



Housing, Infrastructure  
and Communities Canada

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Canada

# Rural Transit Solutions Fund

*Application Guide for the  
Capital Stream of the Rural  
Transit Solutions Fund*

*Revised edition, 2024*



Aussi disponible en français sous le titre : *Guide de demande pour le volet Immobilisations du Fonds pour les solutions de transport en commun en milieu rural—Édition révisée, 2024.*

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# About the Rural Transit Solutions Fund

The Rural Transit Solutions Fund, under the Canada Public Transit Fund, supports the development and expansion of locally driven transit solutions, by helping residents of rural, remote, Indigenous and Northern Communities conduct their day-to-day activities, like access services, go to work, school, medical appointments, and visit loved ones.

The Rural Transit Solutions Fund supports a range of public transit models including fixed-routes, on demand transit and micromobility services, such as e-bikes. Housing, Infrastructure and Communities Canada recognizes the diversity of Canada's rural and remote communities and their unique transit needs.

An eligible organization can apply for a federal contribution of up to **\$10 million** if it has a minimum of two years of transit experience, this includes local governments working with a partner who has transit experience, **and/or** has completed a public transit feasibility study completed after January 1<sup>st</sup>, 2020. If an eligible organization has less than two years of experience **AND** has not completed public transit feasibility study, it can apply for a federal contribution of up to **\$250,000**.

## How to submit an application

Applications to the Rural Transit Solutions Fund's Capital Project stream can be submitted through Housing, Infrastructure and Communities Canada's online [portal](#). The *Step-by-Step Guide for Applications to the Capital Stream of the Rural Transit Solutions Fund* provides detailed instructions on how to register for an account, complete the application form, and submit the required supporting documents.

Before applying, applicants are strongly encouraged to thoroughly review this guide, as well as the *Step-by-Step Guide for Applications to the Capital Stream of the Rural Transit Solutions Fund*.

## Contact Us

Interested in learning more about the Rural Transit Solutions Fund? Please contact our team by e-mail at [RTSF-FSTCR@inf.gc.ca](mailto:RTSF-FSTCR@inf.gc.ca) or by phone (toll-free) at 1-833-699-2280.

## Who Can Apply

To be eligible for the Rural Transit Solutions Fund, applicants must be a legal entity capable of entering into legally binding agreements, be in good standing with the Government of Canada, and fall into one of the following categories:

- 1) A **provincial or territorial government**;
- 2) A **municipal or regional government** created by or under provincial or territorial statute;
- 3) A **public sector body** created by or under provincial or territorial statute or by regulation or is wholly-owned by a province, territory, municipal or regional government. This includes but is not limited to:
  - i. **Municipally-owned corporations** (e.g., autonomous organizations owned by municipalities that provide local public services);

- ii. **Provincial or territorial organization** delivering municipal services (e.g., public utilities, community health services, economic development agencies); and,
  - iii. **Any other form of local governance** outside traditional municipalities (e.g., local service districts).
- 4) A **federally or provincially incorporated not-for-profit organization or charity**;
  - 5) An **Indigenous benefiting organization or recipient**, including:
    - i. A **band council** as defined in section 2 of the *Indian Act*;
    - ii. A **First Nation, Inuit or Métis government or authority** established pursuant to a Self-Government Agreement or a Comprehensive Land Claim Agreement with Canada, which has been ratified by federal legislation;
    - iii. A **First Nation, Inuit or Métis government** created by federal, provincial, or territorial legislation that includes a governance structure.
  - 6) A **federally or provincially incorporated not-for-profit organization** whose primary purpose is to improve Indigenous outcomes; and,
  - 7) An **Indigenous development corporation**.

The following entities are not eligible to apply:

- 1) **Individuals and private citizens**;
- 2) **Federal entities, including federal Crown corporations; and,**
- 3) **Private sector entities.**

## Partnerships

Housing, Infrastructure and Communities Canada encourages applications for projects that enhance community connections and facilitate intercommunity transit within a region. Eligible recipients can submit a joint application to the Rural Transit Solutions Fund to deliver projects together. A lead applicant must be designated to submit a single application on behalf of the partnering organizations. Applicants will be asked to name project partners and describe their roles and responsibilities in the application form.

