

CANADA MORTGAGE AND HOUSING CORPORATION

Assisted Housing Business Supplement

FOURTH QUARTER
December 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 fourth quarter ending December 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 December 2019	Twelve months ended 31 December 2019
Assistance for Housing Needs		
Budget 2016 - Other	0	10,000
Cooperative Housing	14,840	48,743
Federal Community Housing initiative	0	12,497
Federal Lands for Affordable Housing	5,029	5,276
FPT Partnerships	42,233	42,233
Innovation Fund	0	737
Investments in Affordable Housing	0	138,913
Limited Dividend	146	437
Non Profit Housing	26,140	119,549
On Reserve Housing	28,291	132,221
Other	3,134	12,465
Preservation Fund	688	1,183
Public Housing	41,084	177,951
Rent Assistance	18,692	78,085
Rural and Native	2,306	8,558
Social Infrastructure Fund – Budget 2016**	308	37,648
Transferred Programs (SHA)	197,386	812,621
Urban Native	20,190	132,871
Total	400,467	1,771,988
Financing for Housing		
Co-Investment - NHS	14,799	17,718
Prepayment Flexibility*	1,969	6,558
Rental Construction Financing Initiative - NHS	9,670	18,222
SEMP	72	72
Total	26,510	42,570
Housing Expertise and Capacity Development		
On Reserve Housing***	1,969	13,323
Housing Policy, Research and Information Transfer	5,518	19,499
Total	7,487	32,822
Administration Expenses (Operating Expenses)	63,895	210,041
Total Spending	434,464	2,057,421

* 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.



NATIONAL HOUSING STRATEGY (NHS)

National Housing Co-Investment Fund

The National Housing Co-Investment Fund (NHCF) will provide capital contributions and low-cost loans with a total budget of \$13.2 billion 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 December 31, 2019, there has been close to 120 approved applications issued for over \$1,164.0 million in low cost loans and almost \$804.0 million in requested contributions for a total commitment of over 66,000 new and repaired units. These amounts include the Toronto Community Housing Corporation (TCHC) portfolio application which represents \$810.0 million in requested loans and \$530.0 million in requested contributions for a total of 58,860 repaired units.

The Rental Construction Financing initiative

The Rental Construction Financing initiative (RCFi) provides lower-cost loans to encourage the construction of rental housing across Canada, where the need for supply of rental is clearly demonstrated. It will provide up to \$3.75 billion in loans over the 4 years starting in 2017. The initiative launched on April 20, 2017, and integrated to the NHS. Budget 2019 expanded the RCFi, by making an additional \$10 billion available in financing over nine years to help build 42,500 new affordable rental units across the country. As of December 31, 2019, CMHC committed \$4.9 billion under the RCFi to support the creation of 15,921 units, of which 10,764 will be affordable.

Affordable Rental Innovation Fund

An investment of \$208.3 million is being provided over five years starting in September 2016 for the creation of an Affordable Rental Innovation Fund. This funding is being used to encourage new funding models and innovative building techniques in the rental housing market. The fund is looking for unique ideas that will revolutionize the affordable housing sector moving forward. Of the \$208.3 million, \$200 million funds new projects and the remainder will be used for administrative costs. As of December 31, 2019, CMHC committed over \$115.3 million to support the creation of 12,661 units, of which 12,119 will be affordable. Over 2,300 units are currently built or under construction. The CMHC Innovation Fund team is reviewing and assessing all proposals on an ongoing basis, and funding announcements are made when projects have been approved.

Federal Lands for Affordable Housing

An investment of \$200 million is being provided over 10 years starting in 2018/19 for the creation of the Federal Lands for Affordable Housing initiative. The 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 December 31, 2019, 2 conditional agreements were approved representing a commitment of 283 units and \$5.3 million in contributions. 7 other properties, representing 169 potential units, are currently under the competition process.

Federal Community Housing Initiative

Under the Federal Community Housing Initiative, new federal funding has been made available in April 2018 to assist projects reaching their end of operating agreement date. This funding provides a temporary extension of subsidies in order to preserve affordability for vulnerable tenants and stabilize operations of community housing providers. It will also allow time for housing providers to transition to a new Phase II rental support program beginning in April 2020. As of December 31, 2019, \$26.6 million in subsidies were provided to over 23,330 housing units representing the extension of 768 projects reaching their end of operating agreement dates.

National Housing Strategy Initiative	Total Budget	Total 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



HOUSING PROGRAMS HOUSEHOLDS ASSISTED

In 2018, CMHC provided support to 426,000 lower-income households living in social housing (including in First Nations communities).

Households Assisted (Calendar Year)	2017	2018*
Subject to Social Housing Agreement (SHA)	343,000	260,000
Subject to existing arrangements		
First Nation Housing (On Reserve)	24,300	23,000
Affordable Housing (Off Reserve)	150,700	143,000
Total	518,000	426,000

* 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.

