

# **Ontario Transit Investment Fund Program Guide**

**Ministry of Transportation  
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# Overview

## Purpose

The Guide provides information on the Ministry of Transportation's (the "Ministry") Ontario Transit Investment Fund (OTIF). The Guide may be updated or modified at any time by the Ministry and applicants are strongly encouraged to access the Guide from Transfer Payment Ontario to ensure they are referring to the latest version.

Nothing in this Guide shall be construed as a contractual offer by the Ministry. No contractual relationship exists between the Ministry and a program's participant by virtue of this Guide and, without any limitation upon the foregoing, the Ministry explicitly rejects all contractual obligations arising out of and in respect of this Guide and OTIF.

The Guide should be reviewed before applying to OTIF to ensure that all requirements are understood and fulfilled.

Successful applicants will be required to enter into a contractual agreement with the Ministry to outline all obligations of the respective parties, including, but not limited to, the provision of OTIF funds to the successful applicants by the Ministry pursuant to the contractual agreement (the "Transfer Payment Agreement").

## Contact Us

For questions regarding OTIF, contact the Strategic Investments Office at the Ministry by emailing [MTO-SIO@ontario.ca](mailto:MTO-SIO@ontario.ca).

## Ontario Transit Investment Fund (OTIF)

The objective of OTIF is to address transit service gaps across Ontario by creating sustainable transit services through the formation of strong partnerships and integration with existing services.

OTIF provides time-limited, application-based funding, for up to five years to support the start-up and growth of transit services in areas where there is a clearly identified transit service gap.

OTIF is funded and administered by the Ministry.

Principles	Description
<b>Integrated</b>	<ul style="list-style-type: none"><li>• Recognizing that transit users travel across municipal and community boundaries, transit services funded by OTIF should be integrated, connected, or aligned across such boundaries.</li><li>• Ontario's Regional Transportation Plans set out provincial priorities. Submissions must be aligned with one or more of these Plans.<ul style="list-style-type: none"><li>◦ <a href="#">Connecting the GGH: A Transportation Plan for the Greater Golden Horseshoe</a></li></ul></li></ul>

Principles	Description
	<ul style="list-style-type: none"> <li>○ <a href="#">Connecting the East: A draft transportation plan for eastern Ontario</a></li> <li>○ <a href="#">Connecting the North: A draft transportation plan for Northern Ontario</a></li> <li>○ <a href="#">Connecting the Southwest: A draft transportation plan for Southwestern Ontario</a></li> </ul>
<b>Coordinated</b>	<ul style="list-style-type: none"> <li>• Partnerships and coordination are key to developing transit services across municipal and community boundaries.</li> <li>• Transit and community partners are expected to work together as one Project Team to deliver a transit service with a common goal of increasing access to communities and services (see <a href="#">Eligible Project Team Members</a>).</li> </ul>
<b>Sustainable</b>	<ul style="list-style-type: none"> <li>• OTIF will fund the development of sustainable transit services by providing start up funding to cover the costs of such services.</li> <li>• OTIF is designed to support gradual sustainability through its cost-share structure (see <a href="#">Funding</a>).</li> <li>• Project teams will use OTIF funding to start-up and grow their transit services to a point where projects can self-sustain over the long run.</li> </ul>

## Eligibility Criteria

### Eligible Applicants

Eligible Applicants include:

- Municipalities
- Non-profit organizations (including Indigenous not-for-profit organizations)
- Indigenous communities

### Eligible Project Team Members

OTIF applicants will act as leads and will form “Project Teams” to ensure that projects are coordinated, integrated, and leverage all available resources. Project Teams are strongly encouraged to include all relevant partners and stakeholders in the proposed service area (see further details on Project Teams below).

Project Teams should include **all municipalities** (upper and lower tier) and **all First Nation communities** in the proposed service area or provide strong rationale for why they are not included. A map of First Nation communities in Ontario can be found here ([Ontario First Nations Maps | ontario.ca](#)).