## Project Objectives

To be eligible under the Rural Transit Solutions Fund, your project **must meet at least one** of the following objectives:

1. **Increase use of public transit relative to car travel**
2. **Contribute to climate change mitigation and resilience**
3. **Improve public transit options for all, especially equity-deserving groups**

**For applicants serving an area with a population greater than 50,000:**

The Rural Transit Solutions Fund supports transit projects in rural and smaller communities, including smaller towns and villages within Census Metropolitan Areas (CMA), if the project targets rural needs and meet the objectives of the Fund. Applicants serving communities with populations between 50,000 and 150,000 must demonstrate how their project specifically targets their rural population.

Projects from applicants serving a population greater than 150,000 living mainly in the urban area of a CMA, are outside the scope of the Rural Transit Solutions Fund.

If your organization does not meet these criteria, we encourage you to explore other funding opportunities available through the Canada Public Transit Fund. If you have questions on eligibility, please contact our team by email [RTSF-FSTCR@inf.gc.ca](mailto:RTSF-FSTCR@inf.gc.ca) or call toll free at 1-833-699-2280.

## Eligible Expenses

Eligible investments under the Rural Transit Solutions Fund refer to tangible assets that **serve the public's use and/or benefit**. The Rural Transit Solutions Fund can fund expenses that are direct and necessary for completing a public transit project. To qualify, these expenses must be related to an approved project and paid for by an eligible recipient.

Eligible capital expenditures can include:

- **Vehicles:** This includes buses, community vans, zero-emission vehicles, small crafts, and other types of vehicles.
- **Fixed assets:** This refers to buying, constructing or installing long-term assets like buildings (e.g., bus stops, and shelters, etc.) and other fixed infrastructure (e.g., signage etc.) which makes accessing the transit service accessible and safer.
- **Accessibility:** upgrades to public transit infrastructure.
- **Professional fees:** Payments to professionals such as project managers to deliver the project, or engineers, who work on designing, surveying or managing the construction of fixed assets. Also eligible are fees paid to professions to support a Request for Proposals, including for the purchase of vehicles and the transition to zero-emission vehicles.
- **Active transit components:** Installing infrastructure like short walking and bike paths, bike stands, lighting, that safely connect public transit riders to their end-destinations.
- **Micromobility:** Such as e-bikes, parking stations, and charging stations, if acquired as part of the larger transit project and managed by the recipient.
- **Indigenous consultation costs:** Expenses related to consulting or engaging with Indigenous communities, including costs for accommodating impacts on Aboriginal and Treaty rights.
- **Other necessary costs:** Any other expenses that are directly required for the success of the project, if they are approved in **advance by** Housing, Infrastructure and Communities Canada.

**Note:** active transportation components are only eligible if they complement a larger transit project and are not eligible as stand-alone submissions. For projects consisting solely of active transportation components, please refer to the [Active Transportation Fund's](#) webpage.

## Eligible Start-up Expenses

Applicants may be eligible for costs that are directly needed for the successful development and delivery of the project. This is referred to as soft costs. The total amount requested for soft costs is limited to **15%** of the total federal requested contribution.

Eligible expenses may include:

- **Vehicle related costs:** Initial winter tires and rims, rustproofing, floor mats, bike-racks, remote starters, anti-theft device for transit vehicles etc.
- **Regulatory expenses:** Costs for required safety equipment such as first aid kits, fire extinguishers and vehicle emergency kits.
- **Zero-Emission vehicle transition:** Electrical upgrades, installation of charging infrastructure, driver training and training for maintaining zero-emission infrastructure.
- **Vehicle visibility:** Costs for vehicle decals and logo.
- **Data management:** Initial acquisition of transit management or dispatching software, GPS hardware, fare collection devices for transit vehicles and other assets that allow measuring and reporting on the transit performance.

Other initial soft costs may be considered on a case-by-case basis with approval from Housing, Infrastructure and Communities Canada. It is the responsibility of the applicant to confirm the eligibility of other costs with Housing, Infrastructure and Communities Canada.

