

**CMHC- ONTARIO
BILATERAL AGREEMENT UNDER THE 2017 NATIONAL HOUSING STRATEGY**

**SCHEDULE B: MHO – DELIVERED INITIATIVES (CMHC-FUNDED)
ADDENDUM – SCHEDULE B.1: INITIATIVE 3 – CANADA - ONTARIO HOUSING BENEFIT
EFFECTIVE AS OF APRIL 1, 2020**

	INITIATIVE	OBJECTIVE
3	Canada – Ontario Housing Benefit	<p>CMHC and MHO have agreed, in accordance with the FPT Housing Partnership Framework and NHS Principles, to co-develop and cost-share the Canada - Ontario Housing Benefit (“HB”) based on the federal HB themes set out in this Schedule B.1 and local housing affordability challenges as described in the Action Plan.</p> <p>Recognizing the regional needs and priorities within Ontario, the HB will provide direct affordability support to households in Housing Need in order to eliminate or significantly reduce Housing Need in accordance with the agreed-to Targets and Outcomes.</p> <p>MHO is responsible for delivering the HB and shall be implemented starting April 1, 2020.</p> <p>Proponent Type: The HB shall be paid directly to, or on behalf of, households in Housing Need as set out in the Action Plan.</p>

1. This Schedule B.1 sets out the terms and conditions applicable to the HB.
2. All provisions of the Agreement apply to the Initiative in section 1 of this Schedule B.1, except as otherwise stated in the Agreement. Having regard to the co-development of the HB with a view to addressing local housing affordability challenges in Ontario, the Parties agree that section 12.1 (Equality of Treatment) of the Agreement applies to the Initiative in section 1 of this Schedule B.1 provided that, with respect to any term(s) requested pursuant to section 12.1 of the Agreement, Ontario will provide evidence-based support demonstrating that the requested term(s) address Ontario’s local housing context and affordability challenges. Schedule B to the Agreement does not apply to this Schedule B.1, except for section 6 (Payments of CMHC Funding and Information on Commitments) and section 7 (Disbursements). For greater clarity, section 5.5 of Schedule B to the Agreement applies to this Schedule B.1 as provided in section 8.1 of this Schedule B.1.

3. All references in the Agreement to the “Canada Housing Benefit” or “CHB” are deemed to be references to “Canada – Ontario Housing Benefit” or “HB”.

4. HB CO-DEVELOPMENT & COOPERATION

- 4.1. The Parties shall mutually agree to the co-development and Targets and Outcomes related to the HB. The Parties shall, in accordance with subparagraph 5.2 of the Agreement, regularly review the HB and course correct, if required, to realign priorities based on progress made to date. The terms and conditions of the usually agreed-to HB, shall be reflected in the Action Plan, as well as any amendments to those terms and conditions.

5. ACTION PLAN

- 5.1. MHO shall amend the Action Plan for Fiscal Year 2019/20 before April 1, 2020 to reflect the mutually agreed-to HB outlined in the HB Program Design Summary set out below.

- 5.2. The Action Plan must demonstrate consideration and alignment with the following HB themes:

- A. **Prioritization:** The HB shall prioritize households in Housing Need in the following order:
 - i. Vulnerable households: MHO will prioritize vulnerable populations to address local housing challenges. NHS vulnerable populations include women and children fleeing domestic violence, seniors, Indigenous peoples, people with disabilities, those dealing with mental health and addiction issues, homeless individuals and those at risk of homelessness, veterans, racialized communities, and young adults. MHO may also include other local vulnerable groups, which will be specified in the Action Plan.
 - ii. Households in existing or new Community Housing: this includes households in greatest need living in Community Housing that are not currently receiving affordability support such as rent supplements or shelter allowances. The HB may support households in Housing Need: (i) living in Community Housing; (ii) living in new community housing built under other NHS and PT initiatives; or (iii) on community housing wait lists. Where there is no Community Housing or if Community Housing is oversubscribed, the HB may support households in Housing Need living in the private rental market; and
 - iii. Vulnerable Homeowners in Severe Housing Need: where Community Housing or affordable private rental market is limited or absent, the HB may support homeowners in Severe Housing Need provided that MHO can demonstrate that the household is a vulnerable population in the Action Plan and subject to asset testing by Ontario. Severe Housing Need means a household that is in Housing Need and that spends at least 50% of its before tax on Housing (“Severe Housing Need”).

