

June 13th, 2022

Mayor Helps & 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

This letter has been written to accompany a Rezoning and Development Permit Application for the above noted properties.

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, occupies the properties located at 710 Caledonia Avenue and 1961 Douglas Street within the Burnside Gorge neighbourhood. Bound by Douglas, Caledonia and Discovery Streets, the vision for this redevelopment is a socially conscious, inclusive community comprised of three distinct residential buildings over a shared commercial podium that includes office, 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 zoning. The project supports many of the OCP and DCAP policies in the City of Victoria including doubling the affordability required under the Inclusionary Housing Policy, responding to principles outlined in the Climate Leadership Plan as well as the Urban Forest Master Plan, Go Victoria Mobility Strategy, and Housing Strategy Phases 1 and 2.

Building A, positioned at the northeast corner of the site along Discovery, will provide 16-storeys of below-market rental housing to be owned and operated by BC Housing. **Building B** will combine market condominium homes above retail and office space in response to the intensive employment guidelines of the Rock Bay District. This 21-storey building will occupy the southern edge of the subject site along Caledonia. At 21-storeys, **Building C** sits at the northwest corner of the site and will offer purpose-built market rental homes atop commercial retail, a restaurant, a childcare facility, and a large full-service grocery store. Parking for the development will be accessed through two separate street entrances depending on the building use and intensive employment function. The commercial truck and garbage facilities will be enclosed and secured.

This application is being proposed in conjunction with the 722, 726 & 732 Discovery Street application, which will provide replacement permanent, purpose-built, modular supportive housing for most of the existing residents in 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 tenants.

Located on the edge of the City's proposed Innovation District, just a few blocks from the Upper Harbour, Phillips Brewery, Save-On-Foods Memorial Arena, the Victoria Public Market and historic Chinatown, this site marks the northern gateway to Downtown Victoria. The vision for this development is to provide a progressive, complete community that aims to meet the needs of all residents through diverse housing options, employment space, community-serving retail, childcare, public open space, and multi-modal transportation options. The unique partnership between Chard and BC Housing, as well as the scale and articulation of the property, permit a holistic approach that would not be possible without the property consolidation.

KEY PROJECT BENEFITS

The proposed mixed-use development contributes responsible densification by meeting public and private needs and demands. Specific community benefits are outlined below:

A Diverse Range of Housing

The project exceeds the City of Victoria's Inclusionary Housing Policy. While the policy requires that 20% of a building be below-market rental, the partnership between BC Housing and Chard allows close to 40% of the qualified homes to be below-market rental. This innovative partnership with BC Housing delivers almost double the requirement outlined by the policy.

The below-market building, owned by BC Housing, will offer 20% of the suites at shelter rates, 50% of suites at rent geared to income, and 30% at near market rents. 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.

A diverse mix of housing options are being proposed including purpose-built market rental (approximately 171 units), below-market rental (approximately 133 units) and market condominium (approximately 147 units) for a total of 451 housing units in the project. This community will welcome a range of age groups, family structures and income levels. In tandem with the concurrent application for 722, 726 & 732 Discovery Street, the proposed development offers housing types that reach four levels of the housing continuum.

No Displacement of Residents or Businesses

As a result of COVID-19, the former White Spot restaurant closed permanently in mid-2021 and the property has remained vacant since. The adjacent property (the Capital City Center Hotel) is currently occupied as emergency supportive housing owned by BC Housing and operated by Our Place Society. Through a relationship with BC Housing, and the concurrent rezoning application for 722, 726 & 732 Discovery Street, the majority of residents currently housed at 1961 Douglas Street would be relocated to newly constructed, permanent supportive housing within their known neighbourhood prior to construction commencing on the former White Spot and hotel property. A small number would be relocated to other supportive housing sites under construction in Victoria.

Public Plaza and Public Realm Improvements

The corner of Douglas and Caledonia will accommodate an approximately 9,000 sf public plaza that showcases the extensive grading of the development and includes seating, play space, meeting areas and extensive hard and soft landscape features. Activation of this corner will bring a new pedestrian-level presence to the neighbourhood and complement existing, proposed and future uses.

