

CANADA MORTGAGE AND HOUSING CORPORATION

Assisted Housing Business Supplement

FIRST QUARTER
March 31, 2019

To supplement CMHC's consolidated financial statements, which are prepared in accordance with IFRS, CMHC uses non-IFRS measures to analyze its performance. The following Assisted Housing Business Supplement is prepared for the first quarter ending March 31, 2019, and is intended to help readers better understand CMHC's Assisted Housing activity. CMHC believes that this business supplement provides meaningful information that enables greater transparency and clarity with respect to CMHC's Assisted Housing activity.

HOUSING PROGRAMS EXPENDITURES

(in thousands)	Three months ended 31 March 2019	Three months ended 31 March 2019
Assistance for Housing Needs		
Cooperative Housing	2,045	2,045
Investment in Affordable Housing	138,913	138,913
Non Profit Housing	33,601	33,601
On Reserve Housing	41,075	41,075
Other	3,774	3,774
Public Housing	52,380	52,380
Pyrrhotite*	10,000	10,000
Rent Assistance	19,381	19,381
Rural and Native	1,154	1,154
Social Infrastructure Fund – Budget 2016**	36,729	36,729
Transferred Programs (SHA)	255,275	255,275
Urban Native	100,841	100,841
Federal Lands for Affordable Housing - NHS	8	8
Federal Community Housing Initiative - NHS	12,497	12,497
Total	707,673	707,673
Financing for Housing		
Prepayment Flexibility*	4,256	4,256
Rental Construction Financing Initiative - NHS	1,398	1,398
Total	5,654	5,654
Housing Expertise and Capacity Development		
On Reserve Housing***	9,356	9,356
Housing Policy, Research and Information Transfer	9,858	9,858
Total	19,214	19,214
Administration Expenses (Operating Expenses)	44,021	44,021
Total Spending	776,562	776,562

* Spending authority provided from initiatives announced through Budget 2015, 2016 and 2017.

** SIF (Budget 2016) includes Renovation and Retrofit (CMHC and Province/Territory Delivered), Investments in Affordable housing and On-Reserve Renovation Programs.

*** On Reserve Housing also includes Housing Internships for First Nation and Inuit Youth.



HOUSING PROGRAMS HOUSEHOLDS ASSISTED

In 2017, CMHC provided support to 518,000 lower-income households living in social housing (including in First Nations communities).

Households Assisted (Calendar Year)	2016	2017*
Subject to Social Housing Agreement (SHA)	354,200	343,000
Subject to existing arrangements		
First Nation Housing (On Reserve)	25,600	24,300
Affordable Housing (Off Reserve)	156,300	150,700
Total	536,100	518,000

*The social housing portfolio is maturing as a result of no new delivery with the exception of the On-Reserve Non-Profit Housing program which is delivered annually.