- B. **Direct Household Support:** The HB shall be paid directly to households in Housing Need or on their behalf with consent. For greater clarity, the HB will not be tied to Housing, a Project or Unit.
- C. **Portability:** The HB will be portable within Ontario in order to provide greater flexibility and choice for HB Recipients to re-locate, subject to appropriate mitigations by Ontario to reduce migration to markets with limited supply or inflation as specified in the Action Plan.

6. FINANCIAL PROVISIONS

- 6.1. Maximum CMHC Funding for the HB by Fiscal Year is set out below for the initial period beginning on April 1, 2020 to March 31, 2022:

Fiscal Year	CMHC Funding
2020-2021	\$29,728,100
2021-2022	\$38,119,000

- 6.2. CMHC Funding for the HB during the period from Fiscal Years 2022-2023 to 2027-2028 is the maximum amount of \$663,989,600 and will be allocated to MHO in accordance with the relevant Action Plan Periods set out in Schedule C, subject to subparagraph 5.2 of the Agreement and appropriations by Parliament. The notional amount of annual CMHC Funding for the following years are set out below:

Fiscal Year	CMHC Funding
2022-2023	\$58,946,100
2023-2024	\$78,118,300
2024-2025	\$91,508,700
2025-2026	\$124,028,300
2026-2027	\$143,156,000
2027-2028	\$168,232,200

- 6.3. CMHC Funding cannot be reallocated among Fiscal Years without prior CMHC approval. In addition, CMHC Funding cannot be reallocated among Initiatives.
- 6.4. For greater clarity and in accordance with subparagraph 7.4 of the Agreement, CMHC Funding and Cost-Matched Funding for HB will not replace or displace any level of provincial or municipal spending.
- 6.5. Payment of CMHC Funding remains subject subparagraph 7.5 of the Agreement and the finalized Action Plan as set out in subparagraph 5.1 of this Schedule B.1.

7. COST-MATCHING

7.1. The requirements related to cost-matching set out in the Agreement apply to this Schedule and the HB, as more specifically set out below:

- (a) By March 31, 2022, the total Commitments of Cost-Matched Funding under this Schedule B.1 must at least be equal to the total of CMHC Funding paid pursuant to subsection 6.1 above, for the Fiscal Year ending March 31, 2021. By March 31, 2023, the total Commitments of Cost-Matched Funding under this Schedule B.1 must be at least equal to the total of CMHC Funding paid pursuant to section 6.1 above, for the Fiscal Years ending March 31, 2021 and March 31, 2022.
- (b) PT Funding and Municipal Funding combined that are committed and disbursed of the total Cost-Matched Funding required by subsection 7.1(a) above shall be dollar for dollar costmatching. MHO shall outline and describe the HB cost-matching in the Action Plan. Any MHO program that is used to cost-match the HB shall demonstrate consideration of and alignment with the HB themes as set out in subsection 5.2 above. For greater certainty, cost-matching for the HB shall not include Funding from Other Sources, in-kind contributions, or the shelter component of a social assistance program.
- (c) MHO will refund to CMHC any amounts of the CMHC Funding paid for HB that exceed the totals of subsection 7.1(a) and (b) of this Schedule B.1 for Commitments of Cost-Matched Funding for HB.

7.2. For further certainty, it remains the responsibility of provinces and territories to ensure that HB recipients receive the full amount of the benefit without affecting other provincial, territorial or municipal social assistance benefits.

8. COMMITMENTS

8.1. All provisions of section 5 (Commitments) of Schedule B to the Agreement that apply in respect of Recipients apply to this Schedule B.1, except paragraph 5.2.

