



Infrastructure
Canada

Canada

Rural Transit Solutions Fund

Program Guide for the Capital Stream

This publication is available upon request in accessible formats.

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Objective

On February 10, 2021, the Prime Minister, Minister of Infrastructure and Communities, and Minister of Environment and Climate Change announced \$5.9 billion in new funding for public transit and active transportation over 5 years, beginning in 2021-22, with a permanent annual envelope of \$3B ongoing beginning in 2026-27. As part of that new commitment, \$250 million, (over 5 years, beginning in 2021-22) was identified for the new Rural Transit Solutions Fund.

The Rural Transit Solutions Fund aims to help develop new and support existing public transit solutions in rural and remote, Northern and Indigenous communities that will make it easier for Canadians living these areas to get around their communities and regions – to get to work, school, appointments, run errands or visit loved ones.

Applicants are encouraged to contact the Infrastructure Canada team at RTSF-FSTCR@infcc.gc.ca or toll free at 1-833-699-2280 to obtain answers to any questions about the Fund or the application process.

Call for applications

Infrastructure Canada has launched the Rural Transit Solutions Fund, part of the Public Transit Funds, and invites eligible organizations to apply for funding for planning and design grants and capital projects.

Communities that have a transit plan in place that would benefit from capital purchases that can be completed by March 31, 2023, are invited to apply for a capital project federal contribution of up to \$3,000,000 for conventional solutions, or up to \$5,000,000 if the project incorporates zero-emission transit solutions in the coming weeks.

Proposed capital projects could support a range of modes of eligible transport, including traditional solutions such as fixed-route buses, as well as non-traditional solutions such as ride-share and on-demand services requiring the purchase of minivans, small craft, non-motorized and zero-emission fleets, shared fleets, the construction of intermodal hubs, the installation of charging stations or the purchase of software.

Communities that would benefit from developing a local transit plan are invited to apply for a planning grant of up to \$50,000 from August 6, 2021 to October 7, 2021.

Information relating to the application process and eligibility for capital contributions are found below.



Who can apply for Rural Transit Solutions Fund Capital Contributions?

Municipal, local and regional governments such as service districts; Provinces and Territories; and Indigenous organizations can apply for funding. Not-for-profit organizations are eligible to apply for capital funding, if they have documented support from a municipal, local or regional government or Indigenous organization. The complete list of eligible applicants is:

1. Municipalities, local and regional governments established under provincial or territorial statute, including service districts
2. Provinces or Territories
3. 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, including but not limited to:
 - a. *Municipally-owned corporations*
 - b. *Provincial or territorial organizations that deliver municipal; and*
 - c. *Any **other** form of local governance that exists outside of the municipality description*
4. Indigenous governing bodies, including but not limited to:
 - a. *A band council within the meaning of section 2 of the Indian Act;*
 - b. *A First Nation, Inuit or Métis government or authority established pursuant to a Self-Government Agreement or a Comprehensive Land Claim Agreement between Her Majesty the Queen in right of Canada and an Indigenous people of Canada, that has been approved, given effect and declared valid by federal legislation; and*
 - c. *A First Nation, Inuit or Métis government that is established by or under legislation whether federal or provincial that incorporates a governance structure.*
5. 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
6. Indigenous development corporations
7. Federally or Provincially incorporated Not-for-profit organizations (when an application is submitted on behalf of any primary eligible recipients listed as 1-6 above).

Please note that individuals; private citizens; and federal entities, including federal Crown corporations are ineligible.

While for profit organizations are not eligible to apply under the RTSF, they may partner with an eligible organization to facilitate implementation of a rural transit solution. For such projects, the ownership of the infrastructure or rolling stock must remain with the eligible organization.

Potential applicants are encouraged to contact Infrastructure Canada officials at RTSF-FSTCR@infcc.gc.ca or toll free at 1-833-699-2280 to obtain answers to any questions about eligibility and other application requirements.

Available funding for Capital projects

Contributions of up to \$3,000,000 (up to \$5,000,000 if the project incorporates zero-emission solutions) are available under the Rural Transit Solutions Fund for Capital projects. Federal funding will be provided in accordance with the terms outlined in the contribution agreement, once a contribution agreement is signed.

