

REPORT



Blueprint for a Canada Housing Benefit System

Architecture and design features

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About the author

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About Maytree

Maytree is a Toronto-based human rights organization committed to advancing systemic solutions to poverty and strengthening civic communities. We believe the most enduring way to fix the systems that create poverty is to ensure that economic and social rights are respected, protected, and fulfilled for all people living in Canada. Through our work, we support non-profit organizations, their leaders, and people they work with.

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Executive summary

From the 2017 National Housing Strategy to the new Build Canada Homes initiative, the federal government has put significant political and financial resources into boosting Canada's supply of affordable rental housing. Other levels of government have followed suit, leading to a proliferation of policies across the country focused on incentivizing new supply.

More rental supply is one part of the equation to restore affordability – especially the supply of social and supportive housing, where rents are geared to a households' ability to pay. At the same time, however, the important role of demand-side policy levers has largely been ignored.

Demand-side housing policies, such as income support that strengthens households' ability to pay rent each month, are a critical ingredient to improving affordability for low-income renters. Unlike new supply, which takes years, if not a decade, to build, income support can be provided urgently to help families find and keep their housing. This type of support can also be efficiently targeted to people with lower incomes, where financial and housing need are greatest.

The need for income support is backed by evidence. Surveys indicate that one of the main reasons people fall into core housing need and homelessness is not having enough income to pay the rent. In contrast, when incomes get a boost, both core housing need and homelessness are reduced.

That is why, in March 2025, Maytree published a renewed case for a housing benefit in Canada that could provide immediate financial assistance directly to people with lower incomes.¹ This new benefit would achieve two related goals: house people who are unhoused, and bring much-needed stability to existing renters in the private market.

The idea of a housing benefit is not new. For decades, researchers and advocates in Canada have called for the creation of an income support to assist renters with housing costs. Today, with the federal National Housing Strategy nearing the end of its ten-year horizon, and no end in sight to the cost-of-living crisis faced by many lower-income renters, it is time to revive this idea.

There is already a demand-side housing program within the National Housing Strategy on which we can build: the Canada Housing Benefit (CHB). The CHB is a shared initiative between federal and provincial/territorial governments that

1 DiBellonia, S. & White, A. (2025). *Why income support is good housing policy: A new case for a permanent housing benefit in Canada*. Maytree. <https://maytree.com/publications/why-income-support-is-good-housing-policy-a-new-case-for-a-permanent-housing-benefit-in-canada/>.

is meant to provide direct financial assistance to many households in financial need. Different in every jurisdiction, the various versions of the CHB have helped to house the unhoused and offered much-needed relief for low-income renters. However, it is opaque, time-limited, does not support all households who need it, and is expected to expire in 2028, putting as many as 330,000 households who rely on CHB programs at risk of losing support.^{2,3}

The uncertain future of the CHB, combined with the need to figure out the next phase of federal housing policy, presents an opportunity to turn this foundation into a true housing benefit system – one that brings to demand-side solutions the same ambition and leadership governments are showing with regard to housing supply.

This report expands on Maytree’s previous analysis by examining how to design and implement what we are calling a Canada Housing Benefit System. Drawing on evidence of what works, we propose architecture that leverages different government policy tools and capacities, taking into account our system of federalism. We also argue for a specific benefit design that answers who should qualify, how much they should receive, and how benefits should be administered.

In brief, our proposed Canada Housing Benefit System is one in which:

1. The federal government, provinces, and territories work cooperatively to design a housing benefit entitlement program that promotes consistency across Canada. Provinces and territories negotiate some flexibility to adapt program design to local circumstances.
2. The national housing benefit standard largely mirrors the design of Manitoba’s Rent Assist program for low-income renters, since the program is the most adequate, broadly available, and effective housing benefit that exists in Canada. We need to do what Manitoba did, but across Canada.
3. The benefit calculation follows a simple formula: Recipients contribute 30 per cent of their income towards rent, and the benefit fills the gap between that contribution and 80 per cent of the median market rent for an appropriately sized unit in the jurisdiction’s most populous region.

2 Federal publications suggest that federal funding for the CHB ends in the 2027/28 fiscal year. However, some publications from Ontario municipalities suggest that the Canada-Ontario Housing Benefit will end in fiscal year 2028/29. We note that the program is expected to end in 2028 due to this lack of clarity on whether jurisdiction-specific CHBs will be extended longer than 2027/28.

3 Housing, Infrastructure and Communities Canada. (2025). *Progress on the National Housing Strategy*. <https://housing-infrastructure.canada.ca/housing-logement/ptch-csd/reports-rapports/prog-nhs-dec-2025-dec-snl-eng.html>.

4. Orders of government contribute equally in both financial and non-financial ways. Provinces and territories are incentivized to consolidate their existing housing-related benefits into a simpler, more generous benefit that meets the new national standard, with today's leaders rewarded for past investments.
5. Provinces and territories retain responsibility over administration. Most benefits would be delivered through the tax system, leveraging their existing arrangements with the Canada Revenue Agency, with a transitional stream operating through social assistance systems to respond to urgent needs.

The cost of the system will depend on myriad design choices and the way the system is phased in. Future Maytree publications will explore impacts, interactions, costs, and phasing in different jurisdictions. For a rough sense of scale, Blueprint, a leading non-profit policy research organization, projected that extending existing Canada Housing Benefits to all eligible households living in the provinces in 2022 would have cost an additional \$3.5 billion. Similarly, a 2023 proposal from the Canadian Alliance to End Homelessness estimated that covering the gap between incomes and average market rents for households experiencing chronic homelessness and renter households in deep need would require an annual expenditure of roughly \$3.4 billion.

The Canada Housing Benefit System is a nation-building project. Addressing the housing crisis through direct support for low-income renters is a critical form of social infrastructure that unlocks new potential for growth and prosperity. It deserves a place at the top of our national policy agenda.

Our approach to writing this report

Maytree takes a human rights-based approach, guided by how our public systems can be improved to respect, protect, and fulfill economic and social rights for everyone in Canada.

Two such rights are the right to an adequate standard of living and the right to adequate housing. This year marks fifty years since Canada agreed under international human rights law to pursue the progressive realization of these rights.⁴

4 Social Rights Advocacy Centre. (2013). *The Right to an Adequate Standard of Living*. https://www.socialrightsonario.ca/wp-content/uploads/2013/02/Rights_Booklet_FINAL.pdf.

It is in this spirit that our report takes a systems view, examining how our income and housing systems could be redesigned to uphold the rights of those in greatest need. To help refine our ideas, Maytree convened an advisory group of housing and income security practitioners and academics.

Similarly, in an effort to centre the voices of those whose rights have been denied, we convened a second advisory group of individuals from community organizations who work directly with people experiencing a denial of their rights to housing and an adequate standard of living.

We wish to thank the members of both advisory tables for their ongoing advice and contributions, which helped shape the recommendations in this report. We also wish to thank the dozens of others who offered their insights in support of this project. All remaining errors are our own.

Context setting

The problem: Too many people can't afford the rent

People with low incomes are overwhelmingly in housing need because too much of their income goes to rent. In 2022, about 22 per cent of renter households in Canada experienced core housing need.⁵ Most of these households – nearly 9 in 10 – lived in unaffordable housing, meaning that they spent 30 per cent or more of their before-tax income on shelter costs.⁶

When everything goes to paying for housing, there is nothing left to afford the necessities of a dignified life, such as food and clothing. It should come as no surprise, then, that visits to food banks in Canada reached record highs in 2025.⁷

Rising homelessness is also linked to having insufficient income. While there are many complex factors that contribute to homelessness, the most recent national

5 Statistics Canada. (2024). Table 46-10-0085-01: Core housing need, by tenure including first-time homebuyer and social and affordable housing status. <https://www150.statcan.gc.ca/t1/tbl1/en/tv.action?pid=4610008501>.

6 Statistics Canada. Table 46-10-0086-0: Dimensions of core housing need, by tenure including first-time homebuyer and social and affordable housing status. <https://www150.statcan.gc.ca/t1/tbl1/en/cv.action?pid=4610008601>.

7 Food Banks Canada. (2025). *Hunger Count: Overall Findings*. <https://foodbankscanada.ca/hunger-in-canada/hungercount/overall-findings/>.

point-in-time count of homelessness found that, of the almost 60,000 people surveyed, most cited not having enough income as the reason behind their most recent housing loss.⁸

In the long term, the answer to the rental affordability problem is clear: We need more of all sorts of housing, but especially social and supportive housing, where rent is based on a low-income households' ability to pay, and people have access to wrap-around supports. However, building this kind of housing takes time and money, and many simply cannot wait years or decades for these efforts to become a reality.⁹ In the meantime, most households are left to rent in the private market, where rents are based on market forces. And even with rent growth in this market starting to cool from an influx of new supply, new units will still be unaffordable to many people with low incomes.¹⁰

If nothing changes, homelessness will continue to grow at great cost to the affected individuals and society.

The immediate solution: Raise incomes

Income supports have long played a central role in helping people find and retain their housing. For example, we estimate that provinces and territories spend about \$18 billion a year on social assistance programs, most of which goes to helping people pay for monthly shelter costs.¹¹ Moreover, core housing need, especially among lower-income renters, dropped markedly during the pandemic, thanks to a boost in income support from the Canada Emergency Response Benefit.¹²

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- 8 Housing, Infrastructure and Communities Canada. (2025). *Everyone Counts 2024: Highlights Report Part 2 – Survey of People Experiencing Homelessness*. <https://housing-infrastructure.canada.ca/alt-format/pdf/homelessness-sans-abri/reports-rapports/pit-counts-dp-2024-highlights-p2-en.pdf>.
 - 9 Canada Mortgage and Housing Corporation. (2024). *Understanding Filtering: A Long-Term Strategy to New Supply and Housing Affordability*. <https://bit.ly/44yAYAO>.
 - 10 See our previous report for more context on why more supply is not enough to make housing affordable for all low-income renters who need it. DiBellonia, S. & White, A. (2025). *Why income support is good housing policy: A new case for a permanent housing benefit in Canada*. Maytree. <https://maytree.com/publications/why-income-support-is-good-housing-policy-a-new-case-for-a-permanent-housing-benefit-in-canada/>.
 - 11 Author calculations are based on data compiled by Open Policy Ontario from provincial public accounts.
 - 12 DiBellonia, S. & Talwar Kapoor, G. (2023). *Modernizing Core Housing Need*. Maytree. <https://maytree.com/publications/modernizing-core-housing-need>.

According to the 2022 Canadian Housing Survey, having more income is also the most cited reason why people exit homelessness.¹³

This evidence points to income support as a means to immediately address affordability challenges while we wait for supply-side efforts to come to fruition.

Yet the only form of income support for housing that was created through the National Housing Strategy – the CHB – is set to expire in 2028. While well-intentioned, the CHB is not a portable income support in practice. Rather, it is a time-limited program with a pot of money that is not enough for the number of people who need it. Without a long-term vision for what this program could look like, as many as 330,000 households who are currently being assisted by CHB programs risk losing support and, ultimately, their housing.

Maytree's proposal

Objective: Create a system of housing benefits across Canada

Generally speaking, a housing benefit is a portable financial support provided directly to a household so that they can afford to rent an appropriately sized unit in their community. It is portable in that, unlike social housing, the benefit is not tied to a specific unit or landlord. This means more autonomy for people in choosing where they want to live.

However, there is a lot of variability in what a portable housing benefit can look like.

Sometimes, when people talk about a housing benefit, what they really mean is a housing voucher program. In a voucher program, financial support is provided for rent, but there are often some restrictions on who can access a voucher and how it can be used. In the case of the US Housing Choice Voucher program, for example, there is not enough funding to support the number of people who need it, often leading to years-long waiting lists to enter the program. In addition, landlords can be aware that a prospective tenant carries a voucher, leading some to refuse to rent to these families.¹⁴ Alternatively, as is the case in the current CHB, limited

13 Espinoza, F. & Randle, J. (2025). *Exiting homelessness: An examination of factors contributing to regaining and maintaining housing*. Statistics Canada. <https://www150.statcan.gc.ca/n1/pub/46-28-0001/2025001/article/00002-eng.htm>.

14 Galvez, M. & Knudsen, B. (2024). Discrimination Against Voucher Holders and the Laws to Prevent It: Reviewing the Evidence on Source of Income Discrimination. *Cityscape: A Journal of Policy Development and Research*, Volume 26, Number 2: 145-161. <https://www.huduser.gov/portal/periodicals/cityscape/vol26num2/ch7.pdf>.

funding can lead to a closed application process or low levels of support, adding complexity and exacerbating inequities between applicants.

In contrast, when we say that people need a permanent housing benefit, we are not talking about a housing voucher program or any other design based on a set pot of money that runs out before helping everyone who needs it. Instead, we mean to use income security policy to guide the design and implementation of housing benefits, as is the case with most other entitlement programs that are already part of Canada’s social safety net. These include the Canada Child Benefit for families with children and the Guaranteed Income Supplement for seniors, where financial support is provided to everyone who needs it, provided they meet certain eligibility criteria. Recipients can manage their expenses as they see fit, promoting autonomy and dignity.

In addition, we envision an end state where housing benefits provided by different levels of government are integrated into a system of supports for low-income people. Rather than layering yet another benefit on top of an already overly complex system, our proposal would complement what is already provided, increasing simplicity, access, and adequacy of benefits for all.

Below, we describe in more detail what a new system of housing benefits could be expected to achieve.

Expected outcomes

1. More support for new and existing renters

Our previous report, and others before it,¹⁵ have shown that housing benefits can reduce both homelessness and core housing need by supporting new and existing renters.

New renters	Existing renters
<p>People who are unhoused or looking to find rental housing.</p> <p>No single estimate of homelessness exists. Estimates range from nearly 60,000 people who experienced homelessness on a given night across Canada in 2024 to about 85,000 people who experienced known homelessness in Ontario alone in 2025.</p>	<p>Those who are forced to spend too much of their income on housing. They are housed, but their rent is not affordable.</p> <p>Affects roughly 1,010,200 renter households (872,800 renter households in market housing and 137,400 renter households in social and affordable housing).</p>

15 Pomeroy, S. (2023). *Responding to a new wave of Homelessness: Proposal for a homelessness prevention and housing benefit*. Canadian Alliance to End Homelessness. <https://caeh.ca/wp-content/uploads/Homelessness-Prevention-and-Housing-Benefit-Policy-Whitepaper-CAEH.pdf>.

For new renters, such as those who experience episodic or transitional homelessness, newcomers, youth, and survivors fleeing domestic violence, a housing benefit can help them secure long-term housing. For existing renters, a housing benefit can bring stability to their current living situation by helping to pay for rent when costs go up, preventing evictions into homelessness. Housing benefits can also help to improve renter mobility, giving people additional income to change their housing situation to better reflect their needs, while also promoting labour mobility.

2. Better intergovernmental cooperation

Bit by bit and year by year, governments in Canada have created a fractured and piecemeal housing benefit landscape. Although well intentioned, existing programs have not been designed as a cohesive system that offers accessible and adequate support to everyone who needs it. As noted earlier, Canada has nowhere near the same level of ambition when it comes to income support as we do on initiatives meant to increase housing supply.

To fill this gap, our proposal assesses the ways that governments can leverage their varying expertise and jurisdiction over policy matters, as well as their fiscal, design, and administration capacities to create a system of housing benefits where programs work better for people.

3. Advancing the right to adequate housing in Canada

The right to adequate housing is a fundamental human right affirmed in the International Covenant on Economic, Social and Cultural Rights (ICESCR) and legally recognized in Canada's National Housing Strategy Act, 2019 (NHSA).

Importantly, the NHSA goes further than mere recognition. It outlines specific steps that the federal government should take, following a human rights-based approach,¹⁶ to help people realize their right to adequate housing.

In particular, Section 5(2) of the Act states that the government must develop and maintain a national housing strategy that, among other things:

¹⁶ A human rights-based approach is a specific approach to developing and analyzing public policies that apply international and domestic laws pertaining to human rights in the decision-making process. There are various ways that a human rights-based approach can be followed. In Canada, for example, both the federal and Ontario governments provide guidance on what a human rights-based approach and assessment looks like: https://www.international.gc.ca/world-monde/issues_development-enjeux_developpement/priorities-priorites/human_rights-droits_personne.aspx?lang=eng; <https://www3.ohrc.on.ca/en/human-rights-based-approach-policy-and-program-development-0>.

- Establishes national goals relating to housing and homelessness and identifies related priorities, initiatives, timelines, and desired outcomes;
- Focuses on improving housing outcomes for persons in greatest need; and
- Provides for participatory processes to ensure the ongoing inclusion and engagement of civil society, stakeholders, vulnerable groups, and persons with lived experience of housing need, as well as those with lived experience of homelessness.

While the NHSA has implications for the federal government’s overall housing policy, its underpinning – the recognition and progressive realization of the right to adequate housing under the ICESCR – is an obligation that applies to all governments in Canada.¹⁷ Progressive realization of the right to adequate housing recognizes that it may not be possible to immediately fulfill this right for everyone in the face of limited resources. Rather, governments must take steps over time, using all of the legislative, financial, and other levers they have at their disposal, to move ever closer to the fulfillment of the right to housing for everyone.¹⁸

Our proposal for a system of housing benefits applies the commitments set out in the NHSA, including the concept of progressive realization, by:

- Focusing on ways to support people who are in greatest housing need, namely those experiencing homelessness and housing precarity;
- Applying an equity lens, looking at the socioeconomic factors that affect people’s ability to afford their housing and how the benefit could take these into account;
- Exploring all the available and applicable resources that each level of government can contribute to the development and implementation of benefits; and
- Working with people who have different types of lived and other expertise in income security, homelessness, and housing precarity to inform our proposal.

A word of caution

We recognize that housing benefits are not the one and only solution to improving affordability for renters with low incomes. For example, some people looking for housing may not be fully supported by housing benefits alone because they face

17 White, A. (2024). *Canada’s Provinces and Territories are Ignoring Human Rights Obligations*. Maytree. <https://maytree.com/publications/canadas-provinces-and-territories-are-ignoring-human-rights-obligations-deputation/>.

18 Office of the United Nations High Commissioner for Human Rights. (n.d.) Economic, social and cultural rights. <https://www.ohchr.org/en/human-rights/economic-social-cultural-rights>.

multiple challenges that require other kinds of wrap-around supports, such as people who experience longer periods of chronic homelessness. This is not to say that people experiencing chronic homelessness should not access housing benefits, but that other supports are also needed.

In addition, while an increase in income support can help people to better afford their housing or move into different housing, it would not inherently make their housing in a better state of repair or big enough to accommodate the size of their family. It also would not address some of the underlying causes of tenure insecurity, including the financialization of purpose-built rental housing and rent regulations. These are important considerations in the context of a rights-based approach, where affordability is only one element of adequate housing.¹⁹

Importantly, housing benefits do not address the housing challenges faced by Indigenous people living on reserve, which are rooted in chronic underinvestment in supply and inadequate infrastructure. Instead, governments need to focus on ways to work with Indigenous communities to expand Indigenous-led, non-market, community-based housing systems.

Overall, housing benefits are an underutilized lever in Canada’s housing toolkit at a time we must be using every lever to its full advantage. However, these examples show that other initiatives, especially those that expand and preserve non-market housing, are just as needed.

We also recognize that the system we propose could lead to a fundamental and much-needed transformation in provincial and territorial income support programs, and that this will take time to achieve. Sometimes, social policy reform requires “relentless incrementalism” – taking a series of steps over time to achieve a goal that amounts to more than any single step.²⁰ Our proposal looks at ways that the new system can be phased in, including by prioritizing certain groups, by starting with certain components, or by expanding current programs while the new system is formed.

19 United Nations. (2014). The Right to Adequate Housing: Fact Sheet No. 21/Rev.1. https://www.ohchr.org/sites/default/files/Documents/Publications/FS21_rev_1_Housing_en.pdf.

20 Battle, K. (2001). *Relentless Incrementalism: Deconstructing and Reconstructing Canadian Income Security Policy*. Caledon Institute of Social Policy. <https://maytree.com/wp-content/uploads/1-894598-87-3.pdf>.