In assembling the Project Team, consider the inclusion of, for example:

- Existing transit services and hubs that are near or within project boundaries (e.g., VIA, Metrolinx, Ontario Northland Transportation Commission, municipal transit services, private bus services and others).
  - This includes coordinating stop locations, hours of service and scheduling, wherever possible.
- Any of the following that align with the community needs analysis:
  - Non-profit organizations that already or seek to provide transportation services
  - Government transit agencies (e.g., Metrolinx and Ontario Northland Transportation Commission)
  - Private sector transportation providers, including vehicle for hire and motor coach operators
  - Post-secondary institutions
  - Hospitals and healthcare facilities
  - Employers
  - Developers (housing, commercial, etc.)

All Project Team members must have a role or responsibility that is documented in the collaboration framework submitted (see [Application Form](#)).

Roles may include involvement in the planning and/or execution of the project, financial or in-kind contributions towards project, organizational capacity support (i.e., staffing), promotion support, etc.

## **Eligible Projects**

A project must fill a transit service gap to be eligible for funding. Projects will not qualify for funding and will not be approved if they duplicate an existing service.

Transit service gaps may include:

- New service to close a demonstrable transit gap.
- Expansion of existing transit service to reach unserved communities.
- Addressing a first mile/last mile gap to connect a community to a new or existing service.
  - First mile/last mile projects should aim to provide seamless connectivity for transit riders to and from public transit stations, stops, and fixed-route transit services.
  - First mile describes getting to transit from one's point of origin, whereas last mile is getting to one's destination from transit.
  - Point of origin and destinations could include home, work, shopping, recreation.
- Work to integrate existing transit services (e.g., establishing new governance structures).

## Accessibility

In addition to the above, all public transportation services and public transportation vehicles funded under OTIF must be fully accessible in accordance with the requirements set out under the following statutes and regulations, as may be amended from time to time:

- The *Accessibility for Ontarians with Disabilities Act*, 2005, S.O. 2005, c. 11 and the Integrated Accessibility Standards, O. Reg. 191/11 made under that Act; and
- The *Highway Traffic Act*, R.S.O. 1990, c. H.8 and the Accessible Vehicles, R.R.O. 1990, Reg. 629 made under that Act.

## Eligible Expenditures

Eligible Expenditures will be outlined in the Transfer Payment Agreement and must be directly related to and necessary for the successful execution and operation of the OTIF project.

All costs must be incurred between the effective date and the expiry date listed in the Transfer Payment Agreement entered into by the Ministry and each successful applicant. No expenditures incurred outside of this period will be eligible for payment under OTIF.

Examples of eligible expenditures include:

- Operating Costs:
  - Administration Costs, including salaries and benefits
  - Consulting Services/Professional Services
  - Driver Training/Wages/Benefits
  - Marketing
  - Transportation Services, including contracted transportation services
- Capital Costs:
  - Vehicle Purchase or Lease (i.e., buses, vans, e-scooters, e-bikes, etc.)
    - Note: Any participating municipalities will need to have an e-scooter by-law in place and comply with the requirements outlined in [O. Reg. 389/19: PILOT PROJECT - ELECTRIC KICK-SCOOTERS \(ontario.ca\)](#).
  - Capital expenditures that provide improvements to public transportation security and passenger safety (i.e., bus shelters, accessibility modifications, including access support for first-mile/last-mile modes of travel, wayfinding)
- Any other costs subject to Ministry approval.

## Ineligible Expenditures

Notwithstanding anything else contained in this Guide, the following expenditures are not eligible under OTIF:

- Cash prizes or direct subsidies to individuals that are not related to OTIF services
- Food and beverages
- Refundable goods and services tax, pursuant to the *Excise Tax Act*, R.S.C. 1985, c. E. 15, as amended, or other refundable expenses
- Deficit reduction
- Costs already covered by other funding programs
- Other costs as determined by the Ministry from time to time and in its sole discretion

The lists indicated above are not exhaustive and are only intended as general guides. If applicants are unsure whether a particular cost is eligible, the applicant should refer to the Transfer Payment Agreement and contact the Ministry before incurring any costs.

