

POLICY UPDATE

March 26, 2019

Federal and Provincial Transit Funding Announced Outside Greater Toronto and Hamilton Area

The Government of Ontario has announced the first intake of federal and provincial funding for public transit infrastructure focusing on public transit systems outside of the Greater Toronto and Hamilton Area (GTHA). As of <u>April 2, 2019</u>, 85 municipal governments will be able to nominate priority public transit projects through the <u>Grants Ontario website</u>.

Today's announcement is the first step in providing the formula-based federal public transit funding to municipal governments in Ontario. This announcement accounts for \$1.62 billion of the overall \$15.6 billion in federal and provincial transit funds under the Investing In Canada Plan. Ontario notes that additional information on future funding intakes, including for public transit systems within the GTHA, will be available soon.

The Public Transit Infrastructure fund compliments the recent <u>announcement</u> for Rural and Northern Infrastructure stream for roads and bridge projects.

Municipal governments must contribute 27 per cent of funds for individual projects, except under the Rural and Northern stream where federal funding provides a greater share. Generally, the federal and provincial governments provide 40 per cent and 33 per cent of project funding, respectively.

The Canada-Ontario Bilateral Agreement makes up to \$30 billion (including municipal contribution) available to fund infrastructure across four streams:

- Public Transit \$20.8 billion
- Rural and Northern \$500 million
- Green \$7 billion
- Community, Culture and Recreation \$1 billion