



## **Ontario Non-Profit Housing Association (ONPHA)**

Written Submission to the Ministry of Finance for the 2026 Pre-Budget  
Consultations

January 30, 2026



## **List of Recommendations**

ONPHA's six recommendations seek to build, protect, and support the community housing sector in Ontario:

Recommendation 1: Increase operating funding for community housing providers to preserve long-term affordability in community housing.

Recommendation 2: Facilitate sector expansion by matching Build Canada Homes capital funding.

Recommendation 3: Provide preferred utility rates and tax exemptions for Community Housing

Recommendation 4: Speed up sector growth by reducing red tape and administrative burdens.

Recommendation 5: Increase funding for capital repairs to protect the current stock of community housing and mobilize growth

Recommendation 6: Leverage community and Indigenous housing expertise for provincial policy design



Dear Hon. Peter Bethlenfalvy,

CC. Hon. Rob Flack and Hon. Graydon Smith

Thank you for the opportunity to provide recommendations for the pre-budget consultations in advance of the 2026 Budget. We look forward to continuing to work with all levels of government, non-profit, and private sector partners to address the ongoing housing crisis.

The Ontario Non-Profit Housing Association (ONPHA) is the voice of community housing in Ontario. With close to 700 non-profit landlords and around \$38 billion in built assets, ONPHA is one of Ontario's largest housing developers, accounting for approximately half of Canada's affordable housing stock. Founded over 30 years ago, our members provide safe, affordable, and stable housing for over half a million Ontarians along the housing continuum.

As housing affordability continues to be an issue in Ontario, rising prices, limited supply, and an ever-widening affordability gap have left countless Ontarians forgoing the dream of homeownership. Increasingly, these realities are pushing the working middle class to community housing.

Homelessness too has increased, deterring pedestrians, and hindering local businesses on downtown streets. Community housing is the bridge between homelessness and homeownership. Without the appropriate supply of housing along the housing continuum, a true solution to the housing crisis cannot be accomplished. Adequate funding and removal of operating barriers are essential to unlocking the sector and increasing the supply of non-profit housing that is desperately needed in Ontario.

While governments are focused on capital expansion, adequate operational funding is essential to maintain long-term affordability of community housing units. Without stable and predictable operational funding, community housing providers will be forced to offer a larger proportion of their portfolio at market rents at the expense of their deeply affordable stock, further eroding a key element of the housing continuum that is needed to advance vulnerable tenants out of precarious housing situations. Housing providers cannot keep operating at a loss, they will adapt their business model to their surroundings and build the stock of housing that will maintain their financial stability.

We appreciate that the Government of Ontario has taken substantial action on housing in recent years. To continue moving forward, we recommend the government focus its investments on non-profit housing providers to maximize public dollars with the greatest potential for return on investment, ensuring long-term sustainability for affordable housing. Our recommendations seek to build, protect, and support community housing and have been developed based on our extensive network and experience. We are eager to continue working alongside the province in these important efforts.

Sincerely,

Marlene Coffey, MA, MAES, MCIP, RPP  
Chief Executive Officer, ONPHA

### **1. Increase operational funding for community housing providers to preserve long-term affordability in community housing:**

Community housing providers operate on extremely thin margins within a complex operating environment. While these challenges persist, both community housing providers and governments are striving to increase the stock of affordable housing in Ontario.

With numerous programs and new initiatives such as Build Canada Homes focusing on the capital side of affordable housing, it is essential to ensure there is adequate operational funding to run these new community housing units over the long-term.

To better support community housing providers in managing this increasingly complex and costly environment, ONPHA is recommending the province increase operational funding in proportion to increased capital expansion, to ensure new housing developments become affordable homes over the long-term

### **2. Facilitate sector expansion by matching Build Canada Homes capital funding:**

ONPHA recommends the Ontario government match capital investments from Build Canada Homes to expedite development of affordable housing in Ontario.

Growing the community housing sector is a key solution to addressing the province's housing crisis. While private market housing has grown as Ontario's population has soared, the province's community housing stock has remained largely stagnant. As operational costs rise and capital repair needs persist, non-profit housing providers have struggled to save up enough funds to compete with private sector developers in acquiring new rental units and land for expansion.

