

Government Business Enterprise (GBE) for rental housing on City land

VANCOUVER HOUSING DEVELOPMENT OFFICE

Vancouver City Council October 21, 2025



- Brad Foster, Director, Vancouver Housing Development Office
- Grace Cheng, Director, Long-Term Financial Strategy & Treasury
- Jeff Greenberg, Team Lead, Legal Services
- Michal Jaworski, External Counsel, Clark Wilson
- Vivian Chan, Partner, KPMG

Objective of Report

1. To establish a wholly owned corporation, to be operated as a government business enterprise (GBE), for the purpose of developing rental housing on City lands.
2. To transfer 6 development sites to the newly formed GBE for development to deliver 4,000+ housing units and provide \$8 million of start-up capital (from the Property Endowment Fund).



Established by City Council to centralize housing and deliver rental housing on City-owned land.



Vancouver Housing Development Office (VHDO)

Established in 2023 at Council direction to centralize housing delivery

Rental Housing

(Property Endowment Fund)

- Mandate is to maximize delivery of rental housing and generate financial returns and non-tax revenues
- Mayor's Budget Task Force:
 - Optimize underleveraged portfolio
 - Boost annual dividends to the City
- In 2024, Council adopted the Rental Housing on City Land – Public Benefits Pilot Rezoning Policy

Non-Market Housing

(Vancouver Affordable Housing Endowment Fund)

- Set up in 2021, VAHEF's mandate is to preserve and grow affordable housing in a sustainable way
- 250+ City sites with 13,000+ units of non-market housing in partnership with senior governments and housing operators
- Active development pipeline on City land

