

Hello there,

As a neighbour of the pending development at 902 Foul Bay Road, I was disappointed, though not entirely surprised that the approved application was amended recently. I understand it goes before council on Nov 16h, and I do hope that the City of Victoria keeps the principles in mind that were the basis for their original approval of this long sought after project.

For the record, I am not opposed to the development, but I, like many others, voiced my concerns based on what was proposed, and supported the outcome - we need more housing.

I work in the development and facilities world, and I know that Aryze's bottom line is simply to turn the biggest profit possible - they've burned through a massive amount of resources based on the time to get this to approval stage and I really hope that the City does not relax the affordability and community amenities (parking, etc) in order to appease the pressure they are feeling - this is a generational project that will impact my street (Redfern St) for the lifetime of me living here - I would like it done with utmost integrity and consideration for all stakeholder- not just ones out to make huge economic returns.

Please feel free to contact me with any additional comments or questions. I am always open to learn more about the development process (as I am NOT a developer!)

Regards,

Darren Douglas
981 Redfern Street

Hi there

I have heard that the development at 902 Foul Bay is not adhering to the development proposal that was approved and is no longer providing affordable housing units as agreed upon.

It is upsetting to hear that this developer is allowed to amend and change the agreed upon development plan. There has been a lot of public input into the development and it appears that all of the concerns raised are now being ignored. The proposed changes do impact this neighbourhood, and set a precedent for future developments.

I appreciate the need for more housing, and for "affordable" housing. I support the missing middle concept and gentle densification. The development at 902 Foul Bay is not "gentle densification" in keeping with the neighbourhood, and it is not "affordable" housing.

Please review and reject the proposed amendments to the 902 Foul Bay development.

Thank you

Daphne Wass

954 Bank Street

Honourable Mayor and Councillors:

Re: 902 Foul Bay Amended Development Permit Application

In a December 07, 2020 development permit application for 902 Foul Bay the developer, Aryze represented a as an "**Affordable Home Ownership Project**" (AHOP) under BC Housing, where the average cost per unit was to be \$720,000 with a 5% downpayment. Aryze used this representation to gain support from the surrounding local community and city staff.

Subsequently, in a June 2021 letter to council Aryze amended their application stating that it was abandoning the AHOP BC Housing element. It stated:

"..... we are pivoting the project to include four homes (22%) to fall under the Capital Regional District's price restrictive resale program whereby the homes are sold between 15% - 25% below market in perpetuity."

and

"The two 1-bedroom units will sell for \$360,000 and the two 3-bedroom units for \$640,000."

Mr. Mari of Aryze used the "**affordability**" component to rally public support and to negatively characterize critics (with the assistance of members of Homes For Living, a lobby group he helped create) as those who are opposed to "affordable housing."

After a lengthy public hearing the previous council approved this application largely **because of the affordability** component.

On September 28, 2023 the developer filed notice that it intended to amend its application.

The amendments include.

- To **abandon** the requirement to provide any **affordable units** (by cancelling the restrictive covenant that would have secured the affordability aspect in perpetuity)
- To not provide any amenities to the city, such as sidewalks nor contribute to the affordable housing fund.

Apparently Aryze advised potential buyers, that it now estimates the sale prices of the units to be approximately \$1,000 to \$1,1000 per square foot. Most of the 18 units are three bedrooms and the average unit is 1,150 square feet. Therefore the projected cost to purchasers will exceed \$1million dollars plus applicable taxes. That is a far cry from the \$ 720,000 Aryze initially promised when the development was a BC Housing AHOP and the \$640,000 "below market affordable units" that the City council had approved.

In his current letter to Council, Mr. Mari is stating that because of interest rate hikes and increased costs of construction the already approved development is no longer as economically viable if it includes affordable units and a requirement to provide amenities to the City. When

council approved the project in September 2022, mortgage rates had already risen from 2.95 % to 5.45% and construction costs had already risen sharply.

Furthermore, Aryze states that Missing Middle projects now have less of a burden. Mr. Mari of Aryze was on the advisory panel for the creation of Missing Middle Housing Initiative. He knew the criteria and could have altered the development proposal to fit within these guidelines. Now Aryze appears to want the best of both worlds: to retroactively benefit from a change in the development rules without meeting the new requirements. The citizens of Victoria no longer have any input, as the public hearing process was completed.

This council ought not allow this developer/applicant to circumvent the lawful process by amending its application post approval, without any further public input, to remove all of the very aspects they employed to persuade council to approve it. We are in a housing affordability crisis and the majority of this council were elected on a platform of providing affordable housing. Please do not permit the applicant to abandon the affordability component and requirement to provide amenities to the neighbourhood, which would make a mockery of the development process. Send a message to the developers that they need to have respect for lawful procedure.

Respectfully

Peter J. Nadler

I am aware that Aryze Developments is seeking amendments to its approved development permit that would enable them to abandon their commitments to provide affordable housing and community amenities on their 902 Foul Bay project. This was a very contentious development approval process and was only finally approved by council due to the affordability and other commitments. To enable this developer to walk away from its commitments to community and affordability is to make a mockery of the democratic process. If this proceeds as proposed by this shameless developer shame on council. If the developer cannot proceed as already agreed let them walk away. Enough bowing to developers self interest.

