000 jobs during construction as well as other positive economic impacts for local businesses due to the resulting increase in residents.

A Transit-Oriented, 15-Minute Neighbourhood

The proposal is located along the Rapid Transit line (Douglas Street) and will include a bus shelter to provide direct transit access for the community. The integration of the bus shelter was the result of collaboration with City staff and BC Transit. The proposed uses and existing context of this new development provide residents, workers and visitors with access to most, if not all, of their day-to-day needs within a short walk, cycle or transit trip – a true '15-minute neighbourhood'.

Environmental Protection / Sustainability

On top of the community benefits outlined above, the proposal makes a conscious effort to achieve a number of environmental and sustainability objectives.

With respect to energy performance, the proposal aims to exceed, where possible, the current energy targets required by the City of Victoria today. These targets include LEED Silver for the market rental building and STEP CODE 3 for the below-market rental building.

The proposal also contributes to Victoria's Urban Forest Master Plan by increasing the extent of Victoria's urban tree canopy, and provides measures which exceed the recently approved Tree Protection Bylaw 21-035. Examples include:

- The proposal exceeds the City's replacement tree policy by 30%. A total of 34 replacement trees (as defined by Schedule E in the Tree Bylaw 21-035) are required onsite; per Table 1: the proposal provides 43 replacement trees that qualify under the city's new Tree Protection Bylaw.
- As requested by the City, a large tree has been accommodated in the central portion of the plaza. The extensive soil volume extends from the Plaza (at grade) down to P2. The uninterrupted soil volume spanning two levels below grade will promote growth and development of a large canopy and ensure longevity.
- The site design accommodates a total of 63 trees (not including municipal trees), exceeding the existing 17 trees on site today. Nearly half (33 trees / 53%) are medium (24) and large (9) trees.
- A total of 12 municipal trees are proposed for removal and replacement with 13 trees. The sizes and positions align with the Downtown Public Realm Plan requirements.

TABLE 1.

	MUNICIPAL TREES	REPLACEMENT TREES	NON-REPLACEMENT TREES	TOTAL ONSITE TREES
EXISTING SITE	12	n/a	17	17
TREE PROTECTION BYLAW	12	34	n/a	34
PROPOSED	13	43	20	63

No Displacement of Residents or Businesses

The former White Spot restaurant closed when the family sold the property. No other businesses currently exist on site. The adjacent BC Housing owned Capital City Center Hotel is currently occupied as emergency supportive housing and operated by Our Place Society. Through a partnership with BC Housing and the concurrent rezoning application for 722-732 Discovery Street, the majority of residents currently housed at 1961 Douglas Street would be relocated to newly constructed, permanent supportive housing and so remain within their known neighbourhood.

Public Plaza and Public Realm Improvements

The corner of Douglas and Caledonia will accommodate an 8,635 sf public plaza that showcases the extensive grading of the development and includes seating, play space, meeting areas and hard and soft landscape features. Activation of this corner through a restaurant, local retail, childcare facility and grocery store will bring a new pedestrian-level presence to the neighbourhood and complement existing, proposed, and future uses. Integration of CPTED (Crime Prevention Through Environmental Design) principles has guided the overall approach to design to prioritize security, comfort and quality of life.

Community-Serving Retail and Large Grocer

Retail space positioned around the public plaza is intended to include a restaurant, coffee shop and other community-serving uses. The expansive 30,000 sf retail unit will be occupied by a full-size grocery store with a major anchor tenant already secured. Large-scale grocers are notoriously challenging to secure given their size, loading, garbage and customer parking requirements. The grocery store will be a significant benefit to the current and future residents, creating a 15-minute neighbourhood for the thousands living in the area.

A Dedicated Childcare Facility

The proposal addresses the significant need for childcare facilities within the City of Victoria through a purpose-built, 5,710 sf private childcare facility. The childcare space will be secured on title.

Amenities

Each residential building will offer unique amenities to service residents of all demographics including children and pets and improve both affordability and livability. All residential buildings will be pet friendly.

