



Ontario Alliance to
End Homelessness

August 28, 2025

Department of Finance Canada
90 Elgin Street
Ottawa, ON
K1A 0G5
yourbudget-votrebudget@fin.gc.ca

Dear Minister Champagne,

We are writing on behalf of the Ontario Alliance to End Homelessness (OAEH), a network of communities, agencies, and individuals dedicated to preventing and ending homelessness in Ontario.

At OAEH, we believe there are only two ways to end homelessness: prevent it in the first place, and provide housing to people who don't have any. Every effective solution fits within this framework.

Homelessness and housing precarity are national crises. In Ontario alone, more than 80,000 people were known to be experiencing homelessness in 2024 (with over half experiencing chronic homelessness), and hundreds of thousands more are at risk of losing their homes. Without decisive federal action, more Canadians will fall into crisis, and the costs of emergency services, shelters, and health interventions will continue to rise.

We know what works. Communities that invest in **homelessness prevention, long-term non-market housing solutions**, and **supportive services** are ending homelessness rather than merely managing it. For example, in St. Thomas, Ontario, local leadership and coordinated investment in supportive housing have reduced chronic and veteran homelessness, demonstrating that evidence-based strategies succeed when adequately resourced.¹

¹ Canadian Alliance to End Homelessness: "Bright Spot: St. Thomas-Elgin shows addressing encampments and reducing homelessness does not require the notwithstanding clause."



To accelerate these solutions nationally, we urge the federal government to:

1. Invest in non-market housing at scale

- Fully fund the creation of deeply affordable and supportive housing, with attention to Indigenous housing equity.
- Protect and upgrade existing affordable housing stock to prevent further loss.
- Ensure that the federal definition of “affordable housing” is tied to household income (e.g. no more than 30% of income), rather than a discount on market rents, so that new investments truly meet the needs of low- and moderate-income households.
- Treat affordable housing as social infrastructure, recognizing its long-term economic, social, and health returns.

2. Provide stable operational funding for community-based homelessness prevention and response organizations

- Enable organizations to implement evidence-based practices and coordinate across municipalities.
- Ensure funding supports both prevention (diversion programs, rapid rehousing, rent supports) and supportive housing operations.
- Increase Reaching Home funding for rural and remote communities, where homelessness is often hidden and resources are scarce, but impacts are severe.

3. Expand flexible housing supports, including portable housing benefits

- Empower households to maintain housing stability and reduce reliance on emergency shelters.
- Complement long-term capital investments by enabling people to stay housed in their communities.

4. Demonstrate federal leadership, coordination, and accountability

- Work across ministries and with provinces, territories, and municipalities to align resources and track outcomes.
- Prioritize investments that reduce crisis spending and emphasize long-term solutions.

<https://caeh.ca/bright-spot-st-thomas-elgin-shows-addressing-encampments-and-reducing-homelessness-does-not-require-the-notwithstanding-clause>

The Parliamentary Budget Officer’s 2024 report² underscores that Canada’s current approach is underfunded and insufficient. While federal spending on homelessness programs averages **\$561 million annually**, chronic homelessness has increased by 38% since 2018. To achieve the government’s stated target of reducing chronic homelessness by 50%, the PBO estimates that an additional **\$3.5 billion per year** is required to fund 144,000 supportive housing units with wraparound services.

Estimated Federal Investment Required to Meet Chronic Homelessness Targets

Item	Current Federal Investment	Investment Needed (PBO, 2024)	Gap
Annual federal spending on homelessness programs	\$561M	–	–
Funding required to reduce chronic homelessness by 50%	–	\$4.0B/year	+\$3.5B/year
Supportive housing units required	–	144,000 units with supports	–

The United Way’s *Built for Good* report³ further highlights that Ontario alone will need more than 805,000 deeply affordable units by 2035, including 93,000 supportive units and 55,000 units for Indigenous households. Achieving these goals requires **federal capital investment, operating subsidies, and policy leadership**, alongside provincial and municipal efforts.

² Segel-Brown, B. (2024) Federal spending to address homelessness, Office of the Parliamentary Budget Officer. Available at:

<https://www.pbo-dpb.ca/en/publications/RP-2425-005-S--federal-spending-address-homelessness--depenses-federales-matiere-itinerance> (Accessed: 27 August 2025).

³ United Way Greater Toronto, Cooperative Housing Federation of Canada. (2025) Built for Good: Delivering the Housing Ontario Needs. Available at:

https://www.unitedwaygt.org/wp-content/uploads/2025/07/2025_Built_for_Good_Report.pdf (AccessedL 27 August 2025).



Ontario Alliance to
End Homelessness

This gap is particularly acute in rural and remote areas, where federal Reaching Home funding has been limited despite clear evidence of need. Our members consistently identify rural and Northern homelessness as under-resourced, with communities struggling to meet demand with a fraction of the funding available to urban centres.

The Parliamentary Budget Officer has made the choice clear: either continue underfunding and watch the crisis grow, or invest at the scale needed to end chronic homelessness, with the knowledge that long-term savings will accrue in health, justice, and emergency services.

The federal government has the opportunity to scale the two proven solutions to homelessness — **prevention and housing** — so that it becomes rare, brief, and non-recurring across Canada. OAEH stands ready to share expertise, best practices, and data to support effective federal investments in ending homelessness.

Thank you for your consideration.

Sincerely,

Kaite Burkholder Harris, Jennifer van Gennip, and Dominica McPherson
Co-Chairs, Ontario Alliance to End Homelessness