8.2. Commitments of CMHC Funding may be made from and after April 1, 2020 to no later than March 31, 2022. Commitments of Cost-Matched Funding may be made only from and after April 1, 2018 to not later than March 31, 2023.

9. REPORTING

9.1. In accordance with paragraph 8 of the Agreement and Schedule C, MHO shall reflect the HB in the Progress Report.

9.2. The following tables will also be completed with aggregated information on the HB, and reported twice annually as part of the Schedule C: Progress Report process:

Table 1: Affordability assistance provided to households through the HB

Affordability assistance provided to households through HB								
		TOTAL		Annual (in the year of the progress report)				
		Number of households assisted (from 2020-2021 to 2027-2028)	Average number of months of assistance	Number of households assisted	Average number of months of assistance	Average monthly amount of assistance (\$)	Average monthly housing cost (\$)	Average annual income (\$)
Number of households in Housing Need assisted	Renters							
Number of households in Severe Housing Need assisted	Renters							
	Homeowners							

Table 2: Number of households by Housing Type for which Housing Need has been addressed through HB by direct affordability assistance to the household

Housing Type	Removed from Housing Need due to Affordability Support		
	Canada- Ontario Housing Benefit		
	Year Start	Mid-Year	Year End
Community Housing			
Private Rental			
Homeownership			

Table 3: Number of households provided with direct housing affordability assistance through HB by Targeted Housing Program

Targeted Housing Program (by Housing Type)	Canada- Ontario Housing Benefit (# households)		
	Year Start	Mid-Year	Year End
Non-targeted			
Women and Children Fleeing Domestic Violence			
Seniors			
Indigenous peoples			
Homeless			
People with disabilities			
Mental health/addictions issues			
Veterans			

Young adults			
Racialized groups			
Newcomers/Refugees			
Other group(s) specified in the HB Program Design Summary (please list):			
Total			

Table 4: HB assistance for Recipients in current year

	Number of HB Recipients
HB Recipients who are receiving HB for the first time	
HB Recipients who continue to receive assistance (received HB last year, and this year)	
HB Recipients who received HB in a previous year (received HB in a year other than last year, and this year)	
Total HB Recipients this year	
HB Recipients who received HB last year but did not receive it this year	

9.3. CMHC and Ontario will work together to assess the Canada-Ontario Housing Benefit's impact on HB Recipients over the course of the HB, as well as to support research that covers the long-term impacts of the HB on households. MHO and CMHC may work with a third party to ensure the privacy of household-level data is maintained. The results of this analysis will be available to both MHO and CMHC.

10. COMMUNICATION WITH HB RECIPIENTS

10.1. In addition to the requirements in Schedule E, MHO shall provide annual letters to HB Recipient, always recognizing the CMHC and Ontario contribution in accordance subparagraph 2.4 of Schedule E.

**CMHC- ONTARIO HOUSING
BENEFIT PROGRAM DESIGN SUMMARY**

Program Name: Canada-Ontario Housing Benefit	Launch date: April 1, 2020
a) Effective date or Last revision: April 1, 2020	
b) Program description and objective(s)	<p><i>Describe how the HB will support the HB themes and local housing context and affordability challenges.</i></p> <ul style="list-style-type: none"> • The Canada-Ontario Housing Benefit (COHB) will build on the Ontario Portable Housing Benefit – Special Priority Policy to increase affordability of rental Housing in Ontario by providing portable housing benefits directly to households in need that are on, or eligible to be on, a social housing waiting list and to households in financial need living in Community Housing. • The delivery of the COHB will reflect the diversity of housing markets and priority groups in need in communities across Ontario.
c) Vulnerable populations	<p><i>Identify the vulnerable populations that will be prioritized by the HB.</i></p> <ul style="list-style-type: none"> • The Housing Benefit will be offered to low-income households in housing need that are on, or eligible to be on a social housing waiting list. • Ontario's priority households are survivors of domestic violence and human trafficking, persons experiencing or at risk of homelessness, Indigenous persons, seniors and people with disabilities.
d) Community housing	<p><i>Explain how the HB prioritize households living in community housing.</i></p> <ul style="list-style-type: none"> • Priority will also be given to households that will no longer receive housing assistance as a result of expiring social housing operating agreements/mortgages and/or federal/provincial programs.
e) Vulnerable Homeowners	<p><i>Explain how the HB will prioritize Vulnerable Homeowners in Severe Housing Need.</i></p> <ul style="list-style-type: none"> • Not applicable
f) Direct-to-household delivery	<p><i>Describe how the HB will be delivered directly to households in Housing Need or on their behalf with consent.</i></p> <ul style="list-style-type: none"> • The COHB will be paid direct-to-households. The household may consent to the Housing Benefit be paid on their behalf to a third party.

