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PRINCIPALS/PRINCIPAUX: Jeff Morrison
Tim Ross
Tom Golem
Adam Vaughan, Liberal MP
Michelle Maillet
Andrew Jarvis

SUBJECT/SUJET: Canada Mortgage and Housing Corporation webinar to discuss the National Housing Co-Investment Fund.

Moderator: Good afternoon, good morning, depending on where you are, ladies and gentlemen. I just want to say welcome to this special member webinar being jointly hosted by the Canadian Housing and Renewal Association and the Co-operative Housing Federation of Canada. My name is Jeff Morrison. I am the Executive Director of CHRA, and I am joined today by Tim Ross, who is the Executive Director of the Co-op Housing Federation of Canada.

Before we begin, I will provide a brief overview of this webinar technology. I will then introduce our agenda and speakers for today's presentation. On the technology today's webinar is in real time. You should now be able to see a title screen of today's presentation and be able to hear us via your computer speakers, headset or telephone if you've chosen to dial in.

You're currently all muted, and we do this to minimize background noise. If you wish to ask any questions, which we encourage you to do, please type those questions into the question dialogue box on the webinar control panel at any time during the presentation and feel free to do so in either official language. We will answer questions in the language they are asked.

At the conclusion of the presentation, Tim, my partner in crime, will read out as many of the questions as we can get to, given our time. If you have any problems with the technology, please send us a message in the chat box, and we will try to respond.

Moving on to today's webinar topic, when the National Housing Strategy was unveiled in November 2017, its largest single component was the National Housing Co-investment Fund, a $15.9-billion program designed to build up to 60,000 new units of housing and repair and renew 240,000 units through a combination of grants and loans. Applications under the Co-investment Fund began to be accepted this past spring.

Since that time, community housing providers have raised several concerns about the Fund, particularly with regard to the application process, specific policy and, in some cases, inconsistent or unclear requirements. Over the summer, CHRA and CHF

Canada have been in regular contact with CMHC and other federal officials to discuss these concerns.

The purpose of today's webinar is to provide a forum for CMHC and the federal government to discuss and address these concerns that have been raised. I will now introduce our spokespersons. First, I'm very pleased to introduce someone who was a champion for Canada's housing sector on Parliament Hill.

Adam Vaughan is the Member of Parliament for Spadina–Fort York in Toronto and Parliamentary Secretary to Minister Duclos responsible for housing. First, very pleased to introduce Adam Vaughan, MP for Spadina–Fort York and Parliamentary Secretary to Minister Duclos. We are also joined by three officials from CMHC. Andrew Jarvis is the Director of Policy, Affordable Housing.

Thomas Golem is the Senior Manager, Housing Needs Policy, at CMHC and, last but not least, Michelle Richard-Maillet, the Regional Manager, Atlantic. Andrew, Thomas and Michelle are all directly involved in the operation of the Co-investment Fund. Michelle, Andrew and Thomas, we'll ask you to present your comments and your presentation first, and then we'll ask Adam to provide his comments, and then move over to questions and answers. Michelle, Andrew and Thomas, if you're ready to go, welcome to the webinar.

Andrew Jarvis: Thank you very much, everyone. It's Andrew Jarvis here. I'm very pleased to be with everyone today. I thank you for dialing in. Welcome, everyone. We will go through a quick presentation with you. However, we'll try to address some of the items Tim mentioned off the top.

I think there will be others who will want to come through and have some good questions and discussion, so we'll make sure to go through the presentation quickly, just to give an overview of the Fund and some of the components of it. Then, we want to hear from everyone in terms of the questions and discussion.

We will be presenting in both English and French. We will, when we get to the Q&A session, respond to questions in the language that they are asked. We'll get started with a quick overview of the Co-investment Fund. I'm going to assume most of the folks on the call know the details of the Fund, so I won't spend a lot of time reviewing them line by line, but the highlights of the Fund are on the screen for you now.

You can also access a product highlight sheet found on CMHC, the National Housing Strategy, website, which will provide further details of the Fund, eligibility and requirements and loan characteristics. Let's highlight a few questions around eligibility before I move on. There's two streams of funding—the new construction, the repair renewal.

There is a focus on affordability, accessibility and energy efficiency. We are looking to the National Co-investment Fund to create 60,000 new units, repair at least 240,000 units, create or repair at least 4,000 shelter spaces for victims of family violence, create at least 7,000 affordable units for seniors and create at least 2,400 new affordable units for people with developmental disabilities. Thanks, I'll turn it over to Tom for the minimum requirements.