Elements of our proposal

To create a system of housing benefits in Canada, policymakers will need to make a series of important decisions. Although these decisions cannot be made in isolation, we have separated them for clarity into the following categories:

- System architecture;
- Benefit design; and
- System interactions.

System architecture is an umbrella term to describe the structures and systems *behind* the benefit that make it work.²¹ The architecture explains who does what, and how exactly they will do it – questions that are central to the long-term success of any big policy initiative. Practically speaking, figuring out the new system’s architecture means exploring how each government could or should contribute to it, given their varying policy levers, jurisdictions, and capacities. It also means examining how governments could contribute indirectly through complementary policies that protect and expand affordable rental housing.

Benefit design is what typically comes to mind when creating a new program of this kind. It answers questions about who qualifies, how much they are eligible to receive, and what factors are considered in answering these questions. It is also about how, and how often, benefits should be administered, and the process for applying for them.

System interactions are about how the housing benefit system impacts the income and housing support programs that already exist across all levels of government, and even within some individual communities. To ensure that the new system of housing benefits does not unnecessarily duplicate or add to the complexity of existing supports, we must design them to work together and may need to change existing programs to make room. It also means making difficult decisions about how support from one program could impact the amount provided by another, who should have access to which support, and what the impact could be on both government revenue and recipient incomes, depending on these decisions.

Since system interactions are largely specific to each province or territory, this report focuses on the first two elements – system architecture and benefit design – that affect all levels of government. However, we know that assessing benefit interactions and recommending ways to address them will be necessary to finalizing program design details and assessing overall impacts. Therefore, our future reports will delve deeper into these topics for various jurisdictions. For the purposes of setting up the system, it is important for us to start with the national picture.

21 Battle, K., Mendelson, M., & Torjman, S. (2006). *Towards a New Architecture for Canada’s Adult Benefits*. Caledon Institute of Social Policy. <https://maytree.com/wp-content/uploads/594ENG.pdf>.

Creating the system architecture

Section summary

- All governments are involved in the funding, design, and administration of housing benefits across Canada, albeit to varying degrees.
- The current landscape of housing benefits is highly fragmented, with multiple programs across governments that have different eligibility rules, benefit levels, and access points, making the system difficult to navigate.
- Provincial and territorial social assistance programs remain the largest housing benefits for low-income renters in Canada; yet they are widely considered inadequate and vary significantly across jurisdictions, partly because there are no common goals, standards, or accountability mechanisms attached to federal funding.
- Individuals living on reserve and in Yukon can access social assistance programs, funded through the on-reserve Income Assistance Program, that align with the design of social assistance for off-reserve residents. This means that this support includes financial support for housing. However, programs are often not designed for the needs of these communities and their residents.
- In addition, provinces have demonstrated the capacity to design and deliver housing benefits outside of social assistance, but the proliferation of small, targeted programs contributes to the complexity and uneven support across the country.
- The Canada Housing Benefit is a good starting point for a new system of housing benefits grounded in intergovernmental cooperation, but its existing design and structure have some challenges that limit its impact. Funding is not enough to provide adequate depth or reach, there is too much regional flexibility, and administration is overly complex.
- Policymakers should learn from past efforts to improve children's benefits, child care, and income support for low-income workers to create a new system that encourages them to work together effectively, leverages their unique expertise, and, ultimately, works better for people.

Overview of the current housing benefit landscape

Housing benefits are not easily categorized. Depending on their design and the government department or ministry that leads the program, they could be considered a form of income support or as more of an income-tested housing program. This intersection makes housing benefits an essential support for people with low incomes, but, unfortunately, also makes them a complicated policy tool without a clear home.

There is also no single level of government responsible for housing benefits. Over time, the federal government has taken on responsibility for several income supports that inevitably help with housing costs, such as benefits for families with children, low-income seniors, and low-income workers. In contrast, the provinces and territories have jurisdiction over social assistance programs – the largest housing benefit programs for low-income renters in the country – and a smattering of much smaller, targeted benefits. The relatively newer CHB is an outlier among these programs, since it is cost-shared, designed, and delivered by multiple levels of government.

Importantly, there is no specific reason for the existing division of responsibilities. Who does what often reflects past incremental decisions aimed at filling gaps through the means that are available when a political window opens. This complicates the picture of who should do what in the new housing benefit system.

The resulting current patchwork of housing benefits sees different levels of government involved to varying degrees, together offering a confusing array of programs with varied levels of assistance, different eligibility criteria, and several access pathways.

Table 1: The tangled web of housing benefits in Canada

	Program	Purpose	Federal role	Provincial or territorial role	Municipal role
Long-term program	Social assistance	<ul style="list-style-type: none"> • Programs of last resort that provide urgent financial assistance • Helps with basic needs, including housing, but typically offers less support to those who are unhoused • Constitutes the largest housing support program for people with low incomes by investment and reach 	<ul style="list-style-type: none"> • Indirect fiscal support through the Canada Social Transfer • Minimal funding conditions 	<ul style="list-style-type: none"> • Full fiscal responsibility • Define the rules for accessing and calculating benefits • May administer the whole system or certain programs 	<ul style="list-style-type: none"> • In Ontario only, local service managers assess and deliver some of these benefits
	Provincial and territorial housing benefits (outside of social assistance)	<ul style="list-style-type: none"> • Supplement the incomes of renters with low-to-moderate incomes • Reimburse part or all of rent • Often focus on specific groups (e.g., seniors, families with children) with varying levels of support provided 	<ul style="list-style-type: none"> • No direct funding for provincial or territorial housing benefits 	<ul style="list-style-type: none"> • Sole fiscal and design responsibility for housing benefits in their jurisdictions • Can administer benefits or work with municipalities or communities to deliver them 	<ul style="list-style-type: none"> • May be used to assess eligibility or deliver benefits
Time-limited program	Canada Housing Benefit	<ul style="list-style-type: none"> • Portable housing benefit/rent supplement • Stated goal to help people in core housing need to better afford rent • Structure and design can differ significantly by province, territory, or municipality 	<ul style="list-style-type: none"> • Fiscal responsibility shared with provinces/territories • Sets conditions for funding based on general goals and target groups • Creates outcomes-reporting framework 	<ul style="list-style-type: none"> • Fiscal responsibility shared with the federal government • Flexibility in design and assessment – can change target groups • Responsibility to report on outcomes • Responsible for establishing administration 	<ul style="list-style-type: none"> • Though not required, may contribute fiscally • May have specific design and assessment discretion • Can have delivery responsibility, depending on jurisdiction • Can work with community organizations to facilitate access

Note: Table is illustrative and may exclude some housing benefit programs.

In this section, we assess how the three main types of housing benefit programs in Table 1 work – how they are structured, who they support, and their pitfalls and advantages. We also examine lessons learned from other income supports and social services, focusing on ways that governments can work together better. We conclude with a way forward for the architecture of the new system with these findings in mind.

A closer look at the architecture of social assistance programs

Social assistance programs, which many low-income renters look to for support with the cost of rent, are primarily the responsibility of the provinces and territories. The provinces and territories make the largest fiscal contributions to benefits, have their own legislation and regulations that create their structure and eligibility requirements, and, with the exception of Ontario Works, act as delivery agents. While there is no explicit constitutional authority granted to provinces and territories for social assistance, the way that the division of responsibility between governments is described constitutionally leads most to believe that they fall under their purview.²²

From an architectural perspective, the social assistance system has evolved over time into one where the federal government retains a minority fiscal role, albeit indirectly. Through the Canada Social Transfer (CST), the federal government provides a block grant to provinces and territories to be used for the broad areas of social assistance and social services, in addition to post-secondary education, early childhood development, and early learning and child care. CST funding is allocated on a per capita cash basis and is legislated to grow by three per cent annually.²³ In 2026-27, provinces and territories are expected to receive roughly \$17.9 billion through the CST, making it the third-largest general transfer program.²⁴

While, in theory, social assistance programs are the result of a partnership between levels of government, the federal role is largely symbolic. Some argue that the

22 Employment and Social Development Canada. (2016). *Social Assistance Statistical Report: 2009-2013*. <https://www.canada.ca/en/employment-social-development/services/social-assistance/reports/statistical-2009-2013.html>.

23 Government of Canada. (2022a). *Canada Social Transfer*. <https://www.canada.ca/en/department-finance/programs/federal-transfers/canada-social-transfer.html>.

24 Government of Canada. (2025). *Major federal transfers*. <https://www.canada.ca/en/department-finance/programs/federal-transfers/major-federal-transfers.html>.

federal contribution made through the CST is predominantly a way to redistribute revenue rather than meaningful interest in social assistance programs.²⁵

But the main problem with the current structure of the CST is not that it leaves most of the responsibility for implementation with the provinces and territories. Rather, it is that funding is unconditional; there are no expectations that provinces or territories meet specific shared objectives or goals based on the funding they receive, such as poverty reduction. In addition, provinces and territories do not have to report on the outcomes of programs to the federal government. The only real expectation is that they do not make jurisdictional residency a requirement for receiving support. According to the Provincial Fiscal Arrangements Act, to qualify for the full share of their CST, provinces and territories cannot restrict access to social assistance for specific groups of people named in legislation, including Canadian citizens, permanent residents, protected persons, and victims of human trafficking who hold temporary resident permits. While this power to withhold CST payments still exists, it has not been used in recent years.²⁶

Without an overall framework or goal of bringing the programs together, provincial and territorial social assistance benefits operate separately from one another. They have different components that support different groups of people, their own means-related eligibility criteria that often require onerous reporting, and levels of support that reflect decisions by each individual jurisdiction about who needs support, how much they should get, and how they should get it. When it comes to assisting with rent, all but two jurisdictions have at least one social assistance benefit with a specific component for shelter costs.²⁷ This structure of separating support for shelter from other necessities further adds to the complexity of the system, and can even end up creating or exacerbating inequities between program recipients based on what kind of accommodation they happen to be living in – the opposite effect of what a support system should do.

One element common to almost all social assistance programs is that they are deeply inadequate and considered programs of last resort. For example, in Maytree’s analysis of how the incomes of social assistance recipients fare relative to the Market Basket Measure (MBM), Canada’s Official Poverty Line, we found

25 Prince, M. J. (2023). *Ceremonial Fiscal Federalism: Social Assistance and the Canada Social Transfer*. Fiscal Federalism in Canada: Analysis, Evaluation, Prescription.

26 Government of Canada. (2022a). <https://www.canada.ca/en/department-finance/programs/federal-transfers/canada-social-transfer.html>.

27 Laidley, J. & Oliveira, T. (2025). *Welfare in Canada, 2024*. Maytree. https://maytree.com/wp-content/uploads/Welfare_in_Canada_2024.pdf.

that, in 2024, the income adequacy of the households we examined ranged from less than 35 per cent to more than 100 per cent of the poverty line.²⁸

Comparing benefits to rent further shows how social assistance fails to help people find and keep their housing. In 2024, out of six provinces that offer separate shelter benefits through social assistance, only Manitoba provided enough support for single people considered employable to pay for the average asking market rent for a room in the largest census metropolitan area (CMA). In three other provinces, where social assistance is provided in one combined benefit for food, shelter, and other needs, recipients receive enough to pay rent in the largest CMA in only two of them, and even then they have little left over for other costs.²⁹ Across Canada, social assistance benefits are too low to cover rent, even at the very lowest end of the market.

Table 2: Comparison of monthly social assistance benefits for singles considered employable with average asking rents for a room, by largest provincial CMA, 2024

CMA	Average asking rents for a room (average of Q1-Q4)	Social assistance		Difference between shelter benefit and rent
		Maximum monthly shelter benefit	Maximum monthly combined benefit (where shelter is not separated)	
Calgary	\$780	\$365	-	-\$415
Vancouver	\$1,158	\$500	-	-\$658
Winnipeg	\$575	\$638	-	\$63
Moncton	\$668	-	\$800	\$133
St. John's	\$650	\$299	-	-\$351
Halifax	\$860	-	\$704	-\$156
Toronto	\$860	\$390	-	-\$470
Montreal	\$713	-	\$829	\$116
Saskatoon	\$663	\$640	-	-\$23

While the CST does not inherently create complex and insufficient social assistance programs, it does leave it up to provinces and territories to change these programs and, in some cases, allows them to restrict access or reduce support levels, as they see fit.

28 Laidley, J. & White, A. (2025). *From Data to Action: Policy Implications of Welfare in Canada, 2024*. Maytree. https://maytree.com/wp-content/uploads/Welfare_in_Canada_2024_brief.pdf.

29 *ibid.*

This was not always the case. In the 1960s, the cost of most social programs, including social assistance, was more directly shared between levels of government. In particular, social assistance was governed through the Canada Assistance Plan (CAP), which had clearer objectives and imposed more requirements on provincial and territorial governments than is the case under the CST. The CAP's two main objectives with respect to federal funding for social assistance were to:

1. Assist jurisdictions in providing these services; and
2. Ensure that services lessened, eliminated, or prevented the causes and effects of poverty, as well as dependence on public assistance.³⁰

Under the CAP, the cost of social assistance was shared evenly, with the federal government reimbursing jurisdictions for roughly 50 per cent of their eligible expenses. This meant that federal expenditures were open-ended and a function of provincial and territorial government spending, thus rewarding those who invested more.³¹ However, jurisdictions had to meet the requirements of CAP agreements to receive reimbursement, including proving that funds were used in specific ways and that there were not any jurisdictional residency requirements – the only condition that remains for social assistance as part of the CST.³² As they do today, provincial and territorial governments had responsibility for the design and administration of social assistance benefits, but because of the way funding was provided, provinces and territories had somewhat less freedom in these areas.

In the 1990s, the federal government began moving away from the CAP arrangement – not because it was ineffective, but because it was expensive.³³ In an attempt to reduce federal spending, the program was amended to place limits on annual increases to funding for certain provinces, and later to freeze federal contribution levels for all jurisdictions. Eventually, the arrangement was changed entirely to the block transfer that we see today.³⁴

While the exact CAP structure of sharing fiscal responsibility is likely not a sustainable or politically viable option for the new housing benefit system, it offers some good practices in benefit architecture that are worth mirroring. These

30 Madore, O. (2003). *The Canada Health and Social Transfer: Operation and Possible Repercussions on the Health Care Sector*. Library of Parliament. <https://publications.gc.ca/collections/Collection-R/LoPBdP/CIR-e/952-e.pdf>.

31 Gauthier, J. (2012). *The Canada Social Transfer: Past, Present and Future Considerations*. Library of Parliament. https://publications.gc.ca/collections/collection_2013/bdp-lop/bp/2012-48-eng.pdf.

32 Madore, O. (2003). <https://publications.gc.ca/collections/Collection-R/LoPBdP/CIR-e/952-e.pdf>.

33 Gauthier, J. (2012). https://publications.gc.ca/collections/collection_2013/bdp-lop/bp/2012-48-eng.pdf.

34 *ibid.*

include having common goals, rewarding jurisdictions for investing in supports for Canada's most vulnerable populations, and reporting on outcomes.

If a new system of housing benefits is to represent a real partnership between governments, it will need to restore some of these elements in its architecture, as well as the federal leadership, that made the CAP work.

The architecture of social assistance for Indigenous people

Indigenous people living in off-reserve housing have access to the provincial and territorial social assistance benefits in the jurisdictions in which they live.

In contrast, eligible people living on reserve can receive income support through the on-reserve Income Assistance Program. Similar to provincial and territorial social assistance programs, the on-reserve Income Assistance Program is meant as a program of last resort that provides financial assistance for basic needs, including food, rent, and utilities. Benefits are available to all eligible people who live on reserve and people living in the Yukon. Their design is intended to match applicable provincial and territorial programs, both in the amount of assistance provided and in their eligibility criteria.

The main differences between provincial and territorial social assistance programs and the on-reserve Income Assistance Program are the funding and administration of benefits. For the on-reserve Income Assistance Program, Indigenous Services Canada is the main funder, with First Nations governments and organizations responsible for delivering benefits in their areas. The only exceptions are in Ontario and Alberta, which have cost-sharing agreements with the federal government that detail how these provinces regulate and pay for most of the costs of benefits, and the federal government reimburses these costs.

In a new housing benefit system, the basis of the existing architecture for providing income support to Indigenous people living in on- and off-reserve housing could remain the same. Indigenous people living in off-reserve housing should have access to the housing benefits in the province or territory in which they live, whereas those living on reserve could receive support through the existing on-reserve Income Assistance Program. However, governments would need to work with Indigenous governments to determine how best to improve social assistance provided on reserve, including financial support for housing, to align with enhancements to off-reserve housing benefits.

As a starting point, we echo the calls from Ontario's 2012 Commission for the Review of Social Assistance and 2018 Income Security Reform Working Group for tripartite discussions between federal, provincial/territorial, and First Nations to

explore funding issues, provide First Nations with the opportunity to develop and control their own income supports, and ensure that income supports for housing better reflect the realities of living within First Nations communities.^{35,36}

Provincial housing benefits can only go so far without federal leadership

Some provinces have benefits outside of social assistance to support renters with the cost of housing. These programs are typically smaller and focused on specific groups.

In British Columbia, for example, there are two main benefits for renters who do not access the province's social assistance programs: the Rental Assistance Program (RAP) and the Shelter Aid for Elderly Renters (SAFER) program. RAP provides monthly income support to lower-income renters with at least one dependent child, and SAFER is for low-income seniors aged 60 and older. While each program has their own specific design and eligibility requirements, they share the common goal of helping to make private market rental housing more affordable to the families they target.

Likewise, Quebec has demand-side housing benefits offered outside of social assistance that target low-income renters. The Rent Supplement Program is meant for households living in private market and some types of affordable rental housing, while the Shelter Allowance Program provides additional support to renters who put too much of their income towards their housing costs. While, in theory, social assistance recipients can receive support from these programs, they need to meet program-specific eligibility criteria to access them. For example, the Shelter Allowance Program is not available to single households under age 50, so social assistance recipients who fall under this category are not eligible to receive this additional support.

Manitoba's housing benefit is the most generous of these programs – it supports both people receiving social assistance and low-income renters who do not receive social assistance with the cost of market rent. Called Manitoba Rent Assist, this program provides monthly income support automatically to social assistance recipients as well as low-income renters who meet specific requirements that vary based on income, age, and the size of the household.

35 Lankin, F. & Sheikh, M. (2012). [https://www.crwdp.ca/sites/default/files/Research and Publications/Environmental Scan/16. Commission for the Review of Social Assistance in Ontario/Brighter Prospects - Transforming Social Assistance in Ontario.pdf](https://www.crwdp.ca/sites/default/files/Research%20and%20Publications/Environmental%20Scan/16.%20Commission%20for%20the%20Review%20of%20Social%20Assistance%20in%20Ontario/Brighter%20Prospects%20-%20Transforming%20Social%20Assistance%20in%20Ontario.pdf).

36 Income Security Reform Working Group. (2017). https://files.ontario.ca/income_security_-_a_roadmap_for_change-english-accessible_updated.pdf.

The design and impacts of these programs are discussed in greater detail later in this report.

In addition, Ontario, Quebec, and British Columbia offer refundable tax credits to low- to moderate-income renters through the tax system. The value of these supports is generally lower than the supports mentioned above, and, as refundable tax credits, they are usually delivered on a quarterly or annual basis, though frequency can differ depending on the program and benefit amount.

The credits in Ontario and Quebec are not strictly for housing, but also for other related energy costs, and vary depending on rent paid and income level. They can also be accessed by lower-income homeowners. In contrast, the BC credit is designed for renters only and provides a flat amount to everyone who meets certain income thresholds, without variation based on actual rent paid or family size.

On top of that, many municipalities, some provinces, and communities across jurisdictions offer temporary financial support through rent banks to help prevent evictions. In British Columbia, for example, there is a BC Rent Bank, which represents a network of community rent banks across the province. Eligible renters can receive financial support for evictions, as well as other assistance, such as financial literacy training. In addition, through the federal Reaching Home funding stream to address homelessness, community entities can receive funding for short-term rental assistance.

In this section of the report, the specific design of these programs is not what we are concerned with. Rather, examining the quantity and range of housing benefit designs shows that provinces and territories have the capacity to use their fiscal, design, and administration policy levers to create and deliver housing benefits both within and outside of social assistance programs. However, the existence of so many different benefits, both attached to social assistance and as their own separate programs, adds unnecessary confusion to recipients – making it difficult to find the right support when they need it, or leaving people out if they do not meet specific eligibility criteria related to age and family type.