VHDO – Centralizing City Housing Delivery



VHDO HOUSING CONTINUUM

Addressing
Homelessness



Housing with
Support Services



Social Housing &
Community Housing



Affordable
Rental Housing



Affordable
Homeownership



Market
Rental Housing

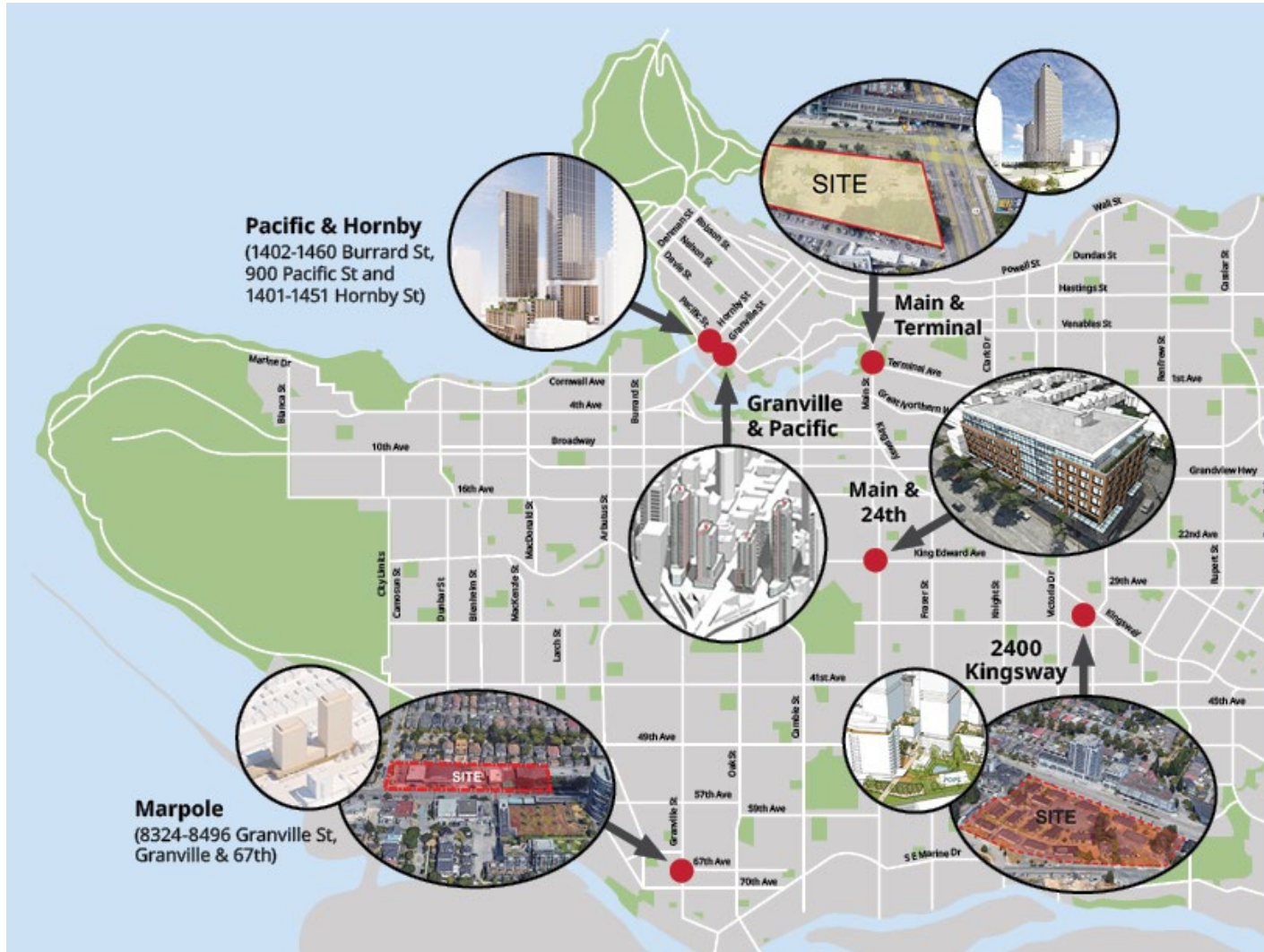


NON-MARKET

HOUSING CONTINUUM

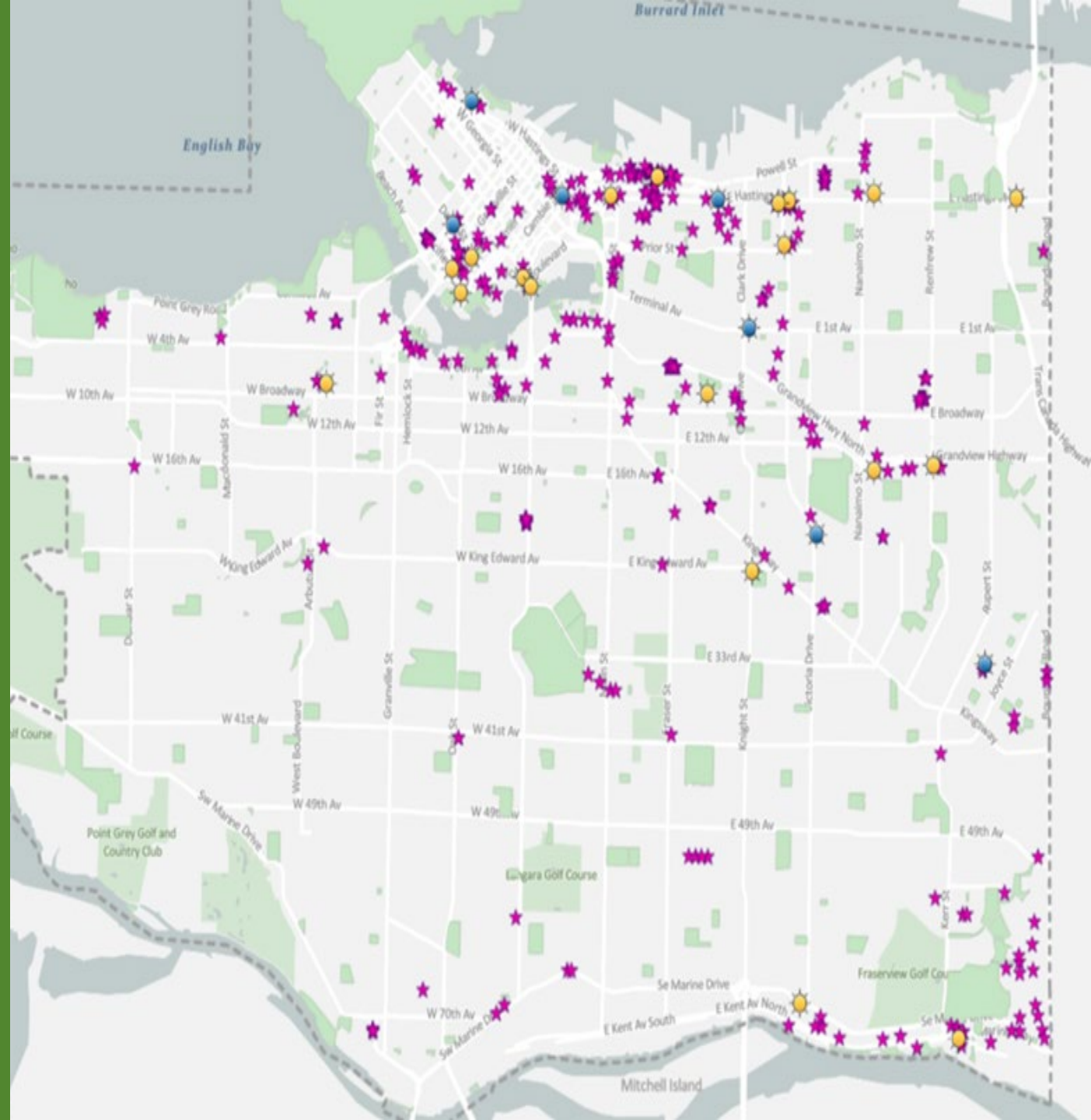
MARKET

VHDO Rental Housing Development Sites (4,000+ housing units)

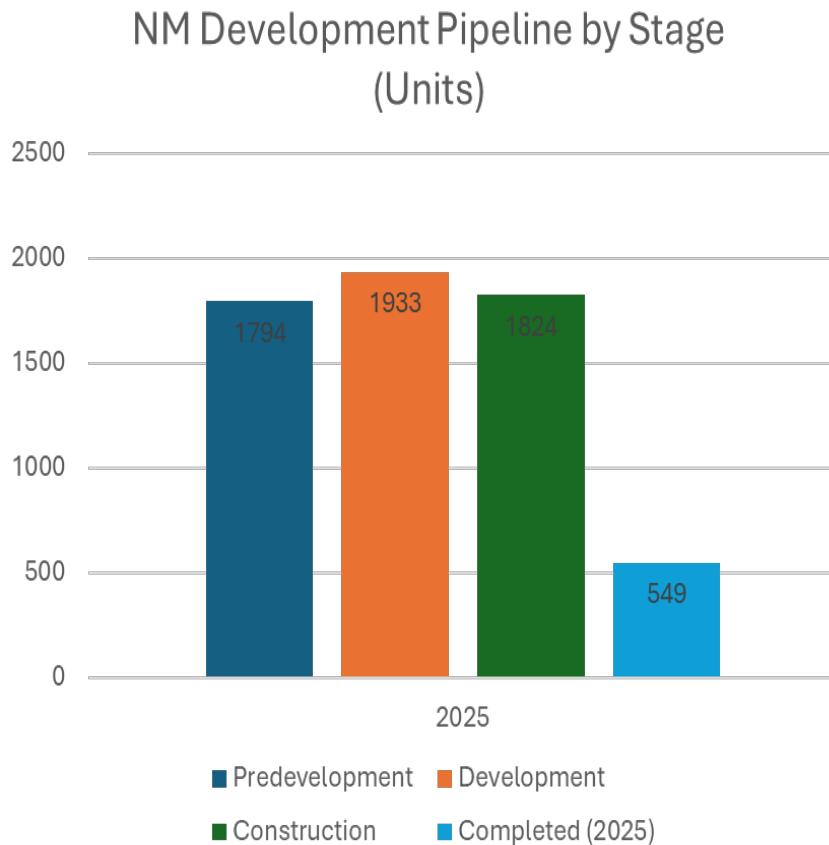


VHDO Non-Market Portfolio

The portfolio includes more than **260 sites**, which translate into over **13,000** affordable homes across Vancouver



VHDO Non-Market Pipeline



- Since 2017, the City has committed over 50 sites towards the delivery of social housing
- ~30 City sites are currently being developed as social housing, 6,000+ homes
- Most projects have funding from BC Housing
- Projects vary from mixed use to stand alone affordable housing

