
Build Canada Homes
Special Operating Agency
Framework Agreement

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Introduction

Background

In the Speech from the Throne on May 27, 2025, His Majesty King Charles III pronounced the Government's intention to introduce measures to deliver affordable homes by creating a standalone entity, Build Canada Homes (BCH), which has been mandated under the Minister of Housing and Infrastructure. BCH is a mission-driven organization to accelerate the development of new affordable housing, create demand for modern methods of construction (MMC) and grow the share of non-market housing (non-profits, co-ops, and Indigenous organizations). BCH will provide significant financing to affordable home builders and act as a developer to build affordable housing at scale. To fully achieve its objectives, BCH will also support the homebuilding industry by enabling collaboration between providers, supporting capacity building efforts and leveraging public land wherever possible.

On September 14, 2025, the Prime Minister announced the public launch of BCH as a Special Operating Agency (SOA) within Housing, Infrastructure and Communities Canada (HICC), led by Ana Bailão – Chief Executive Officer of BCH. BCH is being established in two steps: In the interim state, a SOA called BCH was created and embedded in Housing, Infrastructure and Communities Canada (HICC) and will serve as an incubator for the standalone arm's length entity in the end-state phase. The creation of the SOA establishes BCH as a single window of federal support for non-market housing projects with a sustained focus on increasing Canada's housing supply that Canadians can afford. BCH will build off the successes of the National Housing Strategy (NHS) achieved to date and leverage the NHS to identify challenges in the housing sector.

Purpose of Framework Agreement

This framework agreement document, which has been updated from the transitional version approved by Treasury Board in August 2025, serves as the Charter for BCH and sets out, inter alia, its mission, mandate, strategic direction and objectives. It also details the relationship of BCH with its home department of HICC and other organizations, as well as the organizational and accountability framework.

Special Operating Agency Status

The SOA will be housed within HICC, given the department's experience, industry relationships, and existing legislative authorities that will be leveraged and deployed to scale up the supply of affordable housing. HICC is confident that SOA status will support the successful implementation of BCH.

Agency Name

The official name of the SOA will be "Build Canada Homes."

Status as an SOA

BCH was created as an SOA, allowing it to establish the architecture of the entity and finalize and negotiate its required policy, legal and financial authorities and flexibilities within its host department (HICC). Over the fall 2025 period, the SOA has developed its organizational structure and undertaken activities to facilitate early projects including:

- Defining the roles, responsibilities, functions, and organizational designs of the arm's length end state entity;
- Establishing an Investment Advisory Committee;
- Establishing an early pipeline of projects through targeted outreach to provinces and territories, analysis of the CMHC project pipeline to identify projects that would fit the BCH model, and an Expression of Interest posted on HICC's website to attract a broader intake of proposals of interest;
- Assessing proposals, establishing deal flows, signing agreements, and announcing early projects, investments or initiatives;
- Supporting the amendment of Canada Land Corporation Limited's (CLCL) corporate plan to leverage CLCL's expertise, capacity and strategic land holdings as a public builder;
- Establishing Memoranda of Understanding (MOU) with or leveraging Crown Corporations for the provision of advice and services; and
- Undertaking market sounding and engagement.

Agency Management Framework

Mandate

BCH's mandate is three-fold:

1. Build and finance housing that is affordable for a diverse mix of households, and kept affordable over the long term.
2. Grow the proportion of housing that is non-market and help create the conditions for a high-capacity non-market housing sector that can scale with reduced reliance on ongoing government subsidies.
3. Generate long-term, predictable demand for Canadian modern methods of construction, allowing the industry to scale, and for the time and cost of construction in Canada to go down.

Over the Fall 2025 period, the SOA will establish the policy and organizational design; the SOA will operationalize the tools needed to achieve the end state results outlined in this mandate.

Mission

Build Canada Homes is Canada’s new federal agency with a mandate to scale up the supply of affordable housing across Canada. By leveraging public lands, deploying flexible financial tools, and acting as a catalyst for modern methods of construction, Build Canada Homes is driving a more productive and innovative homebuilding sector. Working in partnership with non-profits, Indigenous organizations, private developers, and all orders of government, Build Canada Homes is accelerating the delivery of housing Canadians need—faster, smarter, and more affordable.

Build Canada Homes will also support the Government of Canada’s Buy Canadian Policy by prioritizing projects that use Canadian materials, strengthen domestic supply chains, and create good jobs. As an SOA, BCH will act as an intermediate step towards the implementation of the organization as an arm’s length end state entity that will serve as Canada’s primary body to advance the development of affordable and non-market housing.

