



September 16, 2019

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

Dear Mayor & Council,

**Re: Revised Submission for OCP Amendment, Rezoning and Development Permit –
1100 and 1120 Yates Street and 1109, 1115 Johnson Street**

This letter has been written to outline a revised OCP Amendment, Rezoning and Development Permit Application with regard to the above noted properties. It accompanies a letter from the project Architect, Hugh Cochlin, of Proscenium Architecture + Interiors Ltd.

Chard Development is proud to demonstrate our continued commitment to building a diverse and vibrant Victoria through this proposed mixed-use development, which occupies a portion of the 1100 block of Yates and Johnson streets bordered by Cook Street to the west. To date, feedback has been solicited and received from City staff, Advisory Design Panel, the tenants of the existing Victoria Professional Building and Cook Street Plaza as well as other interested parties. Numerous meetings and discussions have been had with immediate neighbours and three meetings have been held to date with the Fernwood Neighbourhood Association. The development team has listened closely and has made extensive changes and refinements along the way as a result of community feedback.

In addition, the team has listened to Council and revised the application to meet the recently adopted Inclusionary Housing and Community Amenity Policy. Further, the application includes multiple community benefits in return for Council's consideration of OCP amendments to height and density.

PROJECT SUMMARY

As per the Fernwood Neighbourhood Directions section of the Official Community Plan (OCP), this development provides "denser mixed-use urban residential near Fort Street" (21.7.1) and accommodates "new population and housing growth within walking distance of the North Park Village" (21.8.1) with a total of 217 proposed homes. Further, the proposed development positively affects two distinct levels of the housing continuum – offering both affordable homeownership and market home ownership opportunities – to meet the needs of a diverse and growing community. The residential components of the proposed development include:

- A six-storey residential building composed entirely of 104 Inclusionary Housing Units (Ownership) which will be offered under BC Housing's HousingHUB Affordable Homeownership Program. Designed to appeal to families and young professionals, 35% of these homes offer two or more bedrooms.
- A 12-storey mixed-use development incorporating 113 market condominiums.

The commercial component of the proposed development is contained both within the 12-storey mixed-use development noted above and within the existing Victoria Professional Building. Specifically, the commercial components of the proposed development include:

- Local-focused retail units fronting Yates and Cook streets including a restaurant with outdoor

space to animate the corner.

- A child care space intended to accommodate 25-50 children with a 10-year covenant towards this dedicated use. A Request for Proposal has already been shared with ten existing child care operators. Interest is high and discussions are ongoing, with preference being given to not-for-profit operators.
- The existing Victoria Professional Building which will be upgraded and improved to extend the useful life. No commercial tenants will be displaced and parking for both tenants and patients will be vastly improved as the existing surface parking will be replaced with weather-protected, below grade parking with an interior connection.

KEY PROJECT BENEFITS

While the proposed development technically falls under the November 8, 2018 "Interim Inclusive Housing and Density Bonus Policy", revisions have been made to provide further affordability and community benefits, thereby meeting the recently adopted Inclusionary Housing and Community Amenity Policy. In fact, **the application provides 48% (104 units) of the proposed residential units as Inclusionary Housing Units (Ownership)**. Further, the application includes multiple community benefits in return for Council's consideration of OCP amendments to height and density. These benefits, outlined in further detail in Appendix A, include:

- **A purpose-built child care facility** designed to accommodate 25-50 children, depending on programming.
- **Enhanced green space and an improved and consolidated public realm** that includes a common mews accessible to residents and users of all buildings as well as a Statutory Right of Way that will allow for widening of Johnson Street. Further, subject to an agreement with BC Housing, the development will also support beautification of Yates through undergrounding of overhead power lines in front of the property along Yates Street. The developer will assume 2/3 of the cost for this beautification.
- **Sustainable growth and development** in a walkable community that supports greener transportation methods – including bike and car share programs – and goes beyond current Step Code requirements to meet future demands and exceed BC Building Code energy efficiency requirements by 20-30%.
- **Retention and improvement of the existing Victoria Professional Building**, thereby extending the useful life of this important community asset without displacing any tenants. Further, as this work will be done as part of the larger development, capital expenditures will not be amortized back to tenants and will not impact rents and operating costs.
- **A bike share program** available to residents, **bike storage** that meets 2018 Schedule C requirements and **after-trip facilities** – including lockers and shower facilities – that will facilitate greener means of transportation for those working in the Victoria Professional Building.
- **Invigorated, local-focused retail and office space** that will animate the Cook and Yates corner and provide continued employment and enhanced neighbourhood vitality.
- **Improved parking conditions** to accommodate a diversity of uses. The existing surface parking will be replaced by weather-protected, below-grade parking that is accessible by way of an interior connection to the Victoria Professional Building. Further, **two car share vehicles** will be provided along with dedicated parking.

