

From: Chris Quigley [REDACTED]
Sent: July 6, 2022 5:08 PM
To: Gail [REDACTED]; Rochelle Crowley [REDACTED]; Kathleen Laird [REDACTED]
Cc: Chelsea Medd <cmedd@victoria.ca>; Melanie Ransome [REDACTED]; Robert Starkey [REDACTED]
Subject: 1693-1699 Fort Street - CALUC:Aryze meeting follow-up

Hi Gail, Kathleen, and Rochelle

Thank you for meeting with Melanie and I last week to discuss the 1693 Fort Street proposal and to clarify some areas of misunderstanding. As discussed at our meeting, we attach a letter which provides more context for the change in approach to affordability and how, in our opinion, this makes it a stronger proposal. We also provide some feedback on wanting to continue the conversations on supporting your important work at Redfern Park.

We agreed that you would reconsider your letter to the City from 13 June 2022 in light of our discussion and the further context we provided to the types of rental housing being proposed. I have therefore copied the Planning file manager (Chelsea) so that she is aware.

If you have any further questions please let me know.

Chris

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07 July 2022

Re: 1693-1699 Fort Street

Dear South Jubilee Neighbourhood Association,

Thank you for meeting with us to discuss our proposed purpose-built rental housing development at 1693 Fort Street on 29 June 2022. It is evident that the association is passionate about the future of the South Jubilee neighbourhood and it was helpful for us to better understand the association's priorities and how this proposed development at 1693-1699 Fort Street can support and align with some of these goals. It was also important for us to clarify some misunderstandings related to how the proposal has changed in the last few months; as such, this letter aims to provide a complete overview of the project that will proceed to Mayor and Council for consideration this year.

Affordable Housing

Attainable housing is consistently the number one topic when discussing community planning across Victoria—and South Jubilee is no different in this regard. At Aryze we believe that every neighbourhood should have diverse housing types and tenures for all incomes and demographics, which is why we have made more specific commitments to the affordability measures for this proposed development.

The proposal that was last presented to the community in December 2021 included the commitment that all of the 34 rental homes would meet the City of Victoria's definition of affordability (as outlined in the City's zoning bylaw). This definition requires that tenants are not paying more than 30% of their household income on rent. While this is a universally recognised measure of affordability it does not take account of the income of the tenant; it focuses on being affordable for the individual rather than affordable for society. For example, if a tenant is earning a large salary but still paying less than 30% of their income on rent, then the unit is still classified as affordable housing.

Since we presented the above approach we have been working with the City of Victoria to make firmer and more specific commitments regarding affordability that are more aligned to median incomes, as opposed to having no income cap (or a much higher income cap). We have therefore refined the proposal to include 4 of the units (12% of our proposal) at affordable rates where:

- two studios will be rented at \$875 a month;
- one 1-bedroom home will be rented at \$1,050 a month and;
- one 2-bedroom home will be rented at \$1,300 a month.

These starting rents are directly linked to the Victoria Housing Strategy which aims to provide more rental housing for people earning the median income (which is currently \$44,165 for those who rent).

We recognise that on the surface it may appear that the proposal has gone from 100% to 12% affordability, but in practice this is not the case. In fact, the project has gone from a general definition of affordability to a more precise definition of affordability that enshrines starting rents and eligible household incomes into a legal agreement that will be placed on the title of the land to guarantee the commitment.

We also understand that four affordable homes may not seem significant at the time of a recognised housing crisis. We recognize this and as a company we continue to explore opportunities to provide more homes at all rent levels. One of the challenges in homebuilding is that construction financing from Senior Government (BC Housing or CMHC) can only be secured once the City of Victoria approves the Rezoning of the site. This puts us in a difficult situation where we cannot overcommit at this stage of the pre-approval process, as it may challenge the ability to obtain construction financing. Many of the programs being offered by Senior Government do have incentives to increase the level of affordability in projects and this is something we will be exploring if the project is approved. In fact, the last rental housing project completed by Aryze in Quadra Village (known as Ross Terrace) was able to layer on additional affordable housing commitments in partnership with BC Housing on top of the City of Victoria commitments after approvals were in place.

