

Response to Market Sounding on Build Canada Homes Design and Implementation

August 29, 2025

About AMO

The Association of Municipalities of Ontario (AMO) is a non-profit, non-partisan association that represents the interests of all 444 municipal governments across Ontario. AMO addresses common challenges facing our members and provides meaningful advice to the provincial and federal governments on practical solutions to the housing crisis that reflect the unique Ontario housing context. Housing pressures are keenly felt at the local level as municipal governments are responsible for ensuring housing infrastructure meets the needs of their local communities. AMO is actively involved in housing and homelessness advocacy because municipal governments play an important role in building strong, complete communities through their roles as planners and service system managers for the housing system.

Executive Summary

The Association of Municipalities of Ontario (AMO) is pleased to respond to the market sounding for Build Canada Homes (BCH). The housing crisis in Ontario is serious and widespread, cutting across all four corners of the province and hitting everyone from the middle class to our most vulnerable residents. Increased federal engagement in the housing space is needed and welcome in a significant and transformative way.

AMO supports the goals of Build Canada Homes – increasing the speed, supply, and affordability of housing along the entire housing continuum. In Ontario, there is an opportunity for Build Canada Homes to expand upon, support, and complement municipal efforts to create the right conditions to both facilitate housing of all types and to develop new non-market housing. Given the unique role of Ontario municipalities in housing, trilateral partnership with collaboration on program design, implementation and ongoing evaluation will be key to success.

AMO proposes the following recommendations to ensure the successful implementation of Build Canada Homes (BCH):

1. Successful implementation of BCH in Ontario will depend on collaboration between municipalities, District Social Service Administration Boards, the provincial government, and the federal government.
2. BCH should include a focus on deeply affordable housing. Federal BCH programs should support the acquisition, development, and maintenance of community and supportive housing.
3. BCH should include a significant focus on providing municipalities funding contributions rather than low-cost financing. They also need significant process improvements in order increase development speed, including greater risk tolerance, and movement to a portfolio approach rather than a project-based allocation process.
4. BCH should work with municipalities and District Social Service Administration Boards with responsibility for land use and service system planning as well as determining who is best positioned to develop new housing.
5. BCH should support industry development for new building technologies while recognizing unique local considerations.
6. BCH should include a focus on increasing supply in communities across Ontario – big and small, rural and urban, northern and southern – in a flexible manner adapted to local needs and circumstances.
7. Increasing housing supply will require significant new investments in housing-enabling infrastructure.

Ontario's Unique Context and Housing Landscape: The Municipal Role Addressing the Housing Affordability and Homelessness Crisis

Ontario municipalities are unique in the Canadian federation in their role in funding and developing affordable housing in addition to the more common municipal role in planning and approvals.

Each order of government has a distinct role to play in addressing the housing supply and affordability crisis in Ontario. Municipal governments are local planning authorities and Service System Managers for housing. The Province sets the land use planning framework that municipalities must follow through a combination of legislation, regulation and policy guidance, and serves as an approval authority. It is also a steward of the community housing system; and the federal government is traditionally a system enabler.

Ontario's municipal governments have different responsibilities for managing the growth of their communities. Land use planning is the primary role in determining the form, density, and location of housing in their communities. But the municipal role also includes managing and planning for housing-enabling infrastructure and using different funding tools to support growth. While different types of municipalities have different responsibilities (for example regional municipalities no longer have planning authority but continue to manage housing-enabling infrastructure) municipalities pride themselves in being stewards of complete communities. These are places where homes, jobs, schools, community services, parks and recreation facilities are easily accessible, and residents' quality of life and population health are prioritized.

Municipal governments with responsibility for local planning and development approvals, are regulated by provincial legislation, regulation, policy directives, and the Ontario Building Code. These roles put municipal Councils at the forefront of the housing crisis in Ontario.