Strategic Objectives

The following strategic objectives have been developed to ensure BCH will meet its mandate and mission:

- Build and finance housing that is affordable for a diverse mix of households, and kept affordable over the long term.
- Grow the proportion of housing that is non-market and help create the conditions for a high-capacity non-market housing sector that can scale with reduced reliance on ongoing government subsidies.
- Generate long-term, predictable demand for Canadian modern methods of construction, allowing the industry to scale, and for the time and cost of construction in Canada to go down.

Guiding Principles and Values

The following principles will be reflected in BCH:

- A commitment to streamline decision-making to create a project pipeline, attract investment in MMC and deliver affordable housing at scale;
- A commitment to new ways of doing business through utilizing flexible financing tools and focusing on large, multi-year portfolio deals with trusted non-market developers;
- A commitment to convene relevant stakeholders and invest in projects across the housing continuum, including new supportive and transitional housing to help individuals and families experiencing or at imminent risk of homelessness;
- A distinct culture of efficient housing development, innovation, productive collaboration, and financing expertise to deliver housing in a manner that addresses Canada's housing needs and priorities and preserves affordability of existing housing stock;
- Transparency and accountability via defined reporting requirements to help the domestic industry better align activities with housing objectives; and,

- Strong strategic and operational oversight owing to its status as a unit within an existing department.

Business Overview

Lines of Business

Core lines of business for the SOA include the following:

- **Policy and Operations:** Integrate strategic policy direction with operational execution, directs governance structure and corporate secretariat functions and oversee financial management and operational systems. Support ministerial, Cabinet, and Treasury Board decision-making, translating policy direction into actionable business strategies.
- **Investments:** Lead the development and implementation of BCH’s investment policies and risk framework, and crowd in capital attraction. Design and oversee the rollout of innovative housing finance products and delivery models that support affordability, modern methods of construction, and alignment with federal housing priorities.
- **Development and Partnerships:** Structure partnerships and deals with proponents and design and manage procurement strategies in collaboration with delivery partners. Oversee the identification, planning and development of public land assets, in collaboration with federal partners.
- **Strategic Communications and Public Affairs:** Lead government and external relations, direct media relations, stakeholder engagement and public rollout activities and lead internal communications and engagement.

The SOA’s core activities and services will include the following:

- Establishing a pipeline of projects;
- Creating a single window for affordable housing development and financing;
- Implementing the Buy Canadian Policy and catalyzing modern methods of construction;
- Leveraging public lands for housing development;
- Assessing projects and signing and managing agreements with housing proponents;
- Funding projects;
- Building out business lines through establishing expertise under new, dedicated leadership;
- Conducting engagements and market sounding with industry and partners;
- Leveraging expertise from Crown corporations and other federal departments, as needed; and
- Developing Key Performance Indicators and reporting on results.

Collaboration and Partnerships

BCH will be an SOA within HICC that will work collaboratively with and seek expertise from relevant government departments and Crown corporations through staffing and joint committees. BCH will be staffed with the appropriate mix of expertise currently housed at HICC and federal partner organizations through interchanges, assignments and secondments, and in some cases, by

bringing in external talent. BCH will further leverage technical expertise from Crown corporations through MOUs and an Investment Advisory Committee.

Prior to BCH assuming responsibility for financing and developing affordable housing projects, HICC will seek policy cover, obtain a sufficient source of funds and provide the SOA with the necessary technical support and subject matter expertise.

Outside of the federal government, BCH will maintain strong and ongoing collaboration with other levels of government, Indigenous partners, private and community housing developers and providers, prefabricated developers and manufacturers and financial institutions. BCH will look to leverage these relationships to increase the stock of affordable housing in Canada at a faster pace, while also prioritizing the needs of local communities. BCH will ensure that it is clear to partners that the SOA is the lead for achieving its mandate related to housing development, while HICC remains the lead for broader housing policy. BCH will engage with Indigenous partners and organizations to better understand housing priorities for Indigenous communities to inform BCH's work. Further, BCH will work collaboratively with Indigenous housing organizations to facilitate public-private partnerships to ensure that, where possible, housing projects for Indigenous communities are Indigenous-led.

Funding

Statutory Source of Funds

Budget 2025 proposed an initial funding envelope of \$13 billion over five years for BCH activities, including its first investments of \$1.515 billion to CLCL to support housing construction on six sites in their portfolio, \$1.5 billion for the CRPF, and \$1 billion for Supportive and Transitional Housing for people experiencing or at imminent risk of homelessness. This funding will enable the SOA to make early investments and support the long-term capital envelope.