## Funding

Until the Ministry has explicitly approved a project, and there is a validly executed Transfer Payment Agreement with the successful applicant, there is no commitment or obligation on the part of the Ministry to make a financial contribution to any project. The Ministry will only reimburse eligible expenditures for an approved project if the costs are incurred during the Eligible Expenditure Period and incurred in accordance with the Transfer Payment Agreement.

The lead applicant will receive OTIF funding and will be the recipient under the Transfer Payment Agreement. The lead applicant will be accountable for the treatment and spending of funding, and for ensuring the project is carried out in accordance with the terms and conditions set out in this Guide and in the Transfer Payment Agreement.

While the lead applicant is responsible for the funding, the project itself must be carried out by the whole Project Team in accordance with the collaboration framework between project team members.

Funding will not be paid until the Ministry and the Recipient have executed a Transfer Payment Agreement and the Recipient has provided copies of the following documents:

## Required Documents

Applicant Type	Mandatory Documentation
Municipalities	<ol style="list-style-type: none"> <li>1. Council Resolution or enabling by-law</li> <li>2. Certificate of Insurance</li> </ol>
Indigenous Communities	<p><b>One of the following</b> that confirms support for the project:</p> <ol style="list-style-type: none"> <li>1. Band Council Resolution</li> <li>2. Political Territorial Organization Resolution</li> <li>3. Tribal Council Resolution</li> <li>4. Métis Community Council Resolution</li> <li>5. Provincial Council of the Métis Nation of Ontario (PCMNO) Resolution.</li> </ol>

Applicant Type	Mandatory Documentation
	AND
	1. Certificate of Insurance
Non-Profit Organizations (including not-for-profit Indigenous organizations)	1. Financial statements 2. Certificate of Insurance 3. Letters patent/Incorporation Papers

The Ministry's funding contribution for this program will be limited to a maximum of five years. OTIF will provide up to 50 per cent of total multi-year project costs. The OTIF contribution in the final year will be capped at 30 per cent of the final year costs to support a gradual transition to a sustainable transit service.

Project teams are encouraged to gradually ramp up their contributions to demonstrate the project's sustainability over the long term (see below for an example).

**Sample Funding Chart: Four-Year Duration**

	Year 1	Year 2	Year 3	Year 4	Total
<b>Total Project Costs</b>	\$700,000	\$700,000	\$700,000	\$700,000	<b>\$2.8 million</b>
<b>OTIF Contribution</b>	\$560,000 (80%)	\$420,000 (60%)	\$280,000 (40%)	\$140,000 (20%)	<b>\$1.4 million</b>
<b>Project Team Contribution</b> (includes fares and other sources)	\$140,000 (20%)	\$280,000 (40%)	\$420,000 (60%)	\$560,000 (80%)	<b>\$1.4 million</b>

## Fares

Fares must be charged for OTIF projects. However, to meet community need and deliver more equitable transit services, eligible projects may charge reduced or waived fares to support the affordability of the proposed service for users (e.g., seniors, low-income individuals). See [Appendix C](#) for more information on equity considerations.

Applicants are required to propose a fare recovery ratio that is appropriate to the needs of their communities, and which contributes to cost recovery.

## Funding from Other Sources

All other sources of funding for the OTIF project must be reported in the application form and in annual reporting forms as outlined in the Transfer Payment Agreement.

Funding from other provincial programs (such as the Dedicated Gas Tax Funds for Public Transportation Program) may be used towards an OTIF project as a funding source. However, recipients must qualify for each program independently and adhere to each respective program's rules. Receiving funds from one program neither precludes nor guarantees receipt of funds from another, except where specifically prohibited.



Wherever possible, the project team is encouraged to leverage funding from programs offered by other levels of government.

## Canadian Content Requirements

Under Ontario's Canadian Content for Transit Vehicle Procurement Policy, all transit vehicles procured with provincial funding must have at least 25 per cent Canadian content, as defined within the Policy.