Tom Golem: Thanks, Andrew. The Co-investment Fund, especially including the housing repair and renewal stream, is open to municipalities, provinces, territories, Indigenous governments, organizations, the private sector, public-private non-profit housing organizations and co-operatives.

This group includes the non-profit community organizations who promote low-income homeownership. Most of you are familiar with the minimum requirements as shown on this page, as well as the next screen, but just to go through a couple of pieces that I want to highlight. First, partnerships, a central feature of the National Housing Co-investment Fund—federal funding must be supplemented by investments from another level of government, such as municipalities, provinces or territories, to ensure coordination of investment.

As for financial viability, applicants will have to demonstrate their financial and operational ability to carry out the project, provide evidence of the financial viability of the proposed project and have the capacity to deal with development risks, such as cost overrun and delays in construction. For affordability, applicants must keep rents of a minimum of 30% of the units below 80% of the median market rent and commit for a minimum of 20 years.

We do have information on our CMHC housing information portal under the Rental Market Survey. For energy efficiency, existing projects must achieve a 25% decrease in consumption and greenhouse gas emissions relative to their past experience. For accessibility, the minimum requirements are 20% of all units within the project must meet or exceed the accessibility standards.

Access to the project and its common areas must be barrier-free. When your project is selected to proceed, it should be noted that you may also wish to apply for a solutions lab or demonstration lab or some other CMHC tools in the toolkit to allow you to overcome barriers to your project or to capitalize on some of the opportunities to improve your performance and enhance outcomes.

Moving to the next slide that outlines some of those minimum requirements that I spoke about, the minimum requirements are intended to incentivize greater socio-economic and environmental performance, which are aligned with the government's priorities and linked to the achievement of NHS outcomes.

For example, by funding the development of new energy-efficient housing, the NHS aligns with the climate change commitment, Canada's climate change commitment. That includes the pan-Canadian framework on clean growth and climate change and the commitment to reduce GHG emissions by 30% over 2005 levels by 2030.

Further, with respect to minimum requirements for energy efficiency, CMHC will allow co-ops to include energy efficiency improvements made within the last two years. Whatever increased percentage of energy efficiency previously has been achieved as a result of improvements and renovations done in the past few years would be counted toward the 25% threshold.

Overall, while we are looking at flexibility around meeting minimum requirements, we're currently defining what these may be. We are aware that concerns have been raised by partners, such as yourself, in areas such as projects with less than five units, for example. We've heard you, and discussions are under way internally around the concept of what we're calling a portfolio approach and an application intake.

These discussions are still early, and we will provide an update as we move forward. Likewise, we're finalizing our operational policies and guidelines related to the co-investment program administration, as it relates to the management of the replacement reserve and the payment of property taxes. We're taking the views of our partners into consideration.

Looking at the area of homeownership, while the Co-investment Fund is aimed at affordable rentals, there is a place within the Fund for the development of affordable homeownership. For homeownership, we will take a proposal-based approach with organizations that provide affordable homeownership. The proposed project will need to meet or exceed the minimum requirements in the areas of accessibility and environmental efficiency.

On affordability, we will work with those organizations to ensure affordability is maintained for the same minimum duration as the rental and that the affordability meets the needs of those populations that the Co-investment Fund is intended to serve. Anyone who is interested in affordable homeownership can contact their local CMHC representative, the affordable housing consultant, who can walk you through the specific criteria and the application process for affordable homeownership in the area of the Co-investment Fund. I'll turn it over to my colleague, Michelle.

Michelle Maillet: So, at this point, we think it would be important and useful to elaborate a bit on our process for submitted applications received by CMHC. Applications for funding are submitted every day and, once received, they are reviewed to ensure that they meet the minimum requirements and are prioritized every 60 days based on achieving the intended outcomes of the National Housing Strategy.

CMHC uses a scoring grid and our viability assessment tool, which you can view on our website under Resources, to determine the eligible loan and contribution amount obtained using the level of detail requested in the application. The level of detail requested in the application is needed to be able to prioritize the applications with the best social outcomes. Higher scores are assigned to applications that exceed the minimum requirements, based on the following factors: affordability; energy efficiency, accessibility; proximity to transit, amenities and community supports such as hospitals and daycares; collaboration and partnerships; social inclusion; and support for the most vulnerable, including women and children fleeing family violence.

Project readiness is also an important factor. Applications that are in a higher state of readiness may be selected to move forward before others that are not yet ready. That's why we ask 30 questions. We want to see as many people in affordable housing as quickly as possible—in housing that is built well and meets the needs identified during the consultations for the National Housing Strategy.