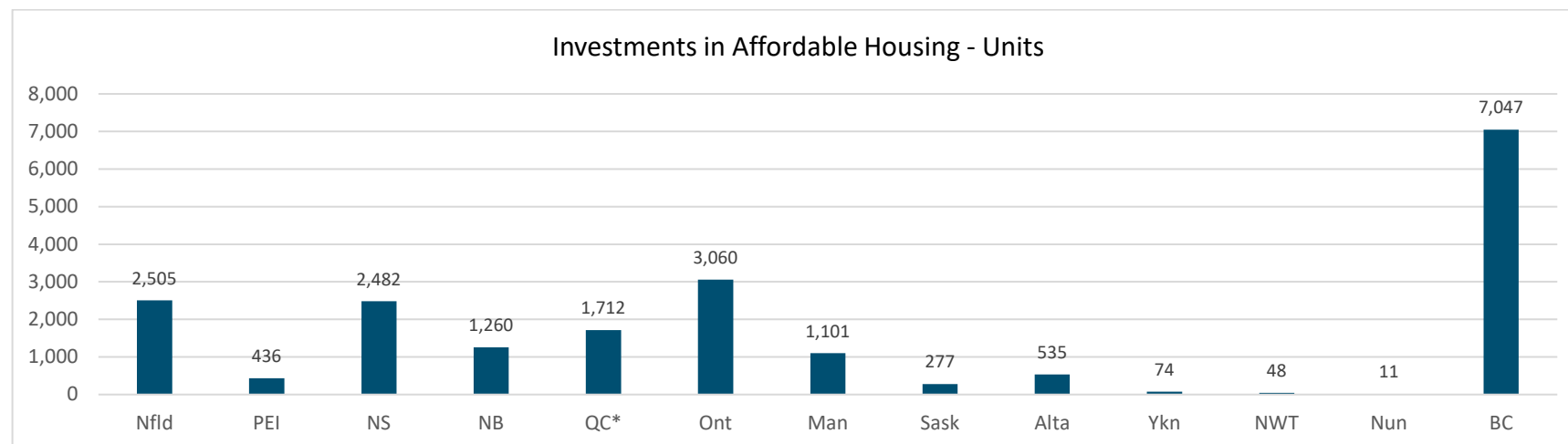
FIRST NATION HOUSING UNITS

From April 1, 2018 to March 31, 2019, 1,549 units received new funding through the Non-Profit Housing program and Renovation programs.

First Nation Housing Programs (Fiscal Year)	2017/18	2018/19
Non-Profit Housing	897	836
Renovation Programs	552	713
Renovation and Retrofit (Budget 2016)	2,417	n.a.

INVESTMENTS IN AFFORDABLE HOUSING (IAH) UNITS

From April 1, 2018 to March 31, 2019, over 20,500 households benefitted from the Investment in Affordable Housing funding.



*The number of households no longer in housing need as a result of shelter allowance in 2018/2019 is not included. This information will be included once it has been reported publicly by the Province.



LENDING PORTFOLIO

LOAN PORTFOLIO*

By Program*	31-Mar-19		31-Mar-18	
	No. of Loans**	O/S Loan Balance (\$M)	No. of Loans**	O/S Loan Balance (\$M)
National Housing Strategy	25	164.0	4	23.1
Innovation Fund	3	1.0	0	-
Rental Construction Financing Initiative	22	163.0	4	23.1
Co-Investment Fund	-	-	-	-
Direct Lending Programs	8,226	3,486.0	8,584	3,863.1
Social Housing	3,039	1,420.6	3,677	1,617.8
Housing Support	443	1,144.9	534	1,301.1
Municipal Infrastructure Lending Program (MILP)	272	1,064.2	272	1,190.3
Sewage Treatment Program (STP)	171	80.7	262	110.8
Shelter Enhancement Program	16	11.0	22	6.0
Renovation Programs	6,838	100.3	6,580	130.3
Total	18,587	6,326.7	19,401	6,941.3

* Includes forgivable loans

** The pay down in loans is a result of anticipated maturities and the prepayment initiative.

ARREARS REPORT**

By Program*	31-Mar-19		31-Mar-19		31-Mar-18	
	No. of Loans in Arrears > 1 day	Arrears Rate	No. of Loans in Arrears > 90 days	Arrears Rate	No. of Loans in Arrears > 90 days	Arrears Rate
Direct Lending Programs	43	0.43%	30	0.32%	29	0.28%
Social Housing	5	0.03%	3	0.03%	2	0.03%
Renovation Programs	0	0.00%	0	0.00%	0	0.00%
Total	48	0.46%	33	0.35%	31	0.31%