Rental Housing – Key Objectives



Through a portfolio approach, increase supply of rental housing on City land



Generate public benefits through development



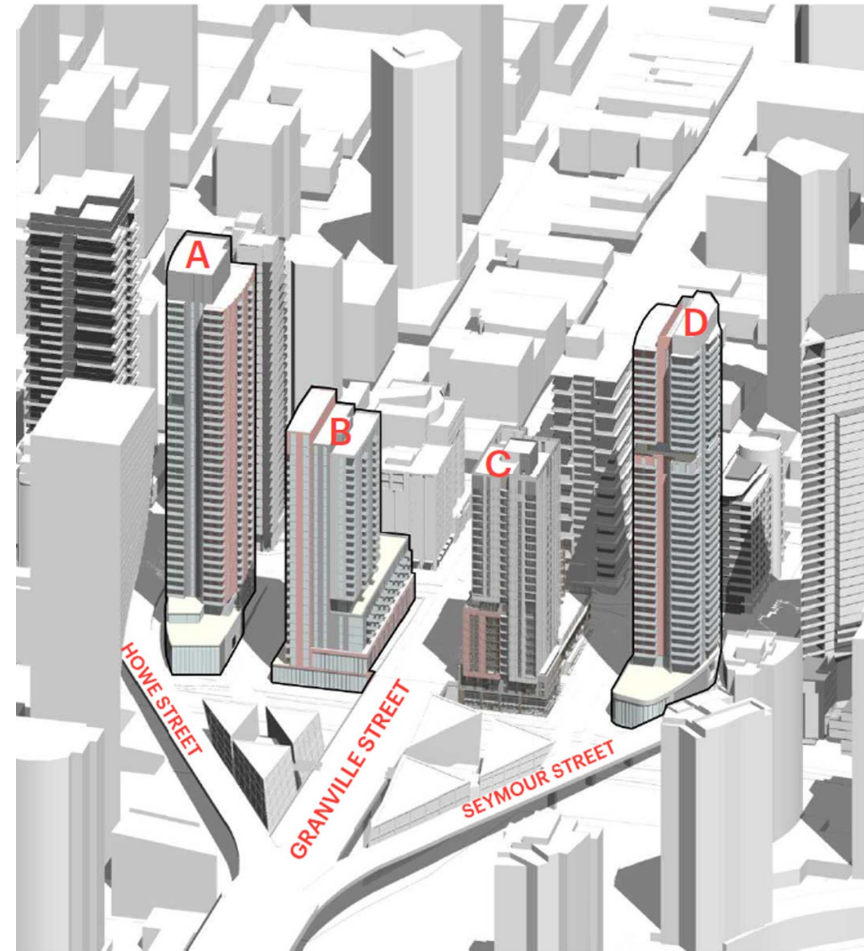
Optimize financial returns & generate non-tax revenues



Build generational wealth for City of Vancouver

On-site Public Benefits – Granville Loops

- 201 new social housing units
 - Partnership with BC Housing under the Community Housing Fund (CHF) program
 - deeply affordable housing (20% shelter, 50% HILs and 30% LEM)
- 887 new homes



On-site Public Benefits – 2400 Kingsway

- Neighbourhood house
- A 37-space childcare facility
- New public open space
- 863 new rental units