The Policy includes exemptions for certain vehicle types, including specialized transit buses and conventional transit buses under 40 feet in length. See [Appendix D](#) for additional details on the Policy.

## Application Process

### Transfer Payment Ontario

Applications must be submitted through Transfer Payment Ontario (TPON), the Province of Ontario's online application system for grant funding. Applicants must create a My Ontario Account with TPON to access the Application Form. Once an application has been started, it may be saved or downloaded at any point and returned to later.

Please visit Transfer Payment Ontario (<https://www.ontario.ca/page/available-funding-opportunities-ontario-government>) for information on how to set up an account.

If you need assistance logging in, navigating or updating your organization's profile, refer to TPON's "Get Help" section (<https://www.ontario.ca/page/get-funding-ontario-government>) or contact the TPON Client Care team:

By Email: [TPONCC@ontario.ca](mailto:TPONCC@ontario.ca)

By Phone: (416) 325-6691 or 1-855-216-3090, Monday to Friday, 8:30 a.m. to 5:00 p.m. Eastern Standard Time

### Application Form

Applications include the following sections:

Section	Description
Applicant Information	Contact information for the lead applicant
Needs Analysis and Project Details	Description of the proposed project, current state of transit, community needs analysis, equity considerations, etc.
Partnerships and Integration	Contact information and details on roles/and responsibilities of all Project Team members and connections to existing transit network
Budget and Funding	Outline of the expected expenditures and funding sources for the duration of the program

Section	Description
Sustainability	Description of how the Project Team will sustain the service beyond OTIF
Risks and Mitigation Tactics	Outline risks associated with the project and describe the mitigation tactics that the project team will use if needed.

The applicant must also submit the following documents along with the application form:

Document	Description
Map of Proposed Service Area	This map should include proposed routes and stop locations (for fixed-route services) and any other existing services, stop locations, other multimodal connections (e.g., overlapping or nearby transit, bus, rail, airport, or ferry services), First Nation reserves, hospitals, and post-secondary institutions.
Planning Materials	Any planning materials (i.e., feasibility studies, public engagements, surveys, etc.) that were used to develop the proposed project.
Collaboration Framework	The applicant must submit a collaboration framework from all project team members on their roles and responsibilities over the course of the project. A final MOU will be required if the project is approved.

The Ministry will evaluate all applications and prioritize projects based on:

- How well the project fills identified transit gaps
- Evidence of community need/demand for service
- Alignment with OTIF principles: integrated, coordinated, and sustainable
- Alignment with provincial priorities
- Project readiness

## Application and Acceptance Timelines

OTIF will consider submissions at any time over the life of the OTIF program. The Ministry may seek additional information on proposals from applicants and may provide feedback and recommendations to improve the project application. As such, timelines for this process and funding decisions will vary for each individual project and depend on funding availability.

## Payments

Any OTIF funding will be subject to adjustment as set out in the Transfer Payment Agreement. Funding will only flow once the Ministry has reviewed and approved the required documentation (see [Reporting Requirements](#)), and the successful completion of any other requirements, in accordance with the terms and conditions set out in the Transfer Payment Agreement.

Unless otherwise approved by the Ministry in writing, funding will not exceed the annual project maximums as per the Transfer Payment Agreement.

## **Reporting Requirements**

Reporting forms must be completed in TPON by an individual from the lead applicant organization (i.e., municipality, Indigenous community/organization, non-profit organization).

Recipients will report on financial, performance and sustainability plans required under the Transfer Payment Agreement. Reporting forms will be subject to change as needed.

Upon the Ministry's request, the Recipient may be required to submit records and documentation, including evidence of payment, for any expenditures relating to the OTIF project.

The recipient may also be subject to inspections and audits as set out in the Transfer Payment Agreement. The Ministry may, at its sole discretion, audit or have audited by any third party, any records and documentation related to the OTIF project, including OTIF Funds.

Additionally, any significant changes to the service (i.e., route changes) should be reviewed and approved by the Ministry.

