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**To:** "[Direct to Mayor and Council - DL](#)"

**Date:** 12/15/2025 3:20:33 PM

**Subject:** Memo to Mayor and Council - VAHEF, VHDO and NMHDO 2025 Update and 2026 Outlook

**Attachments:** DCM - AA - Memo to Mayor & Council - VAHEF VHDO and NMHDO 2025 Update and 2026 Outlook (2025-12-15).pdf

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Dear Mayor & Council,

This memo provides an update of the City's delivery of non-market housing through the Vancouver Affordable Housing Endowment Fund (VAHEF) and the Vancouver Housing Development Office (VHDO) for 2025 and an outlook for 2026.

If you have any questions, please feel free to reach out to me directly.

Regards,

Armin

Armin Amrolia - Deputy City Manager (she/her)  
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The City of Vancouver acknowledges that it is situated on the unceded traditional territories of the x m k y m/Musqueam, S wxwú7mesh/Squamish and s lilw ta /Tseil-Waututh nations

## MEMORANDUM

December 15, 2025

TO: Mayor and Council

CC: Donny van Dyk, City Manager  
Karen Levitt, Deputy City Manager  
Sandra Singh, Deputy City Manager  
Katrina Leckovic, City Clerk  
Maria Pontikis, Chief Communications Officer, CEC  
Teresa Jong, Administration Services Manager, City Manager's Office  
Mellisa Morphy, Director of Policy, Mayor's Office  
Trevor Ford, Chief of Staff, Mayor's Office

FROM: Armin Amrolia, Deputy City Manager

SUBJECT: Vancouver Affordable Housing Endowment Fund – Vancouver Housing  
: Development Office Non-Market Housing Development 2025 Update and 2026  
Outlook

RTS #: N/A

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This memo provides an update to Mayor & Council on the progress of the City's delivery of non-market housing through the Vancouver Affordable Housing Endowment Fund (VAHEF) and the Vancouver Housing Development Office (VHDO) for 2025 and an outlook for 2026.

### **Housing Vancouver Strategy (2017) & Vancouver Affordable Housing Endowment Fund**

The Housing Vancouver Strategy focuses on the right supply of new homes, including rental, to meet a continuum of housing types. The strategy includes a 10-year housing target, which was updated in 2024. The new targets aim for 83,000 net new homes overall, including 10,000 supportive, social or non-profit co-operative housing units.

The Federal and Provincial governments both have the mandate and resources to adequately fund social and supportive housing projects, and their partnership is necessary to achieve our housing goals in Vancouver. In previous decades, when Federal and Provincial government funding was available for the development of affordable housing, the City was an important partner by providing sites and contributing modest capital investment in projects to assist with

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viability. The result of this partnership was a significant increase in the number of non-market, co-op and purpose built rental housing delivered in Vancouver. This experience demonstrated the importance of senior government involvement in the development of housing for homeless, low- and moderate-income households. In recent years, new Federal and Provincial funding programs have created new opportunities to capitalize on the City's contribution of land for affordable housing expediting affordable housing projects through the development process.

To advance the City's affordable housing goals in part and strengthen our partnership with Federal and Provincial government, the City established a portfolio of non-market housing currently consisting of 253 City-owned sites with existing non-market housing as well as an active development pipeline through VAHEF.

Since 2017, working in close partnership with senior government and non-market housing providers, over 4,300 net new non-market housing units have been approved on City land, and over 3,650 non-market housing units completed (up to the end of Q4 2025). This includes 757 units completed turnkey to the City.

### **Vancouver Housing Development Office / Non-Market Housing Development (NMHD)**

The Non-Market Housing Development (NMHD) Team is responsible for setting the strategic direction of the portfolio and managing the portfolio through effective partnerships and leveraging senior government funding to expand and preserve affordable housing in Vancouver.

Key activities associated with managing the portfolio include:

- Acquiring additional City sites dedicated for non-market housing development,
- Ready City sites for construction with non-profit delivery partners including; undeveloped land, co-location with other civic facilities, and redevelopment of under-utilized sites,
- Providing capital grants through the Community Housing Incentive Program (CHIP) to enhance affordability of social housing on non-profit owned sites,
- Deploying turn-key housing secured from private developers,
- Accelerating the renewal of existing partnerships with non-profits and co-op housing operators to preserve the affordability of existing housing on City leased land, and
- Preserving affordability of housing owned by the City through capital maintenance and replacement of asset beyond their useful economic life.

