

ARAGON

October 9, 2019

Mayor and Council
City of Victoria
c/o 1 Centennial Square
Victoria, BC V8W 1P6
250.361.0221

Re: Cook & Pendergast, Response to Council's Request for Affordable Housing & Clarification to the Proposed Daycare

Dear Mayor and Council,

We would like to provide you with some additional information in support of our Rezoning and Development Application.

While investigating the purchase of the land on the corner of Cook and Pendergast in 2017 we did extensive research into the official community plan, the City of Victoria's stated policies and had many discussions with local neighbours, architects, and developers. At the time of purchase, the Official Community Plan envisioned a maximum height of 6 stories and a split of 2.0 and 2.5 FSR across the site, in addition to a range of other guidelines from Community Amenity Contributions (CAC) together with planning principles to allow a successful multifamily building.

At the time we recognized the significance of this site to the Cook Street Village Community, and we engaged extensively. Aragon managed eight (8) Neighbourhood and CALUC meetings. We listened to the community and made substantial changes to our original plan. While we could not accommodate every comment/suggestions of the neighbours who came to speak, we listened to each of them, and very carefully addressed the common issues in creating a successful design. Cascadia Architects must be given a large amount of credit for listening and being flexible by changing the look and feel of the building to fit with the neighbourhood's comments. We made the decision at that time, well before the Fairfield Community Plan was developed, to lower the height from 6 stories to 4 stories. Also, from these meetings grew some excellent additions to the project, such as the addition of vertical panels of art which are to be designed by Coast Salish Artist, Chris Paul. We ultimately made our application in February of 2018.

At our Committee of The Whole (COTW) meeting in November of 2018, we were asked by council to go back and assess our project's ability to include affordable housing. Since then we have met with BC Housing, and looked hard to find a way to include affordability with the current building. Ultimately in order to incorporate affordable housing, while making the project work financially we would require either funding from a 3rd party program, such as BC Housing's CHF fund, or pay for this affordable housing by changing the project to incorporate additional density. The reasons why we did not pursue these options is that both options would require a full re-design of the project. Further the "Interim Density Bonus Policy" as well as the recently adopted "Inclusionary Housing and Community Amenity Policy" both explicitly exempt projects previously submitted such as ours. We believe a full re-design would ultimately result in a building which the community is not satisfied with.

At the time of our COTW meeting last December we wanted to offer our strata unit in the neighboring "Cook Street

ARAGON

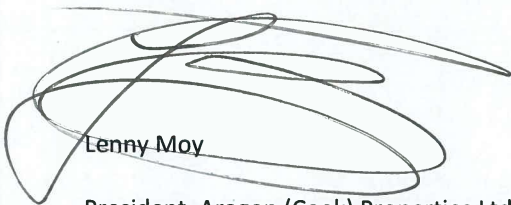
Activity Center” building at a subsidized rental rate in order to allow a daycare to occupy this space. Unfortunately, this proposal was ultimately turned down by the Strata of this building. In attendance at this meeting was a representative of the City, Ross Carroll, the Manager of Strategic Real Estate, who was voting on motions on behalf of the City’s unit at #1, 380 Cook Street, better known as the “Cook Street Activity Center”. As a result, providing a daycare in this space is no longer possible. We were willing to offer a daycare at 50% reduced rental rate for 7 years, with an additional 25% discount on rental rate for the following 3 years (for a total of 10 years of discounts), and we estimated this market rate of rent to be \$16, triple net, per square foot. This contribution amounted to an estimated reduction in rent of \$161,356.80. As the daycare is no longer an option, and in an effort to provide a meaningful contribution towards affordable housing in Victoria, **Aragon is including the donation of the previously proposed reduction in rent (\$161,356.80) for the daycare towards Victoria’s Affordable Housing Fund. This is in addition to the \$136,163.47 currently being offered as part of the projects CAC which can be used at the discretion of council. We have decided to round up the total contribution to \$300,000 for the sake of simplicity and presentation.**

We sincerely believe that this project will be a positive addition to this community and we are satisfied that we have met our goal to go above and beyond the City’s policies which were current at the time of their application.

We hope the Mayor and Council can conclude that our application was made under the guidelines existing at that time and evaluate it under those circumstances existing at that time. We believe we have an outstanding project through extensive community consultation and support.

We respectfully seek your approval of our application.

Sincerely,

A handwritten signature in black ink, appearing to read "Lenny Moy", written over a horizontal line.

Lenny Moy

President, Aragon (Cook) Properties Ltd