

POLICY BRIEF



Provincial spending on housing and homelessness in Ontario

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February 2025

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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ISBN: 978-1-928003-77-9

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With an Ontario election just weeks away, we are overdue for a frank conversation about the homelessness crisis in our midst. Maytree hopes this policy brief will help stimulate this discussion through accurate, contextualized information about where we are and where we need to go as a province.

Homelessness in Ontario is getting worse, not better

A recent report from the Association of Municipalities of Ontario found that in 2024, an estimated 81,515 Ontarians experienced “known” homelessness, meaning they interacted with a government initiative or program that was able to count them.¹ This number is up a startling 25 per cent in just two years.

Worse still, the number of chronically homeless, which is based on a long spell or long cumulative duration of homelessness, has nearly doubled in the past two years to an estimated 41,512 people. It is this increase in chronic homelessness, more than the overall rate of known homelessness, that indicates our homelessness response systems are overwhelmed and under-resourced.

We know how to end chronic homelessness, and we have an obligation to do so

Housing is a human right protected under international law, and governments at all levels have an obligation to ensure access to adequate housing for all unhoused people.²

Policymakers have long understood that the solution to chronic homelessness is building deeply affordable and supportive housing. The Ontario government regularly points to its investments in homelessness programs, yet the situation continues to worsen.

1 Donaldson, J., Wang, D., & Escamilla, C., Turner, A. (2025). *Municipalities under pressure: The human and financial cost of Ontario's homelessness crisis*. HelpSeeker. <https://www.amo.on.ca/sites/default/files/assets/DOCUMENTS/Reports/2025/2025-01-08-EndingChronicHomelessnessinOntario.pdf>

2 UN Office of the High Commissioner for Human Rights. (2009). *The Right to Adequate Housing - Fact Sheet #21*. Pages 7 and 23. https://unhabitat.org/sites/default/files/documents/2019-05/fact_sheet_21_adequate_housing_final_2010.pdf

This raises several important questions:

1. How much is the province spending to address homelessness and provide deeply affordable and supportive housing?
2. How has this changed as the homelessness crisis has worsened?
3. What investment is required in the years ahead to end chronic homelessness in Ontario?

Ontario's spending on housing and homelessness is too low, and stagnant

The story of provincial spending on housing and homelessness programs is one of stagnation. After factoring in inflation, provincial investments are well down from the highs seen during the pandemic and well off even pre-pandemic levels of spending in 2016-17 and 2017-18.

The full evolution of provincial spending on low-income housing and homelessness is depicted in Figures 1 and 2 below. The first figure shows spending in nominal dollars, while the second is adjusted for inflation using the annual Consumer Price Index for Ontario.

Spending is divided into two buckets: housing and homelessness.

- **Housing funding** has evolved over time and generally pays for the building and operation of low-income housing of various forms (social housing, affordable housing, etc.). These investments are the solution to chronic homelessness.
- **Homelessness funding** is largely distributed to municipal service managers to prevent or solve homelessness. However, a recent report found that two-thirds of money for homelessness programs in 2024 went to emergency shelters.³ This treats a symptom of the problem but does not solve it.

3 Donaldson, J., Wang, D., & Escamilla, C., Turner, A. (2025). (Footnote 1).

Figure 1: Nominal provincial spending on low-income housing and homelessness programs in Ontario since 2013-14