# Appendices

## Appendix A: Definitions

**Conventional transit service:** Public transportation services including buses, streetcars, subways, and trains.

**Fare and Service Integration:** Transit schedules, service routes and fare structures between different transit service providers that are connected or aligned for seamless connections across the region, remove barriers to transit travel and optimize resources (e.g., capital and operating), making travel by transit a more convenient and affordable option for customers.

**First Mile/Last Mile service:** First mile describes getting to transit from one's point of origin, whereas last mile is getting to one's destination from transit.

**Fixed-route service:** Transit services that involve a repetitive, fixed-schedule along a specific route, with vehicles stopping to pick up and deliver passengers to specific locations. Each fixed-route trip serves the same origins and destinations.

**Flex-route service:** Transit services that use a hybrid fixed-route and on-demand model. Prescheduled timetables may deviate from the predetermined route to go to a specific location.

**Intercommunity service:** Longer distance routes that link multiple communities within or across regions.

**Local service:** A type of service that provides fixed or flexible service delivery within a municipal boundary and is based on community needs (e.g., on-demand, door-to-door, fixed route or flex-route, or combination, with flexible schedules and days/week service).

**On-demand service:** Transit services that involve small or medium-sized vehicles that operate on flexible routes and flexible schedules and depend on passenger requests.

**Ridesharing service:** A type of on-demand service where passengers can request a driver to meet at a particular time and location (e.g., using a cell phone app).

**Specialized transit service:** A service that provides door-to-door demand response to persons that meet a specialized transit system's eligibility criteria.

## Appendix B: Sustainability Considerations

The project team must commit and plan to sustain their project during and beyond OTIF. To build up sustainability of an OTIF project, project teams should consider:

Considerations	Details
<b>Community Need</b>	<ul style="list-style-type: none"><li>• Project teams need a strong understanding of the community's needs, which can be garnered through engagements/consultation with the end users (i.e., where users want to go, major destinations that should be served, hours and frequency of service, anticipated usage, etc.)</li><li>• Projects should be designed accordingly to increase the likelihood of success (i.e., if end users are employees, service hours should reflect start/end times for jobs).</li></ul>
<b>Resources Needed</b>	<ul style="list-style-type: none"><li>• Project teams should have a strong understanding of the resources needed to operate and sustain their project.</li><li>• This includes financial, organizational (i.e., staffing), capital (i.e., vehicles) and other needs.</li><li>• Wherever possible, project teams should leverage all existing resources (i.e., in-kind contributions from project members, funding from other sources, etc.).</li><li>• Contingency plans must also be in place to ensure projects run seamlessly.</li></ul>
<b>Revenue/Cost Ratio</b>	<ul style="list-style-type: none"><li>• Before launching a new service, project teams should determine a farebox recovery ratio and reassess regularly.</li><li>• When determining fares, project teams should balance the need for cost recovery with ensuring that the transit service is accessible and the benefits that come with having access to transit service (i.e., health, social and economic outcomes).</li></ul>
<b>Risks</b>	<ul style="list-style-type: none"><li>• Unexpected issues are likely to appear when operating a transit service (i.e., driver shortages). It is important to consider as many of these risks in advance so that mitigation tactics may be applied if needed (i.e., increased job advertisements, partnerships with private bus services, etc.).</li></ul>
<b>Marketing Strategy</b>	<ul style="list-style-type: none"><li>• When starting a new transit service, it is important to advertise and market your service to raise awareness, generate ridership and fare revenue.</li><li>• Having a strong marketing strategy is essential towards building a sustainable service.</li></ul>