The 2023-2026 Capital Plan allocated \$617M towards housing. The NMHD Team manages the deployment of \$241M towards the VAHEF portfolio activities above, with the remaining funding representing in-kind assets and homelessness programs.

### **2025 Highlights and 2026 Outlook**

#### **Strategic Acquisitions**

Following the Housing Land Acquisition program funded in the 2023-2026 Capital Plan, the City has the financial capacity to acquire ~1-2 properties per year on average. Throughout the year,

staff have evaluated numerous acquisition opportunities to enable the growth of non-market housing in the VAHEF portfolio. Following Council approval, staff have closed on three acquisitions, one in the DTES neighbourhood and two in the Hastings-Sunrise neighbourhood, that may enable over 275 homes once developed.

Staff are actively exploring additional strategic acquisitions in anticipation of favourable market conditions in 2026 to fully utilize the land acquisition funding by the end of 2026.

Readying City Sites for Affordable Housing Development

To enable the creation of new affordable housing, the City readies and contributes land within the VAHEF portfolio via long term ground leases to government and non-profit delivery partners.

In 2025, staff managed 28 active projects representing more than 3,500 homes through various stages of preliminary assessment, design development, funding approvals and construction, as summarized in the table below.

Stage	Projects	Estimated Homes
Projects completed construction	3	370
Projects remained in or started construction in 2025	9	1,291
Projects are advancing from initial regulatory approvals towards construction,	9	954

Refer to the City’s [Non-Market Housing Projects website](#) for further details of each project. Additionally, Staff have assessed the VAHEF portfolio for redevelopment opportunities and have identified more than 2,500 net new homes that could be created through redevelopment of existing sites over the next 5-10 years.

2025 Non-Market Housing Development Highlights

- *New affordable housing completed* - Three projects completed in 2025 will provide 159 homes at Shelter, 115 homes at Housing Income Limits, and 95 homes at Low-End of Market rents once fully occupied.
- *New affordable housing starting construction* - Six complex and impactful projects were prioritized to secure final grant and financing approvals to commence construction of 954 homes in 2025. The target affordability across these projects includes 206 homes at Shelter, 399 homes at Housing Income Limits, and 349 homes at Low-End of Market.
- *Advancing priority projects through regulatory approvals* – 9 projects representing 954 homes were advanced through regulatory processes and all are anticipated to commence construction in 2026. These projects include 249 units of supportive housing at shelter rate, as well as 205 homes at shelter rate rents, 313 homes at Housing Income Limits and 187 homes at Low-End of Market.
- *New senior government funding secured* - While advancing projects to construction in 2025, the City with our non-profit delivery partners, successfully secured senior government funding and low-cost financing, attracting approximately \$130 million in non-repayable capital funds and \$250 million in low-cost financing to Vancouver.

- *New non-profit partnerships formed*– Following a robust procurement process, the City established partnerships with five non-profit housing partners in 2025. These partnerships are essential to deliver the later stages of projects, including detailed design, construction, as well as ongoing operations and support the City’s objective to grow the scale and capacity of the on-profit housing sector.
- *Initiating new projects* - to maintain a pipeline of active projects, four new projects on City sites were initiated in 2025 representing 471 homes to advance progress towards the City’s housing targets.
- *Advancing projects in the DTES* – staff enabled deeply affordable housing in the DTES with the completion of 177 W Pender Street delivering 76 homes at shelter rate and replacing 30 SRA designated rooms, and advancement of two projects totalling 276 homes that will commence construction in 2026 replacing 19 SRA designated rooms.

## 2026 Non-Market Housing Development Outlook

In 2026, staff will continue to advance existing projects to construction with its delivery partners and intend to commence feasibility and early design work on an additional five to seven projects to maintain a strong pipeline of new affordable housing on City-owned land.

Opportunities with senior government funding partners will continue to evolve in 2026. Staff anticipate significant uncertainty and fiscal constraints within the affordable housing funding programs at BC Housing and CMHC, potentially impacting timelines for unfunded projects to proceed to construction. Relatedly, the Federal government are enabling new non-market funding opportunities through a newly created Build Canada Homes.

