

10 November 2017

Method Built Homes Inc.
The Garage
4566 Cordova Bay Road
Victoria, British Columbia
V8X 3V5

Attn: Mayor and Council
City of Victoria
1 Centennial Square
Victoria, British Columbia
V8W 1P6

Dear Ms. Mayor and Members of Council,

Re: 953 Balmoral Road (the "Proposal" or "Site")

Please accept this application for the approval of a rezoning and development permit application for the Site.

The design and development of the Site began over five years ago in late October 2012. At that time, it was recommended by the former Local Area Planner Mr. Mike Wilson that this proposal proceed as a joint rezoning and development permit application and that a site-specific zone would be created for the Site. Mr. Wilson advised the following:

- 1) "[T]he highest-level plan is the Official Community Plan (OCP). The OCP designated the site as Core Residential. This designation generally envisions **multi-unit residential buildings.**" (emphasis added)
- 2) "At a more detailed level, the Downtown Core Area Plan is also relevant to the site. For this site the plan envisions an **FSR of 2:1** (page 37) and a **maximum building height of 20m** (six residential stories) (page 89)." (emphasis added)
- 3) "A new zone for this site would have to contemplate up to **2:1 FSR** as per the guiding policy. It would be best to base your proposal on the guiding policies and design guidelines rather than an existing zone. **We would then craft a zone based on your proposal.**" (emphasis added)

Attached hereto at **Addendum A** is a copy of Mr. Wilson's email of 24 October 2012.

It is with this background and context that we undertook to design and develop a purpose-built **workforce rental apartment**. By way of background, we have worked diligently over the last five years with new Local Area Planner Ms. Leanne Taylor and Assistant Director of Development Services Ms. Allison Meyer on this application package.

We have undertaken three complete redesigns of this Proposal over the course of ongoing consultations and conversations with Ms. Taylor and the North Park Neighbourhood Association. In addition, we have conducted three separate CALUC meetings in relation to this Proposal.

First Concept

After initial informal discussions with the North Park Neighbourhood Association, our first concept proposed a four to six story brick Brownstone themed **workforce rental apartment** with underground parking. To offset the increased cost of underground parking for this concept, the building was designed to the property lines with no setbacks and contained an interior outdoor courtyard for the residents. Ms. Taylor expressed a concern with the density, height and setbacks of this proposal and was not overly impressed with the Brownstone concept.

Second Concept

Our second concept proposed a six-story modern **workforce rental apartment** with significant front, rear, and side yard setbacks and a **1.9:1 FSR**. As a result of much reduced density, this proposal included at grade parking at the rear of the proposal. This proposal was presented to the North Park Neighbourhood Association through a CALUC hearing. There were some concerns raised at the CALUC by one single-family residence owner to the South of the Site with respect to the height of the proposal and more generally with respect to the modern design aesthetic. Following similar concerns raised by Staff, and the economic climate at the time, we determined that reducing the proposal to four stories would render the proposal economically unviable as a workforce rental apartment building.

The owners of the adjacent properties to the East and West both support this six-story purpose built **workforce rental apartment** as the optimal proposal. Attached hereto at **Addendum B** are copies of such letters of support.

Third Concept

Given the change in the economic landscape related to housing, we determined that reducing the proposal to four stories would now be viable. We remained of the view, however, that a six-story proposal was best for the area as it had the added benefit of offering **three, 3-bedroom units** on the top two floors for **working families**. We presented this proposal once again at a CALUC and the response was generally quite positive, with the exception of the same neighbour to the South. Nevertheless, the support was not unanimous and Staff concerns with respect to height and setbacks remained. As a result, we finalized a third concept that proposed a four-story **workforce rental apartment** with significant front, rear, and side yard setbacks and with additional setbacks at the third and fourth floors as requested by Staff. This proposal envisions 11 one- and two-bedroom rental apartment units. The **FSR is 1.38:1**, well short of the 2:1 FSR referenced above.

Sister Purpose Built Rental Building

It is important to note that we recently designed, developed and completed an 11-unit purpose built **workforce rental apartment** at 1032 North Park Street (“North Park Project”), approximately one block from the Site. This project was completed in December 2016 and consists of a four-story building constructed on a 4930 square foot (458m²) site. The current Site is 7233 square foot site (672m²) or approximately **47% larger** than the site of the North Park Project.

The target renters for both the North Park Project and this Site are blue-collar, working class individuals/couples/families. The one bedrooms at the North Park Project **start at \$1100/month** and average \$1200/month; the two bedrooms start at \$1400/month and average \$1550/month. At the top end, there is one townhouse renting for **\$2000/month**.