## Appendix C: Equity Considerations

Considerations	Details
<b>Demographic and User Profiles</b>	<ul style="list-style-type: none"> <li>Under the <u>Ontario Human Rights Code</u>, every person has a right to equal treatment with respect to services, goods and facilities, without discrimination because of race, ancestry, place of origin, colour, ethnic origin, citizenship, creed, sex, sexual orientation, gender identity, gender expression, age, marital status, family status or disability.</li> <li>Equity-deserving groups are groups of people who have been historically disadvantaged and experience systemic barriers due to characteristics, such as age or race, as noted above.</li> <li>Project teams should demonstrate a deep understanding of the demographics of the communities in which their services will be offered.</li> <li>Project teams should seek to engage with users and community organizations who support equity-deserving groups to ensure that diverse voices are included in project planning.</li> </ul>
<b>Affordability and Access</b>	<ul style="list-style-type: none"> <li>Transit fares can impose barriers to access for certain equity-deserving groups (e.g., low-income populations, seniors). Project teams should consider how services will be accessible to all community members and how fares and services may impact equity-deserving groups (e.g., fare concessions and discounts, fare integration with other services).</li> </ul>
<b>Health and Safety</b>	<ul style="list-style-type: none"> <li>Not all individuals experience the same level of safety and security when interacting with the transportation system. Project teams should consider appropriate stop locations and transit amenities (e.g., lighting, shelters) to ensure the safety of all system users.</li> <li>Project teams should consider protocols and appropriate staff training to ensure the personal security of system users (e.g., anti-bias training, human trafficking awareness training, mental health awareness, conflict resolution skills).</li> </ul>
<b>Accessibility and Inclusion</b>	<ul style="list-style-type: none"> <li>Inaccessible infrastructure and unreliable public and specialized transportation services can limit the participation of persons with disabilities in important life activities. Project teams should demonstrate an understanding of their responsibilities under the <u>Accessibility for Ontarians with Disabilities Act</u> (AODA)</li> <li>Project teams should demonstrate an understanding of accommodations that are important to meet the needs of diverse populations (e.g., information in alternative languages, visual and audio supports, wayfinding signage and/or supports).</li> </ul>
<b>Convenience and Reliability</b>	<ul style="list-style-type: none"> <li>Unreliable transit service can have substantial impact on users (e.g., late to work, missed appointments, or employment opportunities, access to critical social programming, impact to health and safety), especially those who may not have access to alternative transportation modes. Project teams should</li> </ul>

Considerations	Details
	<p>demonstrate how system reliability will be prioritized and maintained.</p> <ul style="list-style-type: none"> <li>• Project teams should consider how to ensure a convenient user experience across the entire service from schedules, wayfinding, safety/lighting, and paving/hardscaping, booking, comfort and connections to destinations or access to other services or travel modes, as applicable.</li> <li>• Project teams should consider the use of real time data for arrivals and departures, if possible, including ridership data and communications about system interruptions for users.</li> </ul>

## **Appendix D: Canadian Content Policy**

### **Overview:**

All transit vehicles procured with provincial funding must have at least 25 per cent Canadian content. The Canadian Content for Transit Vehicle Procurement Policy (“Canadian Content Policy”) came into effect on September 1, 2008, and is a mandatory requirement for provincial funding of transit vehicles. The objectives of the policy are to promote job retention and creation, foster economic development, protect skilled manufacturing jobs, and continue to promote a fair, open, and transparent procurement process that ensures value for taxpayers’ dollars.

### **Calculating Canadian Content:**

Under the Canadian Content Policy, the overall Canadian content of a transit vehicle is calculated as a percentage of the total final costs to the manufacturer, less any applicable taxes.

The Ministry will only consider, as Canadian content, expenditures for eligible costs in respect of transit vehicles for the items listed below and which are directly related to transit vehicles manufacturing process, distribution, and acquisition:

- labour
- subcomponents and components
- project management
- engineering
- manuals
- special tools
- test equipment
- freight
- warranty

In addition, the percentage of Canadian content for expenditures (see above list of items for which expenditures may be considered eligible) related to transit vehicles, components or subcomponents will be calculated as follows:

1. 100 per cent Canadian for a component that has undergone an irreversible manufacturing process in Canada.
2. 100 per cent Canadian for a component that contains 60 per cent or more Canadian content through any combination of expenditures that may be considered eligible, as described above, if such expenditures are made in Canada.
3. The exact Canadian percentage for a component that contains between 0 per cent and 59 per cent Canadian content through any combination of expenditures that may be considered eligible, as described above, if such expenditures are made in Canada.