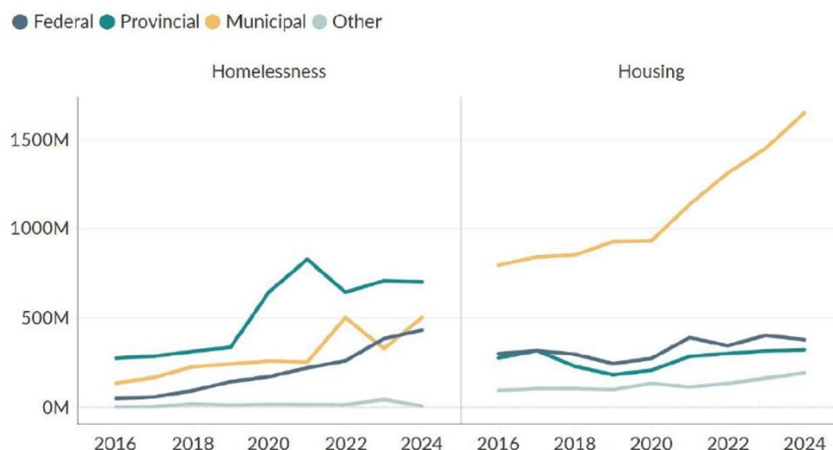
In addition to their role in development, 47 upper and single-tier municipal governments and District Social Service Administration Boards or DSSABs in the north serve to fund, plan, develop, and administer local community housing systems. Ontario is the only Canadian province or territory where municipal governments are responsible for the funding and delivery of community housing in partnership with many non-profit and co-operative housing providers. Ontario's 47 Consolidated Municipal Service System Managers (CMSMs) and DSSABs fund, manage, plan, and administer community housing. They also develop affordable housing stock and deliver homelessness prevention programs in conjunction with non-profit and private developers.

Municipal governments contribute significant funding annually for housing-related supports, homelessness prevention programs, and financial incentives to facilitate affordable housing development. Municipal spending on homelessness and housing programs has sky-rocketed since 2020, growing to more than \$2.1 billion in 2024. It should be noted that this amount primarily includes program spending. It does not include the full range of municipal support for affordable housing. Many contribute land, waive or defer development charges and planning fees on projects managed by non-profit and co-operative housing providers.

Municipalities have stepped in to address homelessness in their communities despite limited resources and even though it is the constitutional jurisdiction of the provincial and federal governments.

Source: AMO, NOSDA, OMSSA with HelpSeeker Technologies, 2025, [Municipalities Under Pressure: The Human and Financial Cost of Ontario's Homelessness Crisis](#)

Figure 27: Funding Trends for Homelessness and Housing Programs by Source (Federal, Provincial, Municipal, Other), Ontario, 2016-2024



To provide housing to residents, service system managers work in partnership with co-operative, non-profit, for-profit, and Indigenous community housing providers. They also consult with community members to address the housing needs of vulnerable, low-income Ontarians.

Municipal governments, regardless of whether they are designated service system managers, play a critical role in facilitating more housing affordability options because of the planning and financial tools at their disposal. Many do so to the extent that fiscal circumstances allow, and community priorities dictate.

Recommendations for Design and Implementation

Ontario municipalities are committed to supporting provincial and federal efforts to build housing across the housing continuum in Ontario. The Build Canada Homes initiative has the potential to be transformational if the following recommendations are taken into consideration.

Successful implementation of BCH in Ontario will depend on collaboration between municipalities, District Social Service Administration Boards, the provincial government, and the federal government.

AMO recommends the federal government partner and establish a formal tri-lateral collaboration between the federal government, the Province of Ontario, and municipalities to co-design, plan for, and deliver and evaluate housing investments under the BCH strategy. This should include formal governance mechanisms, outcome frameworks, and alignment with existing provincial mandates and local system plans. This will support the alignment of various capital investments, operational funding, infrastructure funding, and development charges.

Build Canada Homes should be fully integrated with Ontario's existing system of service managers. In Ontario, 47 Municipal Service System Managers from single-tier, upper tier and service boards do the following:

- develop and steward local Ten-Year Housing and Homelessness Plans;
- coordinate federal and provincial investments with local implementation;
- fund and manage community housing and homelessness services; and,
- are accountable for results, working closely with local non-profits, co-operatives Indigenous organizations, and private developers.

Bypassing or duplicating this system will reduce impact and create inefficiencies. BCH should work with service managers from the outset. Housing investment in any of Ontario's 444 municipalities aimed at increasing affordability needs to be coordinated with the Municipal Service System Manager responsible for that area. The Housing Accelerator Fund (HAF) model did not recognize service managers and excluded upper tier municipalities (counties, regions) and District Social Service Administration Boards from receiving HAF funding. This program design weakness should be corrected by BCH.