Overall building design, access points, public areas and circulation have been designed to prioritize the safety and security of all users, at every scale of the development. Integration of CPTED (Crime Prevention Through Environmental Design) has guided the overall approach to design to ensure security, comfort and quality of life.

The concept of the urban plaza is to provide a common access and meeting place for the neighbourhood with activation through a restaurant, childcare facility, and grocery store. All hard and soft landscape features on site are designed with CPTED principals in mind to eliminate hidden corners and ensure clear sightlines for users.

A Dedicated Childcare Facility

The proposal addresses the significant need for childcare facilities within the City of Victoria through a purpose-built, 4,830 sf private childcare facility. This will be located on the third floor of Building B and includes a secure outdoor play area with western exposure, designed to maximize sunlight.

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 space will be occupied by a full-size grocery store. 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. The development also responds to the intensive employment guidelines of the Rock Bay District by providing over 41,000 sf of office space.

We consider the grocery store to be a significant community benefit for the current, future and developing Rock Bay community. Proximity to a grocer is a key consideration for residents when moving into new communities, but large-scale grocers are challenging to secure given their size, loading, garbage and customer parking requirements. We are pleased to say that we have secured a major food store anchor and have been able to incorporate their considerable loading and spatial requirements into this development permit application.

Employment and Economic Renewal

The inclusion of three storeys of office space in addition to the childcare facility, community-serving retail and large-scale grocer, results in a walkable, transit-oriented employment centre. This permanent, employment-generating space is estimated to generate over 1,000 jobs within 41,500 sf of office space, a 6,000 sf childcare facility, and 97,000 sf of community-serving retail space. Construction of the development will also result in the creation of over 2,000 jobs during construction.

Amenities

Each residential building will offer unique amenities to service residents and improve both affordability and livability. Building A will have an indoor amenity room connected to a dedicated, private outdoor space for residents which will include pet-friendly facilities. Building B will feature a large outdoor area on the rooftop of the podium and will feature connected indoor and outdoor space for all demographics including children and pets. Building C, the market rental homes, will offer three unique amenity spaces including indoor and outdoor rooftop space, a dedicated pet run on the podium, and a fitness facility in the podium.

A Sustainable, Transit-Oriented, 15-Minute Neighbourhood

The location, 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 ‘15-minute neighbourhood’. To further encourage active forms of transportation, the proposal includes ample bike parking/storage, end-of-trip facilities, and improved pedestrian circulation (sidewalks, accessibility across the natural grades of the site).

Each component of the overall development will aim to either meet or exceed provincial and municipal energy requirements. Building A will be fully compliant with BC Housing Design Guidelines and Construction Standards which meet BC Energy Step Code 3. Building B will meet BC Energy Step Code 2 while Building C will target LEED Silver equivalency and/or certification.

This redevelopment will result in a sustainable, inclusive 15-minute neighbourhood at the northern gateway to

Downtown where Victorians will live, work and play.

OCP & ZONING RELAXATIONS

The property is strategically sited between Douglas and Blanshard and intended to accommodate increased multi-use density under the Downtown Core Area Plan (DCAP). It has excellent access to public transit and is positioned to become a core employment hub and residential centre. To realize the many benefits outlined above, we are asking Council to approve the proposed development with the following relaxations to the OCP:

Height

The Downtown Core Area Plan contemplates heights of 60m or approximately 20 storeys. The proposed development contemplates heights as follows:

	DCAP	BUILDING A (Below-Market Rental)	BUILDING B (Office/Condo)	BUILDING C (Market Rental)
HEIGHT	60m	55m	72m	65m
STOREYS	Approx. 20	16	21	21

Building A is proposed within the height contemplated by the DCAP; Buildings B and C represent a relaxation of 2 metres and 9 metres respectively. This variance is in line with other recently approved applications and is, in fact, 6 metres less than the variance awarded for 777 Herald Street (Hudson Place One) which was approved at 75 metres.

The buildings have been designed to step down from the existing Hudson Place One building given the grades on the site and respecting the intent of the DCAP to tier the building heights away from the city centre.

Density

The project is proposed to have a combined density of 6.79:1. The DCAP contemplates increased multi-use density in this strategic location at the northern gateway into Downtown Victoria. If proposed exclusively as commercial development, existing zoning would permit a density of 5:1. Residential density is contemplated under DCAP at 3:1 with commercial density of 2:1.