- **No displacement of existing residents** and the creation of 217 new homes for Victorians.
- **Additional City revenue** by way of permit fees, increased property taxes and participation in BC Housing's HousingHub program – which will result in a contribution of approximately \$5.2 million into the City of Victoria's Housing Reserve Fund – **plus significant local employment** throughout construction.
- **Protection of future development rights for neighbouring properties.**

OCP & ZONING RELAXATIONS

The proposed development meets **Bonus Density Level 'B'** of the City's Inclusionary Housing and Community Amenity Policy with 48% of the total housing units proposed being Inclusionary Housing Units (Ownership). In addition, as outlined above, the proposed development will result in a number of community benefits beyond policy.

In exchange, we are asking Council to approve the proposed development with the following relaxations to the OCP:

Height

- The proposed development contemplates a 12-storey mixed-use development at the corner of Cook and Yates. This represents a relaxation from the 8-storeys permitted under the OCP. This proposed height of 12 storeys creates a natural stepping down from the 15 storeys permitted under the OCP immediately to the west. Further, the mixture of heights proposed across the site – from 12 storeys at Cook and Yates to 6 storeys along Johnson – is both sensitive and complementary to the existing 5-storey Victoria Professional Building and the 4-storey structures to the east. This facilitates a pleasing "transition between the urban core and primarily ground-oriented traditional residential areas to the east" (21.7.5) as per the Fernwood Neighbourhood Directions section of the OCP.

Density

- To accommodate the increased height and benefits noted above, the proposed development also contemplates a relaxation of the FSR on the portion of the site zoned Core Residential from 3.5 to 3.62 and on the portion of the site zoned Urban Residential from 2.0 to 2.5. This density takes into consideration the existing Victoria Professional Building. Across the entire site, the resulting density will be 3.01.

Parking

- To accommodate the diverse mix of uses proposed across the site, a parking relaxation is required as follows:

	Required	Proposed	Variance
Car Share	0	2	2
Commercial Parking	138	107	-31
6-Storey Residential Parking	102	59	-43
12-Storey Residential Parking	92	73	-19
6-Storey Visitor Parking	10	0	-10
12-Storey Visitor Parking	11	6	-5

The subject site boasts easy access to transit and cycling infrastructure. To further encourage alternative methods of transportation, two car share vehicles will be provided with two parking spaces dedicated full time to these vehicles. Residents of both buildings will also have exclusive access to a bike share program.

The diverse mix of uses across the site – each with varying times of peak demand – provides the opportunity to mix parking uses as supported by a consultant report from traffic engineer Bunt & Associates. With regard to commercial parking, the proposed development will replace the 100 parking stalls currently utilized by the existing Victoria Professional Building on a 1:1 ratio plus seven additional stalls. These commercial parking stalls will be significantly improved, weather-protected and accessible with a dedicated interior connection at the P1 level. Demand for these stalls will continue to be highest during regular business hours. Demand from new commercial users – which are expected to include a café and restaurant – will likely be highest during evenings and weekends. Given the diversity of use and complimentary peak demand, the report from Bunt & Associates indicates that the proposed 107 commercial stalls will meet demand.

The six proposed visitor parking stalls will be located beneath the 12-storey mixed-use development. To help mitigate demand for these stalls and ensure supply of parking for visitors to the 6-storey building, the above-noted commercial parking stalls will also be available as needed.