Eligible capital activities

For the Rural Transit Solutions Fund, eligible capital expenditures are those considered to be direct and necessary for the successful implementation of an eligible project and are incurred by an eligible recipient. Eligible capital expenditures can include:

- Construction or procurement of bus stops, buses, minivans, small craft, etc.;
- Procurement of zero-emission buses or vehicles;
- Engineering, and consultation fees, including fees associated with maintenance, building, renovating or improving **fixed capital assets** (e.g.: garage, bus station, etc.) during the period of the project;
- Costs associated with data collection, the evaluation of projects and information exchange and dissemination of the results of the project in relevant fora, at the regional, national or international levels; and
- Other costs that are considered to be direct and necessary for the successful implementation of the project and that are approved in advance by Infrastructure Canada.

Ineligible expenses

A number of expenses **are ineligible** for reimbursement through the Rural Transit Solutions Fund. Please pay particular attention to any costs that are ineligible. This includes, but not limited to :

- Proposed solutions that rely on air travel as a means of serving the community;
- Expenditures incurred before project funding approval and all expenditures related to agreements or contracts signed prior to project funding approval, with the exemption of costs related to Indigenous consultations; and,
- Expenditures related to cost overruns or incurred for cancelled projects.

For a complete list of ineligible expenses please consult ***Ineligible expenses*** found at the end of this application guide.



Process for capital applications

What is required in the application?

Applicants are asked to complete the application in order to be considered for a Rural Transit Solutions Fund capital contribution. Their application will need to provide sufficient information for Infrastructure Canada to review the proposal. Applicants will be assessed against the criteria outlined in the table below.

Merit Criteria	DESCRIPTION
Community demand for rural transit solution	<ul style="list-style-type: none"> • Proposal describes the population that is expected to use the service and what transit services are currently available to them, if any. The proposal should provide an understanding of the community/area. When possible, please provide the sources of information (e.g.: city documents, Statistics Canada, public consultations). • Proposal describes the vulnerable populations in the community/area and how they currently access transit services, if any.
Inclusiveness benefits to local community	<ul style="list-style-type: none"> • Proposal explains how the rural transit solution will contribute to improve the quality of life and safety of various groups in the community/area and close the socio-economic gaps that currently exist.
Potential for economic impact	<ul style="list-style-type: none"> • Proposal explains how the rural transit solution will contribute to the economy of the community/area, including, for example: <ul style="list-style-type: none"> ○ Estimates concerning the impacts of the project on the number of jobs, the income of the individuals and other economic benefits. ○ How local businesses and business associations could be engaged and contribute to the success of public transit in your community/area.
Environmental impact	<ul style="list-style-type: none"> • Proposal has community/area implementation strategies to encourage an increasing number of people to use public transit. <ul style="list-style-type: none"> ○ When applicable, how the project will reduce GHG emissions or how the rural transit solution will integrate clean or zero-emission technologies.
Viability	<ul style="list-style-type: none"> • Proposal describes the objectives and how success will be measured. • Proposal explains strategies that could be put in place to support the long-term viability of the project, including potential sources of funds (fares, local and provincial government support, contribution from local businesses, etc.)

<p>Locally driven</p>	<ul style="list-style-type: none"> • Proposal explains how the community is expected to support the rural transit solution. This could include letters of support, participation of local organization in the planning and delivery of the project. • Proposal describes the partnership that has been established at various levels, including with neighboring communities, regional government, existing transit organizations, etc. • Proposal may include strategies to maintain and expand local support
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Can a project involve other partners?

Infrastructure Canada encourages applications for projects that connect communities.

For projects involving more than one organization, the application must identify a **lead applicant** (the organization responsible for overall management and coordination of activities) and include information regarding the roles and responsibilities of each partner organization.

The lead applicant must submit the capital project to Infrastructure Canada.

An eligible organization can work with a private sector service provider to facilitate implementation of a rural transit solution. For such projects, the ownership of the infrastructure or rolling stock must remain with the eligible organization.

What is the cost limit of a capital project?

There is no limit to the cost of a capital project, however the maximum contribution from the Rural Transit Solutions Fund is limited to \$3,000,000 for conventional solutions, or up to \$5,000,000 if the project incorporates zero-emission solutions.

A Contribution Agreement will be signed by the eligible recipients and indicate the conditions under which federal contribution installment payments will be made.

Infrastructure Canada will not provide additional payment for costs overruns.

Maximum Program contribution

In the project application, applicants will be required to indicate what, if any, additional funds a project is expected to receive.

The total Infrastructure Canada and federal government funding from all Government of Canada sources varies according to the eligible organization type and is outlined in the table below. The total Canadian government funding (the stacking limit), including federal, provincial or territorial, and municipal government funding , will not exceed 100% of total eligible expenditures.