While I'm on the subject, thank you to every one of you who contributed to this process. This information is needed to provide insight on the social outcomes that will be achieved and the state of readiness of the project. With respect to the external reports, while these are not a mandatory requirement at the application stage, some of the external reports and requirements have a long lead time.

For example, zoning, building permits, appraisals and environmental site assessments are all things that can have rather long processes. So, knowing the status of this documentation helps us at CMHC understand the readiness of the project, which helps us in our decision-making process.

Don't forget that project readiness is a factor in determining which applications will be selected to move forward in a particular 60-day window. The projects that have a higher level of readiness may be selected to move forward before others that are not ready.

It's also important to note that the external reports will be necessary if a project is selected to move to the assessment stage. I would like to make a final few points, specifically about housing co-operatives and non-profit organizations, before moving on.

For housing co-ops and non-profits, there may be some flexibility in cases where it's not possible to meet some of the minimum requirements, which will be assessed on a case-by-case basis. As well, while housing co-operatives do not need confirmation of all funding sources at the time of application, these do need to be in place and confirmed to CMHC by the time of the first advance.

Regarding partnerships and partnership contributions, I also want to clarify a couple of items. First, federally administered co-operatives are, in fact, exempt from the partnership requirement portion of the co-investment. With respect to partnership contributions, non-monetary contributions must also have a value attached to them.

For example, accelerated municipal approvals are a good example of partnerships, but you can't attach a value to them. So, in this example, you are meeting the program requirements, but no additional points will be awarded. We appreciate that this process may be somewhat detailed, but it's necessary to ensure we achieve affordable housing outcomes for all Canadians.

This includes greater socio-economic and environmental performance, social inclusion and accessibility. Here on the screen is an example of a typical project. There have been many questions where a number of you have asked for more details on how we set interest rates. The answer to this is that rates depend on CMHC's cost of borrowing at the time of the first advance, the project's construction timeline, and the pace at which the loan funds are drawn.

So, on the screen now, you will see a generalized example to help illustrate this. On the left is the example of a new two-year construction project and, on the right, is an example of a typical 15-month repair project.

In both cases, the indicative rates were based on CMHC's cost of borrowing and, for this example, we took the rates from April of this year, as well as the assumed length of the construction period and the loan draw schedule.

The indicative rates will, of course, move as our base cost of borrowing fluctuates. CMHC's Affordable Housing specialists have access to these interest rates for the day when you will be able to draw funds and can give you a more accurate rate specific to your project.

Also, note that, given the potential difference between an actual interest rate and the rate that we give you as an indication, we plan to assess project viability using the indicative rates plus 100 basis points.

This is to ensure that the viability of your project (unintelligible) from changing interest rates. Let's hope that this clarifies the questions that you had about interest rates. I will now give the floor back to Andrew.

Andrew Jarvis: Thanks, Michelle. We're on slide 7 for some quick updates on the first few intakes of the National Housing Co-investment Fund. As we mentioned, it was launched in the spring this year. To date, we've got 130 applications that have come through. It's a continuous intake period, and we're currently accepting applications in the third round. It's a continuous 60-day intake period.

To date, two thirds are in prioritization, so approximately two thirds of the 130 applications that we received have been prioritized to move forward. About 80% of the applications so far have been through non-profits and co-ops. So far 85% of the applications have been around new construction. That's great news as well, but we do want to continue to encourage more activity on the repair side. Just to give you a couple of early numbers on how the first few intake periods have gone so far. I'll turn to Tom for the next slide.

Tom Golem: Moving on to slide 8, insurance, in the area of insurance, we would like to clarify that the loans under the National Housing Co-investment Fund are not mortgage loan-insured. CMHC keeps the Co-investment loans on our books for a period of up to 20 years. We will start with an initial 10-year term closed to prepayment with a fixed interest rate that is locked in at the first advance.

When the first 10-year term ends, the term will be renewable for another 10 years; the interest rate will reset at that time. The amortization period of the loan is for up to 50 years. This will allow payments to be spread over a longer period and, therefore, more affordable month to month.

It's worth noting this is different from RCFi where loans are offered for a 10-year term also closed to prepayment but they are mortgage-insured. That is in order to facilitate takeout financing by the private lenders after that 10-year term. CMHC does not renew these loans under RCFi for another term.

What's next? We're just six months into this program, and some terrific applications have come in. That said, we're continually looking at our operational policies and procedures with an eye to improvement. We listen to the feedback. With this in mind, we’re anticipating that a new viability assessment spreadsheet and guide will be available in the near future.

As with our intake process for applications, we’re continuing to evaluate and monitor the implementation of the Co-investment Fund. This type of forum is instrumental in ensuring that we can work together to reach our shared goals of creating and reinvigorating affordable housing across Canada.

