

Canadian Alliance to End Homelessness

**Written Submission to the FINA Committee for
the Pre-Budget Consultations in Advance of the
2026 Federal Budget**



Summary of Recommendations

RECOMMENDATION 1:

Renew the National Housing Strategy, with a focus on improving housing outcomes and reducing homelessness

RECOMMENDATION 2:

Negotiate a Canada Housing Accord between the federal and provincial/territorial governments

RECOMMENDATION 3:

Invest in supportive and bridge housing through Build Canada Homes

Introduction

The Canadian Alliance to End Homelessness (CAEH) is a national charity working to prevent and end homelessness by helping to build effective community response systems and collaborating with government to solve the housing crisis.

Going into Budget 2026, Canada is facing a serious housing and homelessness crisis. Overall homelessness has doubled, and unsheltered homelessness has increased by 300% since 2018, according to the latest national point-in-time count. Budget 2026 is a critical moment for the federal government to take the next step towards realizing a bold vision on housing. This Budget presents an opportunity to:

1. Address the lack of coordination between levels of government.

2. Set out the federal government's vision to renew the sunseting programs and agreements under the National Housing Strategy.

3. Build a stronger housing safety net to reduce homelessness.

4. Increase the supply of deeply affordable and non-market housing.

5. Reduce the disproportionate impacts of homelessness on First Nations, Inuit, and Metis Peoples.

Recommendations for Budget 2026

1: Renew the National Housing Strategy (NHS), with a focus on improving housing outcomes and reducing homelessness

With the NHS coming up for renewal in 2027/28, the federal government has an important window of opportunity to determine its policy direction and align funding decisions in Budget 2026. This Budget also presents a critical window to provide certainty and clarity to the housing sector ahead of sunseting funding and agreements, to ensure building continues and that funding for support is sustained.

Recommendation:

There are key areas the federal government should focus on in the renewal of the NHS including:

- ⇒ Improving the Canada Housing Benefit.
- ⇒ Establishing a homelessness strategy within a renewed NHS.
- ⇒ Supporting community capacity to end homelessness through Reaching Home and a renewed Homelessness Reduction Innovation Fund.

Improving the Canada Housing Benefit (CHB): The current agreements for the CHB, through the NHS bilateral agreements, are coming up for renewal, creating an opportunity to re-imagine the CHB as a national income-based housing safety net. A strengthened, targeted, portable housing benefit, delivered in partnership with the provinces and territories, would be a powerful homelessness prevention tool.

While ongoing housing investments are important in increasing the affordable housing supply, they will take time to deliver results. The CHB should serve as a complementary and more immediate measure to address current housing affordability pressures and prevent people from falling into homelessness. For the majority of people experiencing homelessness and housing need in Canada, the need is temporary and often triggered by short-term financial shocks and rapidly increasing affordability pressures¹. A strengthened CHB would help stabilize households and reduce housing affordability pressures, reducing inflows into homelessness and supporting quicker exits when housing loss occurs.

Establishing a homelessness strategy within a renewed National Housing Strategy:

Missing from the initial NHS was a clear and integrated strategy on homelessness. Through the development of an Accord and the renewal of the NHS, the federal government has the opportunity to focus other levels of government around a set of shared homelessness reduction outcomes and accompanying accountability mechanisms. Rather than a static strategy to end homelessness, Canada needs a dynamic, adaptive federal strategy on homelessness that leans on proven approaches to end homelessness and focuses on a narrow set of objectives to achieve rapid, meaningful, and visible community-level

¹ [Homelessness: How does it happen? - Statistics Canada](#)

reductions in homelessness. This approach would enable local governments to lead – using a data-driven continuous improvement model – and federal and provincial governments would support within their areas of jurisdiction, all grounded in a shared and well-understood homelessness strategy.

Supporting community capacity to reduce and end homelessness through Reaching Home: Through the renewal of the NHS, Reaching Home investments should focus on developing community capacity and building coordinated local homeless systems to achieve local homelessness reduction outcomes.

This includes **extending the Homelessness Reduction Innovation Fund for another \$50 million over 3 years** to accelerate reduction efforts, create an incentive to build and transform local homelessness systems, and continue to share best and promising practices to achieve rapid reductions in chronic, veteran, and unsheltered homelessness.

The government should also ensure that the investments made in urban, rural, and northern Indigenous housing in the Spring Economic Update are delivered through a by-Indigenous for-Indigenous approach, and spent without any further delays.