## Ineligible Expenses

Applicants are responsible for covering all ineligible expenses, as they will not be reimbursed by the Rural Transit Solutions Fund. The following expenses are not eligible for reimbursement:

- **Costs incurred before the contribution agreement is signed**, or any expenses related to agreements/contracts signed before project approval.
  - **Exception:** Costs related to Indigenous consultations may be retroactively eligible dating back one year prior to the application's submission date. These expenses are subject to approval by Housing, Infrastructure and Communities Canada.
- **Transit involving travel outside of Canada.**
- **Proposed solutions that rely on air travel as a means of serving the community;**
- **Costs related to project overruns or cancelled projects/components.**
- **Purchasing land, buildings, or associated real estate fees.**
- **Leasing land, buildings or equipment** unless related to the project construction.
- **Furnishings and non-fixed assets** that are not direct and necessary for the operation of the project.
- **General repairs and maintenance of assets and related structures.**
- **Ongoing operation costs, insurance, maintenance, electricity or fuel.**
- **Costs for ongoing promotion and communication.**
- **Services normally provided by the recipient.**
- **Taxes eligible for rebates and other costs eligible for refunds.**

- **Financing, interest payments and legal fees.**
- **Costs for goods or services received as donations or in-kind contributions.**
- **Incremental employee costs**, unless they are directly related to implementing the project and approved in advance by Housing, Infrastructure and Communities Canada.

Other ineligible costs may arise, and it is the responsibility of the applicants to confirm the eligibility of other costs with Housing, Infrastructure and Communities Canada.

## Maximum Federal Contribution

Under the Rural Transit Solutions Fund, eligible organizations with a minimum of two years of experience managing a transit service can apply for a maximum contribution of **\$10 million**.

Eligible organizations with less than two years of experience managing a transit service need to provide with their application a public transit feasibility study completed after January 1<sup>st</sup>, 2020, to apply for up to **\$10 million**. Eligible organizations with less than two years of experience and that have not completed a recent public transit feasibility study can apply for a maximum contribution of **\$250,000**.

A recipient can receive up to **\$10 million cumulatively** in capital funding for ongoing Rural Transit Solutions Fund projects at any given time. Once this cap is reached, the organization must complete previously approved projects before applying for additional funding.

Housing, Infrastructure and Communities Canada may consider larger Rural Transit Solutions Fund projects with a contribution over **\$10 million** if the project involves multiple regions and levels of governments. These projects will be considered on a **case-by-case basis**. Please contact the Rural Transit Solutions Fund to determine if this option is available to your organization.

The contribution from the Rural Transit Solutions Fund is based on eligible capital expenses, and applicants should be mindful of the **stacking limits** for funding from all sources. The total government funding (federal/provincial/territorial and municipal) must not exceed **100%** of the total project expenditures. Applicants must be mindful of contribution limits when applying to multiple programs.

### Funding limits:

Eligible Organization	Maximum Rural Transit Solutions Fund contribution (% of capital eligible expenses)
<ul style="list-style-type: none"> <li>• Recipient is located in the Territories</li> <li>• Recipient is an Indigenous community/organization</li> <li>• Territorial Governments</li> </ul>	Up to 100%
<ul style="list-style-type: none"> <li>• Recipient is located in a province</li> </ul>	Up to 80%
<ul style="list-style-type: none"> <li>• Provincial government or provincial crown corporation</li> </ul>	Up to 60%

## Cost estimates

Applicants must list the assets they plan to acquire, including quantity and type, and estimate how much they expect to spend each year of the project. Researching and documenting cost estimates is important for understanding the long-term financial impact of acquiring assets. Ownership comes with ongoing financial responsibilities throughout the asset's life.

To determine whether you can sustain a transit service, you should estimate the following costs:

- Estimated costs for acquiring assets.
- Costs to meet regulatory requirements (e.g., transit obligations, building codes, municipal by-laws).
- Operating costs (e.g., fuel, insurance, marketing and salaries).
- Maintenance costs.
- Contingencies, as costs overruns will not be covered by Housing, Infrastructure and Communities Canada. Contingencies should align with the project stage (conceptual, preliminary design, detailed design, and ready to tender).
- Costs for consulting or engaging Indigenous peoples and accommodating any impacts on Aboriginal and Treaty rights.