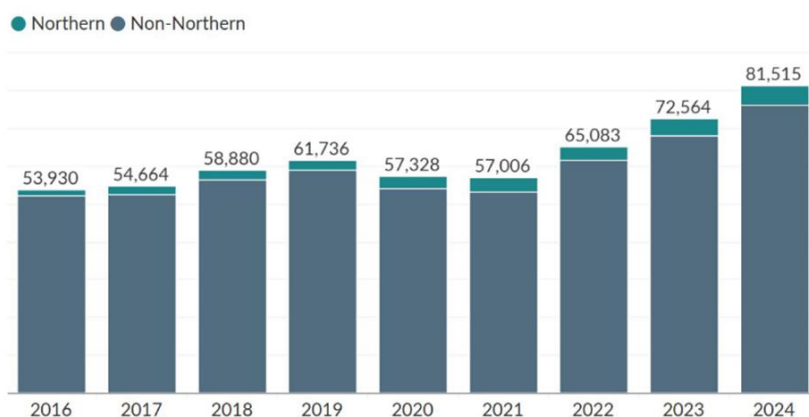
BCH's goal of unlocking federal land is welcome. However, timelines, infrastructure access, and local approvals require partnership with municipalities and service managers. Without that collaboration, land access alone will not accelerate delivery.

BCH should include a focus on deeply affordable housing. Federal BCH programs should support the acquisition, development and maintenance of community and supportive housing.

Source: AMO, NOSDA, OMSSA with HelpSeeker Technologies, 2025, [*Municipalities Under Pressure: The Human and Financial Cost of Ontario's Homelessness Crisis*](#)

BCH has the potential to increase housing supply in Ontario, but we need to also make sure it's the right mix of supply.

Figure 1: Estimated Number of People Experiencing Homelessness in Northern and Non-Northern Communities, Ontario, 2016–2024



Across Ontario, more than 268,000 households are on social housing waitlists, with average wait times exceeding five years and, in some regions much longer. More than 80,000 Ontarians were known to be homeless in 2024, a number that has grown by more than 25% since 2022 according to the AMO study [*Municipalities Under Pressure: The Human and Financial Cost of Ontario's Homelessness Crisis*](#).

Dramatically increasing the supply of deeply affordable social housing will be critical for addressing the growing number of Ontarians facing housing precarity and the rising homelessness crisis.

Investments in supportive housing are also desperately needed. A recent [report](#) from Addictions and Mental Health Ontario estimated that 36,000 new supportive housing units are required in Ontario to meet the needs of households with mental health and addictions. There is a real opportunity to align federal BCH capital investments with provincial funding for wrap-around supports and make progress toward this goal.

While development of new deeply affordable housing units is essential, we won't make progress unless we also invest in preserving existing affordable housing. In Ontario, investments of \$11.3B over 10 years are required to bring the social housing portfolio up to a fair state of repair. BCH should:

- include repair and renewal funding streams.
- protect existing affordability from market loss through acquisitions; and
- prioritize capital reinvestment as a core instrument alongside new builds.

Municipal governments are investing in repair and redevelopment along with contributions from the federal and provincial governments through the critically important cost-shared programs under the National Housing Strategy Canada-Ontario bilateral agreement. This funding is critical and its continuation and expansion beyond the current NHS term is important.

BCH should include a significant focus on providing municipalities funding contributions rather than low-cost financing. They also need significant process improvements in order increase development speed, including greater risk tolerance and movement to a portfolio approach rather than a project-based application process.

Ontario municipalities and District Social Service Administration Boards with good credit ratings can already access relatively low-cost financing for housing. What they need most is reliable, predictable, and long-term funding to make deeply affordable housing development feasible. The need for significant grants cannot be understated. They are needed to reduce risk for projects and to allow for deeper levels of affordability. Forgivable loans and operating subsidies such as housing benefits are also useful though grants should be prioritized.

The federal government also has an opportunity to consider and approve projects differently. Rather than requiring project-by-project applications, BCH could take a portfolio approach encompassing multiple buildings that would reduce administrative timelines and give municipalities greater flexibility to deliver on larger projects. As well, streamlining of funding streams is needed along with action to ensure that federal and provincial programs are integrated in design and aligned to facilitate the stacking of funding. This will necessitate work with provincial counterparts in Ontario.

When implementing new programs under BCH, it is critical that there is a seamless transition and no disruption if CMHC programs are transferred. Applications in the pipeline should continue to be assessed without delay in processing. Streamlining approvals could also minimize the need for stacking of multiple programs.

BCH should work with municipalities and District Social Service Administration Boards with responsibility for land use and service system planning to determine who is best positioned to develop new housing.