Shawn and April Robins
330 Robertson Street

RE: RE 902 FOUL BAY AMENDED DEVELOPMENT PERMIT APPLICATION

MAYOR AND ALL COUNCILLORS,

Aryze has made major changes to their previous application for development at 902 Foul Bay Rd.. That application went to public hearing before it was assessed by council and approved on the facts supplied. I stress the changes that the reductions/"amendments" Aryze are now requesting are major, not merely cosmetic, although even their 'cosmetic' undertaking has been withdrawn. The major undertakings that they are looking to dispense with conflict with both the ethics and rational that were the underpinnings of their previous application – no 4 houses at preferential prices to be "15 to 20" percent below market to help lower income applicants , no 'affordable' housing programme, the new pricing programme seems to be more than 30% higher than that on the extant application that posited the price at about \$700,00 and no contribution to the city expenses such as sidewalks etc. that were in the submitted application. Almost all of the extra costs being used as an excuse by Aryze for their "amendment" were known to them or could have been anticipated when the application was approved.

I urge the council to exercise good governance and public fairness and reject these substantive "amendments" requested by Aryze.

**Respectfully yours,
Adrian Science**

November 15th, 2023.

Dear Mayor and Council,

Amend an agreement

The major commercial supporter of the Missing Middle Housing Initiative is now using the provisions of the MMHI and market conditions to seek an amendment on the development that Aryze was awarded to develop 902 Foul Bay Road.

Reasons for Amendment: Costs

In the City's Executive Summary, Aryze seeks to eliminate at least two provisions that were crucial to the accepted development and stand out for me.

- 1) eliminate affordable units, and
- 2) eliminate any community amenities.

MMHI is a tool to eliminate affordable housing

Is it not ironic that the MMHI is now being used as a tool to eliminate affordable housing?

Financial Reasons provided by Independent Financial Auditor

We won't know any facts about the market conditions and how they affect Aryze. We have only their request. To properly decide this 'trust issue' the City should hire an independent financial auditor, to be paid for by Aryze Development, to determine the costs, gross income and profit to Aryze based on the two scenarios in question: at the time the agreement was sought and reached; and under the current market conditions with the increased costs of labour, materials, and finances.

Mulligan

When a golfer gets a mulligan, a second shot without counting it, he is supported by the other players. Aryze Developments wants a mulligan - a second chance to do it over again, without concern about the first one. The City is being asked to subsidize Aryze.

City Staff's Reason to recommend acceptance of the Amendment

Fear by the City Staff that the proposal may not be built. This is clearly stated in Option 2 on page 4: "Council may choose to not support the request to remove the housing agreement and covenant which could result in all 18 units proposed not being constructed." In short, the City bases their approval on fear of the market. This is an acknowledgement of weakness, a losing hand in any negotiation.

The City's Position is at a dangerous crossroads

If the City agrees to this amendment, how many others will seek this remedy over time, without hard reasons, because of market volatility, unforeseen costs or simply because they believe that they hold the

upper hand? An independent financial auditor is one path to stem the tide of frivolous requests. Another suggestion is to trust the market. Land has more value than the City places on it. All developers seek land that is undervalued and then, change its purpose through zoning change to create wealth.

Are Affordable Housing and Community Amenities a worthwhile goal in Development

The market place has many solutions for this request. Arzye can sell the property. It can allow the development proposal to lapse. It can come up with an entirely new proposal and go through the entire process again. But, they should also know that affordable housing is important to the City of Victoria, and that no development will proceed without it. Then, and only then, will affordable housing be built.

If you don't want affordable housing, support Arzye's request for this amendment.

The other developers will get the message. Secondly, if you make the decision to support the Amendment the MMHI continue to wither on the vine. The City has already backed down on including affordability in the MMHI, as all developers know. Lastly, by continuing to subsidize developers by eliminating their costs when proposals are initially made, or in this case, thereafter, the City is creating a moral hazard that will make it impossible to accomplish the City's stated goals of working towards affordability and marketplace diversity in housing.

Why is Arzye coming back to the City instead of relying on the market?

Your collective decision on this amendment will frame all Developers knowledge about the City's position when negotiating Land Use Decisions. Please make the right one.

Your sincerely,

Don Cal

1059 Pentrelew Place

Victoria BC

Dear Mayor and Members of Council,

It has come to our attention that Aryze has made application to the City to amend their development application for 902 Foul Bay Road to, among other things, remove the “affordable units” and not provide the required amenities to the City.

You’ll recall that the public input on this project was extensive and many, many community members were opposed to it. In the end, it seemed that Council approved the project in large part because of the “remaining” 4 affordable units. We say “remaining” because of course the original application involved the AHOP under BC Housing, with supposedly all units being “affordable.”

I gather the developer is tying their application in part to the Missing Middle Initiative (another proposal with many, many community members opposed), which passed after the 902 Foul Bay Rd. proposal. We say “in part” because they wish to benefit from the new development rules that came along with the MMI but without having to meet the attendant requirements; e.g., to provide City amenities.

This council was elected in large part based on promises to provide affordable housing. **We strongly urge you to reject Aryze’s application to change the 902 Foul Bay Rd. development project.**

Regards,
Elizabeth Peddie and Dermot McCann
1923 Runnymede Avenue, Victoria