OCP & ZONING RELAXATIONS

Positioned along Douglas' major transportation corridor, the property creates an ideal opportunity to support the Downtown Core Area Plan (DCAP). The property has excellent access to public transit and is positioned to become a core employment hub and residential centre. In recognition of the many benefits outlined above and with the support of staff, we are asking Council to approve the proposed development with the following OCP relaxations:

- Increase in total density from the OCP maximum of 5:1 FSR to 6.79:1 FSR
- Increase in residential density from the OCP maximum of 3.0:1 FSR to 5.41:1 FSR
- Increase the maximum building height from 45m to 72m (Tower A – 55m Tower B – 72m Tower C – 65m)
- Reduce the required number of residential parking spaces from 297 to 226.
- Reduce the required number of visitor parking spaces from 45 to 30.

PROJECT PROCESS SINCE MARCH 25th, 2022

Since the original submission in March 2022, we have worked closely with City staff to incorporate additional key design features and requested community benefits to help complement the proposal overall. The resulting enhancements are outlined below.

1. Inclusive Public Plaza

Building off the vision of the DCAP, the design team and City staff collaborated extensively to develop the features of a more vibrant neighbourhood plaza. Today, the public plaza design further addresses safety, accessibility, sustainability, and inclusivity through:

- An artful slide element that plays off the extensive grading of the site.
- Built-in and removable seating arrangements within the hardscape to encourage delineation and separation of urban rooms.
- Increase in overall softscape ratio for a more naturalized feel.
- A more naturalized water feature that pulls the public further into the plaza while offering creative ways to muffle the noise from traffic along Douglas Street.
- The addition of six (6) more trees, tripling the amount of canopy growth; including a deciduous feature tree set in the centre of the plaza with unobstructed soil depth (from Grade to P2).
- Incorporation of finishes that match the City's Downtown Public Realm Plan (DPRP) to help open the relationship between plaza and public sidewalk.
- Further activation along the grocery store frontage with seating and lighting elements that reflect the atmosphere of some of the City's most iconic districts.

2. Enhanced Active Transportation Measures

In addition to the Traffic Demand Management Plan and further memo (provided by Bunt & Associates Engineering Ltd. dated September 13th, 2021), staff have identified opportunities to further enhance sustainable mobility, facilitate longer trip requirements and support the current 420 parking stalls (or 0.58 stalls per suite and 0.82 stalls per 500 sf of

commercial floor area) included with the proposal:

- Additional bike parking to further encourage cycling to/from the development.
- Two fully electric car share vehicles to be located on site in dedicated parking spaces, each equipped with Level-2 Electric Vehicle (EV) charging stations.
- Enlargement of the bicycle parking provisions which will ensure a minimum of 10% of the required bicycle parking is suitable for cargo bicycles or bicycles used by persons with disabilities.
- A minimum 55m² bicycle repair area and associated repair equipment.
- Enlarged end-of-trip facilities including lockers, showers, and wash stations provided to the employees of the office and retail uses.
- BC Transit EcoPasses for a minimum of a five (5) year term for the future employees of the property.

The additional proposed off-street commercial parking count will ensure that needs of the new development are accommodated and not reliant upon on-street parking.

3. Urban Accessibility

Recognizing the existing demands of the collector streets surrounding the proposal, we have worked to accommodate several solutions that align with the City's Downtown Public Realm Plan (DPRP) & Greenways Plan:

- We voluntarily chose to set back the Caledonia Street frontage by 10ft to add space to the north sidewalk and boulevard. This better supports the expected pedestrian traffic as Caledonia connects the Rapid Transit Network (Douglas Street) to the Save-on-Foods Memorial Arena.
- Introduction of a raised traffic median on Caledonia Street to restrict access to the proposed driveway to westbound 'right turn in only' and 'right turn out only', reducing the risk to the expected bicycle traffic on Caledonia.
- Incorporation of additional architectural seating set-back from the Rapid Transit stop to capture any potential overflow of waiting passengers.

4. BC Hydro Beautification Funding

In July 2022, BC Hydro announced they will be suspending the Beautification grant for local governments indefinitely. We have met with staff who agree that if the City cannot secure a grant via BC Hydro's Beautification Program, undergrounding of the services will no longer be financially achievable nor required for the project. We have worked with staff to ensure the proposal can incorporate the pre-existing electrical infrastructure along the expected frontage improvement on Douglas Street. With the proposed above ground services, the design can accommodate additional soil volume and larger offsets for the municipal trees along Douglas Street.