While provinces and territories can and do make direct contributions to housing benefits, federal leadership and fiscal resources are needed to create an adequate and cohesive system across the country.

A new wave of housing benefits: The Canada Housing Benefit regime

Over the past decade or so, most major social policy changes that involve multiple governments have been achieved through agreements that set out

program goals and actions, and the investments needed to fulfill them. The only true demand-side program in the National Housing Strategy – the CHB – was created using this approach.³⁷

The CHB is a net new program that is co-funded, designed, and delivered by the federal and provincial/territorial governments. When it was introduced in 2017, the federal government stated that the CHB would be provided directly to households to support “families and individuals in housing need, including potentially those living in social housing, those on a social housing wait-list, or those housed in the private market but struggling to make ends meet.”³⁸

The CHB is one of four initiatives that falls under the Housing Partnership Framework – an intergovernmental framework agreed to by federal, provincial, and territorial ministers responsible for housing.³⁹ The framework, which is a subset of the National Housing Strategy, sets out a shared vision and principles to guide cost-shared programs among governments. One goal is specific to the CHB – that it should support 300,000 households.⁴⁰

Although it took several years for the CHB bilateral agreements to be worked out, by 2020, each province and territory agreed to the terms and design of the CHB in their jurisdiction. From a federal perspective, all versions of the CHB were required to meet the following general criteria:⁴¹

- Benefits prioritize people in housing need in the following order: Vulnerable households, households in existing or new community housing, and homeowners in severe housing need. Vulnerable households refers to specific populations, such as women and children fleeing domestic violence, and can also be identified locally; households in existing or new community housing also includes renters in the private market who cannot get access to community housing; and vulnerable homeowners in severe housing need

37 There is no single definition of demand-side housing policy. In this report, we refer to demand-side housing policy as income assistance provided directly to individuals. Therefore, it excludes programs that offer income assistance to housing providers.

38 Government of Canada. (2017). *Canada’s National Housing Strategy*. <https://housing-infrastructure.canada.ca/alt-format/pdf/housing-logement/ptch-csd/canada-national-housing-strategy.pdf>.

39 Government of Canada. (2022b). *News Release – Federal, Provincial and Territorial Ministers Endorse New Housing Partnership Framework*. <https://housing-infrastructure.canada.ca/alt-format/pdf/other-autre/housing-forum-framework-cadre-forum-logement-en.pdf>.

40 Government of Canada. (2019). *Budget 2019: Investing in the Middle Class*. <https://www.budget.canada.ca/2019/docs/plan/toc-tdm-en.html>.

41 Blueprint. (2022). *Analysis of the progress of bilateral National Housing Strategy programs*. <https://cms.nhc-cn1.ca/media/PDFs/blueprint-report-analysis-progress-bilateral-nhs-programs-eng.pdf>.

refers to those spending 50 per cent or more of their before-tax household income on costs.

- Benefits are typically provided directly to households.
- This assistance is tied to the person, not the unit.

Provinces and territories were also given significant flexibility about the ultimate design and administration of the CHBs in their jurisdictions. Although there has not been much public reporting on how the designs of the CHBs differ, one analysis by Blueprint found that provinces and territories have designed their CHBs in three main ways:

1. Expand eligibility or fill gaps in existing housing benefits (Alberta and British Columbia);
2. Top up existing housing benefits (Manitoba and Quebec); or
3. Create new housing benefits entirely (all other provinces and territories).⁴²

On top of the significant variation in the use of CHB funding, designs also differ in terms of their depth, duration, eligibility requirements, prioritization of populations (which can further be determined locally), and even in their administration. In addition, eleven jurisdictions have made agreements with the federal government to provide additional funding for survivors of gender-based violence through their CHBs.

On one hand, such flexibility with the CHB's design and implementations makes sense when each province and territory has its own context and existing patchwork of housing and income supports. On the other, this approach adds further complexity by adding one more housing benefit program for people to try to navigate, with its own requirements, while failing to offer consistency across the country. This results in benefits where support varies depending on each jurisdiction's priorities and the available information they have about who is in need. It can also undermine its portability, especially with so much discretion over who is prioritized and supported.

Another challenge that limits the CHB's impact is that funding is insufficient to support the entire population of those in need of more affordable housing, especially low-income renters.

Currently, the CHB bilateral agreements allocate \$1 million in annual federal funding to each province and territory, plus an additional per capita allocation.⁴³

42 *ibid.*

43 *ibid.*

Funding from the provinces and territories, plus municipalities in some cases, is expected to at least match these federal amounts. Importantly, the bilateral agreements only outline how investments will be made using this formula up until fiscal year 2027/28 – there is no mention of how this program could continue or what would be required for ongoing support of those who have been housed through the CHB. This contrasts with the federal-led framework for early learning and child care, which, even when it was initially released in 2017 prior to the 2021 expansion, indicated that there would be a long-term plan for federal funding.

Over the length of the CHB’s run, funding was expected to equal roughly \$4 billion, split evenly between the federal government and the provinces and territories and allocated on a per capita basis.⁴⁴ In practice, however, actual funding shares can look different due to how funding has been spread out or the needs and priorities of the jurisdiction. For example, reporting about the CHB in Ontario suggests that federal funding has covered roughly two-thirds of costs, with the province picking up the remainder.⁴⁵ As of December 2025, about \$936 million in federal funding has been committed to the CHB, compared with nearly \$1.2 billion in provincial/territorial funding.⁴⁶ This figure falls slightly by 2027, but is still significant, with the largest gaps in funding in Ontario and British Columbia.

Blueprint’s analysis of the CHB provides insight into how far this funding can go. It found that, in 2022 alone, the CHB would have cost about \$3.5 billion if it were provided to the 974,860 households who were eligible based on their province’s eligibility criteria.⁴⁷ Yet, as mentioned before, total funding allocated across the program’s roughly eight-year term is only about \$4 billion. This has led to a situation where many jurisdictions exhaust their yearly funding allocations quickly, preventing them from taking on new applicants even when the need is there.⁴⁸ Some municipalities have also stepped up to fill in funding gaps. These starts and stops in funding, in addition to lack of clarity on what happens when funding runs out, are causing confusion for both administrators and recipients.

44 Total funding for the CHB is likely higher than the initial \$4 billion commitment due to federal and provincial top-ups.

45 CBC News. (2023). Chow calls on feds for more funding as applications reopen for rental supplements. <https://www.cbc.ca/news/canada/toronto/cohb-rental-supplement-toronto-chow-1.6942443>.

46 Housing, Infrastructure and Communities Canada. (2025). *Progress on the National Housing Strategy - December 2025*. <https://housing-infrastructure.canada.ca/housing-logement/ptch-csd/reports-rapports/prog-nhs-dec-2025-dec-snl-eng.html>.

47 Blueprint. (2022). <https://cms.nhc-cn1.ca/media/PDFs/blueprint-report-analysis-progress-bilateral-nhs-programs-eng.pdf>. Note that this estimate excludes the territories.

48 CBC News. (2025). Manitoba housing benefit stops taking new applications as minister points finger at Ottawa. <https://www.cbc.ca/news/canada/manitoba/manitoba-housing-benefit-applications-1.7477730>.

But even with these challenges, many people are being supported by the CHB. According to estimates from provincial and territorial governments, about 330,000 households have received assistance through the various CHB arrangements.⁴⁹ In terms of impact, one study about the CHB in Atlantic Canada found that many CHB participants reported that it has helped them stay housed and afford other necessities, especially food. However, the study also showed that the CHB can only go so far – it pointed to the need to improve housing quality, provide support for utility costs, and increase the supply of available and affordable rental housing.⁵⁰ In addition, the CHB in Ontario is being used by some municipalities to find housing for people experiencing homelessness, with the Mayor of Toronto calling it “the single most effective tool we have for freeing up beds in our shelter system so that more people can come indoors from streets and parks.”⁵¹

Beyond singular studies and reports about the outcomes of specific CHBs, there is little public information about how the CHBs are working. Although the CHB bilateral agreements set out how provinces and territories should report on outcomes, which they are supposed to report every three years through action plans explaining their progress, only aggregate information about program recipients is reported publicly. It is unclear if other information about CHB outcomes that are described in the bilateral agreements is actually collected and reported on. This includes information about average benefit levels, average housing costs, average incomes, and recipient numbers by priority group – all critical information needed to understand the effectiveness of programs.

What we are learning from the CHB is that, even when a housing benefit is provided directly to households and involves cooperation from all governments, too much flexibility in design and administration, limited funding, and an unclear accountability framework can limit the impact of the program.

The time-limited nature of the CHB should be of particular concern, considering that around 330,000 households could risk losing their homes if they do not receive continued support after the CHB expires. A new system of housing benefits

49 Housing, Infrastructure and Communities Canada. (2025). <https://housing-infrastructure.canada.ca/housing-logement/ptch-csd/reports-rapports/prog-nhs-dec-2025-dec-snl-eng.html>.

50 Leviten-Reid, C., Digou, M. & Kennelly, J. (2024). *Housing as a Human Right, Rent Supplements and the New Canada Housing Benefit*. Housing Studies. <https://www.tandfonline.com/doi/epdf/10.1080/02673037.2024.2307595>.

51 Chamandy, A. (2025, September 30). New provincial cuts will compound Toronto’s shelter system crisis, warns Chow. *The Trillium*. <https://www.thetrillium.ca/news/municipalities-transit-and-infrastructure/new-provincial-cuts-compound-torontos-shelter-system-crisis-warns-chow-11283376>.

in Canada should build off the collaborative effort and intentions of the CHB, but be set up to address its challenges and create a longer-term plan in its architecture.

Learning from past successes and missteps

The National Child Benefit Initiative: A lesson in cooperative federalism

Most people know about the Canada Child Benefit (CCB) – a federal tax-assessed and delivered benefit that provides financial assistance to eligible families with children. The CCB has received nearly universal support, both politically and publicly, for assisting low- and middle-income families with the cost of raising children. But we can learn more from the CCB than just its benefit parameters.

Prior to the late 1990s, federal benefits for families with children had gradually evolved from tax-saving initiatives that mainly supported those with higher incomes into one consolidated program with multiple parts that support households with moderate incomes. In contrast, provinces and territories provided support to low-income families with children through their social assistance programs. This effectively meant that there were two separate systems of supports – one for moderate- and higher-income families with children, led by the federal government, and one for very low-income families with children who receive welfare support, led by the provinces and territories.

The creation of the National Child Benefit Initiative (NCBI) in 1998 marked a major shift in how child benefits were funded and administered. Under the new initiative, the federal government essentially uploaded the cost of providing child benefits to low-income families from social assistance programs, integrating them into a single entitlement, where fiscal, design, and administration would be led by the federal government.

The concept of the “welfare wall” is often credited as prompting this change – a term coined by social policy leader Sherri Torjman, and further advocated by Caledon Institute founder Ken Battle, to describe the observation that there was a gap in support for low-income families with children who were not receiving social assistance. In fact, under the previous system, some could even be discouraged from leaving welfare for work because they would lose access to important

supports, like those for children, that families relied on. The hope was that this change would reduce this sort of effect.⁵²

When the federal government took on support for low-income families with children, provinces and territories made different adjustments to harmonize benefits, including:⁵³

- Deducting the amount of the new federal child benefit dollar-for-dollar from their social assistance programs.
- Combining provincial child benefits into one amount with the federal benefit. Any increases to the federal benefit **would be recovered**, fully or in part, through adjustments to the provincial child benefit program.
- Combining provincial child benefits into one amount with the federal benefit. Increases to the federal benefit **would not be** recovered through adjustments to the provincial child benefit program.

These adjustments reflected that provinces and territories would save by having the federal government upload the cost and administration of providing benefits to families with children who meet their eligibility criteria. They would also help to reduce duplication and improve accessibility for recipients.

Regardless of the ultimate adjustments, the provinces and territories agreed to reinvest their savings from integration into related activities that supported families with children, like child care and supplemental health benefits. The federal government also encouraged them to make further investments in families with children beyond the reinvested savings.⁵⁴

But just as important as the structure of the program is the joint accountability mechanism that was agreed to, where the ministers of social policy in each jurisdiction would be required to report on the results of their NCBI investments. They also produced joint progress reports on an annual basis, bringing transparency to both policymakers and the public.

Since the NCBI, federal children's benefits have been expanded significantly. Benefits have been combined into one broad support (the CCB), there have been significant increases to benefit levels, and there have been other adjustments made

52 Battle, K. (2015). *Child Benefits in Canada: Politics versus Policy*. Caledon Institute of Social Policy and the Mowat Centre for Policy Innovation. <https://maytree.com/wp-content/uploads/1074ENG.pdf>.

53 Federal, Provincial, and Territorial Ministers Responsible for Social Services. (2005). *Evaluation of the National Child Benefit Initiative: Synthesis Report*. https://www.canada.ca/content/dam/esdc-edsc/documents/programs/child-benefit/papers/evaluation-report/eval_ncb.pdf.

54 *ibid.*

to broaden the program's reach across income levels and family types. The role of the federal government in this area has also grown with the program, since it has driven these changes.

Much has been written about the positive effects of Canada's child benefits beyond just poverty reduction, including better maternal mental health, less hunger, and improved child test scores.⁵⁵ But none of these changes would have been possible without governments coming together to make it happen through the original NCBI, where effective cooperation led to improved support for families with children, less dependence on social assistance, and better integrated benefits. Governments were also able to play to their strengths, with the federal government taking on a leadership role to improve the depth, reach, and administration of benefits, with the provinces and territories ensuring integration with their existing programs. The resulting structure of children's benefits, including its evolution over time into the CCB, not only makes better policy sense, but better sense to recipients.

The NCBI stands as a powerful example of cooperative federalism in action. It demonstrates how governments can align their respective roles and resources to build more coherent, accessible, and impactful supports than any one level of government could achieve alone.

The Canada Workers Benefit: Regional flexibility is possible

The Canada Workers Benefit, formerly called the Workers Income Tax Benefit (WITB), is another example we can look to for inspiration about how to share the responsibility for benefits across governments.

The Canada Workers Benefit (CWB) is a modest refundable tax credit that supports workers with low incomes. Benefits begin when earnings exceed \$3,000 per year, gradually increase with earnings up to a maximum amount, and gradually decrease once income reaches a moderate level.

What makes the CWB unique is not just its design, but its architecture – the federal government gives provinces and territories the option to “configure” its design parameters to meet regional needs.

When the CWB was first introduced as the WITB, the 2007 federal budget set basic design parameters for the earnings eligibility threshold, the rate at which benefits increase, the maximum benefit, and the rate at which benefits decrease. It also established basic eligibility criteria for the benefit based on age, residency,

55 Battle, K. (2015). <https://maytree.com/wp-content/uploads/1074ENG.pdf>.

and family structure. However, unlike other federal tax-based supports, the budget stated that provinces and territories could make certain changes, or “reconfigurations,” to these parameters, under certain conditions. They must be:⁵⁶

- Built on actions to improve work incentives for low-income populations;
- Cost neutral to the federal government;
- Provide a minimum benefit level for all recipients; and
- Preserve the harmonization of the benefit with existing federal programs.

In response, Alberta, Nunavut, and Quebec have reconfigured some of benefit’s parameters in their regions. Compared to the standard CWB design, Alberta provides a higher maximum benefit to singles, likely at the expense of a lower maximum for families. Nunavut broadens income eligibility for the program so that more people can qualify, likely paid for by providing lower benefits more generally.

Quebec’s program has a unique reconfiguration design. It is focused on people without children. When compared to Canada’s base design, benefits have been adjusted to significantly deepen support for singles and couples without children, while lower support is offered to a narrower group of families with children. This design is likely reflective of the fact that Quebec already had its own tax credit for workers with low incomes prior to the creation of the CWB.

While not much has been said publicly by governments about this flexible design feature since the CWB’s creation, the CWB is an example of a way that governments can work together on the design of an income support program so that it takes regional benefit systems and needs into account. While the federal government retains fiscal, administration, and overall design responsibility for the benefit to ensure some level of consistency across Canada, the flexible feature respects the expertise of provincial and territorial governments in social services.

However, we caution that only the CWB’s various parameters are publicly available – the agreements between the federal government and these reconfigured jurisdictions are not. We assume that the federal government has retained sole funding responsibility for the CWB, and parameter changes are made cost neutral by adjustments in other areas of the benefit’s design. This is not to say that provinces and territories are not, or could not, contribute fiscally to top up the benefits in their regions, but that the initial model of reconfiguration put forward in the 2007 federal budget did not suggest as much. Therefore, there should be nothing stopping provinces and territories from contributing to a housing benefit

56 Government of Canada. (2007). *The Budget Plan 2007: Aspire to a Stronger, Safer, Better Canada*. <https://www.budget.canada.ca/2007/pdf/bp2007e.pdf>.

system, even if responsibility for administration were to rest with the federal government.

Ultimately, the Canada Workers Benefit demonstrates that income supports can maintain a consistent federal foundation, allow meaningful regional flexibility, and still achieve coherence and simplicity for recipients.

Setting a national standard in early learning and child care

In addition to income security reforms, we can also learn from the implementation of the national standard for early learning and child care systems across Canada.

In 2017, the federal budget allocated \$7 billion over ten years, starting in 2018-19, to support the creation of more high-quality and affordable child care spaces. Following the announcement, the government co-developed the Multilateral Early Learning and Child Care Framework with provincial and territorial ministers most responsible for child care. The framework set out a long-term vision for what these new investments could be used for, grounded in the principles of quality, accessibility, affordability, flexibility, and inclusivity.

Plans between the federal government and the provinces and territories were subsequently agreed to, which detailed how funding would be allocated and used over three years. The general formula for funding was that the federal government would provide each province and territory with \$2 million per year, plus an additional amount of per capita funding.

In the 2021 budget, after the three-year term ended, the federal government announced that it would work with provinces and territories to create a Canada-wide early learning and child care system where costs would be shared among governments. It allocated up to \$30 billion over five years, as well as committed to providing permanent ongoing funding, to achieve this goal. More specifically, these investments would be used to achieve:⁵⁷

- A 50 per cent reduction in average fees for regulated early learning and child care in all provinces outside of Quebec (which already has its own public child care system);
- An average fee of \$10 per day for all regulated child care spaces;
- Ongoing annual growth in quality, affordable child care spaces; and
- Meaningful progress in improving and expanding before- and after-school care.

⁵⁷ Government of Canada. (2021). *Budget 2021: A Recovery Plan for Jobs, Growth, and Resilience*. <https://www.budget.canada.ca/2021/home-accueil-en.html>.

The bilateral agreements have since been updated to reflect this new plan, with a commitment to look at how funding will work after the agreements expire.

This example illustrates how the federal government can work with the provinces and territories in an area of traditional provincial/territorial jurisdiction to create a national standard, grounded in shared objectives and principles. Of particular note is how the special case of Quebec was addressed, which had already made significant progress towards making child care more affordable prior to the federal investment.

Quebec does not have the same conditions as other provinces and the territories with respect to how federal funds are used and reported on. Instead, they have an asymmetrical agreement with the federal government, which simply states that Quebec “intends to use a significant portion of the contributions made under this agreement to fund further improvements to its early learning and child care system,” without providing details on what this looks like.⁵⁸ For example, Quebec does not have to establish action plans to describe how they will use federal funds, despite the other provinces having to do so. Similarly, although provinces and territories are expected to report annually on the use of federal funds, Quebec does not have an explicit requirement to report as rigorously on outcomes as other jurisdictions.

The different kind of agreement made with Quebec in early learning and child care shows how provinces and territories that have their own housing benefit programs could potentially be rewarded for their progress in a new housing benefit system. However, given that most housing benefits that currently exist do not provide the same kind of depth and breadth as Quebec’s child care system, it is unlikely that existing provinces outside of Manitoba could receive such an exception.

Canada’s recent experience building an early learning and child care system demonstrates how the federal government can establish firm national standards while still accommodating provincial diversity.

58 Government of Canada. (2022). *Canada-Quebec - 2021 to 2026 Asymmetrical Agreement on the Canada-Wide Early Learning and Child Care Component*. <https://www.canada.ca/en/early-learning-child-care-agreement/agreements-provinces-territories/quebec-canada-wide-2021.html>.