As per the traffic engineering report from Bunt & Associates, the residential stalls allocated to both the 6-storey and 12-storey buildings have been deemed appropriate based on market demand, the accessibility of transit and cycling infrastructure and the accommodation of car share vehicles.

CONCLUSION

We are extremely proud to demonstrate our continued commitment to building an inclusive and thriving Victoria through this proposed mixed-use development that will provide a diverse supply of sustainably-built homes positively impacting multiple levels of the housing continuum – without displacing a single resident and while still maintaining the valuable community asset that is the Victoria Professional Building. Further, this proposed development will provide significant economic benefit to the City of Victoria as well as additional community including an improved and consolidated green space, revitalized local-serving retail and a purpose-built child care facility.

This is a unique opportunity to holistically plan and develop the important Yates and Johnson neighbourhood abutting Cook Street to meet the needs of the growing community. We appreciate Council's consideration of this application and look forward to working with you to make this diverse, mixed-use development a reality.

Sincerely,

Chard Development Ltd.



David Chard
Executive Director & Founder

APPENDIX A – KEY PROJECT BENEFITS

Meeting the City's Inclusionary Housing and Community Benefits Policy, the proposed development offers a range of housing options and a number of community benefits. These benefits are outlined in further detail below:

A diverse mix of housing alternatives.

- Bringing a total of 217 homes to Victoria, the proposed development positively affects two distinct levels of the housing continuum offering both affordable homeownership and market home ownership opportunities. Further, the proposed development meets the needs of a diverse and growing community, providing 48% (104 units) of the proposed residential units as Inclusionary Housing Units (Ownership).

Chard Development is pleased to have the opportunity to offer a second affordable homeownership opportunity to Victorians. Our Vivid project, which was first brought to market in fall 2017 and is currently under construction, offered homes at a minimum of 8% below market value and attracted 135 BC homebuyers – 69% of whom currently live within 20km of the site. 61% of these buyers are first-time buyers; 50% of all buyers will be vacating rental properties in the area, allowing for movement along the housing continuum. The success of Vivid – which sold out in less than 10 months – suggests a dire need for this type of “missing middle” targeted housing.

A purpose-built child care facility.

- Situated on the 2nd floor of the proposed 12-storey mixed-use building is a purpose-built child care facility with a 10-year covenant for the premises. With just over 3,900 square feet of interior space, a separate entrance lobby, direct access to below-grade parking via elevator and stairs, and almost 1,500 square feet of secured outdoor play space, this facility has been designed to accommodate 25-50 children.

This child care facility will be operated by a child care provider with the ability to facilitate access to the provincial Affordable Child Care Benefit. A formal request for proposal process is underway and has been distributed to ten Victoria child care providers. Preference will be given to a not-for-profit operator and interest has been high with discussions ongoing.

As Council heard from Grace Lore during the Nov 22, 2018 Council Meeting, “childcare and before and after school care in Victoria is at a crisis point. Multiple centres have closed their doors and waitlists are full.” The City has recognized this need and has committed to a Child Care Action Plan. If approved, this development will help to bring much needed child care spaces to the community.

Enhanced green space and an improved and consolidated public realm.

- Consideration of the subject properties together with the existing Victoria Professional Building has permitted a holistic approach to the design of the public realm. Rather than a series of hard lines and impermeable fences surrounding each structure, an open and attractive landscaped mews will be accessible to tenants and residents alike. This open green space will include a children's play area, dog run and garden plots. As requested during the CALUC meeting, the safety and security of residents and visitors has been prioritized through the inclusion of gates to limit after hours public access.

Further, through a Statutory Right of Way, this development will widen Johnson Street and will result in an improved public pathway and a new bus shelter. City homes along this frontage will be both neighbourhood appropriate and family friendly adding vibrancy along the street.

Subject to an agreement with BC Housing, the development will also support beautification of Yates through undergrounding of overhead power lines in front of the property along Yates Street. The developer will assume 2/3 of the cost for this beautification.

Sustainable growth and development.

