

October 20, 2017

City of Victoria  
No. 1 Centennial Square  
Victoria, BC V8W 1P6

Attn: Mayor and Members of Council

Re: **Response to Committee of the Whole Resolution**  
Rezoning and Development Permit Application  
1201 Fort Street and 1050 Pentrelew Place

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Dear Mayor and Members of Council,

This letter is being provided to offer a summary of the revisions made to the development proposal at 1201 Fort Street in response to the resolution passed by Committee of the Whole on April 6, 2017. A more detailed description and explanation of the Responses can be found in the letter dated September 27, 2017 by the project team.

1. *That Council refer the application back to staff to work with the applicant to address the following:*
  - a. *Massing, height, architectural expression and setbacks of buildings with attention to the look and feel to Buildings A and B from the point of view of Pentrelew Place;*

Response:

- Building B has been reduced from 5 storeys to 4 storeys
- The number of townhomes has been reduced from 12 to 10 units
- The setback for Building A along the west property line, adjacent to the heritage building at 1195 Fort, has been increased by 12'-11" to 32'-7"
- The setback for Building A along the east property line, adjacent to the multi-family building at 1225 Fort, has been increased by 38'-0" to 55'-6".

- b. *Siting and design of the five-storey multi-unit residential building and the nearest townhouse building (Buildings B and C) to improve the building-to-building relationship, to address livability concerns and ensure a sensitive transition to the lower density area to the south of the subject site;*

Response:

- The separation between Building B and the first townhouse block (Building C) has been increased by 8'-4", resulting in a total separation of 31'-4".
- In addition to the increased separation distance, the livability condition has been significantly improved by reducing the height of Building B to 4 storeys.
- The recessed balcony design along the east façade of Building B, versus the previously projecting balconies, encourages a more private and intimate condition between the outdoor spaces of Building B and the rear patios of the townhomes.
- The southern edge of Building B, being adjacent to a single-family dwelling, has been revised to cascade away from the southern edge, ensuring a more sensitive transition into the traditional residential neighbourhood to the south. The previous design had the 4<sup>th</sup> floor set back from the property line by 14'-11", and the new design has the 4<sup>th</sup> floor (now top floor) set back by 47'-10", an increase of 32'-11".

- c. *Removal of the roof decks on the townhouse units;*

Response:

- Roof decks are no longer proposed on the townhouses. The revised design provides the upper floor with a walk out terrace, which is entirely concealed within the roofline from the perspective of Pentrelew Place and Wils Spencer Road.

- d. *Alternate alignment and/or widening and refining the design of the public pathway connecting Pentrelew Place and Fort Street;*

Response:

- The public pathway has been redesigned and re-aligned to encourage a friendlier and more inviting pedestrian experience. The previous pathway had a pinch point of 2.4m (7'-10"). The redesigned pathway has a minimum width of 5.0m (16'-4").

- e. *More breathing room, less wall-like feel, and more design diversity of the townhouses, and*

Response:

- The number of townhomes have been reduced from 12 to 10. This has created an additional 40 feet of breathing room and setbacks between along the Pentrelew frontage. This also created the opportunity to more appropriately align the public pathway connection to Pentrelew Place.
- The design of the townhomes now offers a more traditional response to align with the character of the Rockland Neighbourhood. Variations between individual townhouse blocks have been incorporated in terms bay window designs, wrapped entry porches, and a variation of dormer design. These subtle approaches all contribute to a diversity of design while maintaining a consistent character and rationale amongst the townhomes.

- f. *Staff report back on the proposal's response to principles in development permit area 7b and the Rockland Neighbourhood Plan*

See staff report.

2. *That Council direct staff to bring the application back to Committee of the Whole once these issues have been addressed.*

3. *That Council direct staff to work with the applicant to include housing affordability into the project.*

See the following page for response and the attached letter for further details.

Further:

1. *That Council refer the application back to staff to work with the applicant to address the following:*

- a. *Window placement and exterior design of the multi-unit residential buildings (Buildings A and B);*  
b. *Exterior colours and materials; and*

Response (to items a and b.):

- The architectural expression of the project has been completely revisited. Particular attention has been paid to the traditional character of the Rockland Neighbourhood and the Fort Street Heritage Corridor to guide the overall design approach of not only Buildings A and B, but also the townhomes.
- The principal material use of brick, along with the building proportions and window design all contribute to

- c. *The items identified in the concurrent rezoning application where there is overlap with the Development Permit Application.*

2. *That Council direct staff to bring the application back to Committee of the Whole once these issues are addressed.*
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#### Affordable Housing Commitment


This section, in response to item #3 above, offers our rationale for why our voluntary amenity contribution of affordable housing cannot be provided with the redevelopment of 1201 Fort.

This proposed development was subject to an Economic Land Lift Analysis as per the City of Victoria's Density Bonus Policy approved October 27, 2016. Coriolis Consulting Corporation was engaged on behalf of the City of Victoria to conduct the analysis, which was completed on January 25, 2017. This economic analysis report concluded "*The proposed rezoning does not result in an increase in land value for a variety of reasons...*" (page 8, Section 6). The City's Density Bonus Policy identifies an expectation for on-site affordable housing be negotiated in certain OCP Urban Place Designations, and the subject property is not captured within those areas. We have followed the City's adopted policies as required, which have concluded an amenity contribution cannot be supported by the proposed redevelopment of 1201 Fort.