The Canada Disability Benefit: What happens when governments don't work together

In contrast to the successful co-design approaches for child benefits, low-income workers, and child care, the Canada Disability Benefit (CDB) offers a more sobering example of what can go wrong when governments turn away from best practices in benefit architecture.

For years, the total welfare incomes of people with disabilities have languished significantly below Canada's Official Poverty Line.⁵⁹ The federal government's early messaging around the CDB – including comparisons to the Guaranteed Income Supplement for seniors – brought hope that the new benefit would form the bedrock of a new, streamlined income security system for people with disabilities.⁶⁰ Instead, what took effect in July 2025 turned out to be another relatively meagre benefit layered on top of the existing complex structure of supports.

With no knowledge of what happened behind closed doors during intergovernmental discussions on the CDB, we can only comment on the outcome. We presume that, following the example of the NCBI, governments across Canada could have worked together to reform social assistance benefits for people with disabilities such that the CDB would anchor a new national approach, with other existing benefits reimagined around it. Alternatively, following the example of the Canada Workers Benefit, provinces and territories could have been given the option to amend the design of the CDB to fit their unique income security systems.

Instead, the CDB was implemented with a single national design, even though this has rendered social assistance recipients in the Northwest Territories and the Yukon unable to receive the maximum CDB thanks to federal clawbacks.⁶¹ There was also no detectable effort to reimagine other existing disability supports in response to the CDB, other than to request that provinces and territories exempt the CDB as income for the purposes of calculating other benefits. While nearly all provinces and territories eventually complied, Alberta refused. As a result, recipients of that province's Assured Income for the Severely Handicapped program are no better off after receiving the new CDB – a considerable blow to both the affected individuals and the prospects for future growth of the CDB.

59 Laidley, J. & Oliveira, T. (2025). https://maytree.com/wp-content/uploads/Welfare_in_Canada_2024.pdf.

60 Government of Canada. (2020). *A stronger and more resilient Canada: Speech from the Throne to open the Second Session of the Forty-Third Parliament of Canada*. <https://www.canada.ca/en/privy-council/campaigns/speech-throne/2020/stronger-resilient-canada.html>.

61 Laidley, J. & White, A. (2025). https://maytree.com/wp-content/uploads/Welfare_in_Canada_2024_brief.pdf.

In summary, the Canada Disability Benefit illustrates the costs of weak intergovernmental coordination, including fragmented supports, uneven outcomes, and missed opportunities to build a more adequate, efficient, and accessible income security system.

Putting it all together: The proposed architecture of the Canada Housing Benefit System

Section summary

- A new Canada Housing Benefit System should be built through intergovernmental collaboration, recognizing the shared roles of federal, provincial/territorial, and municipal governments.
- The proposed architecture is guided by five principles: sharing responsibility across governments; recognizing different types of contributions; building on existing strengths; rewarding jurisdictions that already provide strong housing benefits; and learning from successful social policy reforms.
- The federal government should work with provinces and territories to establish a national framework that sets a long-term vision, shared principles, reporting expectations, and a national standard for housing benefits that promotes consistency across Canada while still allowing provinces and territories some flexibility to adapt program design to local circumstances.
- Funding should be shared between the federal and provincial/territorial governments through a clear formula, with existing provincial and territorial housing benefit investments recognized as part of their contribution.
- Provinces and territories should administer benefits, allowing the new system to build on existing delivery infrastructure and better integrate with regional income support programs.
- During the transition to the new system, governments should extend current housing benefit agreements and provide bridge funding so that households currently receiving support through housing benefits do not lose assistance.
- Tripartite discussions between First Nations, the federal government, and provincial/territorial governments are needed to explore reforms to the on-reserve Income Assistance Program, recognizing First Nations' right to self-government. These discussions must take place in parallel with the implementation of the new housing benefit system.

Architecture principles

Since all governments are involved in housing and income security policy, we should not create something that ignores this complexity. Instead, we propose an architecture for the new system that fosters intergovernmental collaboration, thinking about how, and with what levers, each government could contribute so that the resulting system is as effective, efficient, and complementary as possible.

We developed the following principles to guide our recommendations:

- **Share the weight as equal partners:** Since all levels of government have a role to play in housing and income security policy, creating and implementing such a new system will require cooperation and contributions from everyone, including all provinces and territories. Overall, agreements should aim to reflect the principle that orders of government are equal partners.
- **Contributions come in many forms:** Governments can make both direct contributions (e.g., funding, design, and delivery) and indirect contributions (e.g., stronger rent regulation and investments to support people experiencing chronic homelessness) as part of the new system. This approach of harnessing the maximum available resources - including all potential policy, regulatory, and legal levers - is consistent with a human rights-based approach.
- **Play to existing strengths:** We do not need to start from scratch in creating the system's architecture. Governments should pull from their existing expertise and infrastructure, thereby reducing administrative costs and avoiding duplication.
- **Reward leaders:** Jurisdictions that already have housing benefits, especially ones that provide deep support to people with low incomes to find and keep their housing, should be rewarded for their efforts. This means that contributions to the new system should consider and build on what some have already achieved.
- **Learn from what works:** We can use examples of previous reforms to income supports, successful approaches to cooperative fiscal federalism, and what we have learned from the CHB to chart a path forward.

Architecture recommendations

Recommendation 1: Governments commit to provide bridge funding to transition existing housing benefit recipients into the new system.

The Canada Housing Benefit System that we envision is a long-term strategy. Since it involves considerable intergovernmental coordination, changes could take some time to be implemented. In the meantime, as discussed earlier, there are hundreds of thousands of people across Canada who receive support from existing housing benefits who need support to stay housed during this transition.

Therefore, federal and provincial/territorial governments should explore options to support current recipients of housing benefits while the new system is created. This could include:

- Extending the agreements that underpin the CHBs in their jurisdictions until the new system is created, providing continued funding to keep the roughly 330,000 households assisted through these programs housed.
- Keeping the structure of social assistance programs, at the very least, the same until the new system is implemented; system interactions can be assessed and addressed during the implementation stage. Should the shelter component of social assistance programs be consolidated into the new housing benefit system, this transition will need to be made gradually.
- Developing a new, or increasing an existing, refundable tax credit or benefit for lower-income households.

Recommendation 2: Governments should work together to develop a framework for a Canada Housing Benefit System.

Governments should work together to update the Housing Partnership Framework that led to the existing CHB bilateral agreements, or create a new framework, that would form the foundation of a new Canada Housing Benefit System.

The framework should:

1. Establish a long-term vision and principles for the new system

- The vision for the framework could be guided by the expected outcomes we note in this report to:
 - Support new and existing renters, with the aim of reducing homelessness and core housing need by a specific timeframe;
 - Encourage intergovernmental collaboration; and

- Advance human rights in accordance with the legal requirements of the National Housing Strategy Act.
- Similarly, the principles for the benefit’s architecture that we outline in this report could be used as a starting point for the principles that underpin the new framework. That is:
 - Responsibility should be shared among governments, including in the funding, design, and administration of housing benefits.
 - Contributions to the new system can come in many forms beyond direct fiscal contributions. This means that complementary measures to achieve the goals outlined in the framework should also be explored, including how to strengthen rent regulations. (See “[How else can governments contribute?](#)” for more on what this looks like.)
 - The new system should draw on existing jurisdictional strengths to improve efficiency, save costs, and avoid duplication.
 - Jurisdictions that have already made significant progress in advancing income supports for housing, such as Manitoba, should be rewarded in the new system. (See Recommendation 2 for more details on how costs could be shared and what a reward for jurisdictions that lead in housing benefits could look like.)
 - The system does not need to start from scratch. We can use examples of previous reforms to income supports, successful approaches to cooperative fiscal federalism, and what we have learned from the CHB to chart a path forward for the new system.
- Jurisdictions would report on outcomes, including publicly, to assess whether progress against the vision and goals of the system is being made. Reporting could continue to look like the reporting requirements that are part of the existing CHB bilateral agreements, with additional consideration to other indicators. For example, provinces and territories would continue to report on the number of households assisted, the amount of support they receive, the duration of assistance, and, where available, disaggregated information by socioeconomic characteristics. This information would also need to be reported publicly.

- 2. Set a national standard for housing benefits that would be consistent across jurisdictions, with some flexibility for local modifications**
 - The federal government would work with provinces and territories to develop a national standard for housing benefits in the new system. The national standard would set out expected benefit parameters and eligibility requirements for housing benefits in each jurisdiction, guided by a specific set of principles that are applicable to [benefit design](#), such as adequacy and dignity. (See the benefit design section of this report for more information on what the parameters of the national standard could look like and the principles it should keep in mind.)
 - Provinces and territories should be given some flexibility in how the national standard is met. This is especially the case for the territories and smaller provinces, which may have different housing needs and funding capacities. However, this flexibility should not be as open-ended as is currently the case under the Housing Partnership Framework and the existing CHB bilateral agreements. Instead, flexibility could more closely resemble how flexibility is given in early learning and child care agreements, where the federal government sets a standard benefit design, but provinces and territories can make some adjustments as long as they do not compromise the program's goals and are within a set of guardrails negotiated across the federation.

- 3. Establish short- and long-term cost-sharing expectations**
 - It is critical that the framework for the new system include expectations for cost-sharing across jurisdictions. Recommendation 2 explores the question of how costs could be shared in greater detail.
 - It may take some time to implement the new system. The framework should acknowledge the need for a transition period during which costs will vary in proportion to the pace at which the full scope of the new benefit is implemented. (Options for phased implementation will be explored in a later report.)
 - Regardless of the precise sharing of costs and the speed of implementation, total funding should reflect the aggregate need of all eligible benefit recipients, not an arbitrary amount of money each government is willing to contribute. In other words, governments must collectively assume the risk that costs exceed projections.

In addition, the framework should guide how jurisdictions could be expected to adjust existing benefits in response to the new system, such as social assistance shelter-related benefits and subsidies provided to support rent-geared-to-income housing. As we mentioned earlier, these considerations will be explored in

subsequent reports that consider the implications of the new system for specific jurisdictions.

Alternative approaches

Our proposed approach is guided by the idea that governments will work together to co-develop and implement the new housing benefit system in the spirit of cooperative federalism. However, with so many jurisdictions involved, it could take some time to get the consensus necessary to develop what we envision, even if the Housing Partnership Framework and existing CHB bilateral agreements are used as a starting point.

To speed up timelines, the federal government could also explore creating its own permanent, entitlement-based housing benefit that it singularly leads, funds, and administers. But this approach has several potential pitfalls:

- It is unlikely the federal government alone would be able to achieve the level of depth and breadth of housing support necessary to support new and existing renters.
- Without a system-level lens, the new benefit would likely end up filling in gaps, or acting as a top-up to existing benefits, potentially resulting in duplication in some jurisdictions. Provinces and territories may also respond by reducing their existing housing benefits, decreasing the impact of federal spending and displacing resources that will be needed for a future Canada Housing Benefit System.

Recommendation 3: Funding should be shared between the federal and provincial/territorial governments. Existing provincial and territorial housing benefits that help to meet the national standard should be counted against their expected contributions.

Costs for the new system should continue to be shared among federal, provincial, and territorial governments, but in a clear and negotiated manner. This approach is consistent with how costs are shared in existing funding arrangements for social services that are in provincial and territorial jurisdiction but are of national concern.

The federal contribution could be determined using a formula similar to what is used in the CHB and early learning and child care agreements. That is, the federal government could contribute an annual fixed or base amount to each province and territory, plus an additional per capita amount that reflects the proportion of the population in need in each jurisdiction. The fixed amount could grow over time by

a certain percentage, similar to how federal CST investments are legislated to grow on an annual basis.

The federal government should also negotiate conditions with the provinces and territories for the use of funds that are consistent with the goals and principles underpinning the new system. How well the provinces and territories are making progress towards these conditions should be reported on annually, as well as shared publicly, with consistent expectations across jurisdictions for what reporting should look like. As discussed in the previous recommendation, the existing action plans that are used to track how funding is used for the CHB and other bilateral initiatives could be used as a starting point.

Turning to the provincial/territorial share of costs, it is important to recognize that all provinces and territories already invest in housing benefits through their social assistance programs and, in some cases, other substantial housing benefits for low-income renters. The level of this existing investment can vary significantly by jurisdiction.

By establishing a standard that is binding on all provinces and territories, the new housing benefit system will naturally reward those who have made efforts to provide robust renter support. In essence, the closer a jurisdiction already is to meeting the national standard, the more their contribution expectations are reduced. However, as mentioned earlier, flexibility in meeting the standard will likely need to be negotiated for the territories and smaller provinces, which may have different housing needs and funding capacities. Future reports will delve deeper into these potential jurisdictional considerations.

Manitoba is the province most likely to enter the new system with the greatest advantage, thanks to a combination of their Rent Assist program and their existing CHB design (discussed in further detail on [page 55-57](#)). This should not affect the formula for the federal contribution to Manitoba under the new system, but it would reduce the provincial contribution needed to meet the national standards. Manitoba could also see fewer restrictions on the use of federal funding, much like how Quebec has more flexibility to use federal investments in early learning and child care. These funds could, for example, be used in part to expand the supply of supportive housing.

Alternative approaches

Since various provincial/territorial housing benefits already exist with different designs and target groups, it may be difficult for the federal government to gauge how well one housing benefit meets the national standard over another. It may also

be difficult to determine how much credit a province or territory should be given for a housing benefit program that meets some, but not all, of the housing benefit framework's expectations.

To avoid potential criticisms of subjectivity or bias in federal assessments of regional housing benefit programs, the following alternatives could be explored:

- **Use the CAP structure to determine federal contributions:** The federal government could consider a CAP-like cost-matching structure, where the federal government's investment in each jurisdiction is based on that jurisdiction's housing benefit funding, not how well designs meet a national standard. This sort of formula would still encourage and reward leaders in housing benefits, but it would also come at a significant cost to the federal government, reducing the long-term viability of the system. It also has the potential to exacerbate inequities between jurisdictions if some jurisdictions have a greater fiscal capacity to contribute to housing benefits than others.
- **Provinces and territories fund a majority share:** Since provinces and territories already take on most of the responsibility for funding and designing social assistance programs, they could retain this responsibility in the new system. The federal government would contribute a minority share, similar to how funding for the CHB is currently being administered, albeit at a higher magnitude. However, this structure would have several challenges. First, this sort of set-up is unlikely to support the depth and breadth of benefits in the new system that we envision. Instead, it would likely end up looking like existing CHBs, where funding and reach of the program are limited. Second, there would likely not be enough of an incentive for provinces and territories to expand benefits beyond what they currently provide. Lastly, there would be no improvements to consistency across provinces and territories in their housing benefit designs.

Recommendation 4: Provinces and territories administer benefits.

Since provinces and territories already administer many of their own housing benefits, including social assistance programs, they should retain this responsibility in a system of housing benefits. They also have existing agreements with the Canada Revenue Agency (CRA) that they can leverage to assess and administer benefits through the tax system.

We suggest this approach because Canada's housing benefits form an unusually tangled web (as shown previously in Table 1). In addition to social assistance programs, there are numerous housing-related income support programs operated by all levels of government that have their own benefit designs, eligibility criteria,

administration processes, and target populations. This complex patchwork of support makes it difficult to imagine consolidating much of the existing system into a single program administered by the federal government in the style of the NCBI – at least not initially. The emergence of a consolidated, streamlined housing benefit is more likely to happen at the level of individual provinces and territories.

Furthermore, having provinces and territories lead the administration of benefits has several important advantages. First, it respects provincial/territorial jurisdiction over social services and makes it easier to tailor benefits to regional needs. Second, provinces and territories have more experience assessing and delivering income supports to working-age adults using both the tax system and other administrative systems (e.g., social assistance). Therefore, they can harness the best of both approaches to meet their obligations under the new housing benefit system.

Alternative approaches

The major risk of the recommended approach is that the federal government loses too much control over the housing benefit system, despite a robust negotiated framework. If there is little to no consolidation of benefits at the provincial/territorial level, the complexity of housing benefits within and across jurisdictions could conceivably undermine the transformative potential of a new housing benefit system.

An alternative approach would see the federal government take on administration for the new housing benefit system using a combined NCBI and CWB approach. In this approach, it would take on a role similar to how it uploaded benefits for low-income families with children from social assistance into one integrated tax-based benefit. In the housing benefit system, it would mean uploading provincial/territorial housing benefits into a national housing benefit, but offering provinces and territories flexibility to change the benefit's parameters in their jurisdiction to reflect regional needs. The flexibility element would mirror that in the CWB, where provinces and territories are required to enter into configuration agreements with the federal government when they elect to deviate from the standard design.

In a combined NCBI and CWB approach, the federal government, provinces, and territories could still share costs for the program, though it is not common for the federal government to deliver a benefit that provinces and territories contribute to fiscally. In this case, it would be unclear how or whether the federal government would report to the provinces and territories about how their contributions were used to deliver benefits in their jurisdictions.

In addition, the federal government is more limited in the administration systems it can use to assess and deliver benefits to low-income populations, particularly to those who are unhoused. Although Service Canada has experience administering certain direct income security benefits, such as those for seniors and emergency benefits during the pandemic, only the provinces and territories operate longer-term income security programs outside of the tax system. To avoid excluding people who are not already connected to the tax system, or who need urgent support, the federal government would likely still have to arrange for provinces and territories to assist in administration.

Recommendation 5: Tripartite discussions between First Nations, the federal government, and provincial/territorial governments are needed to explore reforms to the on-reserve Income Assistance Program.

Echoing calls from previous income security reform proposals in Ontario, governments should come together to explore how to improve income support received on reserve. Importantly, the right to self-governance and respect for First Nations' jurisdiction must guide any changes to social services.

Tripartite discussions are needed to address challenges related to sufficient funding, adequate benefits, and administrative structures for income assistance provided on reserve. These discussions should take place in parallel to negotiations to improve housing benefits off reserve, so that benefits are aligned. They must also respect Indigenous rights, including Canada's commitments under the UN Declaration on the Rights of Indigenous Peoples.

How else can governments contribute?

So far, we have focused on ways that federal, provincial, and territorial governments can directly build the architecture of the new system of housing benefits in Canada. But there are other policy levers that governments at all levels can use to protect the value of benefits and help achieve the overall goal of making rental housing more affordable.

Taking this into account, intergovernmental agreements could include expectations that various levels of government will contribute to the new system through some or all of the following levers:

Fulfilling human rights obligations: As we mentioned earlier, there is a legal requirement through the NHSA to advance the right to adequate housing in the federal government's overall housing policy. The vision, framework, and goals

of the NHSA compell the federal government to lead the development of a new housing benefit system for people in deepest housing need.

The key enabler of rent regulation: At the provincial/territorial level, there are various laws and regulations that oversee the relationship between landlords and tenants, including rules for ending a tenancy, tenant protections, and rent control policies. Rent control policies could play a particularly important role in mitigating the potential upward pressure that housing benefits can have on the cost of rent, since they can prescribe limits for how much rent can be increased annually for existing tenants, between tenancies (when someone moves out and a new tenant moves in), and in certain buildings.

While rent control is an area of provincial and territorial jurisdiction, the bilateral agreements that underpin the new Renters' Bill of Rights could be used as a tool to tie shared costs with stronger renter protections, including a minimal level of rent control.

Housing with health care support: The provinces and territories also have jurisdiction over the coverage and provision of health care services in their regions. This is an important responsibility to consider in the context of a housing benefit system, since, as we mentioned earlier, a housing benefit alone likely will not be enough to fully support all people who need more affordable and permanent rental housing, especially those who experience longer periods of chronic homelessness and are faced with multiple health challenges. Therefore, the provinces and territories, given their jurisdiction, fiscal capacity, and expertise in health care services in their regions, should use this opportunity to refocus their efforts on how they can better support people experiencing chronic homelessness – especially through more funding for supportive housing.

Better use of available data: In addition, provinces and territories have a wealth of administrative information about many of the people who will likely be recipients of a new housing program – people who access social assistance programs and their existing housing benefits. For example, they would access critical information that could be used to target benefits and assess their implications, such as information about typical beneficiary income levels and demographic characteristics.