The maximum Rural Transit Solutions Fund contribution, maximum federal contribution, and maximum total Canadian government funding (all levels) of total eligible costs for the are outlined below.

Eligible organization	Maximum Rural Transit Solutions Fund contribution (% of capital expenses)	Maximum Federal Contribution from all sources (% of capital expenses)	Total Canadian (federal provincial, territorial, and municipal) Government stacking (% of capital expenses)
Applicant is located in a province or is a not-for-profit organization	80%	80%	100%
Applicant is located in a territory and/or an Indigenous recipient	100%	100%	100%
Applicant is a provincial government	40%	40%	100%
Applicant is a territorial government	75%	75%	100%

Capital project deadlines

For the first round of applications from the Rural Transit Solutions Fund Capital Contributions, the capital projects must be completed by March 31, 2023.



Additional application considerations

Climate resilience and adaptation

Public transit is important to allow Canada to meet its greenhouse gas emissions reduction targets. The Rural Transit Solutions Fund will consider the efforts of communities to come forward with rural transit solutions that rely on zero-emission projects. Infrastructure Canada recognizes that zero-emission vehicles are often more expensive. As such, the maximum contribution for zero-emission projects is \$5,000,000.

The information that could be provided by the applicants include the following:

- The project in a location is, or is expected to become, at risk or vulnerable to climate-influenced natural hazards such as flooding, wildfire risk, extreme heat, permafrost thaw or coastal erosion.
- The climate change parameters (e.g., increasing precipitation, heatwaves, lightning events etc.) were considered in developing the capital project.
- Plans to implement measures that increase the resilience of your project and address the climate impacts facing your project and your community.

Accessibility requirements

When applicable, capital projects must meet or exceed the highest published accessibility standard (e.g., the Canadian Standards Association Technical Standard Accessible Design for the Built Environment (CAN/CSA B651-12, or newer), in addition to applicable provincial or territorial building codes, and relevant municipal by-laws.

Environmental Assessment

Depending on where the project is located, an environmental impact assessment may be required prior to undertaking certain activities such as construction or the expansion of an infrastructure. Applicants are responsible for providing information to determine whether their project may require an environmental impact assessment under the federal *Impact Assessment Act (IAA)*, Modern Treaties or Northern Regimes. For projects that may require an impact assessment, Infrastructure Canada will communicate with the proponents to seek additional information.

Duty To Consult

Infrastructure Canada has an obligation to determine whether or not the project requires consultation with Indigenous groups based on the information provided by the Applicant. Before confirming the federal contribution to a project, Infrastructure Canada may require additional information to assess potential impacts of projects on the Indigenous constitutionally protected rights, and ensure that those affected Indigenous communities are notified, consulted and, where required, accommodated. Costs



associated with engagement and consultation are eligible expenditures and applicants should plan to include these costs in their project estimates.

Other documents required

In addition to the providing the information requested in the application form, the following additional information will be requested at the application intake stage, as applicable.

These include:

- Letters of support from community for the project;
- Letter confirming partnership if the applicant is a Not for Profit organization; and
- Letter of support from Indigenous community confirming mandate, if the applicant is an organization whose mandate is to improve Indigenous outcomes.

Additional supporting material

Please note that Infrastructure Canada may request additional information, if applicable, as a part of the review process, including:

- Proof of Incorporation;
- Confirmation of support from other financial investors /cost-sharing organizations;
- Transit plan/municipal plan

Reporting

All recipients of funding will be required to provide progress reports to INFC for the duration of the capital project. The reports allow INFC to follow advancement of the project and track results for Canadians. The details of reporting will be included in the Contribution Agreement.

How to apply

The initial call for applications for the Rural Transit Solutions Fund will involve the completion of the application form that will be available in the coming weeks.

Infrastructure Canada will also provide additional information on how to complete the application form including an overview of what information to provide when answering each of the application questions. This guide will be made available with the application in the coming weeks.

Applicants that have difficulty with completing their application are encouraged to contact Infrastructure Canada officials at RTSF-FSTCR@infc.gc.ca or toll free at 1-833-699-2280 if additional support is required.

Deadline for submission of Capital applications

The application window and deadline for capital projects will be confirmed in the coming weeks

Decision for Capital applications

Applicants may be contacted for additional information throughout the review process, as necessary. Funding decisions will be communicated as soon as possible to all applicants.