By matching federal capital investments under Build Canada Homes, non-profit housing providers in this province will have access to the capital they need to compete in the market and launch new developments and acquire rental stock where affordability will be preserved over the long-term. Increasing the asset base of community housing providers over time will also ensure their operations become more sustainable, reducing the reliance on costly government grants and subsidies.

### **3. Provide preferred utility rates and tax exemptions for Community Housing:**

As operational costs continue to rise, community housing providers are struggling to support their tenants and expand their portfolios. As such, ONPHA is asking the Ontario government to provide further operational relief to put more money back in the pocket of community housing providers to spend on tenants.

The Ontario government's recent initiative of property tax exemptions for affordable housing developments is an excellent example of providing operational cost savings to the community housing sector. Now that the Government of Ontario has a classification of affordable housing for tax purposes, ONPHA believes the government should provide further tax relief to the community housing sector,

including land transfer tax exemptions and capital gains tax exemptions for housing being sold into community housing.

Similarly, ONPHA believes the government should provide preferred utility rates (e.g., electricity) to community housing developments to further reduce operational costs and maximize capital available for new developments. By reducing operational costs, community housing members can spend more money on tenants and building new developments.

#### **4. Speed up sector growth by reducing red tape and administrative burdens:**

ONPHA believes the non-profit housing sector in Ontario is poised for significant expansion. However, to achieve its full potential in improving affordability for Ontarians, our sector needs a modern and flexible operating environment that promotes growth and sustainability.

To that end, ONPHA is recommending the Ontario government commit to identifying and eliminating unnecessary red tape and administrative burdens that hold back providers – whether regulatory or programmatic. Our membership cannot afford delays or unnecessary costs that inhibit their ability to expand and grow. With the province’s support, the full potential of the community housing sector can be harnessed to build more affordable housing for Ontarians.

A practical example of this challenge has been raised by some of our members who have received funding for new housing development from Infrastructure Ontario (IO). When IO partners with non-profit housing providers to offer access to affordable financing for capital investments, IO encumbers the property such that providers need explicit permission to take on additional debt (whether large or small), even when provided by another level of government. In these scenarios, community housing providers must request approval with IO, a request which can often take months to receive. Removing these barriers does not cost the province financially but can prevent very real costs on non-profit providers in the form of missed opportunities and additional administrative burden.

#### **5. Increase funding for capital repairs to protect the current stock of community housing and mobilize growth:**

While Ontario is home to nearly half of Canada’s community housing stock, much of this stock was constructed between the 1960s to the 1980s and now requires significant capital repairs. The poor condition of some community housing buildings across the province not only impacts the quality of life for tenants but also restricts the ability for the providers who own these assets – and who operate on extremely thin margins to leverage them with financial institutions. This in turn impacts the provider’s ability to expand their housing portfolios and grow the community housing supply.

By committing to support capital repair within the community housing sector, housing providers will be able to fully protect the existing community housing supply while also enabling providers to leverage their assets, expand their portfolios, and house more Ontarians.



## **6. Leverage community and Indigenous housing expertise for provincial policy design:**

ONPHA recommends that the Ontario government leverage our extensive membership to engage directly with subject-matter experts across key policy areas, ensuring that policies under development are effective in practice.

ONPHA's 700+ housing provider members bring deep expertise in community and Indigenous housing, as well as a strong understanding of how housing intersects with cross-ministerial service delivery. ONPHA can connect the Ontario government with housing experts who have specific proficiency in the policy areas addressed by proposed initiatives.

By doing so the Ontario government can help ensure that new legislation, regulations, and policies are practical, implementable, and maximize impact.

### **Conclusion:**

The recommendations outlined above are essential for addressing the current and future challenges facing the community housing sector in Ontario. By increasing operational funding, matching capital investments, providing further tax relief, reducing red tape, and supporting necessary capital repairs, the government can create a more sustainable and scalable housing ecosystem. These actions not only support the immediate needs of community housing providers but also align with the government's broader goals of improving housing affordability, stimulating economic growth, and ensuring long-term housing stability for Ontarians.

Leveraging the expertise of community and Indigenous housing providers in policy development will ensure that solutions are practical, efficient, and impactful, enhancing the effectiveness of government initiatives. By adopting these strategic actions, Ontario can significantly improve housing affordability, support the growth of non-profit providers, and provide long-term, stable homes for vulnerable communities, all while fulfilling the government's commitment to building a more inclusive, affordable, and resilient housing market.