It is important to ensure that housing initiatives align with the requirements of the *Planning Act*, Provincial Planning Statement, and are flexible enough to be adapted to local official plans. Strong coordination with local and provincial planning frameworks can help ensure timely approvals for projects. It will also help ensure that projects can be aligned with local plans to deliver growth-enabling infrastructure needed to support housing such as transportation, water, wastewater, and energy infrastructure. Municipal service system manager municipalities and District Social Service Administration Boards are experienced planners and developers of new affordable community, transitional, and supportive housing. BCH should work with them to determine who is best positioned in specific situations to build or purchase housing

units. Leveraging the existing system in Ontario would ensure greater efficiency and effectiveness on the ground in communities and assist with scale and speed.

Through BCH, the government should also consult with Indigenous People on their priorities and the program design to ensure that Indigenous designed and led projects are appropriately funded.

BCH should support industry development for new building technologies while recognizing unique local considerations.

To facilitate the scaling up of modular, prefabricated and 3D printing housing, BCH should support the industry's development and expansion and promote their use where it the most viable building method. However, given the greater upfront development costs, higher upfront financial support will likely be required.

It should be considered that other building methods, such as mass timber for example, may also be viable alternatives that should be used where the situation dictates. The various regions of Ontario will require a range of different building technologies appropriate for their circumstances. For example, northern Ontario is not near the manufacturers of modular housing. In large urban areas, high-rise multi-residential towers also would not necessarily be built from modular housing.

As BCH invests in growing the innovative housing construction industry, AMO strongly supports plans to incent and require improved environmental performance and lower construction costs from builders. While development charges have been a major focus as a solution to high construction costs, investing in innovative housing is a critical lever for Canada to meet its housing targets and help the building industry do its part.

BCH should include a focus on increasing supply in communities across Ontario – big and small, rural and urban, northern and southern – in a flexible manner adapted to local needs and circumstances.

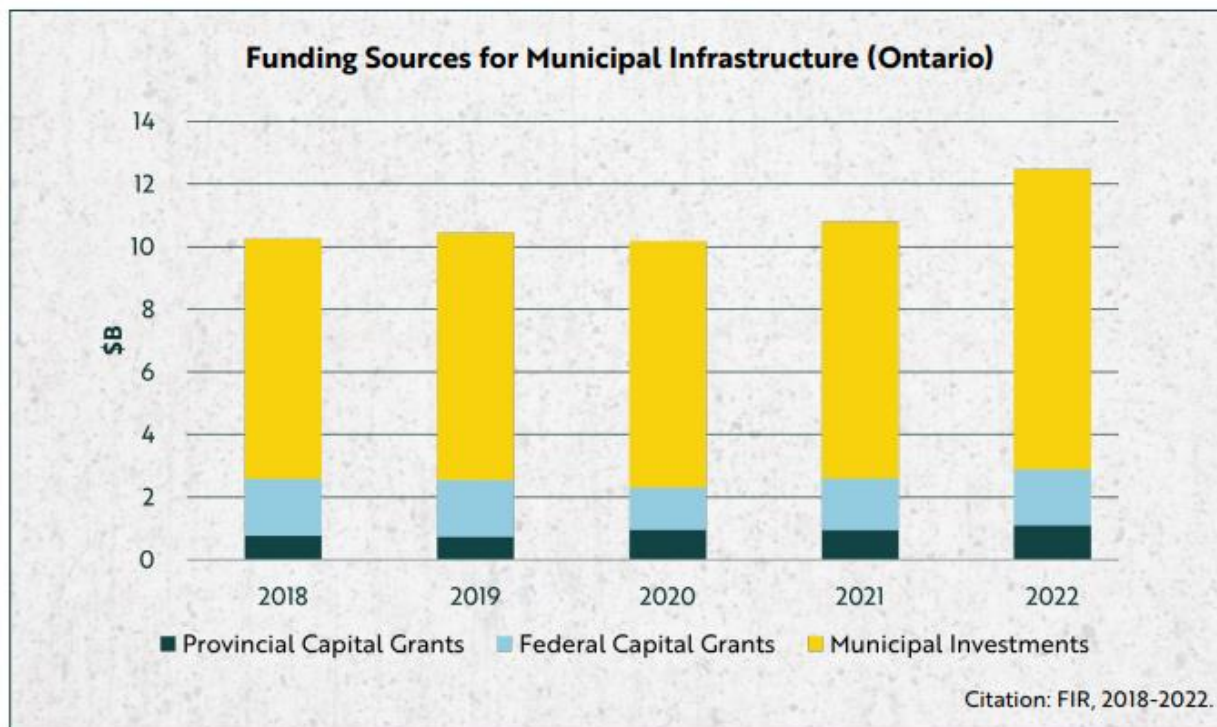
The housing affordability and homelessness crisis exists in communities across Ontario without exception. AMO appreciates BCH's intention to pursue funding portfolios and large-scale projects. Success requires flexibility for supportive and deeply affordable housing. Big, small, rural and urban, northern and southern communities need an approach that supports medium and small-scale developments. Portfolio-based investments with municipal service managers could bundle smaller community projects together. Scale can be achieved with multi-municipal partnerships in place. This should be recognized by BCH in a portfolio approach.