1961 Douglas Street and 710 Caledonia is envisioned as a diverse, mixed-use development that includes both uses, and is proposed at a combined density of 6.76:1 allocated as follows:

	DCAP	BUILDING A (Below-Market Rental)	BUILDING B (Office/Condo)	BUILDING C (Market Rental)
RESIDENTIAL	3.0	1.48	1.97	1.95
COMMERCIAL	2.0	1.38		

By comparison, recent rezoning applications for 777 Herald Street and 1701 Blanshard Street were approved at over 7.465:1 and 7.43:1 respectively. In addition, Yates on Yates and Vivid at the Yates were approved at a combined density of 7.53:1.

Parking

Adjustments to the assigned uses of parking are proposed as follows to meet market requirements:

	REQUIRED		PROPOSED		VARIANCE	
	Spaces	Ratio	Spaces	Ratio	Spaces	Ratio
RESIDENTIAL	343	0.75 per suite	256	0.57 per suite	-87	-0.18
COMMERCIAL	137	0.31 per 80m ²	163	0.37 per 80m ²	+26	+0.06
TOTAL	480		419		-35	

A relaxation of the residential parking requirement is proposed to reflect the location of the development, the concept of a '15-minute neighbourhood' and an overall design approach to support active forms of transportation. Located within an urban city context, this site benefits from existing, immediate access to transit in an area earmarked for continued growth. The overall design approach reflects a development where residents have access to their daily needs within a distance manageably achieved by walking, cycling or rolling. Reduced reliance on vehicles is further supported by the inclusion of Traffic Demand Management (TDM) measures identified in a traffic memo provided by Bunt & Associates Engineering Ltd. dated September 13, 2021. The proposal includes the following measures to facilitate longer trip requirements while also helping to reduce parking requirements:

- Additional bike parking to further encourage cycling to/from the development.
- Bike maintenance facilities provided to the residents of the development.
- End-of-trip facilities provided to the employees of the office and retail uses.
- Car-share vehicles and/or parking spaces dedicated to car-share vehicles (i.e. Modo).

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

Subdivision

To address the variety of intended uses and ownership in this proposal, both a lot consolidation and air space subdivision will be required. The proposed design reflects this intent through purposeful delineation of uses to result in mutually exclusive parcels where possible. While the air space subdivision aims to minimize shared spaces and costs, any shared access requirements and servicing/maintenance costs will be addressed through Reciprocal Easement and Cost-Sharing Agreements.

The project team will continue to work with City planning staff and other interest-holders to prepare subdivision applications and associated legal agreements.

SUMMARY

Guided by proven urban planning principles and socially conscious objectives, we believe this proposal delivers a diverse mix of housing that will appeal to a broad range of Victoria residents. Further, we believe this project will serve the existing and future community by generating employment opportunities, providing community-serving retail, and activating the public realm to improve comfort and quality of life in this area. In addition, the proposed development will provide significant economic benefit to the City of Victoria in both the short and long term.

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 City centre, bringing diverse housing options and retail vigor to a broad section of Victorians. 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.

This is a unique opportunity to holistically plan and develop an inclusive community that touches four levels of the housing continuum and firmly establishes the existence of a complete, 15-minute neighbourhood at the northern gateway to Downtown Victoria. We appreciate Council's consideration of this application and look forward to working with you to make this diverse community a reality.

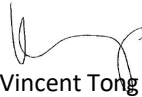
Sincerely,

CHARD DEVELOPMENT LTD.

BC HOUSING



Byron Chard
President & CEO



Vincent Tong
Vice President, Development Services & Asset Strategies

CC: Hon. David Eby, Minister of Housing
Karen Hoesel, Director of Sustainable Planning & Community Development, City of Victoria
Jocelyn Jenkyns, City Manager, City of Victoria
Shayne Ramsey, CEO, BC Housing
Sean Rorison, Senior Development Manager, BC Housing
Leanne Taylor, Senior Planner, Sustainable Planning & Community Development, City of Victoria
Mackenzie Biggar, VP, Development, Chard Development Ltd.