Once the building was fully leased, we sent a survey to all of the tenants to gather some statistics about the overarching demographic of the building and to welcome feedback about their experience. From this survey, we learned that more than 80% of tenants at Ross Terrace are under 35 years old and 67% of tenants at Ross Terrace make less than \$50,000 per year. From our perspective, this project reached the exact demographic and income cohorts we were hoping for.

We believe that this change in approach has made the proposal stronger than before and, if successful, we hope our track record shows that we will continue to work hard in an attempt to fill the gap for non-market and market rental housing.

Building Design & Transportation

The Fort Street corridor is a key route connecting many parts of Victoria together, most notably acting as a strong east-west transportation connection for private vehicles, transit, biking and walking. Placing housing on routes such as this is important as it reinforces the concept of a 15-minute city where people can meet many of their day-to-day needs within a short distance. We have therefore worked with our design team to sensitively place the building in a way that responds to both Fort Street and Belcher Avenue, and to consider the existing buildings directly to the south and to the east.

The building deliberately steps back at the 6th floor to provide greater separation to the buildings to the south and to reduce the volume of the building when viewed from multiple perspectives. The 5th floor also steps back to increase the rear yard setback to the building face and provide a gentler transition to the

neighbouring building. There is a further change of materiality on parts of Level 5 in order to break up this facade on the southern and western elevations. Finally, window placement has been considered so as to ensure privacy for future tenants of the proposed building and to surrounding buildings.

The transportation strategy is a function of both the location of the development and the need to make this project viable at a time when high construction costs are challenging many purpose built rental projects. The proposal is purposefully supporting a car-lite lifestyle because we believe that we should be designing our city to balance both today's needs and future needs as well. Car ownership in our city is declining as fewer young people decide to obtain a driving license. This is twinned with growing investment and policy support for prioritizing walking, biking and transit for short trips within the city. We therefore believe that providing 9 parking spaces reflects the demand for a rental building in this well-connected part of the city. We are committed, through a legal agreement, to provide a range of transportation supports for this proposal including:

- One car share vehicle on site;
- Car share memberships for all building residents;
- 63 Long-term bike parking spaces (at least 50% with electric charging capabilities);
- 1 Reserved vehicle parking space for lease by the CRU operator;
- BC Transit EcoPasses for the homes without on-site vehicle parking.

Finally, it is important to consider that increasing the number of parking spaces through an underground parking structure is not feasible for this proposal, as it would add significant costs that would eliminate all affordability measures and seriously challenge the overall viability of a purpose-built rental building, which is the most secure type of rental housing available for tenants.

Redfern Park Support

As a company, we are also committed to giving back to the communities in which we do our work and look for ways to identify meaningful ways to contribute based on community need and feedback throughout our engagement process. We have many examples of this work from previous developments and promote a collaborative approach to community building with the nearby residents, businesses and community associations.

The South Jubilee Neighbourhood Association has shared plans for their Redfern Park Commons Community Garden, as well as their proposal which outlines the costs associated with the design. We share a common goal of ensuring all neighbourhoods have access to diverse greenspace that is welcoming to all community members, and as such, we appreciate the opportunity to participate in making this concept a reality, whether through a financial contribution or additional fundraising efforts. Not only do existing residents need programmed greenspace to suit all lifestyles, but the future residents of 1693 Fort Street, if approved, will benefit from this community enhancement as well.

We work with many community partners, including United Way Southern Vancouver Island and Big Wheel Community Foundation, to promote, fundraise and support valuable community-building projects like these. We look forward to potentially collaborating with the South Jubilee Neighbourhood Association to define the park request so we can determine what amount we are able to redirect from our 1693 Fort Street proposal and what remaining amount we could support with fundraising efforts in partnership with other community partners. While funds from the 1693 Fort Street proposal would be conditional upon approval of the project, additional fundraising efforts could be realized outside of this framework.

Thank you for the opportunity to provide more information on the details of our proposed development.

A handwritten signature in black ink, appearing to read 'C. Quigley', with a stylized, flowing script.

Chris Quigley

Director of Development
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