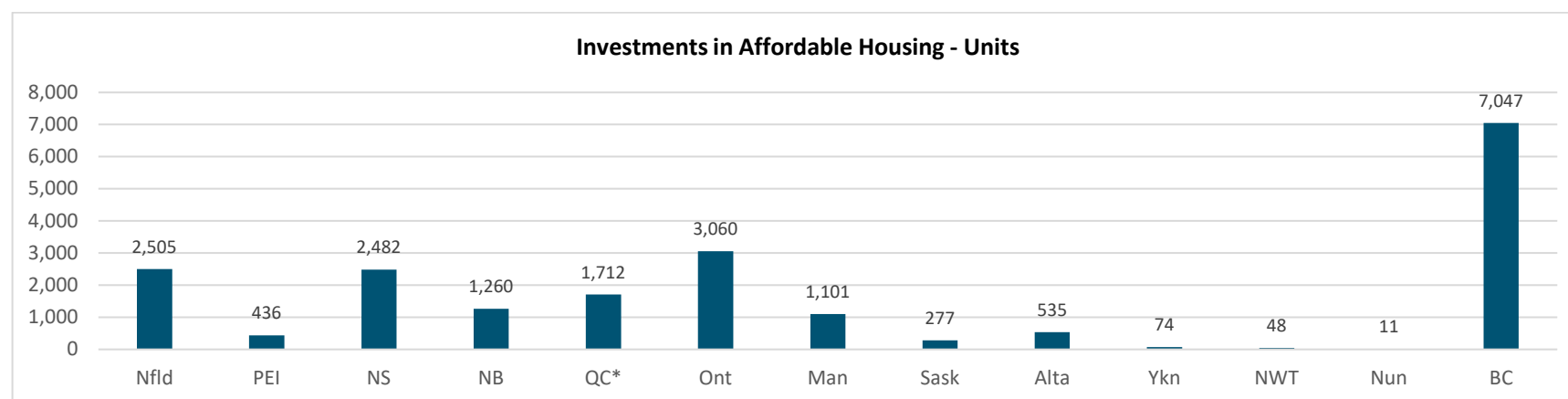
FIRST NATION HOUSING UNITS

From April 1, 2018 to December 31, 2019, 2,049 units received new funding through the Non-Profit Housing program and Renovation programs.

First Nation Housing Programs (Fiscal Year)	2018/19	2019/20
Non-Profit Housing	836	352
Renovation Programs	713	148

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-Dec-19		31-Dec-18	
	No. of Loans**	O/S Loan Balance (\$M)	No. of Loans**	O/S Loan Balance (\$M)
National Housing Strategy	1,601	570.5	19	131.7
First Time Home Buyer	1,531	26.1		
Innovation Fund	9	9.7	3	1.0
Rental Construction Financing Initiative	54	524.5	16	130.7
Co-Investment Fund	7	10.2	-	-
Direct Lending Programs	7,920	3,256.2	8,319	3,563.6
Social Housing	2,730	1,299.5	3,264	1,523.6
Housing Support	360	1,030.7	475	1,184.4
Municipal Infrastructure Lending Program (MILP)	271	962.9	272	1,092.9
Sewage Treatment Program (STP)	89	67.7	203	91.6
Shelter Enhancement Program	25	16.7	24	11.3
Renovation Programs	5,574	93.7	6,257	126.5
Total	18,210	6,267.3	18,358	6,541.1

* Includes forgivable loans.

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

ARREARS REPORT**

By Program*	31-Dec-19		31-Dec-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	50	0.38%	28	0.22%	28	0.31%
Social Housing	4	0.03%	4	0.03%	3	0.03%
Renovation Programs	0	0.00%	0	0.00%	0	0.00%
Total	54	0.41%	32	0.25%	31	0.34%

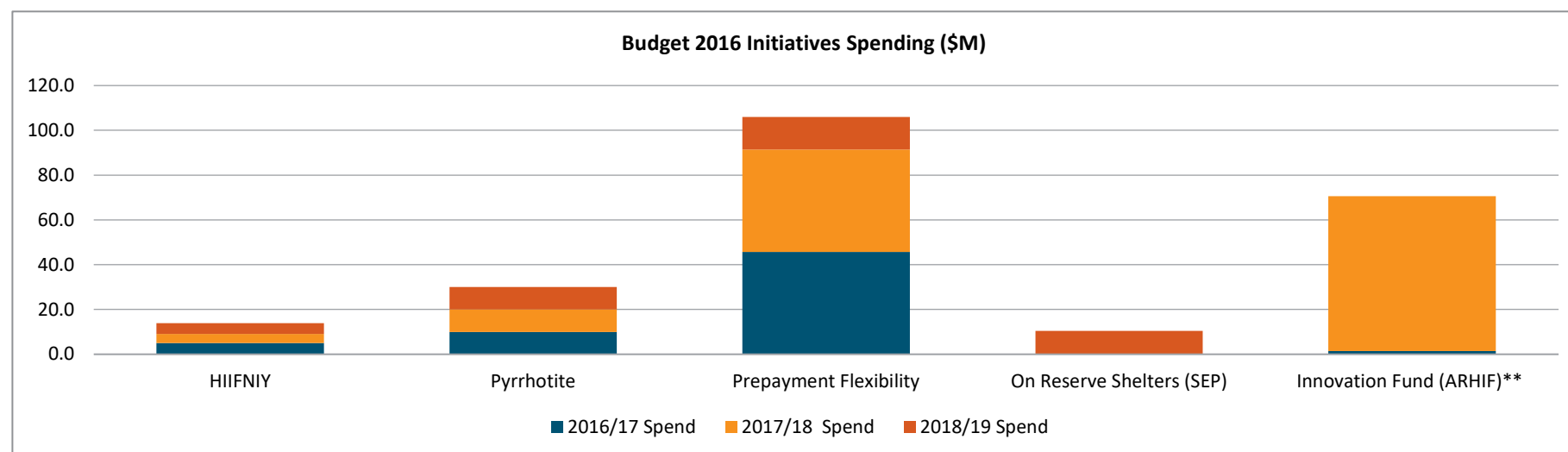
* There were no arrears under the Housing Support programs or the Shelter Enhancement Programs.

** 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 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
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.