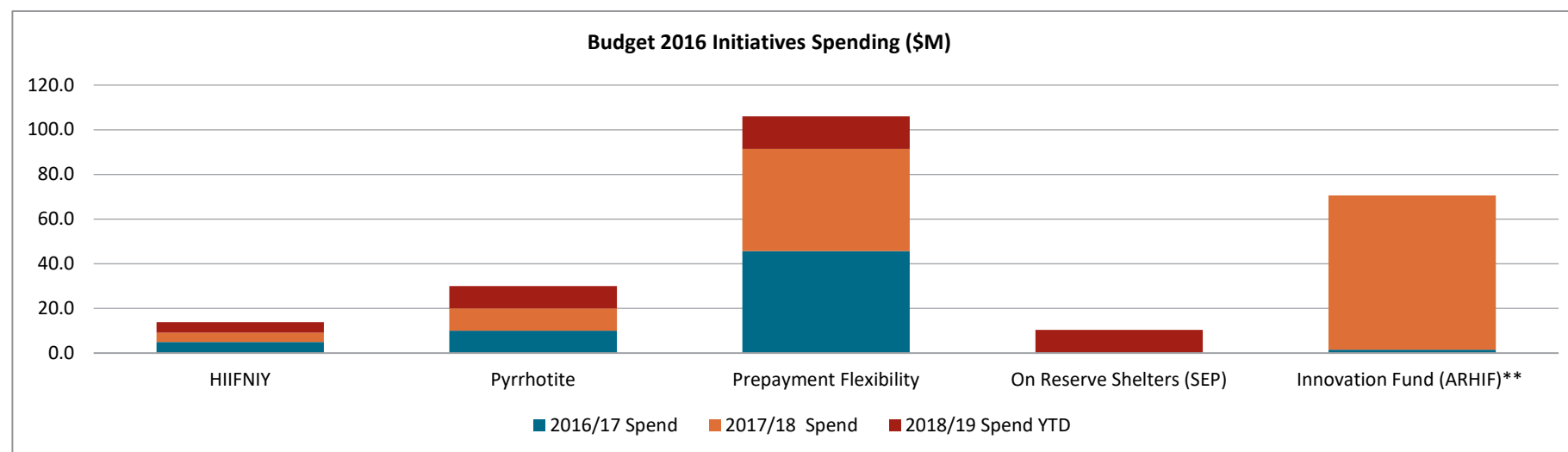
* There were no arrears under the Housing Support programs or the Shelter Enhancement Programs.

**The ratio of all loans that are typically more than 90 days past due to the number of outstanding insured loans.



BUDGET 2016 INITIATIVES

Budget 2016 Social Infrastructure Initiatives were launched successfully and many of the initiatives reached their sunset date on March 31, 2018. CMHC's Housing Internship for First Nations and Inuit Youth (HIIFNIY) program supports internships for indigenous youth by providing work experience and on-the-job training. CMHC also provides up to \$30 million over three years to help homeowners in Quebec dealing with costly structural problems in their homes as a result of the presence of the mineral pyrrhotite in their foundations. Up to \$150 million is provided over four years under the Prepayment Flexibility to allow social housing providers (coops and non-profits) to prepay long-term non-renewable CMHC mortgages without penalty. Budget 2016 provided additional investments to improve housing capacity in First Nation communities and create new shelters for victims of family violence. An investment of \$208.3 million is provided over 5 years under the Innovation Fund which encourages new funding models and innovative building techniques in the rental housing market. All figures are reported on a fiscal basis starting April 1 and ending on March 31 and exclude operating expenditures.



Budget Initiatives	2016/17 Spending (\$M)	2016/17 Take-Up	2017/18 Spending (\$M)	2017/18 Take-up	2018/19 Spending (\$M)	2018/19 Take-Up	Units YTD Fiscal (cumulative)	Cumulative Unit Take-Up (Since 2016-17)	Projects - YTD Fiscal (Cumulative)
Housing Internship for First Nations and Inuit Youth*	5.0	100.0%	4.1	100.0%	4.8	98.0%	1,241	102.0%	622
Pyrrhotite	10.0	100.0%	10.0	100.0%	10.0	100.0%	305	76.3%	305
Prepayment Flexibility	45.7	91.5%	45.7	91.4%	14.6	58.4%	n/a	n/a	415
Innovation Fund (ARHIF)**	1.5	15.0%	69.1	98.7%	0.0	0.0%	7,383	184.6%	17
On-Reserve Shelters (SEP)	0.0	0.0%	0.0	0.0%	10.4	100.0%	5	100.0%	5

