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March 2, 2023

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

Dear Mayor & Council,

RE: 722-732 Discovery Street Rezoning Application

We are pleased to provide this revised Letter to the Mayor to accompany the Rezoning Application for 722-732 Discovery Street. A letter was previously submitted to Council on September 14, 2022 seeking a combined Rezoning and Development Permit. Since the original submission and subsequent direction received from the COTW meeting on October 6, 2022, the Applicant has elected to separate the Rezoning and Development Permit applications. This separation is expected to help expedite the overall schedule and delivery of this essential supportive housing to some of the City's most vulnerable residents. More specifically:

- By separating the Rezoning Application from the Development Permit, the Discovery project can be presented for Public Hearing immediately.
- Whilst the Rezoning Application and Public Hearing process are underway, the team can continue to work on finalizing the redesign of the Discovery site to address the concerns raised by Councilors at COTW, including reorienting the building to retain two significant Garry Oak trees.
- Upon successful Rezoning, an Internal BC Housing Approval Process can commence. In parallel with the BC Housing Approval Process, the redesign can be finalized, clearing the way for submission of a comprehensive Development Permit application.

Proceeding with the Development Permit submission and BC Housing approval process concurrently will allow the Discovery project to start and deliver these units sooner. A quicker start on the Discovery site will ultimately allow a quicker start on the adjacent 1961 Douglas Site which includes a further 133 below market rental units and a host of additional, much-needed community benefits.

This revised approach has been adopted to better address the challenges presented by a rigorous approvals process involving multiple governing bodies and ultimately, to achieve our shared goal of providing much needed housing faster. We look forward to working with the City to achieve this goal.

PROJECT INTRODUCTION

In early 2020 and in response to the COVID-19 pandemic, BC Housing and partnering government agencies assembled a strategy to prevent the spread of the virus by securing an inventory of hotel rooms across the Province to provide housing for our most vulnerable citizens, including those experiencing homelessness or at risk of homelessness. These hotel rooms also provided for critical overflow to free up hospital and acute care beds.

On April 25, 2020, an order under the Emergency Program Act was issued by the Minister of Public Safety and Solicitor General to transition people out of encampments in Topaz and Pandora Parks in Victoria. In response, BC Housing secured a lease agreement with the Capital City Center Hotel at 1961 Douglas Street from April 2020 to May 31, 2021. On May 31, 2021, BC Housing completed a transaction to purchase the hotel and to continue operating it as a facility to assist clients at risk of homelessness.

Today, there are 86 at risk members of the community living within the Capital City Center Hotel with the help of Our Place Society.

Our Place Society is a registered Charity and has been operating the Capital City Center Hotel since October 2020. Our Place offers Greater Victoria's most vulnerable citizens a place to call their own. Our Place Society provides on-site support services 24 hours a day to ensure residents can achieve and maintain housing stability. At its peak, Our Place has approximately eight full-time employees onsite, which include support workers, managers, cooks, maintenance staff, and others. In addition to the eight, nurses from Cool Aid Society frequently visit the site. The location also runs a "Housing Overdose Prevention and Peer Services" model ("HOPPS" model), which is a model that is not solely dependent on a fixed space, but rather offers a range of overdose prevention options, including episodic in person, virtual, and by telephone witnessing. Other important supports for the residents include:

- life skills training
- referrals to local community services and support groups
- connection with education and employment opportunities and services
- one hot meal plus private kitchenette
- private washroom
- wellness checks
- referrals to health services as well as skill development programs

All Capital City Center Hotel residents have signed a program agreement with Our Place Society committing themselves to an individualized case plan, being a good neighbour and following the expectations of the housing site.

The hotel accommodation was provided as a quick temporary solution nearly three years ago, in the midst of a pandemic, to address the needs of the homeless. Despite best efforts, the temporary accommodation in the hotel currently lacks the necessary space, amenities, and security with which to create an environment that best supports the long-term needs and progression of those most at risk of homelessness. This application at 722-732 Discovery Street provides a permanent, purpose-built facility to address the complex needs of Victoria's homeless – now and for many decades to come – without any tenant displacement.

