

September 10, 2024

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**SUBJECT:** Canada Public Transit Fund

**PURPOSE**

To provide the Victoria Regional Transit Commission (VRTC) with information on the Canada Public Transit Fund (CPTF) and the process to apply for this funding. This report is presented to the VRTC for **INFORMATION**.

**BACKGROUND**

On July 17, 2024 submissions opened for two streams in the federal government's new \$30 billion public transit fund. The CPTF will deliver up to \$3 billion in annual federal funding for transit and active transportation projects, starting in April 2026. Multi-year funding will be based on a long-term integrated planning approach that addresses transit goals, increases the availability of housing and transit-oriented communities, helps mitigate climate change, and improves public and active transportation options for everyone. The objectives of the funding necessitate that BC Transit and government partners work collaboratively to develop comprehensive funding applications for the Victoria Regional Transit System (VRTS), with BC Transit acting as the lead applicant.

The CPTF will be delivered through three funding streams:

- **Baseline Funding** will provide capital funding for communities of all sizes with existing eligible public transit systems. This fund provides predictable support to communities seeking transit-related funding for either rehabilitation or replacement of public transit infrastructure required to support growth of the transit system. For the VRTS, Baseline Funding will likely support state of good repair refurbishments for transit infrastructure, vehicle replacements as well as upgrades to existing operations and maintenance facilities. This stream is expected to deliver approximately 1/6 of the Program's annual funding. The federal government has not yet finalized the distribution methodology for this funding and we will update the Commission once this information is available.
- **Metro-Region Agreements** are ten-year agreements for metropolitan regions, offering predictable funding in regions with complex public transit networks, such as the VRTS. Funding will support diverse capital projects based on priorities identified in an Integrated Regional Plan (IRP). Metro Regions are defined as being within or adjacent to a Census Metropolitan Area with a population of 100,000 or more. IRPs will outline details regarding the region, including population trends, current community plans and growth strategies, current transit system structure and future planning needs, housing needs

assessments, as well as active transportation networks and planning. IRPs will also outline how capital investments in transit over a 10-year horizon will achieve the core objectives of the CPTF. This funding stream is expected to deliver approximately 2/3 of the Program's funding. As with Baseline Funding, staff will provide the Commission with more information on the distribution of funds once we have more clarity on this process.

- **Targeted Funding** intakes is a single project agreement for communities of all sizes, targeting specific federal priorities. This could include active transportation, rural and remote transit, transit solutions in Indigenous communities as well as electrifying public transit.

The Government of Canada has launched expression-of-interest (EOI) intakes for both the Metro-Region Agreement and the Baseline Funding streams, which is expected to be followed by Targeted Funding intakes to be announced in the coming months. BC Transit was engaged by both the Province and Housing, Infrastructure and Communities Canada (HICC), the Department responsible for the funding, for several months leading up to the Program's launch.

## DISCUSSION

As the Commission is aware, the cost of operating transit continues to increase, and with an ever-growing population, so does demand. To support this growth, several large infrastructure projects will be required in the VRTS in the coming years. Accessing the CPTF will be critical in ensuring the affordability of public transit in the region.

For the VRTS, BC Transit plans to pursue funding via the Baseline Funding stream as well as the Metro-Region Agreement stream. EOIs for the Baseline Funding stream close on September 16, 2024, while the Metro-Region Agreement stream has a rolling intake, with no set deadline. For this reason, BC Transit's first priority is to get Baseline Funding EOIs submitted for all eligible transit systems, including the VRTS.

Following this, BC Transit staff will begin looking at submitting an EOI for the Metro-Region Agreement stream; however, as this fund has provincial co-funding implications, we will be confirming alignment with the Province before submitting this application. Once EOIs have been reviewed, HICC will invite successful applicants to move on to the next stage. For the Baseline Funding stream, this will require BC Transit to submit a Capital Plan application, and for the Metro-Region Agreement, this will require the creation and submission of an IRP.

The development of the IRP will be led by BC Transit and will require extensive collaboration with regional and local government partners. As part of the EOI submission phase, applicants can apply for planning funding to support the development of IRPs, and through this process, BC Transit will be seeking access to this funding (totalling \$20 million nationally). The Victoria Regional Transit Plan will be a key input into the development of this IRP. In addition, as the objectives of this funding program include increasing housing and affordability, as well as enhancing and increasing active transportation, contributions and data from our local and regional government partners will be essential to creating a comprehensive and complete IRP. Finally, as this fund seeks to improve

public transit and active transportation for Indigenous peoples, early engagement with Indigenous communities will be undertaken by BC Transit and partners. Conversations with partners regarding this funding program have been initiated, and on September 5, 2024, BC Transit staff provided the Capital Regional District’s (CRD) Transportation Working Group, a group made up of senior Engineering staff from all CRD municipalities, with an update on this funding and the application process. Through this presentation, it was acknowledged that a key next step will be to develop a governance structure for the development of the IRP. The development of this governance structure will be led by BC Transit in the coming months.

Once IRPs and Capital Plans have been submitted and accepted, HICC will invite applicants to negotiate Metro-Region Agreements and develop Contribution Agreements for Baseline Funding

BC Transit will continue to keep the Commission informed as we move through all phases of the funding application process, both through updates at quarterly VRTC meetings and through email updates as milestones are achieved.

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