Much of the information about people accessing social assistance is already shared and annually published by Maytree in our *Welfare in Canada* and *Social Assistance Summaries* reports.⁶² However, more in-depth information is needed about recipients' housing situations and, for those who are housed, how much they pay in rent to figure out how much support is needed to achieve a significant level of

62 Access both reports at: <https://maytree.com/changing-systems/data-measuring/>.

adequacy. We also need to better understand the experiences and characteristics of people who receive support outside of social assistance programs.

In addition, federal and municipal governments have important information that they collect from various sources about the experiences of people who are unhoused. The federal government has access to coordinated point-in-time homelessness estimates of communities across Canada, as well as data from Statistics Canada surveys that ask about people's experiences with homelessness, housing precarity, and eviction. In addition, municipalities not only have information about who is unhoused, such as the number and demographic characteristics of people using emergency shelters or living in unsheltered locations. They also have expertise working with community partners to deliver programs that better target these hard-to-reach populations, including, in some cases, the CHB.

Engage with people with lived experience: Governments should not forget the important perspectives that people with lived experience of housing precarity and homelessness can provide in the design and implementation of the new system. See "[Transparency and Accountability](#)" for suggestions for how to better respect, reflect, and include lived realities in this process.

All opportunities need to be explored to make sure that both the direct benefits and these complementary actions come together to make rental housing more affordable to people in greatest need.

Designing the housing benefit standard

Section summary

- Existing housing benefits typically consider how much income a household should be expected to contribute to rent (income contribution) and make assumptions about the cost of rent for their family size and area (affordable rent).
- Benefit amounts are meant to cover much or all of the gap between these two variables (gap coverage).
- A 30 per cent income contribution is typical, as it aligns with common definitions of housing affordability and allows benefits to decline gradually as income rises.
- The definition of affordable rent should reflect the cost of an appropriately sized unit in the area where a person lives. It should not be tied directly to actual rent paid to reduce administrative complexity and limit incentives for rent inflation. Manitoba's Rent Assist provides a great starting model for the design of a housing benefit standard in the new system. Benefits are portable, support people both within and outside of social assistance, and have been proven to be effective.
- At the same time, even Manitoba's model has limitations, including separate program streams for social assistance and non-social assistance recipients, inequities in benefit levels between those streams, and reliance on a time-limited CHB top-up to support people experiencing homelessness. These issues show there is still room for improvement in a new national system.
- Benefits in the new system should prioritize people in greatest need:
 - Benefits should be targeted to people in the first two income quintiles, where housing need is most concentrated and most acute.
 - While a greater proportion of renters living in private market housing experience unaffordable housing, many renters living in social and affordable housing, as well as people who are unhoused, also need more support.

- A broad range of people experience housing need and homelessness. However, certain sociodemographic factors put some at greater risk, including one-parent households, women, seniors, Indigenous households, racialized households, immigrant and refugee-led households, people with disabilities, and people living in northern regions.
- The system will still need to take household size into account when determining housing need and benefit amounts.
- The model used for the Quebec Solidarity Tax Credit, where landlords are required to issue tax slips to their tenants in accordance with a standard set by Revenu Quebec, offers a promising way of supplying proof of rent to benefit recipients. In contrast, people who are unhoused will need an alternate eligibility criterion and verification process.
- For proof of residency, the broad Canadian residency requirements consistent with the Canada Child Benefit could be used, along with jurisdiction-specific residency requirements.
- Housing benefits in the new system could be administered primarily through the tax system. This system would be a simple, efficient, and low-cost way to assess and deliver benefits directly to recipients, especially existing renters.
- However, the tax system on its own is not enough. It relies on past income information, may be too slow to respond to sudden changes in circumstances, and can miss people who do not file taxes regularly, especially people with the lowest incomes.
- For people who are unhoused or who experience a change in circumstance that cannot wait for support through the tax system, there is a need for an alternative way to access benefits. A new system should, therefore, draw on the strengths of both tax-based and non-tax-based administration.
- People with lived experience of housing precarity and homelessness need to be meaningfully engaged to ensure that benefits reflect their needs.

Principles for benefit design

In our previous report, *Why income support is good housing policy: A new case for a permanent housing benefit in Canada*, we established five principles to guide what the national standard for housing benefits in the new system could look like. These are:

1. Adequacy and dignity;
2. Equity;
3. Simplicity;
4. Timeliness; and
5. Transparency and accountability.

In this section, we explore the technical questions that need to be answered to arrive at a suitable national standard, such as who should qualify, how applications should work, and the details about how benefits should be administered.

Table 3: Moving our guiding principles from theory to practice

Guiding principle	What it means in theory	What it means in practice
Adequacy and dignity	<ul style="list-style-type: none"> • Benefit amounts should enable people to meet their housing needs. • The benefit should improve indicators of income and housing need, such as poverty, core housing need, and homelessness. • The benefit should advance the related principles of autonomy, flexibility, and predictability. 	<ul style="list-style-type: none"> • How much support should benefits provide? How are they calculated? • What costs should it be designed to cover (e.g., rent only, rent and utilities)? • How should the benefit be made portable and predictable in its design and administration?
Equity	<ul style="list-style-type: none"> • Deepest support for those with the lowest incomes. • Everyone can get the support they need regardless of their varying circumstances. • Policies consider and account for how needs and impacts differ among groups. 	<ul style="list-style-type: none"> • Who should qualify? Should it vary based on different factors, like income and age? • What other equity considerations should factor into the design, such as equitable treatment across programs, housing types, and family situations?
Simplicity	<ul style="list-style-type: none"> • Eligibility rules and benefit administration should minimize the burden placed on households to apply for and receive the benefit. • Multiple access paths could be needed to simplify the recipient experience. 	<ul style="list-style-type: none"> • How do people apply? • What information is required of applicants (e.g., a lease agreement)? • How are applications assessed? • What assessment and delivery methods could be used to respond to the diverse needs of recipients?

Guiding principle	What it means in theory	What it means in practice
Timeliness	<ul style="list-style-type: none"> • Benefits should be provided as quickly as possible. • May require flexibility to respond to sudden changes in circumstances. 	<ul style="list-style-type: none"> • What systems should be used to provide benefits? • Should the benefit be provided yearly, quarterly, or monthly?
Transparency and accountability	<ul style="list-style-type: none"> • Set clear and measurable goals and monitor them. • Publicly report on information about how the benefit is working, including spending, recipients, and progress made against goals. • A strong evaluation framework needs to be in place to inform future improvements. • People who are most impacted should be given the opportunity to participate in the benefit's design. 	<ul style="list-style-type: none"> • How should progress be measured? When and how should this progress be reported on? • How do we make sure that people can participate in the benefit's creation? What could this process look like? • How will we track who is left out, and how will our systems react proactively to address this?

Adequacy and dignity

Defining adequacy

Adequacy in income support programs typically means ensuring that benefits help people afford the necessities of a dignified life.

Because housing benefits are meant to help with housing costs exclusively, they have a specific kind of adequacy goal: to make rent more affordable to people based on their incomes. In practice, this means that housing benefits are generally calculated using the following variables:

1. **Income contribution:** The proportion of income that is considered reasonable, or affordable, to spend on housing, so that it does not compromise the ability to purchase other necessities like food or clothing.
2. **Affordable rent:** An indicator of the cost of rent for a typical unit, usually in the private market, like the average or median market rent. This indicator can vary based on the region in which someone lives, the definition of rent, and household size.
3. **Gap coverage:** The gap refers to the difference between the affordable rent someone is expected to pay and their income contribution. The “coverage” of this gap is how much of the gap is filled by the housing benefit.

Thus, a typical housing benefit calculation can be expressed as:

$$\text{Housing benefit} = (\text{Affordable rent}) - (\text{Income contribution} * \text{Income})$$

In other words, a housing benefit generally pays some portion of the difference between affordable rent and income, with the amount or coverage of this difference varying depending on the program.

Table 4: Example of common housing benefit calculations, select benefits, July 2025

	Income contribution	Affordable rent	Gap coverage
British Columbia Rental Assistance Program (RAP)	30% of income	Lesser of actual rent paid or the maximum rent level, varies based on three geographic zones and household size	35-90% of gap, gradually declining as income grows
Quebec Rent Supplement	25% of income	Actual rent paid, varies by recipient	100%
Manitoba Rent Assist (not receiving social assistance)	30% of income	80% of the annual median market rent in Winnipeg, varies by household size	100% of reduced gap (80% of MMR – 30% of income = Rent Assist benefit)

Income contribution

As shown in Table 4 above, people are often expected to contribute between 25 and 30 per cent of their income towards their rent in existing housing benefits. This generally aligns with the common understanding of affordable housing in Canada – that housing is affordable when it takes up less than 30 per cent of income. For example, this is consistent with the Canada Mortgage and Housing Corporation’s (CMHC) definition of unaffordable housing for renters (part of its core housing need calculation). While the reasonable proportion of income to be spent on rent is somewhat arbitrary, especially for people with very low incomes, the 30 per cent standard is a good place for us to start in the housing benefit calculation.

Importantly, the amount that a household contributes to their rent effectively becomes the benefit reduction rate. A benefit reduction rate means that as income grows, benefits are gradually reduced by the contribution rate that is chosen. This is a common feature of income-tested supports because it is a progressive one – it ensures that the most support is provided to people with the lowest incomes, while continuing to assist people as they increase their incomes from other sources, lessening impact of the transition from income support to work. However, it is important that the reduction rate is not too steep, as this can lead to exceptionally

high marginal effective tax rates when combined with other systems (i.e., the combined effect of benefit reductions and income taxes at a particular income level). Thus, a 30 per cent income contribution or reduction rate for the new housing benefit standard makes sense, since it would very gradually reduce benefits as recipient incomes grow.

CMHC's concept of core housing need takes its definition of unaffordable housing a step further by excluding those who may have access to alternative housing in their area that is affordable and meets their needs based on their household's size. This step is meant to remove people from core housing need who spend more of their income on housing by choice. Housing benefits are also able to target people who are living in unaffordable housing by necessity, not choice, by restricting access based on income levels and using the benefit reduction rate discussed above. (See the [“Equity” section](#) for more information about income targeting in income-tested benefits.)

Affordable rent

The part of the housing benefit calculation that tends to vary more widely is the concept of affordable rent. It is not only a key input, but also what determines the maximum benefit level, since benefits are meant to cover costs up until an amount of rent that is considered affordable. While definitions of affordable rent are usually based on rent in the private market, since housing benefits typically target people living in market housing, there is no single way to measure this standard. For example:

- Some programs use the average market rent as either the rent standard or the maximum amount at which benefits can be provided (e.g., the Canada Housing Benefits in Newfoundland and Labrador, Nova Scotia, and Ontario);⁶³
- Some programs use the median market rent as the rent standard (e.g., Manitoba Rent Assist);
- Some programs consider actual rent paid up to a maximum (e.g., RAP in BC);
- Some programs reimburse costs up to an arbitrary program-specific maximum (e.g., most social assistance programs); and
- Some consider whether rent includes utilities (e.g., Manitoba Rent Assist benefits for people accessing social assistance programs).

63 Blueprint. (2022). <https://cms.nhc-cn1.ca/media/PDFs/blueprint-report-analysis-progress-bilateral-nhs-programs-eng.pdf>.

On top of variations in the definition of the rent standard, the type of rental housing that is included in this standard can also differ. As mentioned, the calculation of affordable rent is usually focused on the cost of rent for market housing, but the type of market housing included in this calculation can vary. While some programs base their standard on the rents of purpose-built apartments only, others include rents in the broader private market, including condos and secondary suites. Similarly, rent can refer to asking rents only, a combination of rents for existing tenants and asking rents, or a specific rent calculation that makes sense for the region implementing the benefit.

In addition, some programs tie rents to a specific region to ensure that people living in areas where rents are higher, such as larger cities, can access support that better reflects the cost of living in these areas. For example, as mentioned in Table 4, RAP provides different benefits depending on three geographic zones, where benefits equal the lesser of actual rent paid and rent maximums in each zone. In contrast, Manitoba's Rent Assist program sets affordable rent as a flat definition tied to rent in Winnipeg, since most renters live there.

Importantly, using a flat maximum that does not vary based on actual rent paid makes it harder for landlords to capture the value of the housing benefit by simply raising the rent. This has largely been found to be the case in the Manitoba Rent Assist program so far, though there are some reported cases of housing operators on the low end of the market inflating rents.⁶⁴ This effect highlights the importance of complementary measures, like stronger rent regulations, in keeping rent affordable across different kinds of housing situations, especially those that people who are most vulnerable are likely to access (refer to "[How else can governments contribute?](#)" for more on how provincial and territorial governments can implement stronger rent regulations).

Affordable rent can also vary depending on the size of the family or household. This is because rents typically increase with unit size – the larger the family, the larger the unit they will likely need, raising their costs. However, rents do not typically increase in an exactly proportionate way to increases in the size of the household, nor do most income supports. [See the "Equity" section](#) for details on how a housing benefit can take into account different household formations in the benefit's design.

Taken together, there is no uniform way to choose the variable of affordable rent for the housing benefit standard in the new system. What matters more is creating

64 Cooper, S., Hajer, J., & Plaut, S. (2020). *Assisting renters: Manitoba's Rent Assist in the context of Canada's National Housing Strategy*. Canadian Centre for Policy Alternatives, Manitoba & Manitoba Non-Profit Housing Association. <https://policyalternatives.ca/wp-content/uploads/attachments/Assisting%20Renters.pdf>.

a design that meets the goal of supporting new and existing renters. In practice, this means that the chosen definition of affordable rent lifts existing renters out of housing need and keeps them out.

To better support existing renters, the definition of affordable rent should have some relation to the cost of rent for the unit size people need in the area in which they live. This could mean jurisdictional or regional benefit variations that take into account the higher cost of living in some areas. However, as noted earlier, the definition should not be tied to actual rent paid to mitigate against potential rent inflation and reduce the administrative burden of calculating more complex benefits.

Gap coverage

Once the income contribution and affordable rent are determined, the last step in the housing benefit calculation is selecting the amount of gap coverage to provide.

Most existing housing benefits and previous research about housing benefit design in Canada have moved away from models where 100 per cent of this gap is covered. Effectively, they assume that households should be able to spend some of their income on their rent, and that they have access to other means to do this. This reduces the cost of the benefit to governments and mitigates against rent inflation, since less support would be provided than if the full gap were covered.

For example:

- Some programs cover the full gap, but between only a proportion of rent and a household's income contribution (e.g., Manitoba Rent Assist, Canada-Ontario Housing Benefit);
- Some housing benefit proposals (e.g., the National Housing Collaborative and the Ontario Income Security Reform Working Group) suggest that a housing benefit should cover 75 per cent of the gap between the lesser of a minimum rent threshold, actual rent paid, and a rent maximum;^{65,66} and
- Some have suggested exploring the option of a broadly accessible low-income housing benefit that fills the gap between what social assistance provides and the cost of affordable rent (e.g., Steve Pomeroy, on behalf

65 National Housing Collaborative. (2016). *A new housing affordability agenda for Canada: Submission to the National Housing Strategy*. <https://www.tamarackcommunity.ca/hubfs/VC/Policy%20Clearing%20House/NHC-Submission-Oct-2016.pdf>.

66 Income Security Reform Working Group. (2017). https://files.ontario.ca/income_security_-_a_roadmap_for_change-english-accessible_updated.pdf.

of the Canadian Alliance to End Homelessness, and Michael Mendelson, Caledon Institute of Social Policy).^{67,68}

An outlier among these examples is RAP, where gap coverage is calculated on a sliding scale from 35 to 90 per cent of the gap between a household's income and rent. In this sliding scale, the most generous gap coverage goes to families with the lowest incomes. While this sort of formula makes sense in theory, it adds complexity to the design – likely making it more cumbersome for administrators and more difficult for recipients to understand how their benefits are determined. Moreover, the income contribution portion of the formula already ensures benefits are targeted to people with lower incomes, so this additional step may not be necessary.

Instead, basic income researchers from British Columbia have suggested that Manitoba's Rent Assist calculation would be most consistent with basic income principles compared to the existing housing benefits in the province. This is because, under such a model, more low-income renters can qualify, it promotes equity and fairness among different types of recipients, it is not based on actual rent paid, and it can be calculated and administered in a simple manner.⁶⁹ In fact, these researchers recommend that British Columbia develop a consolidated housing benefit program that replaces all existing demand-side benefits with a new BC Rent Assist, similar to Manitoba's model.⁷⁰ These findings suggest that Manitoba's Rent Assist formula could be used as a model for the national housing benefit standard that each province and territory would consolidate their housing benefits to meet. The following section describes Manitoba's Rent Assist program in more detail, including potential areas for improvement that could be applied in the new housing benefit system.

67 Pomeroy, S. (2023). <https://caeh.ca/wp-content/uploads/Homelessness-Prevention-and-Housing-Benefit-Policy-Whitepaper-CAEH.pdf>.

68 Mendelson, Michael. (2016). *Designing a Housing Allowance Program*. Caledon Institute of Social Policy. https://assets.cmhc-schl.gc.ca/sf/project/archive/housing_organizations/designing-a-housing-allowance-program.pdf.

69 Mendelson, M. & Kesselman, J. (2020). *Applying a Basic Income Lens to British Columbia's Demand-Side Housing Programs*. https://bcbasicincomepanel.ca/wp-content/uploads/2021/01/Applying_a_Basic_Income_Lens_to_British_Columbias_Demand-Side_Housing_Programs.pdf.

70 *ibid.*

In focus: The Manitoba Rent Assist Model

The Manitoba Rent Assist program, created in 2015, is one of the most broad and adequate housing benefits among those for low-income renters in Canada.

Rent Assist benefits are not based on the actual amount of rent that is paid. Rather, benefits are equal to a proportion of the MMR for a unit that can accommodate the household's size in the province's most populous CMA, Winnipeg. The MMRs are defined as the median market rents for units in the primary rental market as reported in the CMHC's annual Rental Market Survey from October of the previous year.⁷¹ Units considered to accommodate household size are the following:⁷²

- Bachelor apartments for one-person households who are under age 55;
- Average of bachelor and one-bedroom apartments for one-person households over age 55;
- One-bedroom apartments for households of two adults;
- Two-bedroom apartments for two-person households who have a minor dependant or households with three to four people; and
- Three-bedroom plus apartments for households with five or more people.

The program has two streams: one for people who receive support from the province's social assistance programs, and one for other low-income renters.

For people who receive support from social assistance, their Rent Assist benefit is equal to 77 per cent of the MMR of a unit needed for the size of their household. Benefits differ depending on whether utilities, like electricity and water, are included in their rent. That is:

$$\text{Manitoba Rent Assist (social assistance recipient)} = 77\% * \text{MMR for the unit needed by the household} + \text{utilities}$$

For private market renters who do not receive support from the province's social assistance programs, Rent Assist is equal to the difference between 30 per cent of a household's adjusted family net income (AFNI, [see the "Equity" section](#) for information on AFNI), which varies depending on the household's size, and 80 per cent of the MMR of a unit needed for the size of the household.

71 Government of Manitoba. (n.d.). Assistance Regulations. https://www.gov.mb.ca/fs/eia_manual/regs/index.html.

72 *ibid.*

That is:

$$\text{Manitoba Rent Assist (non-social assistance recipient)} = (80\% * \text{MMR for the unit needed by the household}) - (30\% * \text{AFNI})$$

Only those who meet specific AFNI thresholds are eligible for the benefit. These thresholds vary depending on the number of people in the household, including dependants, whether a person is age 55 or older, and whether they receive federal disability benefits.⁷³

Table 5: Comparison of Manitoba Rent Assist benefits, social assistance vs. non-social assistance recipients, as of July 2025

Example household	Rent Assist – social assistance		Rent Assist – non-social assistance	
	Maximum monthly benefit, rent with utilities	Maximum monthly benefit, rent without utilities*	Maximum monthly benefit	Maximum yearly income
Single under 55, not disabled	\$676	\$601	\$702	\$28,096
Single age 55+ or disabled	\$780	\$685	\$811	\$32,432
Couple without children	\$885	\$786	\$919	\$36,768
Single parent or couple with a child	\$1,140	\$960	\$1,185	\$47,392

* When rent excludes utilities, households can receive an additional supplement for the monthly cost of reasonable utilities.