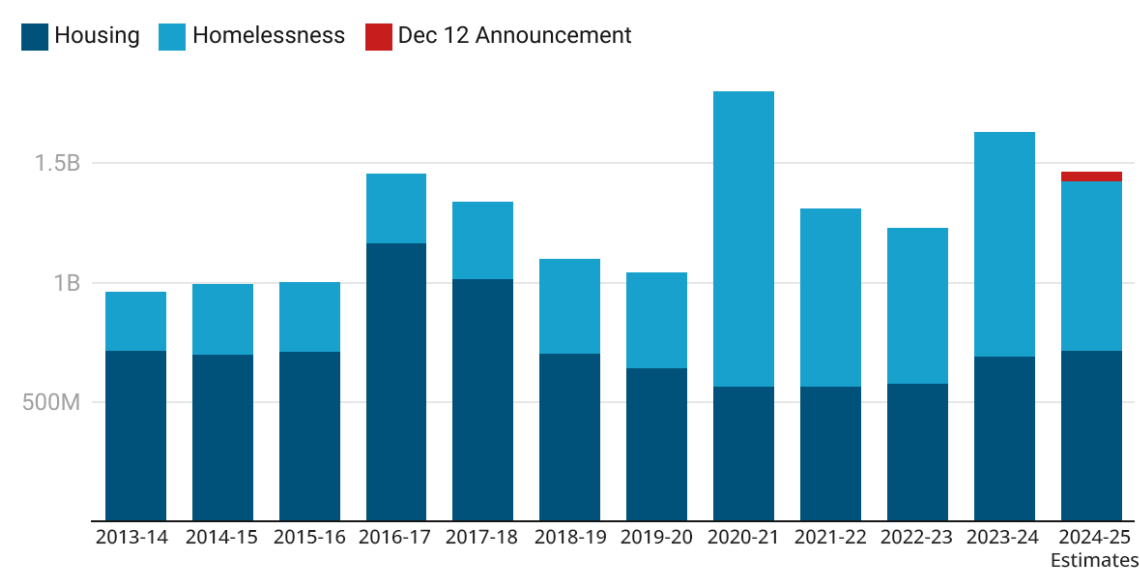
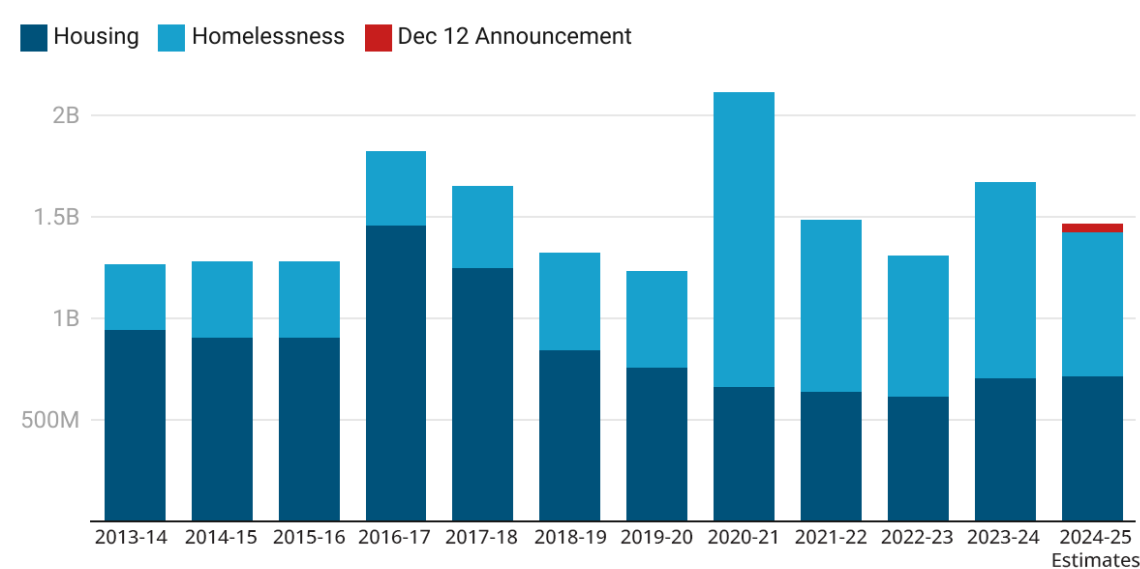


Figure 2: Inflation-adjusted provincial spending on low-income housing and homelessness programs in Ontario since 2013-14 (2024 constant dollars)



The data shows that, after adjusting for inflation, provincial government spending is more or less where it was a decade ago. Projected spending in 2024-25 is slightly below the real average annual spending since 2013-14.

The spending profile yields several other important findings:

- Significant investments in low-income housing in 2016-17 and 2017-18 were made using funds raised from Ontario’s cap-and-trade program.

When this program was cancelled in 2018, spending on the housing portion fell below these levels where it has remained ever since.

