



THE DISTRICT OF THUNDER BAY
SOCIAL SERVICES ADMINISTRATION BOARD

Social Assistance Shelter Rates

POSITION PAPER

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Prepared by:

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Prepared for:

Hon. Michael Parsa, Minister of Children, Community and Social Services

Brief

The District of Thunder Bay Social Services Administration Board (TBDSSAB) requests that Ministry of Children, Community and Social Services (MCCSS) adjusts social assistance shelter rates to match local average market rents to address the shortfall between shelter rates and the actual cost of shelter.

Summary

Social assistance (SA) shelter rates are well below average market rent in Ontario, which creates a large shortfall in rent revenue for service managers. As community housing is funded and administered by municipal governments, this shortfall results in higher costs for the service manager and ultimately a considerable impact on the municipal taxpayer. The low shelter rates act as a deterrent for further investment in community housing units.

Background

Since 2000, rent scales have not increased for community housing tenants. On a parallel scale, market rental rates have increased by 103.8% in Thunder Bay,¹ creating a growing gap between SA shelter rates and the actual cost of shelter.

A single Ontario Works (OW) or Ontario Disability Support Program (ODSP) benefit recipient who is housed through a private market rental unit is eligible for the maximum shelter allowance under the respective program. However, if the same individual is housed through a community housing provider, the shelter allowance is determined by the geared-to-income (GTI) rent scales, resulting in a monthly difference in provincial rent support between \$300 and \$788 in the District of Thunder Bay depending on household size (see [Appendix A](#)).

¹ Thunder Bay. CMHC Housing Market Information Portal. <https://www03.cmhc-schl.gc.ca/hmip-pimh/#TableMapChart/2240/3/Thunder+Bay+CMA>

Based on the number of households who are recipients of social assistance (OW or ODSP) and reside in TBDSSAB direct-owned units, the difference between the rent scales and shelter allowance maximums has resulted in a loss of \$8.7 million over the past year. These funds could have significantly supported the backlog in community housing repair, renovation, or regeneration. In addition, current shelter rates have been insufficient to cover the actual cost of market housing in the District of Thunder Bay (see [Appendix B](#)). The difference between shelter rates and average market rents in the TBDSSAB service area is sizeable and results in a negative socio-economic effect. Firstly, the significant difference leads households who are currently renting to reallocate their basic allowance (that is intended for food and necessities) to cover rental costs. Secondly, the lack of affordability for individuals looking to rent in the market has led to an increase in the waitlist for community housing. For instance, the average waitlist number in 2022 was approximately 1,001. In 2023, this increased to 1,242 and in 2024 there was an approximate average of 1,369 applicants on the waitlist.

Emergency shelter usage has also increased due to unaffordable market rent. The monthly cost for emergency shelter usage is \$1,340 but the average bachelor apartment rental rate is \$823. By matching OW shelter rates with the average market rate for a bachelor apartment in the district – an increase of \$433 – it could potentially save the TBDSSAB an estimate of \$907 per individual (monthly shelter stay \$1,340 - \$433 OW shelter rate increase = \$907) while providing a suitable home for the recipient.

Given the importance of providing safe, stable and adequate housing for individuals in the district, it is recommended that the MCCSS adjust shelter assistance rates to match market rental rates to ease the overwhelming pressure on the individuals seeking social support and emergency shelter systems who are having to operate over capacity.

Therefore, TBDSSAB requests that MCCSS adjust social assistance shelter rates to match local average market rents to address the shortfall between social assistance shelter rates and the actual cost of shelter.