PROJECT STATISTICS & LOCATION

BC Housing, working with S2 Architecture, has prepared a proposal for land use redesignation for a new housing project to be built at 722-732 Discovery Street in Victoria, British Columbia.

The proposed building is an 8-storey modular, multi-unit residential building that is being proposed in connection to the concurrent multi-use proposal at 710 Caledonia & 1961 Douglas. The Discovery site will include 90 self-contained studio suites dedicated to permanently house the tenants in the existing Capital City Center Hotel. The units will all be residential supportive housing units. The design of the building will include a commercial kitchen, dining area, an outdoor amenity area, bike storage, and support staff areas on the main level.

Currently, the land is zoned as M-1 Limited Light Industrial. A site-specific land use zoning is requested that would use R3-C as a base and allow the following:

Permitted Use:	Multi-residential (rental)
Maximum Building height:	37 metres
Building footprint:	620 m ²
Total building (GFA):	4,800 m ²
Building setbacks:	Front (Discovery Street): +/-10.0 m Rear (North): +/-4.0 m Side (East): +/-2.5 m Side (West): +/-3.0 m
Allowable Floor Space Ratio (FSR):	4.0

The proposed development will include the following:

Site area:	1,344.83 m ²
Type of tenure:	Residential supportive housing rental suites
Number of suites:	90
Types of suites:	Studio (76), Accessible Studio (9), Adaptable Studio (5)
Adaptable housing:	9 accessible suites and 5 adaptable suites are proposed

Located in the City of Victoria's Rock Bay District, 722-732 Discovery Street was previously used as an overflow parking lot for the adjacent hotel at 1961 Douglas. Today, the parking lot remains unused and outdated for the urban landscape.

The location has pedestrian access to Central Park and Royal Athletic Park via Caledonia Avenue, Quadra Street and Pembroke Street. This is an approximately 1km (14 min) walk with sidewalks/crosswalks throughout.

PROJECT BENEFITS & AMENITIES

The current Capital City Center Hotel at 1961 Douglas Street provides vital temporary housing for those experiencing, or at risk of homelessness.

Although the Capital City Center Hotel has provided vital support and temporary housing, it is important to recognize that the building was not built or designed for its current purpose. Approximately \$1.5 million has already been spent to renovate the existing hotel to act as a temporary space for supportive housing, however,

as a result of age and the unsuitable design, the building has been in a poor state of repair since occupation by BC Housing. Operating costs are higher as the space is not designed for its current purpose. It has been BC Housing's long-term goal to redevelop the Capital City Center Hotel to create more diverse housing and better measures of support for the people we serve.

To realize this goal, BC Housing have partnered with Chard Development Ltd., a local developer with experience in large redevelopment projects and the developer of the adjacent site at 710 Caledonia. Together, we are applying to the City of Victoria to rezone the properties at 710 Caledonia and 1961 Douglas, as well as properties across the street at 722, 726 & 732 Discovery. Combined, these two proposals will result in a development that will reach nearly all levels of the housing continuum.

The combined proposals include provincially-funded supportive housing for those most vulnerable in our community, much needed purpose-built rental homes and below-market rental homes, homeownership opportunities as well as dedicated office space, a childcare facility, a public plaza, commercial retail, and a full-size grocery store.

The benefits of the redevelopment at 722-732 Discovery are many, and are further detailed below.

NO TENANT DISPLACEMENT

The relationship between the proposals at 722-732 Discovery and 1961 Douglas is critical to the tenant relocation strategy. If approved, a four-phase plan has been prepared to ensure no tenants in the existing hotel would be displaced:

1. We would construct 90 units of replacement purpose-built supportive housing on the empty parking lot at 722, 726 & 732 Discovery Street – across the street from the existing Capital City Center Hotel.
2. Residents of the Capital City Center Hotel would have the opportunity to move to that replacement supportive housing.
3. Once the Capital City Center Hotel is empty, the building would be demolished along with the other buildings on the Douglas Street lot.
4. Together, Chard and BC Housing would build affordable housing, offices, stores, a childcare centre, a full-size grocer and market housing on 1961 Douglas & 710 Caledonia.