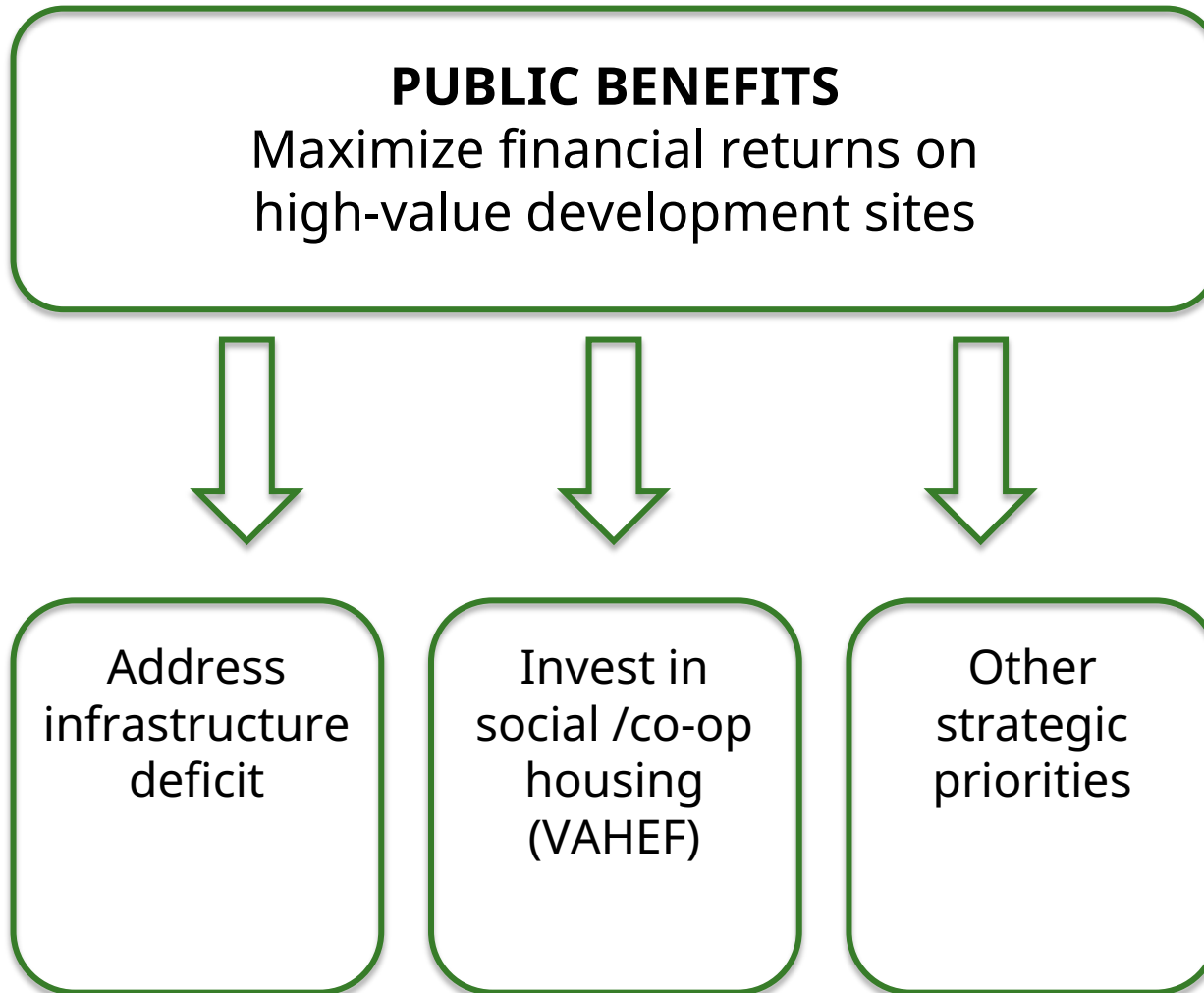


On-site Public Benefits – 8324 Granville

- New public library
- 412 new rental units



- VHDO now in discussion with Federal funding partners in CMHC and Build Canada Homes.
- GBE is the mechanism to leverage private capital and senior government financing opportunities without impacting the City's debt capacity and credit ratings and to mitigate the City's liability exposure.
- Without GBE, City will not be able to take a more active role in delivering rental housing on City land while optimizing financial returns; instead, City will rely on the ground lease model which poses the lowest risk & returns.



Local & National Precedent

- Burnaby Housing Authority
- Surrey City Development Corporation
- UBC Properties Trust (non-municipal)
- Calgary Municipal Land Corporation
- Create TO



Vancouver – Leadership in Housing



- City has set a target to approve 83,000 housing units over the next decade as part of the Housing Vancouver Strategy.
- 4,000+ rental housing units from 6 development sites represent ~5% of this target.

- Council decision on establishing a GBE
- If approved:
 - Incorporate the GBE
 - Council to establish Board of Directors
 - Transfer six pilot development sites to GBE
 - Commence development planning, finance and partnership engagement

Questions

Appendix

Government Business Enterprise (GBE)

A **wholly owned corporation** that operates independently from the City

Public Sector Accounting Standards

- Separate legal entity
- Financial and operational autonomy
- Provides sale of services or goods to external parties
- Financially self-sustaining

Business Objectives

- Develop rental housing on City land
- Generate non-tax revenue
- Optimize long-term asset value
- Mitigate City's liability exposure

Mandate

- Develop and operate market rental housing
- Generate financial return and pay dividends to the City

Governance

- City is sole shareholder
- Council appoint Board of Directors and set:
 - Mandate
 - Borrowing limits
 - Development partnership criteria

Financial safeguards

- GBE cannot sell land
- No City financial guarantees or backstops

GBE – Governance