We’re listening, and we value every correspondence. We’ve heard some concerns regarding the minimum number of units. I’d like to report that internal discussions are taking place around a portfolio approach to application intake. It’s still in the early stages of discussion, and this approach may represent a possible solution for some applicants who find themselves in a situation where they wish to access Co-investment, but their project is less than five units.

We’ll share more details with you as we move forward on this. The next slide is questions, so we’ve come to the end of our formal presentation. I’ll turn it over to Jeff and Tim and Parliamentary Secretary Adam Vaughan.

Jeff Morrison: Thank you to Thomas, Andrew and Michelle for those comments. I will say before passing the microphone to Adam that some have asked whether there will be a bilingual transcript available of the comments, and we will be asking that of CMHC, so stay tuned and we’ll get that to you very shortly. It’s now my pleasure to pass the presentation over to the MP for Spadina–Fort York, Adam Vaughan.

Adam Vaughan: Thanks very much and good morning. Welcome to everyone who is joining us from across the country. Hello, welcome (unintelligible) who are joining us. It’s good to be here to talk housing. It’s always good to talk housing. I want to detail some of the functionality and the rationale and reason behind the program design, so as to encourage you to make use of it.

First and foremost, one of the most critical pieces of this capital program is that it does not require matching funds from the provinces or the cities. It doesn’t require any provincial contribution whatsoever. There is a requirement for some municipal participation.

It doesn’t have to be matching dollars. It can be services in kind. It can be land. It can even be, in some cases, like we see in Calgary, a more rapid approval process, which is counted as a contribution in kind, as we take a look at the municipal contribution of labour and resources to get applications approved.

We’re very flexible on what constitutes municipal contributions. We’re very aware that smaller municipalities have a more difficult time making those contributions. What we want to do is make sure it ties into your local municipality’s housing program, so we’re in a coordinated fashion. The second thing, which I think is critically important, is the final point made by our colleagues from CMHC: the continual intake design of this program.

This is being done for a couple of reasons. We don't want all the applications aimed at a single date in the calendar, and yes or no happens, and you're a year away from being able to rework or rethink your program to meet the criteria. We want it to be on a continual intake for a couple of reasons. It allows you to apply when you're ready, as opposed to waiting for a deadline.

We know this is important, especially if you're acquiring land or have a hold on land that's available. Secondly, we don't want that there be over the next 10 years 10 disbursements in dollars and 10 intake points, because it doesn't allow us to learn in real time to make sure that we evolve the program as the housing proposals that come to us change and are innovative.

We want to make sure we're on a continual intake that allows us to learn as you teach us how to move back into this critical sector of constructing housing and repairing housing. We're starting to see some challenges around the language that governs repairs. If you're replacing your elevator, it's very hard to make your entire project 25% more energy-efficient. We're realizing we're too rigid on the interpretation of that. We also realize we need to make housing in this country much more energy-efficient.

It's good for the environment, but it's also good for the long-term operating viability of a project. We're working on those sorts of hiccups, but we're doing it with an open mind and with your expertise helping us get to a better point.

The other thing I'm going to say about the program that's critically important is, in the past, if you're an Indigenous housing operator and you came to the mainstream programs or the central programs of the government, you were quite often redirected back to the Indigenous and Northern Affairs Ministry or INAC or you were sent away saying this isn't for Indigenous housing.

That is not to happen. If that happens to anybody who's proposing housing in this area or serving these populations, I would ask you to immediately contact the Ministry. This is a very serious breach of human rights, and CMHC knows it is not to disqualify projects simply because they have Indigenous components, in particular, in urban settings where there is no substantial Indigenous urban housing program in the country.

We're still building that program and still looking for new dollars to be added to help deliver in that area. We know that in all general programs at CMHC, we pay attention to this sector because of the extreme need presented to us in terms of urban Indigenous populations.

Additionally, the other thing that's important about this policy is it's there to work around the provinces if a province is hostile to public housing. This became more critical as we get governments like the one in Saskatchewan that just pulled its rent subsidy program. We saw in Ontario the first move on the climate change file saw repair dollars pulled from the Toronto Community Housing portfolio.

We see headwinds ahead, and we see choppy water ahead. We've made sure that the boat we've built can get across whatever expanse of water that's in front of you, with or without provincial participation. This isn't a criticism of those provinces that are stepping up. In fact, if you can get the province to contribute, those are the sorts of partnerships that help advance your project, but we no longer require provincial contributions to make this work.

