



THE DISTRICT OF THUNDER BAY
SOCIAL SERVICES ADMINISTRATION BOARD

Social Assistance Shelter Rates

POSITION PAPER

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Rural Ontario Municipalities Association (ROMA) Conference

Prepared by:

The District of Thunder Bay Social Services Administration Board

Prepared for:

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

Brief

The District of Thunder Bay Social Services Administration Board (TBDSSAB) urges the Minister to work with the Minister of Municipal Affairs and Housing to amend the Housing Services Act 2011 to increase rent scales for tenants in receipt of social assistance to the maximum shelter rate, or, at minimum, to account for inflation since the 2001 devolution of social housing cost responsibility.

Summary

Social assistance 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 administered by 47 service managers with funding from municipalities, the shortfalls result in higher costs for the service manager and ultimately a considerable impact on the municipal taxpayer. The social assistance shelter rates remaining so low act as a deterrent for further investment in new community housing units.

Background

Since 2000, rents have increased by 81.2% in Thunder Bay,¹ creating a widening gap between social assistance shelter rates and the actual cost of shelter. Under the *Housing Services Act, 2011* (HSA), rent-gear-to-income (RGI) for Ontario Works

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

(OW) and Ontario Disability Support Program (ODSP) recipients is calculated according to a set social assistance rent scale, set out in Tables 1, 2 and 3 of O. Reg. 316/19. The rent scales were originally developed between the Ministry of Community and Social Services and the Ministry of Municipal Affairs and Housing and set at low levels because payment was between ministries and have not been adjusted since 2000. As community housing has been funded by municipalities since 2001, the impact of this funding gap is now placed squarely on the municipal taxpayer.

A single OW or ODSP benefit recipient who is housed through a private market rental unit is eligible for the maximum shelter allowance under either program. However, if the same individual is housed through a community housing provider, their shelter allowance is determined by the HSA rent scales, resulting in a monthly difference in provincial rent support of \$300 or greater in the District of Thunder Bay. This difference can be as much as \$750 per month or more if the benefit recipient is a family of four. The table below outlines the difference between social assistance shelter rates and the HSA rent scales:

Household Size	OW Shelter Rate	Average HSA Rent Scale	Difference	ODSP Shelter Rate ²	ODSP HSA Rent Scale	Difference
1	\$390.00	\$85.00	-\$305.00	\$556.00	\$109.00	-\$447.00
2	\$642.00	\$183.00	-\$459.00	\$875.00	\$199.00	-\$676.00
3	\$697.00	\$219.00	-\$478.00	\$947.00	\$236.00	-\$711.00
4	\$756.00	\$261.50	-\$494.50	\$1,027.00	\$278.00	-\$749.00
5	\$815.00	\$303.50	-\$511.50	\$1,109.00	\$321.00	-\$788.00
6	\$844.00	\$346.00	-\$498.00	\$1,149.00	\$363.00	-\$786.00
7	\$844.00	\$388.50	-\$455.50	\$1,149.00	\$405.00	-\$744.00
8	\$844.00	\$430.50	-\$413.50	\$1,149.00	\$488.00	-\$661.00
9	\$844.00	\$473.00	-\$371.00	\$1,149.00	\$490.00	-\$659.00
10	\$844.00	\$515.50	-\$328.50	\$1,149.00	\$532.00	-\$617.00
11	\$844.00	\$557.50	-\$286.50	\$1,149.00	\$575.00	-\$574.00
12+	\$844.00	\$600.00	-\$244.00	\$1,149.00	\$617.00	-\$532.00

² Ontario <https://www.ontario.ca/document/ontario-disability-support-program-policy-directives-income-support/62-shelter-calculation>

The difference in the rent scales and the shelter allowance maximums represents lost income for community housing providers. For TBDSSAB direct-owned units, this represents a shortfall over \$8.7 million this past year. These funds could be used to help to support the backlog in community housing repair, renovation, or regeneration. The image below demonstrates the magnitude of this lost opportunity for TBDSSAB³:

OW						ODSP					
Household Size	Number of Households	Monthly Rent Difference	Months	Lost Rent Revenue		Household Size	Number of Households	Monthly Rent Difference	Months	Lost Rent Revenue	
1	95	\$305	12	=	\$347,700	1	665	\$447	12	=	\$3,567,060
2	69	\$459	12	=	\$490,212	2	124	\$676	12	=	\$1,005,888
3	127	\$478	12	=	\$728,472	3	102	\$711	12	=	\$870,264
4	79	\$495	12	=	\$468,786	4	71	\$749	12	=	\$638,148
5	31	\$512	12	=	\$190,278	5	21	\$788	12	=	\$198,576
6	13	\$498	12	=	\$77,688	6	10	\$786	12	=	\$94,320
7	6	\$456	12	=	\$32,796	7	3	\$744	12	=	\$26,784
8	3	\$414	12	=	\$14,886	8	2	\$661	12	=	\$15,864
9	1	\$371	12	=	\$4,452	9	0	\$659	12	=	\$0
10	0	\$329	12	=	\$0	10	0	\$617	12	=	\$0
11	0	\$287	12	=	\$0	11	0	\$574	12	=	\$0
12 and up	0	\$244	12	=	\$0	12 and up	0	\$532	12	=	\$0
Average Difference		\$404	TOTAL = \$2,355,270			Average Difference		\$662	TOTAL = \$6,416,904		
Total Annual Lost Rent Revenue						\$8,772,174					

Ideally, community housing rent scales for social assistance recipients should be increased to the maximum shelter allowance. In recognition of current difficult fiscal circumstances, however, increasing the community housing rent scales to account for rent inflation for the 23 years since the last adjustment would provide some relief to municipalities while remaining economically responsible. The table below outlines the average HSA rent scales, used in the previous calculations, indexed to the inflation of rent since 2000:

³ HSC Funding of Income Assistance Programs in Social Housing Municipal Financial Impact Calculator

Household Size	Average HSA Rent Scale Current	Adjusted for Rent Inflation to 2023 ⁴	Difference
1	\$85.00	\$154.02	+ \$69.02
2	\$183.00	\$331.60	+ \$148.60
3	\$219.00	\$396.83	+ \$177.83
4	\$261.50	\$473.84	+ \$212.34
5	\$303.50	\$549.94	+ \$246.44
6	\$346.00	\$626.95	+ \$280.95
7	\$388.50	\$703.96	+ \$315.46
8	\$430.50	\$780.07	+ \$349.57
9	\$473.00	\$857.08	+ \$384.08
10	\$515.50	\$934.09	+ \$418.59
11	\$557.50	\$1,010.19	+ \$452.69
12+	\$600.00	\$1,087.20	+ \$487.20

It is recommended that, at minimum, the Ontario government immediately increase the community housing shelter scales under these programs by the inflation of rent from 2000 to current (81.2% in the District of Thunder Bay), and to maintain increases indexed to market rent fluctuations moving forward. This small modification to the social assistance rent scales could result in an additional \$1.9 million in rent revenue annually, helping to relieve some of the burden on municipalities. .

As it stands, the current shelter allowance mechanism acts as a deterrent for service managers to invest in new community housing units since the rent scales are so low, resulting in higher costs for the service manager and ultimately the municipal taxpayer.

Therefore, TBDSSAB urges the Minister to work with the Minister of Municipal Affairs and Housing to amend the Housing Services Act 2011 to increase rent scales for tenants in receipt of social assistance to the maximum shelter rate, or, at minimum, to account for inflation in rent.

⁴ TBDSSAB calculations based on Thunder Bay CMHC Housing Market Information Portal. <https://www03.cmhc-schl.gc.ca/hmip-pimh/#TableMapChart/2240/3/Thunder+Bay+CMA>