

Establishing a shelter allowance re-housing fund to reduce homelessness in Ontario

Poverty Reduction Strategy Submission

Prepared for the Strategic Policy Division
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The Daily Bread Food Bank welcomes this opportunity to provide input on Ontario's new poverty reduction strategy. Since 1983, the Daily Bread Food Bank has been working to end hunger—meeting immediate needs while advocating for long-term solutions to end poverty. From its 108,000 sq. ft. distribution hub in Etobicoke, the Daily Bread supports a network of 214 food banks and programs across Toronto. Through its Research and Advocacy work, Daily Bread collaborates with partners across the sector to advance everyone's right to food and drive meaningful policy change.

Current Context

Ontario's 2020 Poverty Reduction Strategy was launched during the unprecedented disruption of the COVID-19 pandemic. This crisis exposed deep systemic vulnerabilities and underscored the urgent need for bold, structural reforms to tackle the root causes of poverty. While some incremental steps were taken, poverty in Ontario has not declined—it has deepened.

In 2023, poverty affected 12.3% of Ontarians and 15.2% of Torontonians—increasing from 7.4% and 9.4% in 2020. Almost half of Canadians living in poverty are Ontarians (45%), and one in four are Torontonians (25%).¹ Single adults experience the highest poverty rates in Ontario—29.5% province-wide and 34.2% in Toronto.² As poverty deepens, food bank use has surged: more than one in ten Torontonians now rely on food banks, with a record 4.1 million visits between 2024 and 2025—a staggering 340% increase since 2019.

Food insecurity and housing instability continue to rise as incomes lag behind increases in housing and grocery costs. Social assistance rates—\$733/month for Ontario Works (OW) and \$1,408/month for the Ontario Disability Support Program (ODSP)—remain far below Toronto's poverty line of \$2,444/month for a single adult. Median rents for purpose-built rentals in Toronto are \$1,450 for a bachelor apartment and \$1,699 for a one-bedroom apartment, requiring monthly incomes of \$4,834 and \$5,664 to afford.³ With wait times for Toronto's social housing now 9 to 15 years, and vacancy rates for the lowest-cost rentals at just 0.4%, thousands are left without viable housing options.⁴

Consequently, homelessness in Ontario has increased, rising 25% since 2022 and affecting an estimated 81,505 Ontarians.⁵ Of this total, about 26,500 receive social assistance, nearly two times the 14,400 recorded in 2022.⁶ Meanwhile, municipal and provincial spending on costly emergency systems exceeded \$1.2 billion in 2024, twice the 2019 level.⁷ Without policy change, projections indicate that the number of Ontarians facing homelessness could triple, further increasing costs and strain on the health care system, emergency shelters, and social services.⁸

Access to affordable housing, adequate income supports, and decent work is the foundation for keeping people housed, employed, and out of poverty. To help achieve this, we are proposing a targeted solution to enable unhoused Ontarians receiving social assistance to regain stable housing.

The Issue

Ontario's social assistance programs, Ontario Works (OW) and the Ontario Disability Support Program (ODSP), include two benefit components:

- *Shelter Allowance*: An amount tied to eligible housing costs such as rent and utilities. The maximum amount per month for a single adult is \$390 for OW and \$599 for ODSP.
- *Basic Needs Allowance*: A set amount intended to cover items like food, clothing, and personal needs. The maximum amount per month for a single adult is \$343 for OW and \$809 for ODSP.

When an individual or household receiving social assistance becomes unhoused, the shelter allowance portion is removed, leaving only the basic needs amount. This assumes that Ontarians affected by homelessness have no housing-related costs, when in reality they are trying to secure stable housing. Without the shelter allowance, saving for first and last month's rent is nearly impossible—creating a costly, avoidable cycle of homelessness.

Recommendation - Establish a shelter allowance re-housing fund to reduce homelessness among social assistance recipients in Ontario

Ontario has an opportunity to make targeted changes to the social assistance system to turn a barrier to stable housing into a practical solution.

We recommend that when a recipient loses housing, each month the shelter portion of their benefit is placed into a reserve fund and held in escrow for up to 12 consecutive months. This reserve is maintained until housing is secured, but it cannot exceed the 12-month maximum. These funds are available to pay for first and last month's rent, and other upfront costs to secure housing, such as utility setup costs, renter's insurance, and essential household items.

The proposed shelter allowance re-housing fund is cost-neutral, using funds already earmarked for the program. Based on July 2024 estimates, this change could support more than 26,000 people (22,000 OW and 4,000 ODSP recipients)—one in three Ontarians facing homelessness—to regain housing.⁹ If just half access the fund after six months, \$67.2 million would flow directly into securing stable housing, in turn reducing spending on emergency services, which cost the province \$700 million in 2024.¹⁰

This targeted measure creates a structured pathway out of homelessness while reducing crime, strengthening neighborhoods, and easing pressure on shelters and food banks—advancing the province's commitment to protect communities and build a more resilient province.¹¹

What's at Stake: Unlocking Housing Stability

Marc is a Toronto food bank client who has been homeless for over a year. Living with a disability, he was only recently approved for ODSP.

"Until June 2024, I was living with my brother. I was on OW at the time, but they took it away because I didn't have a fixed address. I stayed in parks, survived on my credit card for a few months. I was sleeping at the Kennedy subway station when a street outreach worker asked if I need help."

Marc is hopeful—he received \$500 in training support and expects to start a full-time job soon. But securing stable housing remains a significant barrier, and in the meantime, meeting other basic needs is challenging. Requiring a special diet, Marc tries to access healthy food, but without a place to cook he relies on multiple food programs each week—often walking across the city to find options.

"I am virtually on every housing waitlist. I am eligible for housing for persons with disabilities. The shelter is trying to provide me stable housing but the waiting list is too long."

Even with steady work on the horizon, Marc faces years-long waitlists for social housing. With the private rental market as his only alternative, the absence of the shelter allowance continues to get in the way of saving for upfront costs and significantly prolongs his path to housing stability.

"The biggest issue I see right now is to save for the first and last month's rent. That itself is \$3,000 to \$4,000. Personally, I know four people who have the same issue," he says.

Marc's experience demonstrates that by unlocking shelter allowance funds already allocated but unused, Ontario can turn a barrier into a bridge—transforming existing resources into real housing solutions that break the cycle of homelessness and, in doing so, strengthen social well-being and economic resilience across our province.

Conclusion

We appreciate the Ministry of Children, Community and Social Services and the Strategic Policy Division's attention to these pressing issues. We welcome any opportunity to discuss our recommendation for establishing a shelter allowance re-housing fund and to contribute to this important dialogue. Thank you for your consideration.

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