The applications at 722-732 Discovery and 1961 Douglas are critically linked. One cannot proceed without the other. As noted above, the revised Rezoning Permit application for 722-732 Discovery has been decoupled from the Development Permit application to allow Public Hearings on the Discovery and Douglas applications to proceed while allowing our design team to address comments from the Committee of the Whole (further outlined below). This this revised approach, we are able to make the necessary design changes and initiate our own internal approvals process while preventing any further delay in the application process.

SECURE AND SUPPORTIVE DESIGN

Ageing hotels are not a suitable long-term solution for those people at risk of homelessness. The hotel rooms do not have appropriately-sized amenity space to run supportive programs and do not include a kitchenette for individuals to develop the essential life skill of cooking and food preparation. Through a purpose-built supportive housing project, we are able to incorporate proven design elements that better support the residents and community. Examples include but are not limited to:

1. One secure point of entry for the building; this allows staff to see exactly who is entering and leaving the secure premises.
2. Dedicated staff facilities to ensure residents have proper access to supportive services. A minimum of two staff members will always be on duty (24 hours a day, 7 days a week).

3. A full camera system, as well as outdoor electronic lighting for all areas.
4. A separate secure outdoor amenity area for residents only, which is fenced off from other properties. Outdoor amenities are important and allow those who live within the building to engage in self-improvement programs without the influence or distraction of those not residing at the property.
5. Independent facilities in suite to promote independence and growth.

Providing permanent spaces for those at risk of homelessness reduces interactions with police, improves health outcomes, and allows individuals to access programs specific to their situation to provide them with a path forward in their life.

A 2019 BC Housing study found that supportive housing residents were 64% less likely than emergency shelter clients to use ambulance services.

GREEN BUILDING PRACTICES

This project will be constructed using offsite volumetric modular systems. This allows fast and efficient deployment of housing with supports. Furthermore, studies have shown modular construction projects have up to 40 percent less embodied carbon emissions when assessed against the whole-life embodied carbon of the more traditional methods of building homes. Prefabricating buildings off-site reduces carbon emissions often generated on large construction sites due to deliveries, traffic, and reliance on unsustainable power generators.

This proposal is intended to meet BC Energy Step Code Level 3 energy compliance with a partially electric building due to PMT limitations.

While extensive research went into the consideration of constructing this development as a fully electrified building to align with our own GHGI requirements, the limiting infrastructure and subsequent power requirements were identified as having a negative effect on the affordability of the homes. Instead, and in an effort to offset the building's power consumption and reduce the project's greenhouse gas footprint, we plan to include solar voltaic rooftop panels in the design.

HERITAGE

Although the subject site does not have heritage status, the building to the west is designated as Heritage. Considerations were made to minimize impact to the neighbouring heritage building as follows:

- Existing site retaining walls on the west property line are to be preserved.
- Additional space was added to the setback between ancillary structures on the subject parcel and the neighbouring site.
- The west property line includes screening for aesthetics and privacy.

REZONING & PUBLIC ENGAGEMENT

Since the first public announcement in early 2022, the Province has voluntarily followed the City of Victoria's prescribed rezoning process.

To date, the project team has engaged with a number of key stakeholders:

- On **February 7, 2022**, we met with the Burnside Gorge Community Association in a virtual public community association land use committee (CALUC) meeting.
- On **March 31, 2022**, we hosted an additional virtual information session focused on the supportive housing element. Hosted by a neutral third-party facilitator, this session was an opportunity for neighbours to learn about the proposed supportive housing site, ask questions, and share feedback.
- On **June 22, 2022**, the proposal was presented to the Advisory Design Panel.

- On **October 6, 2022**, staff presented the proposal to council at the Committee of the Whole where council carried a motion of support for the Rezoning of the site and advancement to Public Hearing.
- On **October 26** and **December 21, 2022**, meetings were held with City of Victoria Planning staff to present and discuss ideas about appearance, tree retention and building reorientation.