Appendix A: Difference in OW/ODSP Shelter Rates and HSA Rent Scales

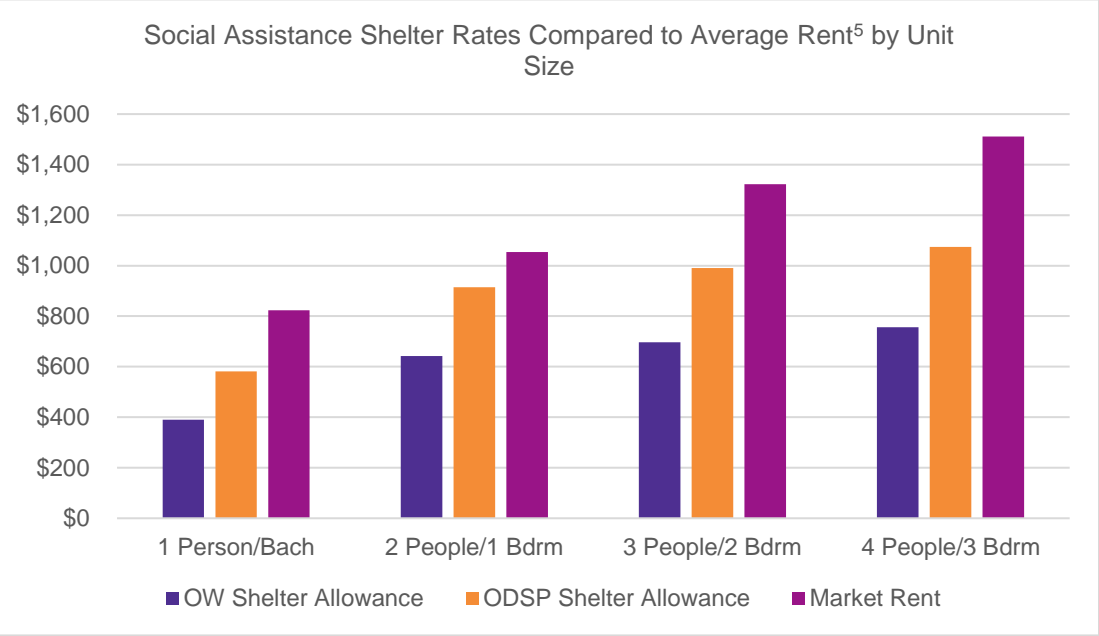
| Household Size | OW Shelter Rate ² | Average HSA Rent Scale ³ | Difference | ODSP Shelter Rate ⁴ | ODSP HSA Rent Scale ² | Difference |
|----------------|------------------------------|-------------------------------------|------------|--------------------------------|----------------------------------|------------|
| 1 | \$390.00 | \$85.00 | -\$305.00 | \$582.00 | \$109.00 | -\$473.00 |
| 2 | \$642.00 | \$175.00 | -\$467.00 | \$915.00 | \$199.00 | -\$716.00 |
| 3 | \$697.00 | \$212.00 | -\$485.00 | \$990.00 | \$236.00 | -\$754.00 |
| 4 | \$756.00 | \$254.00 | -\$502.00 | \$1,074.00 | \$278.00 | -\$796.00 |
| 5 | \$815.00 | \$296.00 | -\$519.00 | \$1,159.00 | \$321.00 | -\$838.00 |
| 6 | \$844.00 | \$339.00 | -\$505.00 | \$1,201.00 | \$363.00 | -\$838.00 |
| 7 | \$844.00 | \$381.00 | -\$463.00 | \$1,201.00 | \$405.00 | -\$796.00 |
| 8 | \$844.00 | \$423.00 | -\$421.00 | \$1,201.00 | \$488.00 | -\$713.00 |
| 9 | \$844.00 | \$466.00 | -\$378.00 | \$1,201.00 | \$490.00 | -\$711.00 |
| 10 | \$844.00 | \$508.00 | -\$336.00 | \$1,201.00 | \$532.00 | -\$669.00 |
| 11 | \$844.00 | \$550.00 | -\$294.00 | \$1,201.00 | \$575.00 | -\$626.00 |
| 12+ | \$844.00 | \$593.00 | -\$251.00 | \$1,201.00 | \$617.00 | -\$584.00 |

² Ontario <https://www.ontario.ca/laws/regulation/010298#BK4>

³ Ontario <https://www.ontario.ca/document/ontario-works-policy-directives/63-shelter>

⁴ Ontario <https://www.ontario.ca/document/ontario-disability-support-program-policy-directives-income-support/62-shelter-calculation>

Appendix B: Social Assistance Shelter Rates Compared to Average Rent by Unit Size⁵



⁵ Thunder Bay. CMHC Housing Market Information Portal. <https://www03.cmhc-schl.gc.ca/hmip-pimh/#TableMapChart/2240/3/Thunder+Bay+CMA>