**If you are interested in establishing or transitioning to a zero-emission transit service, you also need to take the following into consideration:**

- **System-wide design:** An analysis of available zero-emission technologies (transit assets, chargers, etc.), identification of risks, potential limitations and barriers, charging/fueling infrastructure needs, energy and supply requirements, grid capacity, and facility and utility modification requirements;
- **Operational planning:** Route selection (distance traveled by the vehicles), determining maintenance, operational, roll-out and procurement needs, and data collection and performance measurement planning; and,
- **Financial planning:** Estimating project and lifecycle costs and cost-savings, including the implementation, procurement, maintenance, operations and fuel and electricity consumption costs etc.

## Completing the Application

The application form is divided into sections, each with questions which help Housing, Infrastructure and Communities Canada evaluate your project based on the Rural Transit Solutions Fund's merit criteria (Annex A). To successfully complete an application for funding, applicants are strongly encouraged to follow the *Step-by-Step Guide for Applications to the Capital Stream of the Rural Transit Solutions Fund*.

## Project Details

This section asks for an overview of your project.

**Project Rationale:** Explain how the project is supporting the objectives of the Rural Transit Solution Fund and why your project is needed. Use evidence where possible, such as links to studies, reports, municipal documents, Statistics Canada data, or public consultation results.

**Asset Type and Rolling Stock:** List the type and quantity of assets you plan to buy. Depending on the asset, questions about environmental assessments or Indigenous consultations may arise.

**Climate Considerations:** Explain if/how the project will include reducing green-house-gas emissions and/or mitigate the impacts of climate change.

**Expected Outcomes (Data Requirements):** Estimate how your project will improve public transit, notably ridership. Every trip where a fare is collected counts as ridership, regardless of distance.

## Project Finances Section (Budgeting)

In the application, you'll need to provide the estimated cost for your project. This should include:

- The federal funding you are requesting
- Your organization's financial contribution
- Any other source of funding, including in-kind contributions and partner funding.

The federal contribution **will be based on eligible project cost, not the total project costs.**

## Contracts and Procurement

**Eligible costs can only be reimbursed if they are incurred after the federal approval of the project.** Any contracts signed **BEFORE** federal approval will not be covered, except for Indigenous consultations costs on a case-by-case basis approved by Housing, Infrastructure and Communities Canada. Please make sure not to sign contracts before receiving federal approval via an "Approval In Principle" letter.

Contracts for services or assets, considered eligible under the Capital Projects stream, must be awarded in a way that is fair, transparent, competitive and consistent with value-for-money principles, and in a manner which is acceptable to the Government of Canada.

Any contract awarded without a non-competitive contract tendering process must be disclosed to Housing, Infrastructure and Communities Canada. Non-competitive contracts above the following thresholds will require federal approval:

- Contract over \$40,000 for construction or goods; and,
- Contract over \$100,000 for services.

No approval is needed if the contract does not use federal funding.

# Project Duration

Capital purchases are expected to be acquired within three years of a successful applicant signing a contribution agreement under the Rural Transit Solutions Fund’s Capital Projects stream. Projects are expected to be completed by 2029-30.

# Ownership of Assets

Assets purchased with funding from the Rural Transit Solution Fund must remain owned by the eligible organization. Applicants must confirm ownership in the application form.

Assets must be kept by the organization for a **minimum of five years** from the date the contribution agreement is signed. If the organization wants to sell or lease the asset before the five-year period ends, it must get approval from Housing, Infrastructure and Communities Canada.

The Rural Transit Solutions Fund allows an eligible organization and owner of the assets to contract a private sector operator for the purpose of managing and operating the transit services. If your organization wants to pursue this option, it is recommended to communicate with the Rural Transit Solutions Fund.