The maximum total cost for BCH is \$11.5 billion in statutory funding over 5 years on a cash basis from 2025-26 to 2029-30, with no ongoing funding. The corresponding accrual cost totals \$7.3 billion over five years from 2025-26 to 2029-30, with no ongoing funding.

Organization

Organizational Structure

The SOA is led by Ana Bailão, Chief Executive Officer (CEO) of BCH. The CEO, appointed by the Governor-in-Council, reports to the Deputy Minister of HICC. The CEO's accountability and reporting relationship is outlined in greater detail in the Accountability and Relationships section below. The relationship between HICC and the new end state entity will be defined in the future.

BCH is a lean, mission-driven organization that will be leveraged from within HICC, other government departments and Crown corporations through secondments and interchange. These employees will be hired for a pre-defined period of time to the SOA only.

The anticipated organizational structure for BCH will include teams dedicated to communications and public affairs, policy and operations, investments, and development and partnerships. These teams will report to the CEO to support the CEO's role in recommending investments for funding release by the Deputy Minister and Minister of Housing and Infrastructure.

Organizational Lead

BCH is led by the CEO of BCH, who was appointed by the Governor-in-Council in a process led by Senior Personnel at PCO. The incumbent has the appropriate skillset to support the functioning of BCH, including consideration for experience relating to the housing sector, financing experience, experience leading an organization focused on sectoral innovation and growth, and/or experience managing or delivering housing development and financing.

The CEO of BCH will be accountable to the Deputy Minister of HICC for providing short-, medium- and long-term strategic direction and ensuring that BCH meets its agreed upon objectives and performance targets, and for reporting on actual versus targeted performance.

Executive Committee and Other Senior Executive Officers

The SOA will include an Investment Advisory Committee to undertake the following role:

Investment Advisory Committee (IAC) – The IAC advises the CEO of the BCH ensuring investments align with federal housing priorities (i.e. affordability, innovation, and scale) and uphold prudent stewardship of public resources. The Committee offers advice function only; final investment decision is held by the CEO. Membership includes senior representatives (e.g. ADMs) from HICC, Canada Mortgage and Housing Corporation (CMHC), Canada Infrastructure Bank (CIB), CLCL and Central Agencies. Other relevant departments or agencies, notably Public Services and Procurement Canada (PSPC), Indigenous Services Canada (ISC) and Innovation, Science and Economic Development (ISED), will be invited on an as needed ad hoc basis.

The Minister would regularly update the **Build Canada Cabinet Committee** on the activities of the SOA and of the progress BCH makes on interim activities and achieving outcomes that are important to Canadians.

The CEO will also be supported by Senior Vice President of Policy and Operations, Senior Vice President of Investments, a Senior Vice President of Development and Partnerships, and a Head of Strategic Communications and Public Affairs.

Employees

Employees of the SOA will retain the status of public servants with all the associated rights, benefits, and responsibilities. Existing collective agreements will remain in force and staff will continue to be represented by their bargaining agents in all negotiations with Treasury Board. For those employees seconded through interchange from Crown Corporations and other government departments, they will maintain their employment status linked to those entities.

Accountability and Relationships

Minister, DM, and CEO Accountability

The Minister will be formally accountable to Parliament for all activities of BCH and will be responsible for the release of funds for approved investments. The Minister is also responsible for policy and priority setting for BCH through a Letter of Expectations to the CEO of BCH.

The Deputy Minister of HICC will remain accountable to the Minister for the effective governance of the Department. In addition, the Deputy Minister will be responsible for recommending the release of funds for investments to the Minister of HICC.

The CEO leading BCH is accountable to the Deputy Minister of HICC for the overall performance of BCH.

The CEO will be responsible for respecting and responding to Departmental direction and priorities, and for adhering to the relevant Departmental and government policies and guidelines (e.g., *Official Languages Act*). The CEO will hold the final approval of projects to proceed to the Deputy Minister for recommendation on release of funds. The Minister will be responsible for the ultimate release of funds.

Relationship with Housing, Infrastructure and Communities Canada

BCH will contribute to the achievement of HICC's mission through the provision of its mandate and the realization of key results and activities in support of departmental priorities as outlined by the Government.

HICC respects the basic tenet that new or additional demands placed on BCH by HICC may require adjustment to the Business Plan and Framework Agreement and could require additional resourcing.