BCH should act in a flexible manner working with all municipalities in their specific situations with varying financial growth, geographic, and capacity conditions.

Attention to the program design with ongoing monitoring and evaluation mechanisms should be in place to ensure that there are not barriers that exclude smaller jurisdictions with high needs due to project size alone.

Increasing housing supply will require significant investments in housing-enabling infrastructure.

We cannot increase supply of housing without investing in housing-enabling infrastructure. Ontario municipalities have are planning for more than \$250 billion in capital expenditures over the next decade to support housing and address aging assets. While municipalities own and manage more infrastructure than the other two levels of government combined, they have the fewest resources and tools to fund capital needs. The bulk of investment for the local infrastructure needed to maintain existing housing and support growth comes directly from municipalities. Provincial and federal governments together contribute less than 30% of annual funding.¹ Ontario municipalities received average annual grants of \$1.7 billion grants over the last five years from the federal government. These contributions have not kept pace with the true costs of building, which have grown by an estimated 70% over the last decade.²



For BCH to be successful, it will need to provide the required housing-enabling infrastructure funding.

¹ Financial Information Return – over the last 5 years average annual revenue for financing capital has been \$10.8B dollars of which the average annual provincial capital grants was ~\$0.9B (~12%) and average annual federal capital grants was ~\$1.7B (15%)

² Statistics Canada, 2024, Building construction price indexes

Protecting development charge revenue

AMO asks BCH to avoid imposing new development charge (DC) exemptions or discounts. DCs have been a key funding source for municipal capital investments for decades.

The unprecedented Ontario legislative and regulatory changes to both the DC and land use planning frameworks in recent years has continued to alter the tools available to municipalities to coordinating growth, slowing efforts to increase housing supply. All parties—provincial and municipal governments, as well as developers—have learned valuable lessons about the complexity of these issues and the importance of close collaboration. This is why AMO, the Ontario Home Builders Association, and the Province have been successfully collaborating on DC modernization changes in 2025. AMO supports these modernization changes, which will bring more transparency and consistency to the regime, strengthening it for developers and municipalities alike. Further DC changes by BCH could introduce new uncertainty into Ontario's housing market, potentially risking housing starts.

More specifically, AMO has significant concerns about the federal government plan to cut DCs for multi-unit housing by 50 per cent for five years despite the commitment to work with the provincial government to make municipalities whole for a period of five years. The estimated revenue loss for Ontario municipalities alone (\$8 to \$12 billion) is more than the total federal funding pledged for all Canadian municipalities (\$6 billion). Consequently, the federal government's proposed funding is inadequate and should be reassessed. Federal government commitments around DC reductions will be counter-productive unless DCs are fully replaced with another equally predictable and stable revenue source.

Your Impact

Investments in housing is critical at this time both to address the housing affordability crisis but also the economy. The current tariffs from the United States are having impacts on Ontario's economy in both the short and long-term. AMO is promoting the [case for investments](#) in non-market housing to help the economy with strength and resilience.

Investments in community housing have been an important element of past responses to economic downturns. These investments can provide a secure pipeline of projects for the residential construction sector, preserving jobs and investment through uncertainty and contribute to Ontario's long-term economic productivity by improving overall housing affordability and enabling workers to live where there is demand for skills and labour.

Ontario's municipalities are ready to play a role. There is significant demand for investment in community and supportive housing across municipalities, with many projects shovel ready or at stages of advanced planning.

Conclusion

AMO supports Build Canada Homes as a new critical player to further the shared national, regional, and local municipal goals for housing. Integrated planning, collaboration, and coordinated efforts through a trilateral partnership with all orders of government will ensure the conditions for success in Ontario. AMO looks forward to further engagement, ongoing communication, and participation with the evolving program design of Build Canada Homes.

For questions or collaboration opportunities, please contact:

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