



COUNCIL REPORT

Report Date: November 7, 2024
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VanRIMS No.: 08-2000-20
Meeting Date: December 10, 2024
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TO: Vancouver City Council
FROM: Armin Amrolia, Deputy City Manager
SUBJECT: Community Housing Incentive Program Grant – Three-Point Housing Society

Recommendations

- A. THAT Council approve a grant of up to \$2,150,000 from the approved multi-year capital budget for the 2023-2026 Community Housing Incentive Program (CHIP) to Three-Point Housing Society to assist with the construction of the 104-unit mixed-use development at 2776 Semlin Drive. [PID: 007-009- 691, Lot C of Lot D Block 163 District Lot 264A PLAN 19457] (the “Semlin Development”).
- B. THAT the Grant Agreement disbursing the grant in Recommendation A be on the terms generally outlined in this Report and otherwise satisfactory to the Deputy City Manager and Director of Legal Services.
- C. THAT the Deputy City Manager (or their designate) be authorized to execute the Grant Agreement described in Recommendation B on behalf of the City.
- D. THAT no legal rights or obligations are created by the approval of Recommendations A and B, unless and until the Grant Agreement is executed and delivered by the City and the grant recipient confirms that the funding and financing sources for the Development have been secured to the satisfaction of the Directors of Finance and Legal Services.

Recommendation A constitutes a grant and therefore requires an affirmative vote of at least 2/3 of all of Council members pursuant to Section 206(1) of the *Vancouver Charter*.

Purpose and Executive Summary

This report recommends Council approve a Community Housing Incentive Program (CHIP) capital grant of up to \$2,150,000 to assist with the construction of 104 social housing units in Vancouver. The capital grant would be payable after building permit issuance following execution of a Grant Agreement and confirmation of all funding/financing sources for the development to the satisfaction of the City. A Housing Agreement securing the minimum affordability of the housing outlined in this report, for a period of 60 years or the life of the building, whichever is greater, has been registered on title.

Council Authority/Previous Decisions

- [Community Housing Incentive Program Recalibration \(2024\)](#)
- [Housing Vancouver 10-Year Housing Targets \(2021-2033\)](#)
- [Housing Vancouver Strategy \(2017\)](#)

City Manager's Comments

The City Manager concurs with the foregoing recommendations.

Context and Background

The City has a long history of providing housing capital grants to non-profits developing or redeveloping affordable housing on their own land. Grant contributions through the CHIP program 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 such as the non-profit housing provider being recommended for funding in this report.

In early 2024, Council approved a recalibration to the CHIP program, creating two grant streams:

- Stream 1 CHIP grants - for non-market housing projects that are self-sustaining, leveraging capital funding and low-cost senior government financing; and
- Stream 2 CHIP grants - for non-market housing projects targeting a deep level of affordability that rely on ongoing operating subsidies from senior governments (e.g. BC Housing's CHF and IHF).

The first Stream 1 funding call under the CHIP was launched on October 21st and closed on November 30th, 2024. The Stream 1 funding call prioritizes projects with a high degree of readiness, are cost effective and leverage senior government and non-profit contributions. Staff intend to bring forward a full report with a summary of the Stream 1 funding call and recommended grants in early 2025.

Given the identified readiness of the Semlin Development and the need to confirm the CHIP grant prior to the end of the year so as not to jeopardize secured senior government funding and the opportunity to mobilize on site for start of construction early in the new year, staff have opted to advance this grant recommendation in advance of the others.

Discussion

Three-Point Housing Society (2776 Semlin Drive)

Three-Point Housing Society was incorporated in 2018 with the purpose to acquire, develop and operate non-profit residential accommodation and facilities which are used to provide affordable housing for low- and moderate-income households. They work closely with the United Church to identify and develop housing on Church lands.

Lakeview United Church has chosen to redevelop its church site in the Grandview-Woodland neighbourhood to include much needed affordable housing, together with Three-Point Housing Society. Once constructed, the Semlin Development will contribute 104 social housing units towards achieving the City's housing goals identified in the Housing Vancouver Strategy. The Semlin Development will provide 33 units (32%) at or below the Housing Income Limits (HILs), and the remainder at appraised market rents.

On [May 27, 2020](#), following a [Public Hearing on May 26, 2020](#), Council approved, with conditions, the rezoning of 2776 Semlin Drive and 2025 East 12th Avenue to CD-1 to permit the development of a six-storey mixed-use building with 104 social housing units and a church. The Development Permit for [2776 Semlin Drive \(DP-2021-00429\)](#) was subsequently approved on August 16, 2021.

The project has confirmed funding from both CMHC and BC Housing and has secured grants from several other sources. The church is contributing both land and capital equity. While the funding secured by the society would allow the project to meet/exceed the affordability requirements of senior government funders, the CHIP grant allows the project to meet and exceed the City's definition of Social Housing (32% of total units are rented at/below the Housing Income Limits). A grant of up to \$2,150,000 is recommended based on the CHIP Stream 1 eligibility criteria, program parameters and maximum grant amounts, at the affordability and unit mix outlined below.

Unit Affordability Summary

Unit Type	Shelter	HILs	Market	Total
Studio	-	27	24	51
1-bedroom	-	-	2	2
2-bedroom	-	6	37	43
3-bedroom	-	-	8	8
Total	-	33	71	104

Development funding summary (Housing only)

Estimated development costs (\$M)	
Land	9.44
Development costs	60.34
	\$69.78
Anticipated sources of funding (\$M)	
Applicant land equity	9.44
Applicant cash equity	2.08
City of Vancouver CHIP grant	2.15
CMHC Affordable Housing Fund grant	5.20
BCH Federal Bilateral 'BC Priorities Initiative' grant	2.10
'625 Powell Street Foundation' grant	2.30
DCL exemptions / waivers	2.88
Required mortgage (\$M)	\$43.63

Financial Implications

The City's capital grant contributions are conditional on execution of Grant Agreements and confirmation of all funding/financing sources for the Projects secured to the satisfaction of the Directors of Finance and Legal Services and registration of Housing Agreements on title to the Lands.

Consistent with Council policies, all affordable housing projects are expected to be self-sustaining over the long-term where rents and/or external operating subsidies are set at levels that will cover mortgage payments (to repay some or all of the construction costs), operating costs and capital replacement; and do not require further operating subsidies, property tax exemptions, and/or financial guarantees from the City.

Prior to disbursement of the grant, the following steps are to be completed and verified to ensure that the grant funds are used for the intended affordability outcomes:

- Entering into a registered housing agreement
- An executed grant agreement with the City
- Issuance of a full Building Permit to construct the housing
- Provision of an updated project pro-forma and budget before the start of construction supported by tendered construction pricing
- Documentation demonstrating that all sources of funding & financing necessary to proceed with construction of the Project (including equity contributions) are in place/ have been secured
- Documentation demonstrating that all sources of funding & financing to take out any construction financing at completion (including equity contributions) have been secured
- Documentation confirming the Project operating budget has been approved by the Operator and governing body (i.e. Board minutes), and that the approved budget is consistent with the pro-forma provided to the City
- The Project commences construction within 12 months of the grant approval by Council

Source of funding for the grant of up to \$2,150,000 is the 2023-2026 approved multi-year capital budget for the 2023-2026 Community Housing Incentive Program (CHIP) to support the construction of new or redeveloped housing units (CHIP). Expenditures will be managed within the current approved Annual Capital Expenditure Budget.

Legal Implications

A Grant Agreement between the City and Three-Point Housing Society is a condition of disbursement, prepared to the satisfaction of the Deputy City Manager, and the Director of Legal Services.

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