Source: Government of Manitoba. (n.d.) Assistance Regulations. https://www.gov.mb.ca/fs/eia_manual/regs/index.html.

The Canada-Manitoba Housing Benefit (CMHB), the co-developed and cost-shared CHB program between the province and the federal government, has been designed to top up Rent Assist benefits. As of 2025, the CMHB can provide up to \$350 per month plus a utility supplement in additional support to people in either stream of the Rent Assist program,⁷⁴ with priority given to youth transitioning out of care, people at risk of or experiencing homelessness, people living in supportive housing, and survivors of domestic violence leaving their current living situation.

73 Government of Manitoba. (n.d.). Rent Assist. https://www.gov.mb.ca/fs/eia/rent_assist.html.

74 Government of Manitoba. (n.d.). Canada-Manitoba Housing Benefit. <https://www.gov.mb.ca/housing/progs/cmhb/index.html>.

While the combination of Rent Assist and the CMHB is a promising example of how to increase support for lower-income renters, there have been recent challenges with the designs of both programs that are worth noting in the context of a new housing benefit system.

For one, as mentioned above, Manitoba's Rent Assist program currently operates as two separate streams for people who access social assistance programs and the broader low-income renter population, with the latter population needing to apply for benefits. This means that it does not currently address the challenge of whether a housing benefit should replace social assistance entirely or be provided as an additional supplement.

In a new housing benefit system, we envision a simpler benefit structure, where there may be different streams for entry, but that these streams eventually converge together so that housing benefits are consolidated under one program, with one structure. While this was also the original vision for Manitoba Rent Assist, it has yet to happen. We explore this potential model further in the [“Simplicity and timeliness” section](#) and in the recommendations for benefit design.

With respect to the adequacy of Rent Assist benefits, recent program changes have ended up reducing benefits for some. For example, while the maximum benefit for non-social assistance recipients has been raised over time from 75 to 80 per cent of the MMR, the maximum for social assistance recipients is set at a lower rate of 77 per cent of this benchmark. This can create an inequity in support between recipients based on how they enter the program.⁷⁵

The CMHB has also faced similar challenges to other housing benefits created through the National Housing Strategy. That is, funding is exhausted quickly, preventing new applicants from joining the program and creating uncertainty among program administrators about when new funding will come.⁷⁶

These findings suggest that even in Manitoba, where housing benefits are more available and adequate than others, there is still room for improvement that a new housing benefit system could address. It also suggests that each jurisdiction will have its own challenges related to its housing benefits that need to be fleshed out in jurisdiction-specific analysis.

75 Hajer, Jesse. (2025). *Reversing Cuts to Rent Assist to Support Housing Affordability in Manitoba*. Canadian Centre for Policy Alternatives. <https://www.policyalternatives.ca/news-research/reversing-cuts-to-rent-assist-to-support-housing-affordability-in-manitoba/>.

76 CBC News. (2025). Manitoba housing benefit stops taking new applications as minister points finger at Ottawa. <https://www.cbc.ca/news/canada/manitoba/manitoba-housing-benefit-applications-1.7477730>.

Protecting adequacy

The cost of living, including rent, is not fixed, and so a housing benefit would need to grow with living costs to retain its value over time.

Most tax-based benefits and credits at the federal and provincial/territorial levels are indexed to inflation for this reason. Indexation usually applies to both the maximum benefit level and income eligibility thresholds to ensure that both the actual benefit and who qualifies are reflective of the current economic context. The rules around when and how indexation occurs are prescribed in the legislation and regulations that give the legal authority for these programs.

Manitoba's Rent Assist program illustrates how a housing benefit can be specifically designed to protect its value relative to changes in the cost of rent. In this program, as discussed in the previous section, the maximum benefit is equal to a proportion of the median market rent in Winnipeg, which differs depending on how the recipient gets into the program, family size, and age. Importantly, the median market rent is defined in Manitoba's Assistance Regulation as the median rent for apartments in the CMHC's annual Rental Market Survey, based on the unit needed for the household's size.⁷⁷ As a result, Rent Assist rates are updated every July 1 based on the previous year's CMHC survey. By prescribing this design feature in a regulation, it ensures that as rent grows, the benefit grows along with it.

Equity

Income targeting

Renters with lower incomes disproportionately experience core housing need. According to the 2022 Canadian Housing Survey, over half of people in renter households with incomes in the lowest income quintile experienced core housing need, as well as 27 per cent of people in renter households with incomes in the second income quintile. This experience essentially dropped to zero as household income increased.⁷⁸ A new housing benefit system should, therefore, aim to support people with incomes in the first two income quintiles, since that is where need is most acute.

77 Government of Manitoba. (n.d.). Assistance Regulations. https://www.gov.mb.ca/fs/eia_manual/regs/index.html.

78 Statistics Canada. (2025). Table 46-10-0074-0.1 *Persons in core housing need, by tenure and other selected sociodemographic characteristics*. <https://www150.statcan.gc.ca/t1/tbl1/en/cv.action?pid=4610007401>.

How income is tallied is an important consideration in targeting benefits. For example, benefits administered through the tax system typically use what is called adjusted family net income (AFNI). Net income as defined by AFNI is different than net income in a general sense – it refers to the total before-tax income reported on line 23600 of a person and their spouse/common-law partner’s tax return, minus relevant deductions.

While the ease of using AFNI makes it the leading candidate for the income definition in a new housing benefit system, it also means that the amount that people receive from some other income-tested supports, such as social assistance and seniors’ benefits, could end up reducing their housing benefit. This is because, while not subject to income tax, social assistance benefits and low-income seniors’ benefits are tax-reportable sources of income that are included in AFNI. This is not necessarily a bad thing, since the new housing benefit system is meant to integrate all housing benefits into one support. As well, recipients may still end up with higher incomes overall than they were prior to the housing benefit. It is also consistent with the income definition used in most supports assessed or delivered through the tax system. Fully understanding the effects of using AFNI on recipients’ total incomes needs to be further explored in jurisdictional examples.

Another common way to think about eligibility, especially for programs that support people with lower incomes, is means-testing – that is, considering whether people have access to resources beyond just income. For example, social assistance systems sometimes impose asset tests, limiting the amount of certain kinds of fixed (e.g., cars, housing) and liquid (e.g., bank holdings) assets a household can have to be eligible for their programs.⁷⁹ This type of testing is meant to ensure that people accessing social assistance are not living in a high-income household or have other assets that they are not withdrawing on first before accessing the system.

In practice, though, asset testing like that in social assistance programs often requires onerous reporting and runs counter to the principles of dignity and simplicity that underpin our vision for a new housing benefit system. Furthermore, high-wealth, low-income renters are rare. As a 2023 Statistics Canada survey shows, there is a widening wealth gap between renters and homeowners, especially as they age, with renters reaching retirement years without a registered pension plan having a median net worth of only \$11,900.⁸⁰ This finding indicates that proving renter status, in combination with an income test, would be a good proxy for the rules used in other supports that help to target benefits to those in deepest need.

79 Laidley, J. & Oliveira, T. (2025). https://maytree.com/wp-content/uploads/Welfare_in_Canada_2024.pdf.

80 Statistics Canada. (2024). *Survey of Financial Security, 2023*. <https://www150.statcan.gc.ca/n1/daily-quotidien/241029/dq241029a-eng.htm>.

Housing status

As discussed in [the “Adequacy” section](#), most housing benefits are designed to help reimburse some proportion of a private market renter’s housing costs so that their housing is more affordable at their income level. This focus makes sense, considering that with the limited stock of social and affordable housing, lower-income renters often have to rent in the private market, where rents are generally higher. In 2022, about 34 per cent of renter households living in market rental housing spent 30 per cent or more of their income on shelter costs.⁸¹

However, all renters, even those living in social and affordable housing, may still need additional financial support for their housing to be affordable. In 2022, for example, roughly 25 per cent of renter households living in social and affordable housing spent 30 per cent or more of their income on shelter costs. This compares to 16 per cent of owner-occupied households.⁸² In addition, some non-market housing operators have raised concerns about their ability to keep rents low in the face of rising costs, especially given that many of their operating agreements with the federal government, which sets out funding for rental assistance, are set to expire in 2028.⁸³ To address future funding challenges, the National Housing Council has called for long-term rental assistance to support the non-market housing sector, such as by increasing funding to providers who are reaching the end of their operating agreements or by developing a specific CHB stream for renters living in social and affordable housing.⁸⁴

In addition, as mentioned previously in this report, there are tens of thousands of people across Canada who are unhoused that would also benefit from a new housing support. Unfortunately, many existing housing benefits, especially social assistance programs, exclude those who are unhoused from getting shelter assistance because they do not have housing costs to reimburse. This is an unfortunate and ironic design, since people experiencing homelessness are the population a housing benefit should be designed to help.

For example, Maytree’s most recent analysis of social assistance programs found that single adults considered employable who are unhoused can receive 23 to 77

81 Statistics Canada. (2024). *Table 1: Share of households that spend 30% or more of their household income on shelter costs, Canada, 2018, 2021 and 2022*. <https://www150.statcan.gc.ca/n1/daily-quotidien/240910/t001b-eng.htm>.

82 *ibid.*

83 National Housing Council. (2025). *Scaling-up the non-market housing sector in Canada*. <https://cms.nhc-cn1.ca/media/Scaling%20Non%20Market%20Housing%20Report%20-%20V10%202.pdf>.

84 *ibid.*

per cent less support than those who are housed.⁸⁵ Only in Nunavut and Quebec do those who are unhoused receive comparable benefits to those who are housed.⁸⁶ As we discussed in our previous report about the case for a housing benefit in Canada, this happens because social assistance programs with shelter-related benefits often require households to report their shelter expenses to be reimbursed for them. If they do not have specific shelter-related expenses, then they do not get any additional support.⁸⁷

Table 6: Comparison of total base monthly social assistance benefits for singles considered employable, housed vs. unhoused, 2024

	Housed	Unhoused	\$ difference	% difference
Alberta	\$824	\$459	-\$365	-44%
British Columbia	\$1,060	\$635	-\$425	-40%
Manitoba	\$883	\$245	-\$638	-72%
New Brunswick	\$860	\$660	-\$200	-23%
Newfoundland	\$931	\$561	-\$370	-40%
Northwest Territories	\$2,453	\$573	-\$1,880	-77%
Nova Scotia	\$704	\$403	-\$301	-43%
Nunavut	\$1,003	\$914	-\$89	-9%
Ontario	\$733	\$343	-\$390	-53%
Prince Edward Island	\$1,452	\$577	-\$875	-60%
Quebec	\$829	\$829	\$0	0%
Saskatchewan	\$1,005	\$355	-\$650	-65%
Yukon	\$1,725	\$495	-\$1,229	-71%

These examples show that the benefits in the new system will need to go beyond targeting existing low-income renters in the private market only.

85 Laidley, J. & White, A. (2025). https://maytree.com/wp-content/uploads/Welfare_in_Canada_2024_brief.pdf.

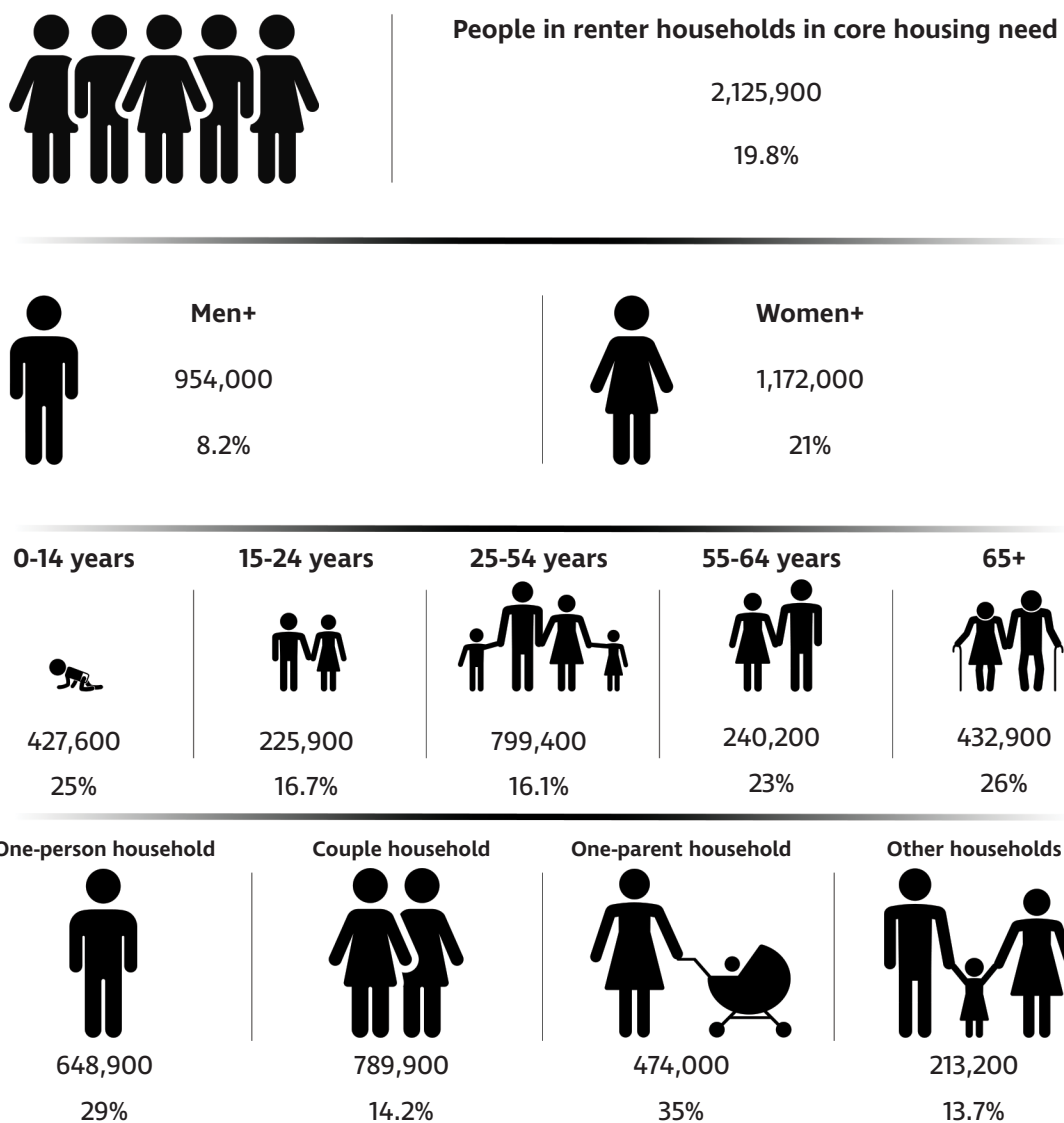
86 *ibid.*

87 DiBellonia, S. & White, A. (2025). <https://maytree.com/publications/why-income-support-is-good-housing-policy-a-new-case-for-a-permanent-housing-benefit-in-canada/>.

Characteristics of renters in housing need

Characteristics like age, family type, and gender put some households at a disadvantage in affording the cost of rent. The 2022 Canadian Housing Survey shows that a greater proportion of people living in renter households experienced core housing need if they were women, younger children, older adults, or living in one-person households. Roughly 35 per cent of renter households with one parent experienced core housing need – the highest among all family types.

Figure 7: Number and per cent of people in renter households experiencing core housing need, by select characteristics, 2022



Source: Statistics Canada. (2025). Table 46-10-0074-0.1. *Persons in core housing need, by tenure and other selected sociodemographic characteristics*. <https://www150.statcan.gc.ca/t1/tbl1/en/cv.action?pid=4610007401>.

Importantly, individuals and families with the following characteristics experience higher rates of core housing need:⁸⁸

- Indigenous households, who are more likely to live in overcrowded housing or housing in need of major repairs than non-Indigenous households;
- Female-led households, including female-led senior households who live alone;
- Immigrant-led households, particularly recent refugee-led households;
- Racialized households;
- People with disabilities; and
- Households who live in northern regions, especially those in Nunavut, where the rate of core housing need is higher than any other region in Canada.

If a new housing benefit system aims to support people in greatest housing need, it should consider how to target these individuals. One potential way is by phasing in benefits to start with only certain family types or individuals with specific characteristics before expanding access to the broader population. Other ways include having different design parameters to account for varying needs, such as a supplement to provide assistance with the additional housing costs experienced by people with disabilities. However, at full implementation, benefits should be able to reach a broad range of renters who need more support to afford their housing.

Adjusting for family size

One common way to target family types is by varying support levels by family or household size. As the number of people in the household grows, it is assumed that even though their costs will grow, they can share these costs, and so benefits are typically adjusted by an equivalency scale to reflect this fact. One common method for determining how to scale benefits proportionate to a family's size is the square root equivalence scale – multiplying the benefit per person by the number of beneficiaries in the household, then dividing the result by the square root of the number of beneficiaries in the household.⁸⁹

88 Canada Mortgage and Housing Corporation. (n.d.). *Core Housing Need Data – By the Numbers*. <https://www.cmhc-schl.gc.ca/professionals/housing-markets-data-and-research/housing-research/core-housing-need/core-housing-need-data-by-the-numbers>.

89 Tedds, L., Crisan, D. & Petit, G. (2020). *Basic Income in Canada: Principles and Design Features*. BC Basic Income Panel. <https://bcbasicincomepanel.ca/wp-content/uploads/2021/01/Basic-Income-in-Canada-Principles-and-Design-Features.pdf>.

A related issue is how to define who constitutes a family, and this can be affected by how a benefit is administered. For example, the tax system uses the tax definition of a family, which begins from the starting point that each person who has tax-reportable income is their own tax family. Only if that person is married or in a common-law relationship is another person part of their tax family. Adult children can be considered their own tax family if they have reportable income, even if they are living in the same household. This situation also applies to roommates who are not related. As a result, multiple tax families living in one household can receive income support, but, usually, only one person in a tax family can receive support.

This definition contrasts with social assistance programs, which typically consider adults living in a household to be in one “benefit unit” who, together, receive one benefit. This approach assumes that more resources can be pooled to pay for living costs, though this is not always the case. In fact, it can end up significantly reducing the amount of support that is offered. It is also counterintuitive as an income support design, since people who are living together are often doing so to reduce their costs – a behaviour that governments should reward rather than punish, especially when living costs are high.

Therefore, in keeping in line with the principles and goals of the new housing benefit system, and for consistency with most other income-tested programs, the tax family is likely the best option for use in the housing benefit system. This would also make practical sense, as it allows the tax system to be used for administration. However, this also means that larger families may not be able to receive benefits that reflect the size of unit size they need. See [Recommendation 2](#) for more details on how household size could be assessed and the potential impact of this approach.

Age of eligibility

In addition to family type, policymakers will need to decide if all people, regardless of their age, will be eligible for benefits.

As shown in Figure 7 above, housing need is experienced among all age groups, though it is highest among younger children and older adults. A new housing benefit system could, therefore, offer support to all qualifying adults regardless of age.

Although there may be concerns that low-income seniors are already accessing benefits such as Old Age Security (OAS) and the Guaranteed Income Supplement (GIS), the housing benefit’s income definition would take this into account and adjust benefits accordingly (see the previous section regarding AFNI for more

details about how this could work). In addition, there are some seniors with low incomes who are not eligible for OAS and GIS, such as recent immigrants, for whom the new housing benefit system could offer much-needed support.

One age cohort that will require specific attention from policymakers is full-time post-secondary students. Youth who attend post-secondary education are often excluded from income supports because their income situations are considered temporary, and it is assumed they have access to other supports, such as student grants and loans. However, they too face limited rental housing options with high costs and may need additional financial support. Policymakers will need to assess whether it would make sense to include students in a housing benefit system.