Relationship with Departmental Corporate Services and Government Internal Enterprise Service Organizations

BCH will use HICC Corporate Services including human resources, finances, IT, accommodations, communications, digital, policy or legal advice and services consistent with those currently made available to any operating unit in HICC. Specifically, HICC staff will be leveraged to support the ramp up of BCH operations and will rely on HICC infrastructure to support the project portal and web content. HICC will continue to serve as the interface with the Treasury Board of Canada Secretariat and other central agencies on topics such as the Departmental Business Plan, Estimates, Questions in the House, etc.

Relationship with Other Government Organizations

BCH's relationship with other Government departments is described above in the 'Partnerships' section.

While HICC will require flexibility in terms of its ability to leverage the existing mandates and capacity of Crowns using MOUs over its lifecycle, between now and BCH's transition to its end state, the intention is to:

- **CLCL:** Leverage CLCL's existing expertise to serve as the government's public developer until BCH arm's length entity is launched. CLCL will develop housing under the BCH banner, including projects on its own land and on other public lands.
- **CIB:** Leverage CIB's advisory services relating to investments and market sounding activities through an MOU signed in September 2025.
- **CMHC:** leverage its expertise in flowing funds to recipients for a broad range of agreements, including underwriting and loan administration.

HICC will work with key federal partners to build off the success to date in key areas and ensure a seamless transition.

BCH will catalyze a modern homebuilding industry. BCH will build upon the consultations and recommendations made through the development of the Industrial Strategy for Homebuilding and lessons learned across Canada through important initiatives to support innovation in homebuilding being run by Innovation, Science and Economic Development and the Regional Development Agencies to inform the approach on how to best support the modern methods of construction homebuilding industry.

The SOA will work collaboratively with other government departments, such as ISED, PSPC, Natural Resources Canada (NRCan), Finance (FIN), Treasury Board of Canada Secretariat (TBS) and Privy Council Office (PCO) to ensure cohesion between departments. In particular, BCH will work with ISED and NRCan to leverage existing programming related to MMC. BCH will work with PSPC to seek guidance on the structure of the procurement approach for MMC, engage custodians on making federal land available, and provide insight on the approach to accelerating disposals. The SOA will also work with Crown Indigenous Relations and Northern Affairs Canada (CIRNAC) and ISC on matters relating to Indigenous engagement and potential impacts on the Aboriginal and/or Treaty Rights of Indigenous peoples.

Relationships with Provincial, Territorial and Municipal Governments

Collaboration and engagement between the federal government and Provincial/Territorial/Municipal counterparts will be integral to the success of BCH, recognizing that other orders of government play a crucial role in the development of housing across Canada and particularly at the local level through construction approval processes. Further, given the role of other orders of government in funding operating and support expenses for supportive and transitional housing, initial outreach targeted provinces, territories and Indigenous partners to ensure they are central to early project identification and aggregation into project portfolios.

In the interim and end state phases, BCH will conduct intergovernmental engagement for the purpose of maximizing benefits for Canadian home builders and the modern methods of construction industry. This cooperation may extend to agreements pertaining to land development to facilitate streamlined approval processes.

Relationship with Other Stakeholders

As the primary window for federal non-market housing development and growth in Canada, BCH will establish and maintain strong relationships with a network of partners from across the housing sector. This will include establishing and maintaining relationships with industry and private and non-profit organizations to understand the capabilities, needs and benefits of funds and industrial support that will be dispersed by BCH in its end state phase, in support of cultivating Canada's homebuilding industry.

BCH will also leverage relationships to maintain a strong knowledge of business activities, research and development undertakings, industry collaboration and beyond that could impact Canada's housing objectives. It is anticipated that the housing industry will form a core contingent of partners with whom BCH will maintain a relationship and conduct market sounding exercises; however, the SOA will also maintain strong connections with other entities performing activities connected with housing development. These could include formal relationships, but also formal activities, such as participating in industry networks that may be convened and called upon by BCH in its interim and end state phases.

BCH will engage with Indigenous partners and organizations throughout the interim and end state to inform policy development, better understand community housing needs and priorities, and ensure meaningful progress is made to address the housing crisis for Indigenous peoples.

Planning and Reporting

Performance Measurement Framework

BCH will be accountable to delivering against its performance measurement framework, which will be used by agency management and staff to make informed decisions regarding the focus and delivery of agency services and to report on the agency's performance. Results-based performance measures that assess BCH's progress in achieving its mission and vision; assist the agency in determining whether it is realizing its goals with respect to the delivery of responsive, relevant, quality services; evaluate the impact of the housing development process undertaken by BCH; and evaluate the value of the organization's contribution to the strategic objectives and priorities of HICC will form the basis of the performance framework.