The other piece of the puzzle that is important for the excellent work that the co-op sector does in mixing communities with different economic footprints is the Canada Housing Benefit, which currently hasn't been delivered yet but the agreements are being signed with the provinces and territories. Most of the projects that have been approved are going to take a couple of years to build.

The Housing Benefit will arrive at the same time you're handing out keys to new tenants. You will be eligible to use the Canada Housing Benefit in the projects. It's hard to budget them in, but they can clearly provide subsidies to people who are tenants in your buildings to allow them to age in place or to access housing they normally wouldn't be allowed to access.

That's one of the reasons we got this out the door so quickly; it's to make sure there is new public housing to provide accommodation for people receiving the Canada Housing Benefit, because the housing you build is high-quality and low-rent, and we can provide more subsidies or deeper subsidies; we can house more people living in vulnerable situations currently.

The good news about that is twofold. The subsidies stay with the people, so they have a choice to move from spot to spot. That doesn't change the way in which you do your performance on your buildings. It just means—it also doesn't mean that the subsidies are tied to the mortgages, so you don't have to worry about them expiring.

They're wrapped around the people that receive them, and they'll be unveiled shortly in different provincial capitals as the programs get evolved by the provinces. With all of that, I think it's also critically important to note that this entire program does both repair and new build. Don't be afraid to take a look at accessing the dollars on repairs.

Everyone's got big eyes for the new build. We certainly want lots of new housing, but we also need to make sure we don't allow existing housing to fall by the wayside and fall into disrepair as we build new housing. We have to sustain the sector. That's critically important.

A couple of piece of advice for you: one is don't be afraid to reach out to CMHC. CMHC has been remodelled. The department is eager to do this after a decade of not building housing. They're as excited to see the projects coming in as anybody. The reality is it's a learning process. You can teach us how to make smarter approvals. You can also be taught by us how to access the program more easily.

If you're having trouble putting an application together, if you want to test ideas, CMHC is there to coach you across the finish line, as opposed to time you as you cross the finish line. The idea is that CMHC knows the full slate of housing tools available in the program. There may be other policies in other departments they can tie you into to help realize your project.

CMHC is no longer simply saying here's the perfect project. Try and get your application to fit the guidelines. We're trying to figure out how to use the array of tools to support you as you evolve your housing program and to evolve it toward success.

That's a huge change at CMHC. The front-line workers are eager to engage, to help you formulate your applications and help get them realized. That's also a critically important component of the program. With that, I'll leave it to questions and be happy to hear your thoughts.

Jeff Morrison: Thanks very much, Adam, and thanks to CMHC as well for the overview of the Co-investment Fund and an explanation of some of the fine tuning that's under way in the Co-investment Fund. We have some time for a few questions. If you haven't had a chance to pose your question, you can do so by typing it into the question box. I think we've got enough to get us to our 1:30 mark of wrapping up.

Off the top, we've got a question from Helen Harris. She's asking, "We heard you reference that co-ops can use previous energy-efficient projects from the last two years to meet energy efficiency minimum requirements. Can you confirm whether we heard this correctly and whether the same would apply to non-profit housing provider applicants as well?" That's a question to our friends at CMHC.

Tom Golem: Yes, you did hear correctly that we are looking at taking that 25% improvement, and we are looking at that and saying, if there have been renovations in the last two years, we will count whatever increases those have been toward that 25% we're looking at underneath the National Housing Co-investment Fund.

The reason for that is we know there's been a lot of repair money and a lot of structural work done as part of the federal government's investments since Budget 2016. We want to ensure that is taken into account as we go forward. The 25% is not necessarily a barrier in place.

Andrew Jarvis: I would just add energy efficiency is a key outcome under the National Housing Co-investment Fund, so we do look at it strongly. We are trying to prioritize projects where that is a key aspect to the application.

That said, we know there's lots of real world situations, work that's been done already in the last two years or if there's certain tangible barriers to why we might not be able to get to that minimum requirement, be it structural details, be it the location. The key is, while it is a key outcome for us, we do want to try to apply a common-sense lens wherever we can, because we are wanting to drive as many outcomes, as many solutions as we can.

I would want, in any opportunity where you think that's going to be a potential talking point, to engage our regional teams as early in the process as possible. We, internally at CMHC, are always talking to the folks that are working with people on projects with a lens on how we can support.

Jeff Morrison: Thanks, Andrew; thanks, Tom. Just a recap on that, an important component to Helen's question is confirming that these flexibilities are available to both co-ops and non-profits applying to the Fund. That's the case, correct?

Andrew Jarvis: Yes, we would want to look whenever there's been work done in the last two years.