Characteristics of people experiencing homelessness

For people experiencing homelessness, some different trends emerge. In 2024, the nationally coordinated point-in-time count of people experiencing homelessness across communities found that:⁹⁰

- Almost half of people reported that they first experienced homelessness before the age of 25, of which 14 per cent first experienced homelessness as children.
- Chronic homelessness was slightly higher among people who experienced homelessness before age 18 compared to those who experience it first as adults.
- While the majority of survey respondents identified as men, those who identified as women were more likely to report having dependants or children. Gender also differed by overnight location, with more men living in unsheltered locations, compared to more women living in hotels or motels.
- Many equity-deserving individuals and families disproportionately experienced homelessness compared to their share of the population. For example, about one-third of survey respondents identified as Indigenous, yet Indigenous people represent only about five per cent of the Canadian population. In addition, about 17 per cent of all survey respondents identified as Black compared with 4 per cent of the Canadian population.
- Nearly one-quarter of survey respondents were immigrants, refugees, asylum claimants, or temporary permit holders.

90 Housing, Infrastructure and Communities Canada. (2025). *Everyone Counts 2024: Highlights Report Part 2 - Survey of People Experiencing Homelessness*. <https://housing-infrastructure.canada.ca/alt-format/pdf/homelessness-sans-abri/reports-rapports/pit-counts-dp-2024-highlights-p2-en.pdf>.

These findings suggest that broad eligibility criteria are needed to capture the diversity of people who are unhoused. In particular, it suggests that children and youth could particularly benefit from having additional support for housing, and that early intervention could reduce future rates of chronic homelessness.

Implementation

Experience with other income support programs shows that, even when targeted at those in greatest need, benefits do not automatically reach marginalized populations equally. Structural barriers and administrative requirements can result in some groups receiving support at lower rates. To avoid reinforcing inequities, equity considerations must be embedded in program design and implementation. This should include consultation with communities and experts, the establishment of measurable access and uptake targets, and dedicated funding to support outreach, navigation, and ongoing monitoring of outcomes across populations.

Simplicity and timeliness

Proof of rent

The tangled web of housing benefits can be complex for both program administrators and applicants. For administrators, it can be difficult to determine who is eligible or to verify that eligibility is met, especially if there are requirements that go beyond the information already collected by tax-based benefits. For applicants, it can be difficult to know which benefits exist, if they are eligible, and how to apply for them. And even if people have an understanding of what is required to apply for a specific benefit, these requirements can be onerous to report and intrusive, especially for those who access social assistance programs.

The recent federal top-up to the housing benefit shows how too many requirements can prevent people from accessing the support they need. In 2022, the federal government offered low-income renters modest financial assistance through a temporary benefit called the Canada Housing Benefit top-up. The program was intended to provide a one-time flat payment of \$500 to help those eligible with the cost of rising rents.

While the program was easy to apply for in theory, this is not what happened in practice. The application was designed to minimize overpayments rather than to be accessible to applicants, which limited its reach. For example, to receive the benefit, applicants were required to attest that they paid at least 30 per cent of

their previous year's income on rent and also provide the addresses and contact information of the landlords they rented from in the year they applied. Putting so much onus on the applicant for a one-time supplement is not only unnecessary but could raise future challenges for the tenant if their landlord is made aware of the value of their financial support. Some tenants might not even be able to get this kind of information about their landlord if they do not already have a relationship with them. On top of that, a manual calculation and attestation by the applicant can create fear of the consequences of a miscalculation.

It should come as no surprise that the federal government ended up disbursing only 34 per cent of funding allocated for the top-up program, reaching less than half of eligible renters.⁹¹

A new housing benefit system needs a better way for applicants to show proof of rent. The Quebec Solidarity Tax Credit offers a promising approach.

The Quebec Solidarity Tax Credit is a composite refundable tax credit that has three components: one for housing, one for sales tax, and one for people who live in northern regions. Similar to the Ontario Energy and Property Tax Credit (OEPTC), the credit's housing component reimburses those eligible with their housing-related expenses. However, unlike the OEPTC and the Canada Housing Benefit top-up program, landlords are responsible for providing both Revenu Quebec and their tenants with the necessary documentation to claim this credit. More specifically, landlords must file an RL-31 Quebec tax slip about every person who rented from them on December 31 of the tax year. This slip contains the contact information of landlords, the contact information of tenants and subtenants, and the addresses of these dwellings. Landlords are responsible for providing copies of this slip to both Revenu Quebec and their tenants, with tenants needing only a corresponding dwelling number to be able to claim the Quebec Solidarity Tax Credit on their tax return.

Landlords providing uniform information about tenancies to both program administrators and tenants has several advantages. It can help governments better track who has direct ownership of different types of rental housing, how often tenants move in a year, and, if this sort of information is required, how rent paid can differ from asking rent. Moreover, as mentioned before, this creates a much simpler reporting process for tenants. However, since these slips are currently only part of a Quebec-specific tax credit, imposing such a requirement in the new system would mean more up-front administrative work for the Canada Revenue

91 Macdonald, D. (2023). *Why did Canada's housing and dental benefits have such low take-up rates?* Canadian Centre for Policy Alternatives. <https://www.policyalternatives.ca/news-research/why-did-canadas-housing-and-dental-benefits-have-such-low-take-up-rates/>.

Agency (CRA) or provinces/territories to develop equivalent slips, require landlords to complete and administer them, and provide tenants with information on how to use them. But even with these challenges, having some sort of formalized reported by landlords to a central government agency would be helpful in the new system.

The Manitoba Rent Assist program offers another way to minimize reporting requirements for vulnerable populations. As discussed in the “[Adequacy](#)” section, Manitoba’s Rent Assist program has two streams: one for people who access the province’s social assistance program and one for other eligible low-income renters. Those who receive support from the province’s social assistance programs need not provide additional documentation related to their housing to be eligible for the program – they are automatically enrolled. This recognizes that, in order to access social assistance in the first place, applicants are already required to report information on their income and housing situations. However, some researchers have noted that awareness of Rent Assist for people who do not receive social assistance is limited, especially for those who live outside of Winnipeg. There have also been reports of confusion among people about whether the program is part of social assistance, and how it affects other benefits, which has limited its uptake.⁹² In addition, applicants of Rent Assist who do not receive support from the province’s social assistance program have to report the names and Social Insurance Numbers of all adults residing in their household, making applying for the benefit more burdensome and intrusive than it needs to be. These findings suggest a need for a more streamlined and accessible application process for people who are not already connected to the province’s social assistance system.

Recipients who are unhoused

In addition, there would need to be a different kind of verification process for people who are unhoused, since they would be unable to provide proof of rent. Some housing benefits that are part of the CHB regime have begun to tackle this issue and could be looked at as potential models in the new housing benefit system. For example, to provide the Canada-Ontario Housing Benefit to people experiencing homelessness, the City of Toronto works with housing-related referral agencies to identify potential recipients. They also require some applicants to have experienced continuous homelessness for six months prior to the start of their tenancy. While we do not envision such a referral system in a new Canada Housing Benefit System, nor do we support imposing a six-month homelessness requirement, consideration should be given to having some sort of eligibility criteria related to interaction with homelessness services, regardless of the length

92 Cooper, S., Hajer, J., & Plaut, S. (2020). <https://www.policyalternatives.ca/wp-content/uploads/attachments/Assisting%20Renters.pdf?x28773>.

of time of this interaction. This sort of requirement would need to be developed with people with lived experience of homelessness, homelessness services, and existing housing benefit administrators to figure out what makes practical sense for unhoused recipients.

Residency requirements

Proof of residence in Canada is required for most income supports. Some programs have stricter definitions of residency, such as the Guaranteed Income Supplement, where a person must be a Canadian citizen or permanent resident and have lived in Canada for a certain number of years to qualify for benefits. In contrast, the Canada Child Benefit has a broader definition: Residence is defined as living in Canada, and the applicant, or their spouse or common-law partner, must be one of the following:

- Canadian citizen;
- Permanent resident;
- Protected person;
- Temporary resident; or
- Individual who is registered or entitled to be registered under the *Indian Act*.

To ensure that the new system is able to support the wide range of people who experience homelessness and housing need, it would make sense for it to have broad residency requirements like that used for the Canada Child Benefit.

In addition, since we expect that housing benefit design may differ slightly by jurisdiction, and to reflect that the cost of rent can also vary by jurisdiction, there must be a method of determining a household's the province or territory of residency for the purposes of administering the housing benefit. Most existing provincial housing benefits require applicants to have lived in the province for a certain amount of time. One potential model for a jurisdiction-specific residency requirement is that used in the OEPTC. To be eligible for this credit, applicants are required to be a resident of Ontario on December 31 of the year prior and in the month that they are receiving the benefit. Flexibility could be given to provinces and territories in determining this requirement, but it should not be overly restrictive or it risks limiting mobility across the country.

Work requirements

Most income supports that are assessed and delivered through the tax system do not impose work requirements and do not change based on the source of

a recipient's income. The main exception is the federal CWB, which requires recipients to have some earnings from employment because the intent of the benefit is to encourage work.

In keeping with the human right to adequate housing and the prevailing approach to tax-based benefits, our proposed housing benefit system does not include work requirements. We recognize that this would diverge from the work requirements that are part of many social assistance programs today. Jurisdiction-specific analysis will assess how excluding work as a requirement could impact people living in different provinces and territories, especially if benefits in the new system replace shelter benefits that are part of social assistance programs.

Administration

Benefit administration in Canada is typically done in one of two ways: through the tax system or outside of it.

The tax system is a simple, efficient, and consistent way to both assess and deliver financial assistance to people with low incomes. As such, it has become the main mechanism for income-tested benefit and credit administration, especially over the past few decades. For example, the basic information that is often needed to determine eligibility and benefit amounts is already reported annually through personal income tax returns. This includes information about income levels, sources of income, age, and marital status. The tax system can also be used to directly provide financial assistance to recipients, with the frequency of payments generally adjustable depending on the intent of the program.

In both assessment and delivery, the CRA plays a key role. The CRA may either assess and administer benefits and credits directly to individuals, as it does for many federal income-tested programs, or provide this information to provinces and territories to assess and deliver their own programs. In either case, using the tax system for administration would have low costs, since this system is already set up to implement major social programs. As such, benefits in the new system could be assessed and delivered in this way. However, it is important to note that while using the tax system for administration is relatively simple, setting up the way that benefits are assessed and the form of support provided would need to be confirmed with the federal government and CRA. Still, it is likely that they could be set up as a refundable tax credit or benefit, so that benefits are not taxable, and would be provided regardless of whether there is tax owing.

Yet, there would be some drawbacks to having housing benefits that are solely tax-assessed and delivered. The biggest disadvantage is that information provided

through the tax system does not reflect current circumstances, such as income and family composition. This is because taxes are filed in the year after income is earned, creating a time lag. In addition, benefits often have their own delivery period, which exacerbates this lag.

For example, say a person was eligible to receive the federal goods and services tax/harmonized sales tax (GST/HST) credit in the 2024 tax year and is looking to apply again in the 2025 tax year. Their income went down in 2025, so they are hoping to receive higher benefits. This situation could play out like the following:

- Their 2025 eligibility would not be assessed until they file their 2025 tax return, which could be any time between January and March 2026, if they file their taxes on time.
- While they would receive GST/HST credit payments for the entire 2026 calendar year, the payments they receive and the information that is used to assess them would vary depending on the month. This is because these payments are provided four times a year (January, April, July, and October) and run on their own benefit year from July to the end of June.
- The benefits they receive in January and April of 2026 would continue to be based on their 2024 tax information. This means that, despite having a lower income in 2025, they would continue to receive benefits reflective of what they were earning in 2024 for the first half of 2026.
- The benefits they receive in July and October of 2026 would be based on their 2025 tax information.

The CWB appears to be the only tax-assessed and delivered program that attempts to resolve this timing issue. In this case, the CRA provides people who are eligible for the CWB with payments in advance of processing their tax return. This program is called the Advanced Canada Workers Benefit (ACWB) and is meant to support people as they work, instead of having them wait for tax time to receive a benefit. No separate application is required for ACWB payments; as long as the previous year's tax return has been filed, the CRA automatically assesses eligibility for the CWB / ACWB based on this previous information.

To help mitigate the fact that advanced payments may not reflect a worker's current family structure and income situation, these payments are equal to 50 per cent of the estimated CWB. When recipients file their tax return the next year, the actual CWB entitlement is determined and reconciled with the amounts provided through the advanced payment stream.

While it is good that workers receive support as they are earning, some CWB participants have raised concerns that it is difficult to predict their income. Some

would prefer predictable support that is not necessarily reflective of their current income situation, as long as they would not have to pay back some of it at year's end, as can be the case when receiving the CWB in advance.⁹³ This example shows the potential difficulty in using the tax system to provide benefits that are responsive to current circumstances.

Another disadvantage of using only the tax system for assessment and delivery is the potential exclusion of harder-to-reach populations that file taxes at lower rates. Although the number of non-tax filers is difficult to quantify, one study found that roughly 10 to 12 per cent of people in Canada do not file a return.⁹⁴ Those less likely to file a return included renters, people with incomes below the MBM, and single people.⁹⁵ Importantly, people receiving social assistance – almost all of whom would be supported by a new housing benefit – are also a core part of this group. A recent Statistics Canada study found that nearly 15 per cent of individuals who were issued a tax slip for social assistance income did not file a tax return in 2021.⁹⁶

While the federal government is slowly taking steps to increase filing rates among low-income people, the new housing benefit system that we are envisioning will have additional reporting requirements that may not be easily integrated into pre-filled tax forms. It is also unclear whether all provinces and territories, which are likely to be the administrators of a new housing benefit system, are prepared to do more to raise tax filing rates, such as through pre-filing simple returns, and ensure their low-income residents receive the benefits they are entitled to. This means that the tax system alone will only go so far in supporting and providing benefits to renters with low incomes.

In contrast, social assistance programs operate outside the tax system, providing income support, including for housing costs, through their own administrative systems. Benefits tend to be assessed monthly, allowing recipients to access benefits within the year or when their circumstances change.

This method for assessing and administering benefits has three major advantages compared to the tax system:

93 Finance Canada. (2022). *Virtual Focus Groups on the Canada Workers Benefit (Executive Summary)*. https://publications.gc.ca/collections/collection_2023/fin/F2-293-2023-1-eng.pdf.

94 Robson, J. & Schwartz, S. (2020). *Who Doesn't File a Tax Return? A Portrait of Non-Filers*. Canadian Public Policy. <https://utppublishing.com/doi/pdf/10.3138/cpp.2019-063>.

95 *ibid.*

96 Raymond-Brousseau, L. (2025). *Social Assistance Recipients in Canada: Documenting the Filing Patterns of Recipients*. Statistics Canada: Income Research Paper Series. <https://www150.statcan.gc.ca/n1/pub/75f0002m/75f0002m2025005-eng.htm>.

1. It can get people urgent support without them having to wait until they file their taxes at the year's end.
2. Benefits can reflect someone's actual income level and family situation, not their circumstances from one to two years prior.
3. Theoretically, local administrators can develop more personal relationships with recipients and provide a touchpoint for support that is simply not possible when using the tax system. For example, they can help individuals navigate complex support systems, access additional financial assistance, or connect them with health care.

However, there are also several drawbacks.

Because of their cumbersome and intrusive rules, some social assistance programs are overly focused on paperwork and verifying eligibility instead of assisting people. This is not only because these programs operate outside of the tax system; it reflects ingrained beliefs about who does and does not deserve support and society's fear that, over time, generosity breeds delinquency. The resulting effect is that recipients are policed rather than supported to live a life of dignity.

The responsiveness of social assistance benefits is also a double-edged sword. While, in theory, a monthly system is helpful in getting people support right away, a small oversight in meeting reporting requirements or an administrative error on the part of the program can trigger overpayments. This can lead to complicated and stressful processes for recouping money from recipients.

Taken together, these examples show that a new housing benefit system would be best served if it could harness the benefits of both types of systems while avoiding the drawbacks. One could imagine, for example, different entry points or streams under one system to reflect people's varying needs. This approach is similar to the proposal recently advanced by Steve Pomeroy on behalf of the Canadian Alliance to End Homelessness, which was later supported by the National Housing Accord.^{97,98} We would add that these streams should have the goal of coming together into one program over time to support long-term sustainability, reduce administrative costs, and improve equity between recipients.

97 Pomeroy, Steve. (2023). <https://caeh.ca/wp-content/uploads/Homelessness-Prevention-and-Housing-Benefit-Policy-Whitepaper-CAEH.pdf>.

98 The National Housing Accord. (2023). *A Multi-Sector Approach to Ending Canada's Rental Housing Crisis*. https://assets.nationbuilder.com/caeh/pages/453/attachments/original/1692060486/2023_National_Housing_Accord.pdf?1692060486.

Transparency and accountability

The first part of this report discusses the importance of transparent and public reporting on the outcomes of benefits in the new system. An equally important element of transparency and accountability is ensuring meaningful engagement with people with lived experience of housing precarity and homelessness.

People with lived experience bring expertise that governments lack.⁹⁹ They have a deep understanding of their own housing realities and how systems of support actually work. Consistent with a human rights-based approach to policymaking, they should be considered partners in this initiative.

To be truly meaningful, engagement must go beyond typical passive consultation processes. While there is no universal way to engage meaningfully, it should be deliberate – governments should actively seek out the expertise of people who would be supported by benefits in the new system, such as renters, people who are experiencing homelessness, and service providers. Examples include establishing formal advisory bodies empowered to make recommendations. Regardless of form, the important point is that people with lived experience must be treated with dignity and respect, and that their perspectives are considered and reflected in decisions that affect them.

99 Palmer, I. (2026). Reclaiming authentic collaboration: What we achieve when lived experts share in the power. *Maytree*. <https://maytree.com/publications/reclaiming-authentic-collaboration-what-we-achieve-when-lived-experts-share-in-the-power/>.

Putting it all together: Benefit design recommendations

Section summary

- The national housing benefit standard should largely mirror Manitoba's Rent Assist program, with provinces and territories consolidating existing housing benefits into a single program and increasing overall investment to meet the standard.
- The benefit calculation should follow a simple formula: Recipients contribute 30 per cent of their income towards rent, and the benefit fills the gap between that contribution and 80 per cent of the median market rent for an appropriately sized unit in the jurisdiction's most populous region. Some flexibility in this design could be negotiated with provinces and territories, including the potential for maximum benefits to vary by region.
- This design targets households experiencing unaffordable housing, provides the deepest support to those with the lowest incomes, and gradually reduces benefits as income rises without discouraging work.
- Eligibility for the system should be consistent across jurisdictions and based on income, household size, age, residency status, and renter status, generally targeting households in the first two income quintiles.
- Income eligibility should be assessed using adjusted family net income, a widely used definition in other income-tested programs. Families would typically apply as a single household, while unrelated roommates would apply separately.
- Proof of renter status should be provided by landlords through standardized reporting to the Canada Revenue Agency, following a model similar to the Quebec Solidarity Tax Credit.
- The new system should include two entry pathways: a housing stability stream for existing renters administered primarily through the tax system, and a transitional or emergency stream delivered through social assistance systems for people entering housing or facing sudden income loss. Alternative verification processes based on interaction with housing or social service systems should be developed.
- Together, these design features would create a housing benefit system that is simpler, more consistent across Canada, and better able to stabilize housing for both existing renters and those experiencing homelessness.

Recommendation 1: The national housing benefit standard should largely mirror the Manitoba Rent Assist program. Provinces and territories should commit to meeting the standard through a consolidation of existing programs and increased overall investment.

As recommended as part of the new system's architecture, governments should work together to create a national housing benefit standard for the new system. Provinces and territories would be expected to consolidate their existing housing benefits into one program with the following design features, largely mirroring Manitoba's Rent Assist program for non-social assistance recipients.

An adequate benefit amount

Income contribution: Recipients contribute 30 per cent of their income towards their rent.

Requiring households to contribute 30 per cent of their income towards their rent means that the benefit will target people living in unaffordable housing (i.e., spending 30 per cent or more of their income on rent), consistent with the common Canadian understanding of affordability. In addition, recall that the income contribution also acts as the benefit reduction rate. In this case, a recipient's benefit would be gradually reduced by 30 cents for each additional dollar earned – a reasonable reduction rate in the context of other income supports in Canada. This means that the highest housing benefits would go to those with the lowest incomes, but there would still be some support available higher up the income spectrum, helping to avoid an unintended disincentive to work (see Illustration 1 for an example of how benefits would gradually decrease as earnings increase).