Contrasting this Proposal with higher scale purpose built rental buildings or condominium buildings encompassing half- or full-city blocks may lead to improved design through the use of more expensive materials and/or the provisioning of better amenities for residents; however, the economics of such proposals will also inevitably lead to this becoming a condominium proposal (with stratified units for sale) and and/or a professional rental apartment with higher rents as opposed to workforce rental units.

Based on publicly available information, Hudson Walk Two, for example, rents one bedroom units that **start at \$1510/month** with an average rent much higher; two bedroom units rent for as high as **\$3095/month**. Clearly there is a demographic of professionals in Victoria who are prepared to pay these rents for apartment units in high-end purpose built rental apartments. However, these rents are **approximately 30% - 55% higher** than those we are setting and targeting, and as such make it difficult for blue-collar workers to live within

Victoria. Both our sister North Park Project and this Proposal target a workforce who provide invaluable services within Victoria.

Proposal

This application is being brought forward after careful review of the Official Community Plan and the provisions thereof dealing with the North Park Neighbourhood and the 900 block of Balmoral Road. The OCP envisages projects of a larger scale and scope than the one being proposed. For example, a 2:1 floor space ratio is envisaged in the OCP for this location. This Proposal is for an FSR of 1.38:1. Additionally, there is a need in Victoria for more **affordable** housing.

As you are no doubt aware, the North Park Neighbourhood is a rich and vibrant part of the City of Victoria. New, affordable housing, particularly an apartment building geared towards non-professional renters is precisely what this neighbourhood requires. There are other apartment projects that are targeting a more affluent demographic, but this project is vital to ensuring a diverse socio-economic mix within Victoria. This Proposal is being advanced after several re-designs over the course of nearly five years and after lengthy consultations with staff.

The only concern with this project lies with the parking ratio being proposed. There are 11 units proposed for this Proposal and servicing these units are five general parking stalls and one dedicated MODO stall. As outlined in a report from Boulevard Transportation Group, the significant transportation demand management (TDM) measures proposed are sufficient to offset the off-site parking that would otherwise be generated. Attached hereto at **Addendum C** is such report. In other words, the: (a) proximate location of the Proposal to downtown Victoria, including its immediate access to major bicycle routes, (b) substantial number of bicycle lockers provided to each unit, (c) provision of bicycles to each unit, (d) public transit passes provided to each unit, (e) public information provided to residents of the Proposal relating to TDM measures, and (f) purchase of a vehicle for the dedicated MODO stall respecting this Proposal, cumulatively offset the off-site parking demand created by this Proposal.

The need for quality, affordable housing in the City of Victoria is ever-present. Despite the provision of new high-quality, purpose-built apartments, the rents associated with those projects have been inaccessible to a significant segment of our population. The North Park Neighbourhood is an eclectic community that is looking to avoid further gentrification. This Proposal has been designed after taking into account the results of consultation with the North Park Neighbourhood Association. As a purpose-built **workforce rental apartment**, this Proposal is designed to meet the long-term needs of the local area and the City of Victoria more broadly.

There are certainly buildings being proposed and developed that offer more amenities and are generally more expensive. I recently submitted and spoke to Mayor and Council with respect to a proposed LEED GOLD office building which has broken ground at Dockside Green with an expected completion date of December 2018. However, the intended occupants of such buildings spend a lot more per square foot to occupy these spaces than the occupants of this Proposal; a Proposal that is geared for working people.

In addition to letters of support from the adjacent neighbours to the east and west of the Proposal, attached for your review at **Addendum D**, is a letters of support from a local community leader in the area of affordable housing, generated after an informal meeting held at the Parsonage Café in North Park (see **Addendum E**).

The environmental benefits of Victoria's workforce living within or adjacent to the same community within which it works cannot be overstated. By eliminating the need for single vehicle ownership, the Proposal contributes to environmental sustainability. By targeting Victoria's workforce, the Proposal contributes to social sustainability.

Summary

This Proposal has been designed specifically for this neighbourhood in accordance with the OCP, after consultation with the North Park Neighbourhood Association, and after consultation with the City of Victoria. The building's design and mass has been modified to accommodate the concerns of the NPNA. This includes a recent reduction in floors from six to four and a unit reduction from 17 to 11. Unfortunately, this has come with the elimination of three, 3-bedroom units geared towards families on the top two floors of the Proposal.

The only objective non-compliance concern is with respect to on-site parking. The provision of significant TDM measures more than offsets the potential off-site parking impact of this Proposal. This Proposal has been custom-designed to address specific needs identified by our community and warrants our strong support to move it along expeditiously to completion.

Kind regards,

Rajinder S. Sahota
Principal
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