Jeff Morrison: Thank you very much. I have received a question from Jocelyne Rouleau of the CQCH (Confédération québécoise des coopératives d'habitation). The question is, "Could you further elaborate on the possible eligibility of (unintelligible) housing projects in Quebec." There was some indication that there's some consideration being offered to affordable homeownership projects.

There are projects under way in Quebec that are offering homeownership under the co-operative model. Would you be interested in hearing some more about this through a Co-investment Fund application? Would this be considered under a Co-investment Fund application?

Michelle Maillet: Yes, this is certainly something we want to consider through the Co-investment Fund. When it comes to homeownership applications, we are really looking for groups. So, we would not receive applications for homeowners directly, but if there are groups or housing co-operatives that have owner-occupants with a group, that's definitely something we will consider through the Fund.

Adam Vaughan: The government is now exploring other programs for affordable homeownership—I don't know how to say that in French. Our government is looking at other programs around housing affordability, as opposed to affordable housing (off microphone) in that sector, and there will be more statements and a pathway to those discussions very shortly.

Jeff Morrison: Thank you, Mr. Vaughan. Thank you, Michelle. We received a few comments from a few of our guests today really looking at the repair and renewal minimum standards, saying these are very high standards and that proponents are finding them very challenging. Is there an opportunity to review these standards in order to increase the output and production of affordable housing?

Adam Vaughan: I'll take that. First of all, the program is on a continuous learning cycle, so we're seeing where there is friction in the program and making sure, if we need to make adjustments, we can. On the new build, it's less likely. The new build, the targets of energy efficiency and, in particular, accessibility are really critical.

We have an aging population. We have a massively underserved population of people with disabilities. On those two fronts, we are adamant that accessible standards need to be improved right across the country with a new disability rights bill coming through as we speak. Secondly, on energy efficiency, it's just not the right thing to do nowadays to build to current guidelines. We're not going to save the planet if we relax those.

On renovations, we know we have to find some manoeuvrability on this and, on the second question, which is coming up on the acquisition of existing housing or the transfer from some public entities to non-profit entities, of things like Toronto Community Housing has scattered units. There will be, of course, an assessment of those that's done differently, but we haven't changed the program as it is right now, but we're watching it very carefully.

Jeff Morrison: Thanks, Adam. Hopefully, some opportunities to learn and improve the program's accessibility as we go. I know these are high standards. I've heard arguments as well that, if these are building standards, why don't we put them into the building code, but that's my commentary.

Adam Vaughan: The National Building Code is under review, but the National Building Code is more aspirational than legislative. The building codes exist at the provincial level, but we are certainly trying to move provinces and territories to a much higher standard on that front. The amount of greenhouse gas that comes from the residential sector is off the charts. If we're going to meet our goals and save the planet, we're going to have to take action on that front.

Jeff Morrison: Thanks, Adam. Drew Gorski asks us how election-proof the NHS is. Contribution agreements, extension of operating agreements that have been rolled out under the National Housing Strategy so far have all had the clause subject to parliamentary appropriations. How election-proof is the NHS? If there were to be a change of government, can this program be eliminated?

Adam Vaughan: No government program is ever election-proof. Parliament is supreme, but there are some components to it that have been locked in for the long term, and there are some fundamental changes we're making that make significant change far less likely.

For example, the tripling of the provincial dollars that was achieved in the first budget and the second budget now has been locked in for 10 years; those are signed agreements that have no exit clause. The federal provincial agreements, sustained funding and, in particular, some of the subsidies that, outside of a place like Ontario, are critical to the co-op sector, those agreements are in place for 10 years, and the new national housing legislation, when it moves forward, will have a requirement for renewing those agreements. It is not just a 10-year program. It projects into the future.

On the federal housing fund, a change in government could have a huge impact on those dollars, but there's no way of preventing that. What we've said is, however, that we're building into the housing system accountability measures, the housing advocate; we're bringing forward legislative frameworks to progressively realize that housing is a human right.

We're also bringing all of the co-op agreements that are held federally onto a similar timetable, so they all expire and are renewed simultaneously. There's huge political power in unifying the sector. There's some stuff we're doing to project the program forward, but as it stands, a 10-year program is going to be subjected to two electoral cycles within that 10-year time, maybe more, who knows.

We're doing what we can to make sure it is election-proof. I also want to clarify that our spending on housing didn't wait until now to be activated. Our first two budgets tripled the transfers to the provinces and doubled the funding for homelessness. We spent close to $12 billion in the first year, when only $4 billion was forecast by the previous federal government.