Throughout the Rezoning process, we have consulted with City staff on a regular basis through email correspondence and three separate pre-application meetings to ensure the design accommodates the OCP, Downtown Public Realm Plan and Streetscapes Standards, and Downtown Core Area Plan design guideline requirements.

ZONING RELAXATIONS

To realize the benefits outlined above, we are asking Council to approve the proposed development with a relaxation to the parking requirements as per the OCP.

The subject site is well-served by public transit. Further, as these units are purpose-built for supportive housing, they are unique from a vehicle parking perspective as residents are not anticipated to own a vehicle. All residents of supportive housing have free transit passes available to them through the Low-Income Transit Assistance Program.

We are asking Council to approve the proposed development with the following OCP relaxations:

- reduce the required number of residential parking spaces from 18 to nil
- reduce the required number of commercial parking spaces from one to nil
- reduce the required number of visitor parking spaces from nine to nil

Bicycle parking will meet bylaw requirements with 30 Long-Term and 9 Short-Term bicycle spaces.

One loading space is included in the site plan which is intended for garbage and recycling pick-up activities.

COTW RESPONSE & DESIGN CHANGES

On October 6, 2022, Council carried a motion to instruct Staff to prepare the necessary bylaw amendment to authorize the Rezoning of the proposal. Prior to Public Hearing, Council referred the Development Permit application and requested that the Applicant be given an opportunity to reconsider reorientating the building to allow for the retention and protection of the Garry Oak trees on the south of the site as well as to consider design improvements to further make the building more welcoming and less institutional in appearance.

Between October 2022 and December 2022, BC Housing, S2 Architecture and the retained arborist engaged in discussions with City of Victoria staff with the intent of exploring alternative designs to retain the Garry Oaks. As part of the exploratory work, the full extent of the root network was identified through trial pits and surface scanning. The combined root systems of the three trees were extensive. City staff have recommended excavation setbacks of 8m (9m to the face of the building) from the trees and reorientating the entire building by 90 degrees.

BC Housing agrees that the retention of the Garry Oak trees would be a major benefit for the site, and for that reason, we have worked to find creative ways to balance preservation of the trees against the critical need to provide safe, secure, purpose-built accommodation to the City's most vulnerable.

After extensive review, BC Housing and S2 Architecture are pleased to present a redesign of the site which allows for a reoriented building. This will allow two of three existing Garry Oak trees on site to be retained. The third Garry Oak tree, however, must be removed to allow for installation of civil connections as well as the drive aisle loading bay.

The redesign of the proposed supportive housing continues to incorporate the many features necessary for specialist accommodation of this kind. The site is challenging – but we believe the resulting housing will be worth the effort – and we have sought to address many of the concerns Council raised regarding the aesthetics to ensure the building integrates in a more cohesive way with the surrounding buildings.

We sincerely hope that Council will recognize this redesign as successfully addressing the concerns raised previously.

SUMMARY

BC Housing is committed to providing a spectrum of housing options in communities across British Columbia. With the redevelopment of 722-732 Discovery, we look forward to providing a purpose-built, permanent supportive housing solution that is far superior to the temporary, pandemic-driven solution at 1961 Douglas and will meet the needs of residents now and well into the future.

We remain committed to developing a socially conscious and inclusive community that supports building residents while positively contributing to the long-term urban fabric for the City's Downtown Core. Guided by proven urban planning principles and socially conscious objectives, we believe this proposal delivers much needed supportive housing and significant economic benefit to the City of Victoria in both the short and long term.

This is connected to the adjacent application for 1961 Douglas and 710 Caledonia, which enables redevelopment of the existing hotel and the adjacent property to a more comprehensive mixed-use development which will benefit the neighbourhood for years to come. We look forward to working with Chard and the City to bring this vision to life.

We welcome the introduction of bylaws and thank you in advance for Council's consideration.

Sincerely,



John McEown
Associate Vice President, Development Services
BC Housing