Contact Information

For questions about the Rural Transit Solutions Program or the application process, please contact Infrastructure Canada officials at RTSF-FSTCR@infc.gc.ca or toll free at 1-833-699-2280

For more information on the Public Transit Funds, as well as Infrastructure Canada and its other programs, visit the Infrastructure Canada website at www.infrastructure.gc.ca.

Ineligible expenses

IMPORTANT NOTICE: The following list of ineligible expenses is only indicative to allow applicant to estimate the federal contribution, it is not an exhaustive list.

- Proposed solutions that rely on **air travel** as a means of serving the community;
- Expenditures **incurred before project funding approval** and all expenditures related to agreements or contracts signed prior to project funding approval;
- Expenditures **related to cost overruns** or incurred for **cancelled projects**;
- Expenditures related to **purchasing land, buildings** and associated real estate and other fees;
- **Leasing land, buildings, equipment and other facilities** except for equipment related to the construction of the project;
- **Furnishings and non-fixed assets** which are not essential for the operation of the asset/project;
- **General repairs and maintenance** of a project and related structures, unless they are part of a larger capital project as well as maintenance expenditures incurred as part of regular operations;
- **On-going operations, maintenance and/or electricity and fuel costs** associated with the operations of capital assets
- **Services on works normally provided by an eligible recipient**, incurred during implementation of the project, except those specified as eligible expenditures;
- **Taxes** for which the eligible recipient is eligible for a tax rebate and all other costs eligible for rebates;
- **Financing, interests paid and Legal fees**;
- Expenditures related to any good and services which are **received through donation or in-kind contribution**; and,
- **Employee costs**, except for incremental costs which pertain solely to the implementation of the project.

Definitions

Term	Explanation
Charging stations	An electric vehicle charging station is equipment that connects an electric vehicle to a source of electricity to recharge electric cars, neighborhood electric vehicles and plug-in hybrids.
Fixed route service	Is defined as a service provided on a repetitive, fixed-schedule basis along a specific route with busses stopping to pick up and deliver passengers to specific locations; each fixed-route trip services the same origins and destinations.
Indigenous governing body	A council, government or other entity that is authorized to act on behalf of an Indigenous group, community or people that holds rights recognized and affirmed by section 35 of the <i>Constitution Act, 1982</i> . Indigenous peoples of Canada has the meaning assigned by the definition Aboriginal peoples of Canada in subsection 35(2) of the <i>Constitution Act, 1982</i> .
Intermodal hubs/intermodal (transit) facilities	An intermodal hub or intermodal transit facility gathers many modes of transportation together and is strategically located to increase destination alternatives. Intermodal hubs/facilities can help to improve mobility for a city and a region.
Low-carbon technology	Low and zero carbon technology (LZC) is the term given to technologies that emit low levels of Carbon Dioxide (CO ₂) emissions, or no net CO ₂ emissions.
Mobility-as-a-Service	Mobility as a Service (MaaS) is the integration of various forms of transport services into a single mobility service accessible on demand. To meet a customer’s request, a MaaS operator facilitates a diverse menu of transport options, be they public transport, ride-, car- or bike-sharing, taxi or car rental/lease, or a combination thereof.
Municipal Plan/alternate local community planning documentation	A municipal development plan (sometimes referred to as a community sustainability plan) is a framework used by municipalities or other local government bodies to address long-term community development, land use, and growth.
On-demand services (Demand-response)	On-Demand services enables passengers to book their journey at a convenient time (during service operating hours), and to be picked up from an agreed location.

Ride-sharing or ride-hailing	An arrangement in which a passenger travels in a private vehicle free or for a fee, especially as arranged by means of a website or application.
Rural	The Fund acknowledges the diversity of rural and remote communities in Canada and avoids the application of an arbitrarily established population size in the definition of rural populations. It will be up to each applicant to demonstrate the rural character of the communities served by their project.
Transit Plan	A Transportation Master Plan integrates existing and future land-use planning and the planning of transportation infrastructure with the principles of environmental assessment planning. Many Transportation Master Plans at the regional and local levels emphasize that increased use of transit is a key component of an integrated transportation strategy that considers all modes of travel.
Vulnerable population	Vulnerable populations include but are not limited to, Indigenous peoples, racialized peoples, youth, persons with disabilities, seniors, linguistic minorities, newcomers to Canada (Immigrants, Refugees), women, persons experiencing poverty, persons experiencing homelessness, and LGBTQ2+.