- In contrast, homelessness funding has increased substantially over the past ten years. Massive new investments in homelessness programs during the COVID-19 pandemic proved to be mostly temporary, despite homelessness continuing to worsen in the years since.
- Over time, provincial spending has shifted away from investments in low-income housing toward managing the increasing numbers of chronically homeless Ontarians. As already mentioned, the government is spending more to treat the symptoms of a broken system without investing in solutions. This will cost Ontario more in the long run.

A note on sources

This brief relies on and extends the findings of a March 2021 report of the Financial Accountability Office of Ontario (FAO).⁴ Maytree has updated what we can of the FAO's analysis relying only on Ontario's annual Public Accounts, Expenditures Estimates, and the Published Plans and Annual Reports of the Ministry of Municipal Affairs and Housing.

Municipalities have stepped up where the provincial government has not

Between 2016 and 2024, Ontario municipalities more than doubled their annual spending on housing to \$1.644 billion and more than tripled their spending on homelessness to \$501 million.⁵

Looking at the contributions of all levels of government, the percentage of total funding for these programs that comes from the provincial government has decreased since 2016, with the federal government and municipalities each having stepped up to take on a larger share.⁶

4 *Housing and Homelessness Programs in Ontario*. (March 2021). Financial Accountability Office of Ontario <https://fao-on.org/wp-content/uploads/2024/08/Housing-and-Homelessness-Programs-EN.pdf>

5 Donaldson, J., Wang, D., & Escamilla, C., Turner, A. (2025). (Footnote 1).

6 Ibid.

Recent provincial investments are insufficient to “end encampments”

On December 12, 2024, the Ontario government committed to “end encampments and crack down on public use of illegal drugs.” The approach criminalizes homelessness, driving up the cost of policing, courts and prisons while doing nothing to address the root causes.

Perhaps because the government is aware of this shortcoming, the announcement also included an investment of \$75.5 million for “long-term stable housing and temporary accommodations for those living in encampments,” though only \$44.5 million is new funding.⁷

When placed in the context of the challenge of chronic homelessness, the impact of the government’s commitment becomes clear. As shown in the table below and in Figures 1 and 2 above, this is a drop in the bucket.

Table 1: New investment of December 12 placed in context

Context	Impact
Ontario estimates it will spend \$1.4 billion on affordable housing and homelessness prevention in 2024-25. ⁸	A \$44.5 million investment is an increase of 2.8%.
Ontario municipalities estimate that \$4.1 billion was spent in 2024 on housing and homelessness programs combining contributions from all levels of government. ⁹	A \$44.5 million investment is an increase of 1%.
Ontario municipalities estimate there were 41,512 Ontarians who experienced chronic homelessness in 2024.	A \$44.5 million investment is equivalent to \$1,072 to address the housing needs of each person living in chronic homelessness.
Ontario municipalities estimate chronic homelessness could be ended in 10 years for a cumulative new investment of \$11 billion.	A \$44.5 million investment is 4% of the average annual spending increase required to end chronic homelessness.

7 “Ontario Restoring Safety to Parks and Public Spaces.” December 12, 2024. Ontario Newsroom. <https://news.ontario.ca/en/release/1005484/ontario-restoring-safety-to-parks-and-public-spaces>

8 See the Expenditure Estimates of the Ministry of Municipal Affairs and Housing for 2024-25. <https://www.ontario.ca/page/expenditure-estimates-ministry-municipal-affairs-and-housing-2023-24>

9 Donaldson, J., Wang, D., & Escamilla, C., Turner, A. (2025). (Footnote 1).

A serious plan to address homelessness must include significant and sustained investments in building deeply affordable housing

Addressing chronic homelessness begins with building deeply affordable, non-market housing units with wrap-around supports where necessary. And we know how much to build.

The Association of Municipalities of Ontario estimates that a new cumulative investment of \$11 billion over the next decade, most of it being capital costs for building new units, would create 75,050 net new unit and caseload spaces over the next 10 years. This is the system capacity needed to make homelessness in Ontario rare, brief, and non-recurring.¹⁰

The Ontario government is currently spending half of what is needed to end chronic homelessness.

Maytree calls on all parties to commit an additional \$11 billion over the next decade to ending chronic homelessness, beginning by doubling spending on housing from \$700 million to \$1.4 billion in 2025-26.

¹⁰ Ibid.



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