<p>g) Portability</p>	<p><i>Describe how the HB will be made portable and any limitations to portability to reduce migration to markets with limited supply or inflation.</i></p> <ul style="list-style-type: none"> • Building on the delivery of the existing Portable Housing Benefit – Special Priority Policy, the COHB will be immediately portable across Ontario as it will be provided direct-to-households and not tied to a unit.
<p>h) Inflationary effects</p>	<p><i>Describe what efforts will be made to monitor and mitigate potential inflationary effects.</i></p> <ul style="list-style-type: none"> • The COHB calculation will be based on a percentage of average market rents and will not be tied to actual rent paid by the household. Households will also be subject to a minimum rent payment. • Ontario will work with CMHC to monitor and mitigate potential inflationary effects.
<p>i) Partial-gap model</p>	<p><i>Confirm and describe the partial-gap model.</i></p> <ul style="list-style-type: none"> • The Housing Benefit amount will be calculated as the difference between a percentage of average market rent (based on the community from which the applicant is applying) and 30% of household's monthly net income.
<p>j) Cost-matching</p>	<p><i>Explain how the HB will be cost-matched. If an existing program is being used, explain how this will contribute to the overall achievement of the agreed-to Targets and Outcomes.</i></p> <ul style="list-style-type: none"> • The COHB builds on the existing provincially-funded Portable Housing Benefit – Special Priority Policy program. • Expenditures under Ontario's Portable Housing Benefit – Special Priority Policy program will be used towards cost-matching. Households under this program will transition to the Canada-Ontario Housing Benefit on July 1, 2020. The remainder of cost-matched funding will be new provincial funding.
<p>OTHER PROGRAM DETAILS</p>	

<p>k) Application process</p>	<p><i>Describe how individuals can apply to receive the HB.</i></p> <ul style="list-style-type: none"> • In order to ensure appropriate geographic distribution of the COHB, each of Ontario's 47 Service Managers will be provided with annual planning funding allocations. • Service Managers will provide applications to priority households, households on the social housing wait lists, and to households in need living in Community Housing. • Planning allocations that cannot be fully taken up in a given Service Manager area will be redistributed to Service Manager areas with higher take-up.
<p>l) Administration</p>	<p><i>Describe how the HB will be administered (e.g., how will funds be delivered, how will the HB be terminated, expected administration costs).</i></p> <ul style="list-style-type: none"> • The Ontario Ministry of Finance will process applications using automated information verification through the Canada Revenue Agency, issue monthly payments by cheques or direct deposit, and process annual renewals. • Households with \$0 per month in payment for 24 consecutive months will no longer be eligible. • Administration costs are expected to be below 10% of program funding.
<p>m) Visibility, communications and marketing</p>	<p><i>Describe plans for visibility, communications or marketing of the HB.</i></p> <ul style="list-style-type: none"> • The Canada-Ontario Housing Benefit will abide by the Communications Protocol, and applications forms and mailing inserts will acknowledge federal contributions.
<p>n) Authorities</p>	<p><i>Identify the authorities required prior to implementation of the HB.</i></p> <ul style="list-style-type: none"> • Ontario will seek final approvals on program design following execution of the Addendum: Schedule B.1: Initiative 3 – CanadaOntario Housing Benefit

Note: The HB program design as set out in the HB Design Program Summary and Action Plan shall be in accordance with the requirements of this Schedule B.1 and the Agreement.