Maximum benefit: The maximum benefit level is equal to 80 per cent of the median market rent (MMR) for the size of unit that the household needs (more on unit size below) in the most populous area of the jurisdiction. As Manitoba's experience has shown, this benefit level offers a reasonable balance between adequacy and fiscal sustainability, ensuring that recipients can access modest market housing.

While following the Manitoba model's maximum benefit and affordable rent definition for non-social assistance recipients is our recommendation at this time, the ultimate choice of this variable will need to be determined through deeper analysis of jurisdiction impacts. For example, consideration could be given to providing jurisdictions with flexibility in the definition of rent (e.g., using average market rent) or further increasing the maximum benefit if there are concerns that existing recipients could be worse off.

In addition, to reflect that there are regional variations in rent in some jurisdictions, consideration should be given to whether provinces and territories will be provided with flexibility in having benefits differ by geographic zone. This is because having a maximum benefit based on rent in the most populous region in each province could lead some in lower-cost rent areas to receive higher income support than needed, adding to the costs for the program. However, this type of flexibility would add complexity to the benefit design and would also involve more intrusive reporting on behalf of recipients to confirm where they live. It could also undermine the safeguards built into the design to help avoid landlord capture of benefits and overall rent inflation. Therefore, flexibility in this aspect of the design should be treated with caution.

Gap coverage: When fully implemented, the benefit should cover the difference between the two numbers above (affordable rent/the maximum benefit minus 30 per cent of income). Therefore, the calculation for our recommended housing benefit standard is:

$$\text{Housing benefit standard} = (80\% \text{ of MMR in most populous area for unit needed}) - (30\% \text{ of income})$$

Potential impacts

The overall impact of housing benefits on recipient incomes will depend on various factors, such as who is ultimately eligible, how much regional flexibility is offered in the design, which programs are consolidated into the new system, and the amount of other support and income that households have access to. For illustrative purposes, we provide three examples below to show how the proposed design of the national housing benefit standard could impact recipients in Ontario. Though these illustrations are simplistic (e.g., they do not consider other income sources other than those listed in the example), they help to show how benefits would improve affordability for private market renters. Maytree intends to produce more detailed studies on impacts and interactions in the future.

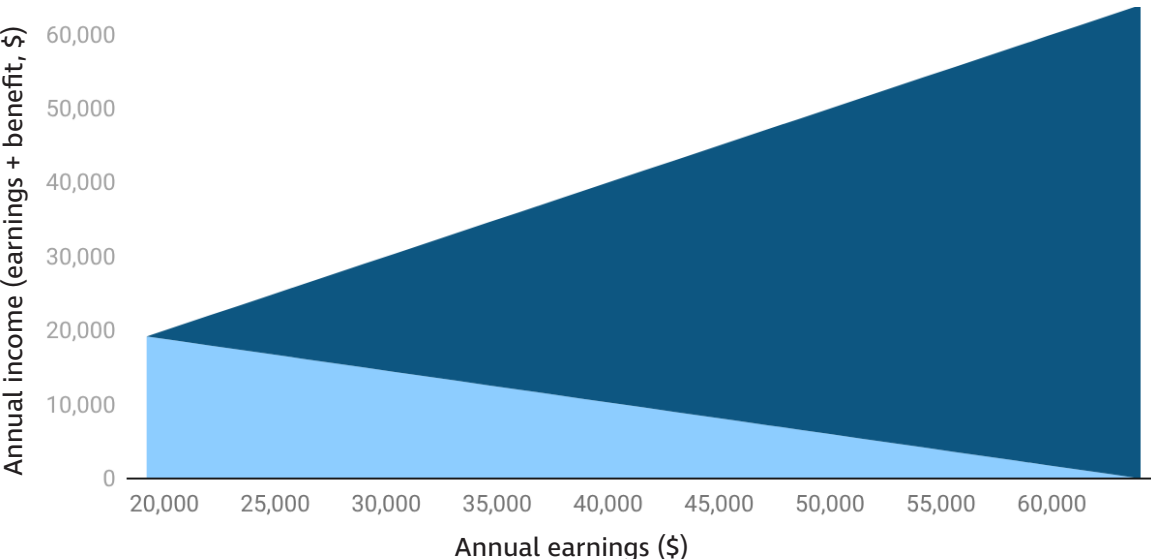
Table 8: Impact of the proposed new housing benefit on improving affordability for single-parent renters, working full-time at the minimum wage, Ontario, 2025

	Before the housing benefit			After the housing benefit		
	Annual rent	Annual earnings	% of earnings spent on rent	Annual benefit	Annual earnings needed for rent	% of earnings spent on rent
Person 1: Single parent with one child, with rent of \$1,600/month	\$19,200	\$34,000	56%	\$9,000	\$10,200	30%
Person 2: Single parent with one child, with rent of \$2,000/month	\$24,000	\$34,000	71%	\$9,000	\$15,000	44%

In this example, person 1’s rent is equivalent to 80 per cent of the MMR for a two-bedroom unit in Toronto – the maximum amount of the housing benefit in Ontario. Their rental burden is significantly reduced – from 56 per cent to 30 per cent of their income – with the new housing benefit.

Although person 2 pays more in rent than person 1 (100 per cent of the MMR for a two-bedroom unit), they receive the same benefit because benefits are not based on actual rent paid. The share of their income that goes to paying the rent is still significantly reduced from the housing benefit, though not to the same level as person 1, since their rent is above the maximum benefit amount.

Illustration 1: Example of the interaction between housing benefits and earnings, single parent with one child, Ontario, 2025



The example in Illustration 1 shows the progressive design of the housing benefit standard – higher benefits are provided to those with the lowest incomes. It also illustrates that while benefits decrease as earnings increase, they continue to be provided even at more moderate income levels. Therefore, this design would not discourage those from working because they would not completely lose their benefits, as they increase their earnings. Instead, it would provide additional support to help with living costs.

The last example, shown in Illustration 2 below, further shows the potential impact of this design on different household types. A single person would have a lower maximum benefit amount because they are expected to rent a smaller unit (a studio is used in this example), compared to a single parent with one child, who is assumed to need a two-bedroom unit.

Illustration 2: Example of annual housing benefits, single-person household vs. a single parent with one child, Ontario, 2025



Notes for illustrative examples:

- Benefit amounts are based on median market rents from the CMHC’s annual Rental Market Survey. The total median market rent for all of Toronto’s zones is used. Median market rents are for October 2025, though assumed to apply all year. Rent is for the primary rental market only.

2. Minimum wage workers are assumed to have annual earnings of \$34,000 (\$17.60/hour, 37.5 hours a week, 52 weeks of the year, rounded to \$34,000). The minimum wage for these examples is Ontario's hourly wage as of October 2025 and has been annualized for simplicity.

Potential costs to government

The ultimate cost of providing housing benefits in each jurisdiction that mirror Manitoba's Rent Assist model will likely be significant. As a starting point, we can use Blueprint's estimate mentioned earlier in this report that it would have cost \$3.5 billion in 2022 to expand the CHBs to all eligible households living in the provinces (approximately 974,860 households). This estimate is similar to one from the 2023 proposal by Steve Pomeroy on behalf of the Canadian Alliance to End Homelessness, which looked at the cost of supporting households experiencing chronic homelessness and renters in deep affordability need (i.e., those paying 50 per cent or more of their household income on rent). He found that to provide financial assistance to cover the gap between incomes and average market rents for these groups, the combined expenditure would roughly equal \$3.4 billion annually.¹⁰⁰

However, this figure does not consider how rents have changed in the ensuing years, nor does it consider the savings from consolidating existing benefits into one program. This means that the net fiscal impact of implementing this new system may be different in practice. Still, the estimates from Blueprint and the Canadian Alliance to End Homelessness provide a sense of scale.

For comparison, governments already allocate billions to fund a wide range of housing supply programs. For example, \$14.44 billion of loans and grants have been committed through the Affordable Housing Fund, likely to reach \$16 billion by fiscal year 2028/29.¹⁰¹ In this context, the potential cost of providing benefits similar to Manitoba's Rent Assist program across Canada does not seem out of step with other government efforts to improve rental housing affordability.

Maytree intends to produce more detailed studies on costs and phasing in the future.

Additional considerations

Rental unit size: To ensure that benefit levels reflect the cost of rent for the unit size needed for the number of people living in the household, we recommend using the

100 Pomeroy, Steve. (2023). <https://caeh.ca/wp-content/uploads/Homelessness-Prevention-and-Housing-Benefit-Policy-Whitepaper-CAEH.pdf>.

101 Housing, Infrastructure and Communities Canada. (2025). <https://housing-infrastructure.canada.ca/housing-logement/ptch-csd/reports-rapports/prog-nhs-sept-2025-sept-snl-eng.html>.

National Occupancy Standard (NOCS). According to the NOCS, suitable housing meets the following criteria:¹⁰²

- Single-person households can live in a studio apartment or a one-bedroom;
- There is a maximum of two people per bedroom;
- Household members living as part of a married or common-law couple share a bedroom;
- Lone parents have a separate bedroom from their children;
- Household members aged 18 or over have a separate bedroom;
- Household members under age 18 of the same sex may share a bedroom; and
- Household members under age 5 of the opposite sex may share a bedroom.

Given that the NOCS includes some flexibility (e.g., requiring a studio or a one-bedroom for a single individual), provinces and territories could also be given some flexibility in how they meet the NOCS standard when defining median market rent in their benefit calculation.

Rent definition: As a starting point, the annual median market rents could come from CMHC’s annual Rental Market Survey, which tracks rent for both existing and new tenants in purpose-built apartments. While it may not be as reflective of real-time asking rents compared with newer databases like Rentals.ca, it offers a robust dataset with consistent calculations that are easy to compare across jurisdictions. We also recommend the rent definition focus on rents in purpose-built apartments, since purpose-built apartments are one of the most common forms of rental housing across the country. While there could be some minor local flexibility in rent definitions, playing with this variable carries a particularly large risk of undermining public confidence that there is a fair and consistent national framework in place.

Utility costs: The design we propose does not necessarily recognize the additional costs of utilities, as these are sometimes difficult to disentangle from rent. The housing benefit system could include, for example, provincial or territorial top-up tax credits that reimburse people for some or all of the average utility costs that are not included in rent, depending on their income. The form and amount of utility reimbursement would need to be negotiated with provinces and territories.

102 Canada Mortgage and Housing Corporation. (2022). *National Occupancy Standard*. <https://www.cmhc-schl.gc.ca/professionals/industry-innovation-and-leadership/industry-expertise/affordable-housing/provincial-territorial-agreements/investment-in-affordable-housing/national-occupancy-standard>.

Support for additional costs based on need: Some individuals and communities need additional support to help with the cost of rent that are not reflected in the housing benefit design. For example, people with disabilities often face higher housing costs in order to modify their homes so they are more accessible. Therefore, consideration should be given to whether an additional supplement could be provided to renters with disabilities, similar to the disability supplement that is part of the CWB. Similar consideration should be given to a supplement for people who live in northern communities who face higher living costs.

Alternative approaches

While we do not recommend this approach because it could add complexity, provinces and territories could be given further flexibility to change the benefit's parameters if they preferred not to consolidate their existing benefits into a single program. For example, jurisdictions could be given the option to tailor gap coverage so that the housing benefit sits on top of existing programs (e.g., fills the gap between social assistance benefits and market rents). Under such a model, provinces and territories must be required to make sure the combination of benefits meets the national housing benefit standard – a more complex task that could undermine our principles of simplicity, transparency, and accountability.

Recommendation 2: The national housing benefit standard should have consistent, nationwide eligibility criteria based on income, household size, age, residency, and renter status.

We propose a set of non-restrictive eligibility criteria be used to determine access to the system in each jurisdiction. These criteria should be consistent with those used in other income supports, especially those administered through the tax system, so they are simple for applicants to understand and for administrators to verify.

Income eligibility

As discussed earlier, our proposed design would generally target people in the first two income quintiles, providing the deepest levels of support to those with the lowest incomes.

We recommend using the tax definition of AFNI as the way to determine income eligibility for benefits in the new system. Although AFNI includes some income supports in its calculation, such as social assistance and seniors' benefits, we do not recommend any additional exclusions to eligibility for the program based

on income source, since we envision the new housing benefit system to be an integrated housing support. Importantly, benefits already provided through the tax system, such as the Canada Child Benefit and the Canada Disability Benefit, as well as tax credits, are not included in the calculation of AFNI, and, therefore, would not affect the amount of new housing benefits.

As noted earlier, to fully assess the implication of using AFNI on recipient incomes, we will explore potential impacts for different family types in future papers focused on jurisdiction-specific considerations.

Household size

Our preliminary thinking is that household size would be determined similar to other income-tested tax credits and benefits that are assessed and delivered through the tax system. This means that only the incomes of the applicant and their spouse or common-law partner would be counted in determining eligibility for benefits, and only one family member would receive the benefit on behalf of the household. This is consistent with the Income Tax Act's definition of a family.

If the family has dependant children under the age of 18, they would be required to list the number of children they have to ensure that benefits reflect the size of their household.

Families that have adults over the age of 18 residing in their household would not be required to list these members or their incomes on their benefit application. This differs from the design of social assistance programs, which typically require information about all adults living in the household. However, this also means that families with other adults in their household would only be eligible for benefit amounts that reflect the cost of rent for a unit for themselves and, if applicable, dependants under age 18. We will assess the potential implication of this design in jurisdiction-specific analysis to determine the best approach for these family types.

Potential exceptions could be made for roommates who are not directly related to each other but live in the same housing unit (i.e., they are not spouses or common-law partners under the tax definition and are not dependent adults). In this case, they would apply separately for benefits for single-person households. However, this exception may be difficult to apply and the potential impacts of this approach should be further examined in jurisdiction-specific examples.

Age

The benefit should be available to both the working-age and senior populations.

Students attending post-secondary education could be considered as future beneficiaries. However, since including them in a housing benefit would be a departure from current practice in housing benefits, we suggest excluding them from the initial implementation.

Residency requirements

Some proof of residency should be required to access housing benefits. The Canada Child Benefit offers a good model for a residency definition, since the new housing benefit system is expected to have a similarly broad reach in terms of the population it supports. Therefore, residency should be defined as being a Canadian citizen, permanent resident, protected person, temporary resident, or an individual who is registered or entitled to be registered under the Indian Act.

Province or territory of residence must also be determined, as the housing benefit system will vary by jurisdiction (and benefit amounts could conceivably vary by sub-region). Provincial tax residency is determined by where an individual has their most significant residential ties on December 31 of a tax year, offering a good place to start. We have noted how tax benefits such as the OEPTC verify residency before benefits are paid, but this may be difficult, since we envision that housing benefits will be paid monthly. Details about how residency will be verified and the reconciliation of potential overpayments when people move addresses will need to be confirmed with the provinces and territories.

Renter status

Existing renters living in private market housing will require some documentation to prove that rent is being paid. We strongly recommend that the responsibility for submitting proof of rent be shifted from tenants to landlords, using the model of proof of rent in the housing component of the Quebec Solidarity Tax Credit. This means that landlords would be required to provide standard information about their tenants to the CRA by the end of each year. Then, landlords would provide a copy of this slip, or the CRA could issue this slip directly, to tenants, where they use this information to prove eligibility for the housing benefit.

While this system would be completely new for the CRA and for provinces and territories outside of Quebec, as discussed in the “Simplicity and timeliness” section, it would have multiple advantages. Not only would it improve the take-up of the benefit by requiring less of applicants, but it would provide valuable and

consistent information to policymakers about actual rent paid and who has direct ownership over various kinds of rental housing – all of which we are missing on a national scale.

People who are unhoused would, of course, lack proof that they are renting, but they should not be denied access to the new housing benefit system as a result. Thus, it is worth exploring alternate processes for verifying housing need, perhaps based on evidence of interaction with a local social support system. This aspect of eligibility would need to be determined in consultation with provinces, territories, and existing housing benefit administrators. This is explored further in recommendation 3 below.

Finally, further analysis is needed to determine whether those living in social and affordable housing should qualify for a housing benefit, recognizing that they already have some form of subsidy to help with the cost of rent. We will explore this question in future reports that look at jurisdiction-specific impacts. Governments should also continue to engage with non-market housing providers to determine what might be needed to address future funding gaps in rental assistance.

Alternative approaches

Instead of the broad eligibility criteria proposed, governments could:

- **Phase in the implementation:** Benefits could initially be focused on certain housing/family types (e.g., single parents), where housing need is most acute, with a plan to expand benefits to other households over time. This would reduce initial costs and could ease the complexity of integrating benefits by starting with one household type only.
- **Include or exclude certain age groups:** For example, students could be included in initial implementation, or seniors could be excluded.
- **Expand benefits to more housing types:** People living in social housing or low-income homeowners could be included in the system. However, since their needs and characteristics may look different from people living in market rental housing or those who are unhoused, their benefits and eligibility criteria may need to differ as well. If governments decided to include people living in more housing types, they would need to consider developing multiple benefit streams and formulas.

Recommendation 3: Create different pathways into the new housing benefit system to expand access to all who are eligible.

Echoing calls from the Canadian Alliance to End Homelessness and the National Housing Accord, we recommend that there are different intake pathways for housing benefits depending on housing status: one for existing renters and one for new renters.

Housing stability stream

- This stream would support people who are already renting in market housing. We are referring to this support as a housing stability stream, because the intent is to stabilize their existing housing situation.
- The existing capabilities of the tax system are best placed to handle assessment and administration of benefits through the housing stability stream. This is true regardless of whether the federal or provincial/territorial governments are primarily responsible for implementation.
- Proof of rental housing, along with the other standard eligibility criteria related to income, household size, age, and residency, would be required. The information needed to assess eligibility should be collected through tax returns, possibly requiring a new schedule or form to be filled out at tax time, or at another time of application. Landlords should be responsible for documenting their tenants.
- Benefits through this stream would be paid out monthly or quarterly, and could be set up as refundable tax credits or benefits.

Transitional or emergency stream

- This stream would support people who are transitioning into housing from homelessness or facing a sudden loss of income requiring immediate receipt of, or increase to, their housing support. It could also be used to provide ongoing support to recipients with severe disabilities who require additional support with, for example, the direct payment of rent to a landlord.
- This stream is intended to address three drawbacks of delivering benefits through the tax system: access barriers resulting from non-filing, a lack of responsiveness to immediate need, and a lack of caseworker support for those who need it.
- This stream would make use of existing social assistance intake and benefit systems in place across the country. New applicants would be assessed

quickly by a caseworker when they require support, instead of having to wait until the tax time to apply.

- Caseworkers would verify all eligibility criteria. The required processes for this stream of a new housing benefit system already exist as part of eligibility verification for social assistance, regardless of whether the applicant has filed taxes.
 - As noted above, additional documentation or processes may be needed to verify that an applicant is unhoused.
 - Those already receiving a housing benefit but experiencing a sudden loss of income would need only a streamlined eligibility screen and an adjustment to their monthly benefit amount.
 - Those who are not receiving housing benefits, but experience a loss of income during the year that makes them eligible for housing benefits, could enter the system through this stream, at least initially.
- Like the housing stability stream, benefits would likely be paid monthly. However, there may need to be additional flexibility in the benefit amount to cover one-time costs, such as first and last month's rent. Provisions to cover this kind of one-time cost are already built into social assistance programs, which could be used in the new transitional/emergency response stream.
- Once a recipient's situation has stabilized, and if they do not need ongoing caseworker support, their caseworker would assist them in shifting to the housing stability stream administered through the tax system. Help with tax filing may be required.

Alternative approaches

Instead of having two entry points, the new housing benefit system could focus on existing renters only. This would mean fewer high-need recipients and could allow for a single access and administration stream through the tax system. However, this would not address a large segment of the population who needs income support to find housing in the first place. It would also not be responsive to sudden changes in circumstances, undermining our goal of stabilizing people's housing when they are not able to afford the rent, potentially pushing them into an eviction.

Next Steps

This report recommends a way forward to set up the architecture and design of a Canada Housing Benefit System that offers consistent, more accessible, and impactful support to low-income renters across Canada. However, we know that assessing interactions with other income and housing supports, including social housing, will be necessary to finalize the system's details. Therefore, future reports will explore these questions further in a jurisdiction-specific perspective and provide recommendations to address them. They will also assess potential fiscal and recipient impacts.



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