



Cost-matching new investment in housing benefits

Introducing a federally-funded Canada Renters Credit does not mean abandoning cost-matching between orders of government in the next national housing strategy. This can still be achieved through a new structure for federal/provincial/territorial (FPT) agreements about using federal investments in housing.

Instead of only cost-matching individual benefits, such as the Canada Housing Benefit (CHB), the next generation of FPT agreements for housing investments could be structured around cost-matching an agreed upon suite of supports all aimed at helping low-income households secure or make more affordable their rental housing, with different orders of government investing in complementary approaches.

The general model could work as follows:

- The CHB would remain a named and funded component of the arrangement. Existing investments in the CHB would be protected as part of baseline funding that does not generate matching credit.
- New cost-matching could be assessed across the broader suite of eligible supports, rather than program by program. Eligible investments by either order of government would count toward their respective side of the overall matching requirement, allowing one government's new investment in one benefit to be matched by the other government's new investment in another. Existing bilateral agreements already include incrementality provisions that can be modified to enable broader cost-matching.
- Eligible investments could be broad or specific. For investments through an entitlement-based program, estimated expenditures could be for establishing a minimum cost-match for the other party. Higher than expected expenditures by one party would not trigger new cost-matching expectations on the other.
- New objectives, targets, reporting, etc. would be developed for the larger suite of housing benefits. CHB-specific funding, recipients and outcomes continue to be reported separately.
- Accountability would be similarly ensured through consequences to bilateral funding as a whole. If a jurisdiction fails to meet its housing benefit commitments, the federal government need not cut its housing benefit investments to match. Instead, it can withhold federal transfers for other housing programs under the agreement.

Under such a model, a new federal investment in a Canada Renters Credit delivered through the tax system could be paired with, for example, increased provincial investment in a refocused, locally delivered CHB. In this way, both parties are contributing to a coordinated suite of housing benefits that advance the right to adequate housing.



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77 Bloor Street West, Suite 1600
Toronto, ON M5S 1T9
416-944-2627
www.maytree.com

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