# Required Supporting Documents

Supporting documents are based on your organization’s type, and any external financial support your project receives. The complete list of required supporting documents is presented below:

Eligible Recipient	Document type
<p><b>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</b></p>	<ul style="list-style-type: none"> <li>• <b>Letter of Support (Financial Support):</b> From project partners confirming their financial contribution.</li> <li>• <b>Audited Financial Statement:</b> Provide the most recent audited financial statement.</li> <li>• <b>Feasibility Transit Study,</b> if applicable.</li> </ul>
<p><b>Indigenous governing bodies</b></p>	<ul style="list-style-type: none"> <li>• <b>Letter of Support (Financial Support):</b> From project partners confirming their financial contribution.</li> <li>• <b>Band Council Resolution:</b> If applicable, confirming the applicant's responsibility for transit services in their community.</li> <li>• <b>Audited Financial Statement:</b> Provide the most recent audited financial statement.</li> <li>• <b>Feasibility Transit Study,</b> if applicable.</li> </ul>

<p>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</p>	<ul style="list-style-type: none"> <li>• <b>Letter of Support (Financial Support):</b> From project partners confirming their financial contribution.</li> <li>• <b>Letter of support for Indigenous governing bodies:</b> If applicable, confirming support for the transit solution and acknowledging the applicant's role for transit services in the community.</li> <li>• <b>Proof of Incorporation:</b> Provide proof, such as articles of incorporation.</li> <li>• <b>Audited Financial Statement:</b> Provide the most recent audited financial statement.</li> <li>• <b>Feasibility Transit Study,</b> if applicable.</li> </ul>
<p>Indigenous development corporations</p>	<ul style="list-style-type: none"> <li>• <b>Letter of Support (Financial Support):</b> From project partners confirming their financial contribution.</li> <li>• <b>Letter of support from Indigenous Governing Bodies or Band Council Resolution:</b> If applicable, confirming support for the transit solution and acknowledging the applicant's role for transit services in the community.</li> <li>• <b>Audited Financial Statement:</b> Provide the most recent audited financial statement.</li> <li>• <b>Feasibility Transit Study,</b> if applicable.</li> </ul>
<p>Federally or Provincially incorporated Not-for-profit organizations</p>	<ul style="list-style-type: none"> <li>• <b>Letter of Support (Mandate of the Organization):</b> From an order of government (e.g., municipality, regional government or province) or from an Indigenous Governing Body, confirming the applicant's mandate to deliver transit services or recognition in the community/region.</li> <li>• <b>Letter of Support (Financial Support):</b> From project partners confirming their financial contribution.</li> <li>• <b>Proof of Incorporation:</b> Provide proof, such as articles of incorporation.</li> <li>• <b>Audited Financial Statement:</b> Provide the most recent audited financial statement.</li> <li>• <b>Feasibility Transit Study,</b> if applicable.</li> </ul>

# Program Requirements

## Use of Assets

Eligible organizations are encouraged to have a policy outlining how these transit assets will be used. The applicant has to demonstrate how it ensures that the assets will be used for public transit purposes only. Vehicles and assets used for other purposes than public use are not eligible under the Rural Transit Solutions Fund. Applicants may be asked to refund the federal contribution if they do not comply with this requirement.

## Communication and Promotion:

The Rural Transit Solutions Fund expects that the public will be informed of the transit service available in their community. This can be achieved through a webpage where potential riders find information regarding the service (e.g., number to book a ride, routes, fees, etc.) and/or by installing permanent decals on the vehicles (e.g., logo). In addition, Housing, Infrastructure and Communities Canada will collaborate with recipients to announce their transit project.

Applicants should also verify the provincial and territorial regulations for identifying public transit vehicles.

## Environmental Impact Assessment

Housing, Infrastructure and Communities Canada will review the application to determine whether the project has federal environmental or impact assessment requirements under the *Impact Assessment Act*, modern treaties or northern regulatory regimes. Under the [Impact Assessment Act](#), designated projects may be subject to a federal impact assessment (Section 8) and projects on federal lands may be subject to an environmental effects determination (Section 82). Housing, Infrastructure and Communities Canada will inform funding recipients of any such requirement. No construction can start, and no funding can flow until environmental assessment requirements are met. Provinces and territories may also have environmental assessment requirements. More information is available on Housing Infrastructure and Communities Canada webpage: [Environmental Impact Assessment](#).