4. Where a component or subcomponent is procured from a Canadian supplier, a minimum Canadian content of 15 per cent will be assumed, without the requirement of certifying the percentage of Canadian content of the component or subcomponent in a manufacturer's declaration of compliance with the Canadian content policy. Simply handling the component or subcomponent is not sufficient to qualify. The Canadian supplier must provide added value through the procuring, manufacturing or after sales support of the component or subcomponent.

**Exempted Vehicles:**

In consideration of the transit operator's efforts to comply with the Accessibility for Ontarians with Disabilities Act, 2005, S.O. 2005, c. 11 and to procure specific transit vehicles to meet their individual strategic requirements to improve transit services, the following five vehicle types are exempted from the 25 per cent Canadian content requirement:

- specialized transit buses
- conventional transit buses under 40 feet in length
- diesel multiple units (DMUs)
- double decker buses
- passenger locomotives

**Waivers:**

If no Canadian content compliant submissions are received as part of a fair, open, and transparent procurement process for non-exempted vehicles, a transit operator may, if the Ministry agrees to appoint a fairness monitor, formally request a waiver to comply with the Canadian content policy from the Ministry by providing:

- a letter from the Chief Administrative Officer or Chief Executive Office to the Deputy Minister of Transportation supporting the request for a waiver
- a resolution from the transit operator (e.g., municipal Council or Metrolinx Board resolution) requesting a waiver
- a detailed report outlining the procurement process that was used

Upon receipt of the waiver request, the Ministry will have the above-noted documents reviewed by the Ministry-appointed fairness monitor to determine whether a fair, open, and transparent procurement process was used. If the procurement process was determined to be fair, open, and transparent, the Ministry may waive the requirement for compliance with the Canadian content policy for that specific procurement.

## **Appendix E: Provincial and Federal Transit Funding Programs**

## Ontario's Dedicated Gas Tax Funds for Public Transportation (Gas Tax) Program

### Description:

- The purpose of the Gas Tax program is to provide a long-term, sustainable source of funding for Ontario municipalities that contribute towards a local public transit system.
- Two cents per litre of provincial gasoline tax revenue is dedicated to support local public transit.

### Eligibility:

- Only municipalities are eligible for Gas Tax funding.
- A municipality must contribute financially towards its own public transportation services.
- Municipalities must use funding for expenditures which support public transit, and do not replace or reduce their own contributions.
- The Gas Tax Program does not support pilot systems or provide start-up funding. Municipalities must commit to ongoing funding support.
- Municipalities may use Gas Tax funding toward capital or operating expenditures or may keep funds in reserve for future use.

### Contact:

Strategic Investments Office, Transit Strategy and Programs Branch  
Transit Division  
Ministry of Transportation  
[MTO-PGT@ontario.ca](mailto:MTO-PGT@ontario.ca)

## Housing, Infrastructure and Communities Canada's Canada Public Transit Fund (CPTF)

### Description:

- The Canada Public Transit Fund will provide \$3 billion per year for public transit and active transportation infrastructure, beginning in 2026-27. The Fund will provide stable and predictable funding to address long-term transit goals.
- There are three funding streams of the CPTF:
  - **Metro Region Agreements:** Metro-Region Agreements will support the long-term development of public transit infrastructure in large urban areas. Through these agreements, the federal government will allocate funding and work with our partners to support the planning and construction of a broad range of projects, including major expansion.

- **Baseline Funding:** Baseline Funding will provide predictable, long-term funding to communities with existing transit systems to support routine investments, with an expected focus on public transit and active transportation system expansions, improvements, and state of good repair.
- **Targeted Funding:** Targeted Funding will provide flexible, call-specific funding to address federal priorities that meet local needs. Funding will cover areas such as rural transit, active transportation and zero emission solutions.