New regulatory policies, if approved, have the potential to alter the development potential of existing city sites. As a result, staff efforts will be directed towards redevelopment of under-utilized City sites and replacement of buildings beyond their useful economic life.

### **Capital Grants Through the CHIP Program**

The City has a long history of providing housing capital grants to non-profits developing affordable housing on their own land. Grant contributions through the Community Housing Incentive Program (CHIP) help the City meet the updated Housing Vancouver Strategy target to deliver 10,000 social, supportive and non-profit co-op housing units by 2033. A significant portion of these social housing units are anticipated to be delivered by community partners.

Since the inception of CHIP, Council has approved 14 grants totalling over \$45M to enable the delivery of 1,283 homes through the program. By the end of 2025 nearly \$10M in grants will have been disbursed this year as these projects started construction.

Additional funds are earmarked for projects awaiting funding decisions tied to applications through BC Housing’s Indigenous Housing Fund (IHF) and Community Housing Fund (CHF). In 2026, staff anticipate bringing forward additional grants for approval should these projects successfully secure funding from BC Housing or new projects come forward through the ongoing CHIP application process.

### **New Turn-key Housing**

Turn-key housing consists of housing assets secured from private developers, mainly through inclusionary housing policies. Once these assets are completed, the City takes ownership of the asset and they are operated as social housing.

Throughout 2025, three projects (259 units) remain under construction with handover of two projects to the City anticipated in 2026. An additional 14 projects with over 1,600 units have been approved but have not started construction mainly due to difficult economic conditions, casting uncertainty of this delivery stream for the foreseeable future and will place more reliance on development of non-profit and City sites to advance the City's non-market housing targets.

### **Non-Profit and Co-op Lease Renewals**

Most of the sites within the VAHEF portfolio are leased to non-profit and co-op housing partners (~95%). Many of these leases were executed in the 1960s, 70s and 80s and are reaching expiry. Following Council approval of frameworks to renew existing leases (Non-Profit Lease Renewal Framework in 2018 and Co-op Lease Renewal Framework in 2021), staff are enabled to effectively negotiate below market lease renewals and extensions.

In 2025, a total of 6 lease renewals/extensions were approved by Council, consisting of sites with 223 non-profit and 265 co-op homes. These below market leases, once executed, represent a contribution over \$19.5M towards preserving affordability for existing tenants over the next 5-40 years. In 2026, staff anticipate bringing forward to Council an additional 12 leases for renewal/extension, consisting of 237 non-profit homes and 208 co-op homes.

### **Asset Management & Replacement**

The City owns a number of buildings that operate as affordable housing. These buildings may be directly operated by the City or leased to non-profit operators. These buildings vary in age from newly completed to over 100 years old.

Capital investment in these buildings is required to maintain/extend their useful economic life. In 2025, three major capital repair projects were completed totalling \$4.5M. These repairs enhanced the livability of 243 homes. In 2026, two major capital repair projects are planned with an estimated value of \$1.6M. These repairs will enhance the livability of 164 homes.

Additionally, the City owns and operates four SRO buildings (219 rooms), designated under the SRA By-law and two former hotels operating as interim or transitional housing providing 178 rooms requiring major renovation or replacement. In 2025, the City completed replacement of the City-owned SRO located at 58 Alexander, with new self-contained housing at 177 W Pender. In 2026, staff will advance replacement of one interim housing building beyond its useful economic life to redevelopment into approximately 177 units of social housing and community serving commercial space.

Five additional buildings designated under the SRA By-law are leased to non-profits (352 units/rooms). Three additional SRO buildings (336 rooms) are currently closed with one undergoing renovation and one redevelopment in partnership with the Province.

## Next Steps

The NMHD team through the VHDO will continue to lead the stewardship of the City's non-market housing assets within the VAHEF portfolio to preserve and grow housing in a sustainable way to advance the City's housing goals in alignment with the City's Housing Strategy.

Should you have any questions, please do not hesitate to contact me.

Sincerely,

A handwritten signature in black ink, appearing to read 'Armin Amrolia', followed by a period.

Armin Amrolia  
Deputy City Manager

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