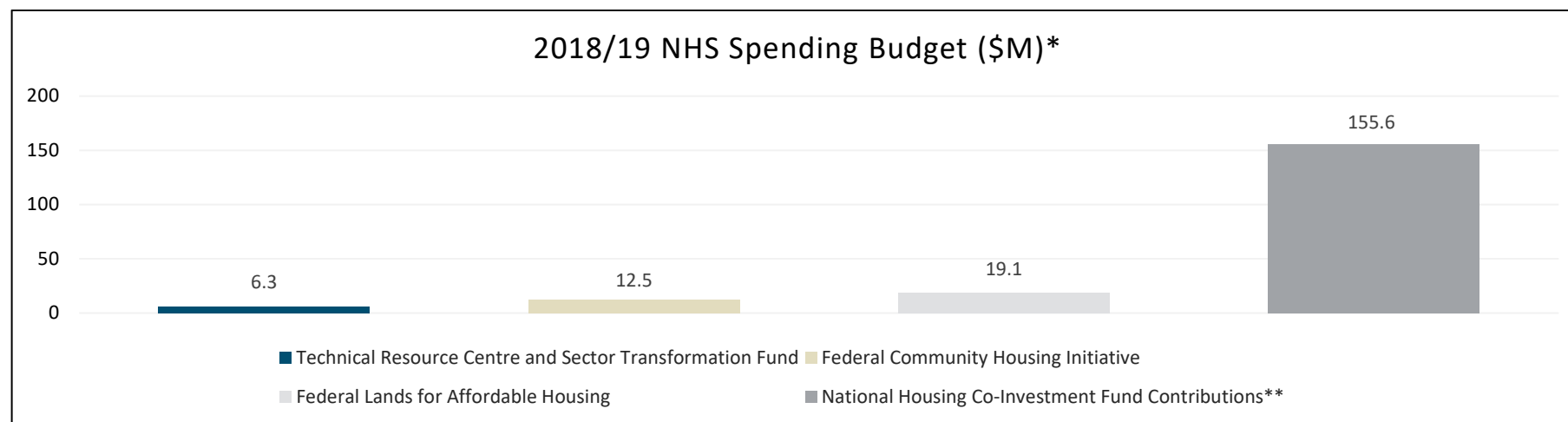
* HIIFNIY units represent number of youths employed

** The Affordable Rental Housing Innovation Fund figures represent commitments made on signed agreements. In addition to the figures in the table, there are \$15.5M reported Letters of Intent (LOIs) bringing the combined total amount of commitments since inception to \$86.1M.



NATIONAL HOUSING STRATEGY (NHS)

The implementation of the Budget 2017 National Housing Strategy (NHS) Initiatives is underway which includes a series of initiatives that contributes to reducing core housing need through repairing and maintaining the housing stock, building new affordable housing units and providing housing affordability allowances. The National Housing Co-Investment Fund (NHCF) will provide contributions and low-cost loans focusing on two key priority areas of the National Housing Strategy: new affordable housing supply and the repair and renewal of existing affordable and community housing supply. As of March 31, 2019, 39 applications for new housing supply and 6 applications for repair and renewal of housing supply were issued Letters of Intent (LOI). These applications represent over 1,800 in new units and close to 600 in repair units amounting to \$207.3 million in contributions and low cost loans. In addition, CMHC issued a Letter of Intent (LOI) for a portfolio application under the Co-Investment Fund, The Toronto Community Housing Corporation (TCHC), which will repair and renew over 58,000 housing units representing a federal commitment of \$1.34 billion over a 9-year period. Under the Federal Community Housing Initiative, new federal funding will be made available over a two-year period which began on April 1, 2018 to assist projects reaching their end of operating agreement (EOA) date. This funding will provide a temporary extension of subsidies in order to preserve affordability for vulnerable tenants. As of March 31, 2019, \$12.5 million in subsidy extensions have been provided to support over 17,000 units for projects reaching their end of operating agreement dates. The Technical Resource Centre and Sector Transformation Fund will provide technical assistance, tools and resources to increase capacity of social housing providers and support a more efficient, resilient and effective sector. The Federal Lands for Affordable Housing initiative makes surplus federal lands and buildings available to housing providers for less than market value for the construction and renewal of affordable housing. As of March 31, 2019, 90 government properties were in the process of being reviewed for disposal to be made available for affordable housing projects and 6 properties have been approved for disposal and will be posted for sale.



* Figures exclude operating expenditures

National Housing Strategy Initiative	Total Budget	Unit Targets
National Housing Co-Investment Fund	13.2B	At least 60,000 new units At least 240,000 repaired units
Federal Lands for Affordable Housing	200.0M	4,000 new units
PT Priority Funding	2.2B	National targets to be confirmed through negotiations
Federal Community Housing Initiative	500.0M	55,000 community housing units that will continue to be offered
Technical Resource Centre	74.2M	Support capacity building, enhancement and modernization

** In addition to the contribution budget, the National Housing Co-Investment Fund had a loan budget of 200.0M in 2018.