#### Eligibility:

- Metro Region Agreements:
  - All participating organizations must be located within, be adjacent to, or be responsible for planning and infrastructure within a Census Metropolitan Area (or within a region spanning multiple Census Metropolitan Areas close to one another), as identified by Statistics Canada.
  - Participating organizations must include the respective provincial government(s) for the region.
- Baseline Funding:
  - The applicant has a minimum of 3 (preferably 5) years of historical ridership, population served, and capital investment data;
  - The applicant's public transit system includes fixed route service;
  - The applicant must have a minimum average capital investment of \$100,000 annually; and
  - The applicant's transit system must have a minimum annual ridership of 30,000.
- Targeted Funding:
  - The Targeted Funding stream consists of a series of regular calls for applications for specific types of public transit and active transportation projects.
  - The projects supported through this stream range from rural transit on demand to bike or walking paths and pedestrian bridges.
  - By being flexible and tailoring project intakes, the Government of Canada will be able to adapt the stream to evolving priorities and community needs.

#### Contact:

- Metro Region Agreements: [mra-erm@infc.gc.ca](mailto:mra-erm@infc.gc.ca)
- Baseline: [baselinefunding-financementdebase@infc.gc.ca](mailto:baselinefunding-financementdebase@infc.gc.ca)
- Targeted: [info@infc.gc.ca](mailto:info@infc.gc.ca)

## **Housing, Infrastructure and Communities Canada's Zero Emission Transit Fund**

#### Description:

- Through the Zero Emission Transit Fund, the Government of Canada is supporting public transit and school bus operators to plan for electrification, support the purchase of 5,000 zero emission buses and build associated infrastructure, including charging infrastructure and facility upgrades.
- There are two Zero Emission Transit Fund components under which projects are eligible for funding:
  - **Planning Projects:** Eligible projects include studies, modelling and feasibility analysis that will support the development of future larger scale capital projects.
  - **Capital Projects:** Eligible capital projects include buses, charging and refueling infrastructure, and other supporting infrastructure needs.

#### Eligibility:

- Provinces and territories
- Municipal or regional governments
- Transit agencies
- Public bodies (e.g., school boards)
- Private-sector school bus operators
- Private accessible transit transportation providers (e.g., paratransit services)

#### Contact:

- [zetf-ftcze@infc.gc.ca](mailto:zetf-ftcze@infc.gc.ca)

### **Housing, Infrastructure and Communities Canada's Rural Transit Solutions Fund (RTSF)**

#### Description:

- The Rural Transit Solutions Fund is the first federal fund to target the development of transit solutions in rural and remote communities. Launched in 2021, the Fund supports the development of locally driven transit solutions that will help people living in rural communities get to work, school, appointments, and to visit loved ones.
- Eligible organizations representing these communities can seek support through two program streams depending on the nature of their project:
  - **Planning and Design Projects stream:** Through this stream, eligible applicants can seek grants of up to \$50,000 in support of communities' projects to plan and design new or expanded transit solutions for their communities.
  - **Capital Projects stream:** Through this stream, eligible applicants can seek contributions of up to \$3 million to help cover the capital costs of a new or expanded transit solution (e.g., purchase of vehicles or digital platforms), and up

to \$5 million to support zero-emission transit solutions (e.g., for the purchase of a zero-emission vehicles).

Eligibility:

- Municipalities, local and regional governments established under provincial or territorial statute, including local service districts;
- Provinces and territories;
- Public sector bodies that are established by or under provincial or territorial statute, or by regulation, or are wholly-owned by a province, territory, municipal or regional government;
- Indigenous governing bodies;
- Federally or provincially incorporated not-for-profit organizations whose mandate is to improve Indigenous outcomes, organizations serving Indigenous communities living in urban centers and First Nations living off-reserve;
- Indigenous development corporations; and,
- Federally or provincially incorporated not-for-profit organizations.
  - Not-for-profit organizations are eligible to receive funding when an application is submitted on behalf of any primary eligible recipients listed above. They must have documented support from these primary eligible recipients (e.g., a letter of support or a council resolution etc.).

Contact:

- [RTSF-FSTCR@infc.gc.ca](mailto:RTSF-FSTCR@infc.gc.ca)