COMMITTEE OF THE WHOLE REPORT

The primary concern identified by City staff in the Committee of the Whole report and subsequent meetings, is the siting of the municipal trees surrounding the site. A request has been made for a 5m setback between the trees and the building on all three frontages. It is our understanding that this requested 5m setback for the replacement municipal trees was driven by concern over the longevity of the offsite trees and the potential impact on the trees by future building maintenance or repairs to the building's below grade horizontal waterproofing.

This request goes over and above the Tree Protection Bylaw as highlighted in Table 2 below:

TABLE 2.

FRONTAGE	TREE PROTECTION BYLAW	REQUESTED SET-BACK	PROVIDED SET-BACK
Douglas Street	2 m	5 m	3.75 m
Caledonia Street	2 m	5 m	2.12 m
Discovery Street	2 m	5 m	3.5 m

Throughout the approval process, we have fully supported the viability of a long-term and sustainable urban tree canopy and have worked to address staff's concerns with consideration to the many competing interests of all departments by:

- Ensuring that all trees (on and off site) meet or exceed the required soil volumes of the tree bylaw.
- Eliminating sections of the parkade to accommodate deeper soil volumes under the plaza for a large feature tree.
- Increasing shade opportunities throughout the project in both the plaza and other outdoor amenity spaces.
- Incorporating root barriers and soil cell systems, providing the required soil depth for all municipal trees.
- Providing a horizontal membrane replacement detail that will ensure minimal disturbance to trees when the horizontal membrane requires replacing in 40+ years.

However, the redesign that would be required to incorporate the requested 5m offsets presents significant challenges for the project and negatively impacts the community benefits noted in the letter above.

For context, the parkade design is defined by a number of site-specific constraints including:

- soil conditions;
- driveway access restrictions;
- parking requirements;
- building separation requirements;
- natural grade conditions (topographical); and
- boundaries for airspace parcels.

In order to accommodate the requested 5m setback along all three frontages, a significant redesign would need to be undertaken to adjust the building cores. This would affect the efficiency of the parkade and increase the cost of construction while decreasing revenue and impacting the project viability. This change would also reduce the efficiency of the floor plates of the buildings above. The less efficient floor plates due to changes required in the core locations and additional excavation will restrict the benefits and amenities proposed, including jeopardizing the inclusion of the grocery store. Further, the additional time required to undertake this redesign would delay delivery of the many community benefits already outlined above, as well as delivery of much needed housing for the community.

In summary, we feel we have worked in good faith to adequately address the shared desire for a long-term and sustainable urban tree canopy.

Summary

For over 18 years, Chard Development Ltd. has been developing mixed-use, primarily residential projects in the City of Victoria. From Corazon to Haven and the many projects in between and currently underway, these projects have helped to reinvigorate the community, bringing diverse housing options and retail vigor to a broad section of Victorians. We are proud to have delivered on all projects approved by Council in the history of our company and of our proven track record of successfully collaborating and building homes with BC Housing. With the development of 1961 Douglas Street and 710 Caledonia Avenue, Chard is excited to have the opportunity to once again demonstrate that we are builders of – and believers in – Victoria.

At 1961 Douglas Street and 710 Caledonia Avenue, we remain committed to developing a socially conscious and inclusive community that meets the needs of residents while positively contributing to the long-term urban fabric for the City's Downtown Core. This is a unique opportunity to holistically plan and develop a community that touches nearly all levels of the housing continuum and firmly establishes the existence of a complete, 15-minute neighbourhood on a primary transit corridor, at the northern gateway to Downtown Victoria. This proposal would not be viable without the partnership with BC Housing and the adjacent application for 722-726 Discovery Street.

Guided by proven urban planning principles and socially conscious objectives, we believe this proposal delivers much needed housing, extensive community benefits and significant economic benefit to the City of Victoria in both the short and long term. We look forward to the introduction of bylaws and thank you in advance for Council's favourable consideration.

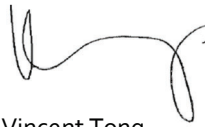
Sincerely,

CHARD DEVELOPMENT LTD.

BC HOUSING



Byron Chard
President & CEO



Vincent Tong
Acting CEO, BC Housing

CC: Hon. David Eby, Premier of British Columbia
Karen Hoesel, Director of Sustainable Planning & Community Development, City of Victoria
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Mackenzie Biggar, VP, Development, Chard Development Ltd.

Appendix A – Letter Dated 13-Jun-22