We are, however, voluntarily proposing a commitment to affordable housing in lieu of the above-mentioned results. We feel we have come up with a creative approach while incorporating principles and guidelines established within the Victoria Housing Strategy. Since the economics of the proposed development do not support on-site affordable housing, this commitment can only be realized if we are able to find another location. If we are unable to deliver on building the affordable rental units, we have voluntarily offered to pay cash-in-lieu of \$250,000. The specific details of the offering are attached to this letter and have been submitted to the City of Victoria in conjunction with our Rezoning Application.

Should you have any questions regarding the above or the revisions to the application please do not hesitate to contact me.

Sincerely,



Mike Miller  
President & Founder

*(Enclosed: Affordable Housing Amenity Contribution)*

September 25, 2017

City of Victoria  
No. 1 Centennial Square  
Victoria, BC V8W 1P6

Attn: Mayor and Members of Council

Re: Affordable Housing Amenity Contribution  
Rezoning and Development Permit Application – 1201 Fort Street and 1050 Pentrelew Place

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### **Introduction**

In conjunction with the development application for the property located at 1201 Fort Street and 1050 Pentrelew Place, Abstract Developments (the “Developer”) is committing to offer an affordable housing component that will be linked to 1201 Fort. In establishing this amenity offering, the following documents were considered:

1. City of Victoria Strategic Plan (2015-2018)
2. Mayor’s Task Force on Housing Affordability Recommendations
3. Victoria Housing Strategy (2016-2025)

### **City of Victoria Strategic Plan (2015-2018)**

The City of Victoria Strategic Plan identifies Objective 6 as “Make Victoria More Affordable”. This objective goes on to further identify a 2017/2018 outcome of:

- Increased the range of affordable housing not only for those in need of supports but also for working people, families and youth.

### **Mayor’s Task Force on Housing Affordability Recommendations**

This Task Force provided recommendations to the Governance & Priorities Committee on July 16, 2015. The recommendations state a goal/target (#2) of:

*Goal & Target #2: Have a minimum of 19% of New Housing Units Built as Affordable*

It goes on to further state “Table 1 provides a summary of the number of units required to meet future affordability needs within the second and third income quartiles.” Table 1 is provided below for reference:

**Table 1 – Affordable Housing Targets**

Quartile	Target Household Income	Housing Type	Units Needed		Rental/Price Range
			Total	Per Year	
<b>2</b>	\$18,147 - \$35,647	Low End Market Rental	1,319 to 1,382	44 to 46	\$454-\$891
<b>3</b>	\$35,648 - \$57,771	Near Market Rental	243 to 255	8 to 9	\$892-\$1,444
		Affordable Ownership	1,092	36 to 39	\$120,000-\$250,000
<b>Total</b>			<b>2,654 to 2,729</b>	<b>88 to 94</b>	

In addition, Item 3 within Appendix A identifies Inclusionary zoning as a means to increase the City of Victoria’s capacity to support the development of affordable housing. The rationale states:

*“Affordable housing mandates (also called Inclusionary zoning) require that a portion of new housing units (typically 10-20%) be sold or rented below market prices, or developers contribute to an affordable housing fund... A variety of approaches to inclusionary zoning exist, each of which should be examined prior to being considered for use within the City’s housing market.”*

#### **Victoria Housing Strategy (2016-2025)**

The goal of the Victoria Housing Strategy is to increase the supply and diversity of non-market and market housing across the housing spectrum and throughout Victoria that meets the current and future needs of low and moderate income households. The Housing Strategy was informed largely by the Mayor’s Housing Affordability Task Force (as identified above), who focused primarily on the development of housing that meets the affordability needs of households that fall within Statistics Canada’s middle two income quartiles (households incomes ranging from \$18,147 to \$57,772 per annum).

The City of Victoria defines affordable housing as costing no more than 30% of gross household income. For example, if a household is earning a gross annual income of \$40,000 (falling within the 3<sup>rd</sup> quartile of Table 1 – Affordable Housing Targets), a near market rental unit would be limited to \$1,000 per month.

#### **Affordable Housing Amenity Contribution**

In consideration of the City of Victoria’s commitment to affordable housing as expressed through the three documents outlined above, Abstract Developments (the “Developer”) is committed to supporting these initiatives through the development application for 1201 Fort Street and 1050 Pentrelew Place (the “Proposed Development”).

#### **Details:**

- 10% of the approved unit count, being no less than 10 units, of the Proposed Development will be built and have received an Occupancy Permit on another property within the City of Victoria (the “Affordable Units”) by no later than December 31, 2020.

- The Affordable Units will be Low End to Near Market rental units, with monthly rental rates limited to no greater than 30% of Gross Household Income with qualifying incomes being within either the second or third quartiles as identified by the BC Non-Profit Housing Association through the Rental Housing Index. Of the Affordable Units, 50% of them will be rented to households with incomes in the second quartile, and 50% of them will be rented to households with incomes in the third quartile.
- Should the Affordable Units not be completed with an Occupancy Permit received by December 31, 2020, the Developer shall pay \$25,000 per Affordable Unit to the Victoria Housing Reserve Fund as cash-in-lieu of building the affordable units.
- The Developer will register this Amenity Contribution as a Covenant against title to the property located at 1201 Fort Street and 1050 Pentrelew Place.

We look forward to working with the City of Victoria to help achieve the goals and objectives of increasing the supply of affordable housing.

Sincerely,

A handwritten signature in black ink, appearing to read 'Mike Miller', with a stylized, cursive script.

Mike Miller  
President & Founder