A preliminary results framework has been provided to guide the activities of the interim phase of BCH as an SOA and will continue to be developed further for the end state arm's length entity. During a period of approximately one year, as BCH transitions into the end state entity, the full performance measurement framework (PMF) and performance information profile (PIP) will be finalized with detailed articulation of intended BCH results and alignment with HICC's Departmental PIP. The final PMF, PIP and potentially a program addition process will then be provided for approval to the Treasury Board of Canada Secretariat (TBS).

BCH will develop and sustain commitments to performance measurement by integrating the performance framework into its daily operations and actively engaging all levels of the organization in the framework's development and continuous improvement. Specific performance indicators

and measures will be developed in consultation with the Housing and Infrastructure portfolio following approval. Management commitment and leadership and the development of a culture where all staff understand and support the value and benefits of performance measurement are a key component of the successful achievement of the BCH's mission and vision.

Performance Reporting

BCH as an SOA will report to Canadians through the HICC Departmental Results Report that is tabled in Parliament annually through the Minister of Housing and Infrastructure. Within this existing departmental results reporting framework, HICC's planning, reporting, and accountability structure will be adjusted to ensure separate reporting of BCH as an SOA for financial and program management.

During its interim SOA state, BCH will provide HICC with the performance information necessary to ensure the timely completion of the Departmental Plan (DP), Departmental Results Report (DRR), Main Estimates, Public Accounts of Canada and other required ongoing or ad hoc reports.

BCH's progress in achieving its operational priorities will be available to management and staff in near real time through its management information systems and dashboard. Performance summaries will also be made available to stakeholders secretarially or through DM and ADM governance committees.

Annual Reports

BCH will report on implementation and results in its 2026-27 Annual Report. This report will be published on its public-facing webpage.

Financial Reports and Accounts

BCH will work closely with the department to establish the flexibilities and authorities necessary to meet agency, departmental and sector objectives and priorities. The agency will submit a summary of accounts to the departmental ADM Corporate Services Branch as part of the sector's input to HICC's business plan, estimates and public accounts of Canada, departmental plan and departmental results report, as well as any other emerging requirement in this realm.

The agency will also provide input, including budget, expenditure and variance reporting, to the departmental accounting system capable of supporting accrual accounting and costing by lines of business

BCH will ensure all financial policies applicable to the agency are implemented in an efficient manner.

Audit and Evaluation

BCH will maintain adequate controls to ensure that government policies and adherence to relevant regulations. It will maintain a financial control and management accounting system which permits regular reviews of actual costs, expenditures, operating performance, and cost recovery where applicable. Internal audits, evaluation and reviews will be conducted periodically as required by applicable laws, regulations and policy.

Audits

Under subsection 42.1(1) of the *Financial Administration Act* (FAA), each department is required to conduct a review every five years of the relevance and effectiveness of each ongoing program for which it is responsible. At the time of preparing this Treasury Board submission, no audit or evaluation activities are scheduled for BCH as an SOA in the 2025-2030 Integrated Audit and Evaluation Plan; however, HICC's Audit and Evaluation Branch will continue to engage with the SOA and provide guidance and advice to ensure plans are developed to evaluate and audit the BCH funds in a timely manner to provide strategic findings and lessons learned. Once the transition from the SOA is complete, responsibilities for audits and evaluations may shift away from HICC, but support from HICC's Audit and Evaluation Branch will be available, if needed.

Evaluation

BCH's key policies and programs will be evaluated, and the findings used in decision-making, reporting and continuous improvement. Evaluations can include an assessment of: (1) the relevance of the agency's program and services; (2) objectives achievement; (3) the results, impact and effects of the objectives achievement; and (4) the cost-effectiveness of program and service design and delivery.

Human Resources Principles

BCH will operate under the leadership of one CEO, to be situated in HICC.

Staff will be employed with direct accountabilities to BCH and will not have dual reporting relationships. For example, existing HICC resources will be provided to BCH. Technical experts will be interchanged or seconded from other government departments as well as CIB, CMHC and CLCL, leveraging operational expertise to support the agency's work.

Communications

In the SOA phase, HICC will lead all communications activities using BCH web and social media channels to externally promote BCH activities as well as manage media and public enquiries. The department will work with other federal communications partners to establish clear communications protocols and coordinate BCH-related public communications activities and messaging.