Federal government bypasses Ontario, offers money directly to Toronto to end encampments

The federal government says it can't wait any longer for Ontario to end encampments in its cities and will offer money directly to municipalities, including Toronto, to fix the problem.

In a statement issued Tuesday, Housing Minister Sean Fraser said he sent a letter to every province and territory on Sept. 18 asking them to partner with Ottawa to "urgently" find shelter for the unhoused or those living in tents.

The offer includes a total of \$250 million in funding in exchange for matching contributions by the provinces and territories.

However, Fraser said since the offer was made, the feds have not heard back from Ontario, Saskatchewan, and Alberta.

"While some have since entered election periods, there was ample engagement before the letter was sent, and there is no longer time to wait as the weather gets colder," Fraser wrote.

As a result, the government said it is now approaching municipalities directly to solve the problem, including Toronto.

"We will approach five cities first given their readiness to quickly adopt cost-matched responses. They are: Calgary, Edmonton, Toronto, Regina, and Saskatoon. This list is not exhaustive, as we will be approaching more communities that have demonstrated an ability to quickly respond to encampments," Fraser wrote.

If Ontario does decide to partner with Ottawa based on Fraser's offer, the federal government said, it will be able to select the specific communities that are awarded funding.

It's unclear how much exactly each province, territory or municipality would be given of the total \$250 million.

In a statement issued to CTV News Toronto, Ontario Minister of Municipal Affairs and Housing Paul Calandra said, up until Tuesday, the Ontario government was "under the impression" it was still working with Ottawa on tackling the issue.

"It's about time the federal government finally showed interest in discussing how they will match the hundreds of millions of dollars Ontario is investing to combat homelessness. I have a meeting scheduled with Minister Fraser next week, and I look forward to seeing him there," Calandra wrote.

According to Calandra's office, Ontario is already investing nearly \$1.1 billion in homelessness prevention programs each year, and an additional \$720 million to assist Toronto and Ottawa specifically.

Toronto unveiled its winter strategy (opens in a new tab)on the same day Fraser made the announcement, and said it will expand its shelter capacity to include 1,200 more spaces once the temperature drops next month. But city officials said they need more support.

"We need the federal and provincial governments to step up as partners and ensure everyone has a safe and secure place to call home, including real commitments to increase deeply affordable housing and supportive housing," Coun. Alejandra Bravo said.

CTV News Toronto has reached out to the City of Toronto for comment on Fraser's offer.

At an unrelated news conference on Wednesday, Mayor Olivia Chow said the federal government hasn't reached out to the city yet, but she's ready to work with Ottawa on the matter.

"We need the funds to create respite centres, more shelters, maybe even some rapid housing so we can build supportive housing. We know that without housing, without shelter, it's very difficult to get back on your feet," Chow said.

"We're willing to engage. We're willing to put up some of our funds. We're willing to move ahead."