2: Negotiate a Canada Housing Accord between the federal and provincial/territorial governments

The federal government is investing billions of dollars in housing and homelessness. However, without intentional collaboration and coordination between federal, provincial, and territorial governments, these investments will fall short of their intended impact.

The federal government cannot fix the housing crisis in isolation – provinces and territories have a critical role to play particularly on infrastructure, taxation, and operating funding for supportive housing. At the same time, the federal and provincial/territorial governments have overlapping and intersecting jurisdiction on a number of relevant issues touching housing and homelessness, including funding non-market and supportive housing, healthcare, and social assistance – emphasizing the need for shared responsibility and improved coordination. A blank federal cheque without provincial commitments could miss a generational opportunity to leverage major change in our housing market.

Recommendation:

The Canadian Alliance to End Homelessness recommends that the federal government undertake a process to establish a **Canada Housing Accord**. An Accord would be a new federal-provincial/territorial agreement that formalizes collaboration between levels of government on housing and homelessness, building on and replacing the Housing Partnership Framework and the National Housing Strategy agreements. The Accord would set out shared principles, outcomes, timelines, and areas of focus on housing and

homelessness, set out in a multilateral framework agreement followed by bilateral negotiations.

The federal government needs provincial and territorial cooperation and engagement to improve housing outcomes for Canadians, reduce and end homelessness, deliver new affordable and supportive housing, and reduce the cost and speed of delivering new housing throughout the ecosystem. This is not about creating new bureaucracy, but creating the systems, coordination, and relationships required to solve homelessness and fix the housing crisis.

3: Invest in supportive and bridge housing through Build Canada Homes

The next iteration of funding through Build Canada Homes, beyond its initial investment, should be laser focused on supporting people that the market can't or won't serve, and prioritize those in greatest housing need. Under the National Housing Strategy Act, the housing policy of Canada is the progressive realization of the right to housing. This means that Canada's housing policy requires BCH to prioritize those in greatest need and set clear targets and timelines to meet those needs.

This means that in addition to BCH's initial \$1 billion investment in supportive and transitional housing, BCH should accelerate investments in deeply affordable (*housing affordable to people relying on income support*), supportive, and bridge housing.

BCH must enable the delivery of the supportive housing desperately needed in our communities, and **CAEH recommends the government work towards an initial target of 50,000 new supportive housing units.**

However, to realize the full potential of the federal government's capital investment in supportive housing, the provinces and territories need to be involved. Rather than one-time deals with provinces or municipalities for specific BCH-funded projects, CAEH recommends that this type of collaboration and shared responsibility on supportive housing be spelled out in a new Canada Housing Accord, where BCH and the federal government support capital funding and provinces/territories fund and sustain operating and support costs, including health, mental health, and case management. Without FPT collaboration on supportive housing, the supportive housing units built through BCH risk falling short of their intended impact.

While continuing to focus on investing in permanent housing solutions, BCH should also invest in solutions that rapidly respond to and resolve unsheltered homelessness, such as bridge housing. Fitting as a complementary component of the work to end homelessness, bridge housing is sharply focused on the end goal of permanent, long-term housing. It combines short-term stability with high service intensity to help address barriers to housing, filling a gap in the housing system to serve people experiencing unsheltered homelessness with more complex and co-occurring support needs.

As communities grapple with unsheltered homelessness and encampments, municipalities are turning to the federal government to top up shelter costs and support local emergency homelessness response. The federal government can instead reframe Canada's approach – rather than focusing on costly, emergency-driven interventions, Canada can shift towards housing-focused solutions, including bridge housing, to meaningfully reduce the number of people living unsheltered.

The federal government should allocate funding within an expanded envelope of supportive and transitional housing commitment through Build Canada Homes to support the rapid deployment of bridge housing. Similar to supportive housing investments, federal bridge housing investments need provinces and territories. By prioritizing rapid deployment, fostering intergovernmental coordination, and focusing on housing outcomes, bridge housing can complement BCH's investments on supportive and modular housing to deliver for those in greatest need.

Conclusion

Homelessness is a housing problem and is deeply connected to our stretched housing system, including rental unaffordability, barriers to home ownership, and a lack of supportive and affordable housing. That is why it is essential to approach the solutions to the housing crisis from a systems-lens – from supporting young Canadians to achieve the dream of homeownership to building diversified non-market housing and investing in the policy solutions needed to end homelessness.

The Canadian Alliance to End Homelessness appreciates the FINA Committee’s consideration of these recommendations and would welcome the opportunity to appear as a witness to discuss them further.

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