Those dollars are in the system now and are making a difference. We started spending on the National Housing Strategy the day we took office. What the National Housing Strategy has done is tie it all together and put it into a 10-year framework. We've spent almost a third of the dollars promised for housing already, and that's having impacts on communities across the country.

Jeff Morrison: Thanks, Adam. I'm going to turn it over to Douglas Long, our program manager of policy and government relations, to read a question that was emailed by one of our members.

Douglas Long: This question is from Betty Ann Baker of Niagara Peninsula Homes. One of their co-ops has a mortgage that doesn't expire for another seven years. Their question to CMHC: "Is there still a rule that a co-op must be finished their mortgage payments within five years of the funding approval." The follow-up question was, "How will the mortgage be registered on title for the funding? Is CMHC going to take the second position?"

Andrew Jarvis: I must admit I do not know the answer to that off the top of my head. Michelle, if you've encountered that one. Otherwise, what I can do, Betty Ann, is track that down for you over the next hour or so and come back with a response that we can share with the rest of the group.

Jeff Morrison: Thanks, Andrew. We'll make sure you're connected to Betty Ann, but it looks like Adam has—no, he's just turning the microphone around. Okay, just a quick administrative question. Folks are curious whether there are provincial earmarks or allocations under the Co-investment Fund. It looks like Adam wants to lead off on this one.

Adam Vaughan: We're watching for regional fairness and regional parity as the fund rolls through. There will be some two-month approvals that are weighted just by accident more than design to certain parts of the country, but there's no carve-out per province per se. There's no targeted dollar amount or set aside.

In some ways, it is first come, first served, but we also are fully aware we have to be fair to the whole country, not just any one or two regions or provinces. You won't be told there's no money available for you because we've already spent too much money in province X, Y or Z or territory.

There are some conversations around the bilateral agreements with the provinces and territories to address some really critical shortages, in particular, in the Northwest Territories and Yukon. There will be announcements about that in the next few days, but we have real heavy lifting to do in the territories and, in particular, over the last couple of years, the Northwest Territories is needing additional support very quickly.

So, there will be some policy worked out that that will have an impact across the entire National Housing Strategy to make sure we don't leave the territories behind. If you want more details, I would urge you to contact Michael McLeod who is the MP who has been fighting day in, day out. I can't get to my seat in Parliament without being asked where the bilateral is and what's the Northwest Territories getting. He is single-minded about it and very effective.

Jeff Morrison: Thanks, Adam. We're going to try to get to two more questions. I'll go to Justin Marchand. He's asking, "Mr. Vaughan, we heard you reference an Indigenous—urban Indigenous—component that's being built and funding needs to be added. Can you elaborate and include timelines and action items?"

Adam Vaughan: This is a program being evolved under Minister Philpott's new ministry that is the Indigenous infrastructure and service ministry. We know, while we negotiate new housing agreements with the national Indigenous organizations, with the Metis Council, the ITK, the Inuit governance model and the Assembly of First Nations, that there is a fourth component to Indigenous housing in this country, in particular, to urban Indigenous communities.

We are working toward filling a constitutional requirement to make sure that Indigenous people who live in urban centres are recognized as community, as a fourth order of Indigenous self-governance. We're working toward creating an urban Indigenous strategy, period, but an urban Indigenous housing strategy is seen as fundamental to changing the circumstance facing far too many people of Indigenous descent.

That policy and funding model is yet to come. It's not in the department I work in, but in the interim, all of the funds we talked about today are eligible for Indigenous housing providers in urban settings. You don't have to just go to Indigenous Services at the federal level to get housing dollars. CMHC has some, and there are other programs that we can point you toward when you make an application.

Jeff Morrison: Thanks, Adam. We have a question from Maynard Sonntag. The question is, "There's been no specific mention of the grant portion of the Co-investment Fund. Can anyone speak to that?" That's from Silver Sage Housing in Regina Saskatchewan.

Adam Vaughan: There was a slide, if you go backwards, that shows the division of loan and grant and land in terms of the Fund. The old co-op system was substantially much more focused on loans with grants and land, but loans were the big part of it. Because of the way housing gets built and the rent that gets paid and the ability to pay off loans through the operation of these programs, loans remain a significant portion, but the slide up there now shows that, of the $13.17 billion, $8.65 billion is loans and $4.252 is contributions, which are the grants.

Jeff Morrison: Thanks, Adam. Perhaps, folks at CMHC could speak more on a technical basis about what that looks like per project, in terms of the mix of grants and contributions, and how those determinations are made as you've taken in applications so far in the program pipeline.