## Indigenous Consultation

The Government of Canada has a duty to consult and, where appropriate, accommodate Indigenous peoples when it contemplates a decision or activity that might impact Aboriginal or treaty rights. Housing, Infrastructure and Communities Canada will review the application to determine whether the project requires consultation with Indigenous peoples and inform the funding recipient. Housing, Infrastructure and Communities Canada will inform funding recipients of any such requirement. No construction can start, and no funding can flow until Indigenous consultation requirements are met. While the duty to consult rests with the Crown, Housing, Infrastructure and Communities Canada asks funding recipients to carry out

certain procedural aspects of consultation, where appropriate. More information is available on Housing, Infrastructure and Communities Canada's website: [Consulting with Indigenous Peoples](#).

### **Engagement with Indigenous peoples prior to applying:**

Housing, Infrastructure and Communities Canada encourages applicants to start a dialogue with Indigenous peoples potentially impacted by the project as early as possible, ideally during project planning and before applying for funding. This may build positive relationships with Indigenous communities and enhance project design by incorporating input and Indigenous Knowledge. Since the project may trigger a duty to consult, early discussions may mitigate potential impacts to rights and streamline consultation requirements at later stages. This can help avoid construction delays, as Housing, Infrastructure Communities Canada cannot process claims until any consultation requirements have been met.

For examples of projects that may give rise to a consultation requirement and other guidance, please consult the *Step-by-Step Guide for Applications to the Capital Stream of the Rural Transit Solutions Fund*.

The [Aboriginal and Treaty Rights Information System \(ATRIS\)](#) may be useful for mapping the location of Indigenous communities and obtaining information on their rights (see ATRIS user guide).

A KML file showing the location of proposed project activities is required with every application. Instructions on how to create a KML file are included in the *Step-by-Step Guide for Applications to the Capital Stream of the Rural Transit Solutions Fund*.

## **Climate Change Considerations**

Investments in public transit infrastructure help reduce greenhouse gas emissions in transportation.

The Government of Canada is prioritizing zero-emission transit while recognizing that in some cases, non-zero-emission technologies may be necessary to meet federal priorities. Zero-emission vehicles produce no tailpipe emissions, with options like battery-electric buses (BEBs), hydrogen fuel-cell electric vehicles (HFCEBs) and trolley-buses. This definition does not factor in indirect or lifecycle emissions, such as emissions from electricity production. Some zero-emission vehicles may have internal combustion engines for auxiliary functions but can operate without them.

Projects in small, rural, remote, northern and Indigenous communities are not required to purchase zero-emission vehicles until at least 2030-2031. All projects procuring vehicles will be asked to report greenhouse gas emissions (e.g., estimate of the average distance vehicles will drive annually), and larger projects (over \$10 million) may have additional reporting requirements.

There are numerous opportunities to reduce emissions in public transit projects.

- **Use of low-carbon materials:** Reduce construction material emissions by using low-carbon construction materials such as low-embodied-carbon concrete, or design decisions to increase efficiency of material use in assets. Natural materials (hemp/wood/bamboo), recycled content (plastics), or re-furbished items could be used for smaller installations (e.g., benches, bike racks, etc.).

- **Minimize emissions from construction activities.** Use low emitting construction vehicles and on-site equipment; minimize idling; minimize construction-related heating requirements (e.g., concrete).
- **Reduce energy consumption in buildings and other fixed assets:** Minimize energy consumption (e.g., use LED lighting). Incorporate design choices that improve the building envelope and use high efficiency heating and cooling.
- **Incorporate natural infrastructure:** Incorporate design choices that enhance vegetative cover, increase the permeability of surfaces to rain and runoff, or otherwise introduce natural or hybrid infrastructure elements. For example, the use of vegetation to provide targeted shade and increase ground-water infiltration can contribute to the canopy, reduce the local heat island effect and reduce the energy used to manage storm water.
- **Transition to zero-emission where possible:** Reduce emissions from fleet vehicles by transitioning to lower emitting or zero emission vehicles.
- **Encourage a modal shift:** Modal shift (away from private vehicles) can be increased by expanding and improving public and active transportation options. Expanding public transportation networks increases accessibility and mobility as people gain access to destinations previously unreachable by public transit, ultimately encouraging a shift from car use to public transit use.