- Boasting a walk score of 96 and designated a “Walker’s Paradise”, the subject site is in close proximity to North Park Village, downtown and other community and retail amenities. Well-served by frequent transit routes on each of the surrounding streets and serviced by existing bike lanes, the site is well-suited to sustainable development. Retention and improvement of the Victoria Professional Building will help to extend the lifespan of the existing building. In addition, this forward-thinking development goes beyond current Step Code requirements to meet future demands and exceed BC Building Code energy efficiency requirements by 20-30%.

Retention and improvement of the existing Victoria Professional Building.

- The Victoria Professional Building located at 1120 Yates Street has long been a valued community asset. Home to a diverse mix of medical professionals, the development of the surrounding properties will allow for the retention and improvement of this asset. Improvement will include a direct connection from below grade parking to the Professional Building, exterior window replacement and addition of secured bike storage with an end-of-trip facility. These capital expenditures will not be amortized back to tenants to keep rents and operating costs reasonable.

Bike share, storage and after-trip facilities.

- Designed to serve existing and future commercial users, bike storage and after-trip facilities will be added to the existing Victoria Professional Building to encourage and support use of the immediately adjacent bike lanes and the planned Vancouver Street bike lane one block to the west. Twenty-eight secured, long-term bike storage spaces will be added to the existing Professional Building along with change rooms with showers and lockers. A further 23 short-term spaces will be made available to commercial users, thereby meeting the 2018 Schedule C requirements. In addition, 241 secured, long-term bike storage spaces will be available within the newly-constructed, below-grade parking facility for use by building residents. In total, there will be 46 short-term bike stalls and 269 long-term bike stalls located on P1 for a total of 315 bike stalls, thereby meeting the 2018 Schedule C requirements.

In addition, a bike share program including 10 bikes will be made available to residents of both residential buildings.

Invigorated, local-focused retail and office space.

- Designed and envisioned to accommodate a restaurant, café and other retail uses, newly-constructed, ground-floor retail space will wrap the corner of Cook and Yates. As per the Fernwood Neighbourhood Directions section of the OCP, this “primarily local-serving commercial” (21.7.2), will strengthen the neighbourhood connection with the Harris Green retail node to the west and the invigorated retail along Cook Street to the north and south.

Improved parking conditions.

- The proposed development includes three levels of below grade parking accessed via a ramp from Yates Street which will serve residents and commercial users of the newly-constructed buildings as well as the existing Victoria Professional Building. Upon completion, users of the Victoria Professional Building will enjoy improved, weather-protected and accessible parking with a dedicated interior connection at the P1 level. After business hours, this parking will be accessible to visitors of both the mixed-use and purpose-built rental developments. In addition, two dedicated car share vehicles and parking spaces will be provided within this parking facility.

No displacement of existing residents.

- The proposed development will provide 217 new homes to Victorians, without displacing any residents.

Additional City revenue and significant local employment.

- The proposed development will result in significant revenue for the City of Victoria with development and building permit fees. If approved, increased property taxes as a result of this development are anticipated to be between \$725,000 and \$813,000 per year by completion in 2024.

In addition, as part of BC Housing's HousingHub Affordable Homeownership Program, the discount on the Inclusionary Housing Units (Ownership) will be secured as a second mortgage on title. When the secondary loan is repaid, these funds plus any proportionate uplift in value, will be distributed to the City of Victoria Housing Reserve Fund. It is estimated that this project will contribute approximately \$5.2 million into the Victoria Housing Reserve Fund as the secondary loans are repaid.

Further, it is estimated that construction of this diverse mixed-use development will result in approximately 672,000 direct person hours of on-site employment to Victorians and other local area residents. This is in addition to the significant contribution to the employment of suppliers and consultants in the region.

Finally, by facilitating the retention and improvement of the existing Victoria Professional Building, this development helps in protecting the employment of the many Victorians currently working in that building.

Protection of future development rights for neighbouring properties.

- To ensure future development potential of the adjacent property located at the corner of Cook and Johnson streets, both the above and below grade portion of the proposed 6-storey building will be constructed 9.4 metres east of the neighbouring property line. The above and below grade portions of the 12-storey building will be constructed 9.7 metres to the south of this neighbouring property.