Andrew Jarvis: Obviously, the program is available through a combination of grants and loans. It's difficult to get concrete. It's a continuing intake, as we mentioned, and we are prioritizing based on the applications that score the highest, that drive the most outcomes relative to our strategy.

Yes, we have prioritized locations that are looking for a contribution, no loan component, but again, we're always looking at it based on that competitive vantage point. I'm not sure if the question was around something like that, that is, if it's just contribution, is that something we'll look at. The answer is yes, but I guess we are looking at it from the overall; it is a competitive process at the end of the day, in terms of the applications that get prioritized. We're looking at it that way, but I'm happy to dig in more specifically on the contribution piece.

Michelle Maillet: Maybe, I'll add as well this is a question we get asked often on the ground, how we determine the combination and/or contribution, and Andrew mentioned we do prioritize the applications. I think it's important to know that we see this as a loan program first. We have contributions available for projects that need it for viability or for projects that exceed the minimum requirements.

Viability is a very important determinant of how much they will receive as far as contribution. If they can service a loan, we will prioritize a loan, and if they're missing funds from a viability perspective, then we will top up with contributions, or we'll consider contributions only for models that don't have the potential to service a loan.

But, such as the name tells us, Co-investment Fund, we're really trying to stretch the dollars. The National Housing Strategy is a very generous $40 billion, but unfortunately, it can't meet all the needs we see in our market. We're really trying to align ourselves with as many partners as we can and stretch the dollars as far as we can.

Adam Vaughan: The reason there isn't a formula is because, when you create those formulas, you almost automatically disqualify certain projects. Some projects come with a lot of land but not a lot of financing. Some come with no land and need to acquire it and therefore need a lot of upfront money to get the projects going.

Once again, the design of this program is to fit around your uniqueness, not to make you fit your project for the program. Instead, we're trying to fit the program to your project, and that's the flexibility. That's the reason why it's so critical to get your ideas in front of CMHC field officers as early as possible, because they can play with the pro forma until you get a project that can be realized.

They can mix and match different strategies at different times in the life of the program to accelerate and make possible unique housing opportunities. There is no one-size-fits-all proposal, and you're not measured against a one-size proposal objective, except in some of those areas where we want to see accessibility and environmental performance.

Jeff Morrison: Thank you, Adam. Our friends from Silver Sage followed up with us: "It's critical for us with the loss of a rental subsidy that we have access to these programs if we want to preserve and build community housing."

Adam Vaughan: I will say, in many provinces, we couldn't get to the renewal of the agreements until we got the National Housing Strategy. There was a challenge in the first budget that a number of us were very concerned about, but part of the way we accommodated expired agreements to get them back enrolled and back into a subsidy space was that we increased the money to the provinces and we lessened the restrictions on the funds going to provinces and territories, so they could provide a subsidy.

There are a number in my riding which lost their subsidies before the housing strategy kicked in, and we announced the community housing fund, which is a separate additional part to the strategy that also has areas where you can make applications now with new projects. The reality is we increased the funds in transfers to the provinces. Those funds are eligible to pick up lapsed agreements.

In Toronto, for example, we've done just that. Toronto had a policy of a fixed subsidy for rent supplements, but we worked with the housing office and showed them how they could provide customized subsidies, sustained rent-geared-to-income subsidies, to allow people to stay in their units. We were very successful with it.

So, the dollars are there for lapsed agreements. They're just not at the federal level anymore, but new ones will not lapse. I want to be really clear about this. I was knocking on doors at a co-op just a couple of weeks ago. They said our agreement is expiring in two years. "There's nothing—what's going to happen?"

I said, "Don't worry. CMHC will reach you." "Can we talk to them now?" "Well, you've got a couple of years, but they'll be there before it expires." That's the design of the program, so if you've got a mortgage expiring in three or four years, do not worry. CMHC will knock on your door before you have to knock on theirs.

Tim Ross: On that note, perhaps that's an opportunity to consider our next webinar topic, the Federal Community Housing Initiative, phase two. So, lots more work to do there. I want to extend my appreciation to all of our registrants here today for tuning in and learning more about the Co-investment Fund. I think it's been very positive for CMHC and the Government of Canada to hear how this fund is working from a provider and co-op perspective.

We've had some good Q&A here today, and I do hope this dialogue will continue. Thanks to Andrew, Thomas and Michelle at CMHC, and thanks again to Mr. Vaughan for joining us here today. We will be making a recording of this webinar available afterwards, and we will be following up to support a bilingual transcript as well for today's presentation. Thanks again to our sister association, CHRA, and Jeff Morrison for working together with CHF Canada to make this webinar possible. Thanks, everyone, and have a great day.