## Housing, Infrastructure and Communities Canada’s Climate Help Desk:

The Climate Help Desk is a dedicated service where communities can access guidance, valuable resources, and information for integrating climate-related considerations into transit and other infrastructure projects. Applicants can contact the Climate Help Desk if they have climate-related questions by:

- Webform: <https://support-infc.canada.ca>
- Email: [Climate-Infra-Climat@infc.gc.ca](mailto:Climate-Infra-Climat@infc.gc.ca); or,
- Toll free phone: 1-833-834-0243

The Climate Help Desk is part of the [Climate Toolkit for Housing and Infrastructure](#).

## Official Language Requirements

Housing, Infrastructure and Communities Canada is committed to ensuring that both French and English minority communities can apply and benefit from the Rural Transit Solutions Fund. Where applicable, projects must serve Official Minority Language Communities in the language of their choice. Official Language Minority Communities are defined as English-language communities in Quebec, and French-language communities outside Quebec.

## Accessibility

Projects funded under the Rural Transit Solutions Fund must meet or exceed the highest published accessibility standards (e.g., the Canadian Standards Association Technical Standard Accessible Design for the Built Environment ([CAN/CSA B651-12](#), or newer) in a jurisdiction, in addition to applicable provincial or territorial building codes, requirements for Accessible Transportation Services, and relevant municipal by-laws.

## Provincial and Territorial Regulations

Each province and territory has its own rules for operating a public transit service. These may include requirements for:

- Vehicle registration and safety;
- Health and safety standards, including first aid training; and,
- Minimum licensing for drivers.

It is the recipient's responsibility to ensure their transit service complies with these regulations.

## Project Approval Process

After an application is submitted, Housing, Infrastructure and Communities Canada will review it. The Rural Transit Solutions Fund team may contact applicants for more information during the review.

Funding decisions will be communicated as soon as possible. If the project is approved, applicants will receive an "Approval In Principle" letter confirming federal funding.

Please note that costs incurred before receiving the approval in principle letter will not be covered by Housing, Infrastructure and Communities Canada, except for costs related to consultations with Indigenous peoples case-by-case basis approved by the Department. This includes any expenditures related to agreements or contracts signed prior to the approval in principle letter. Once approved, the next step is finalizing a contribution agreement, which is required for the reimbursement of expenses.

## Agreement and Project Management

**Funding will only be provided after a contribution agreement is signed between the recipients and the Government of Canada.** The agreement will detail program conditions and the terms for federal payments. Construction cannot begin, and funds will not be released until environmental and Indigenous consultation requirements are met, if applicable.

## Merit Criteria

Projects will be evaluated based on the Rural Transit Solutions Fund merit criteria. Applicants must provide sufficient information to demonstrate:

- How the project meets the objectives of the program
- How their project meets the merit criteria
- Why the project is needed

Merit Criteria	DESCRIPTION
<b>Community demand for rural transit solution</b>	<ul style="list-style-type: none"> <li>• The application should describe the type of transit being proposed and who will use it, including details about the population size, demographics, and any vulnerable groups. It should also describe any existing transit services and show a clear understanding of the community's needs.</li> </ul>
<b>Inclusiveness benefits to local community</b>	<ul style="list-style-type: none"> <li>• The application should explain how the transit solution will improve the quality of life and safety for different groups in the community and help reduce socio-economic gaps.</li> </ul>
<b>Potential for economic impact</b>	<ul style="list-style-type: none"> <li>• The application should describe how the transit solution will contribute to the local economy. This could include: <ul style="list-style-type: none"> <li>○ Estimates of jobs created, individual incomes, and other economic benefits.</li> <li>○ Ways local businesses and business associations can be involved and support the success of public transit in the community.</li> </ul> </li> </ul>
<b>Environmental impact</b>	<ul style="list-style-type: none"> <li>• The application should outline strategies to encourage more people in the community to use public transit. It should also explain how the project will reduce greenhouse gas (GHG) emissions or incorporate clear or zero-emission technologies.</li> </ul>
<b>Viability</b>	<ul style="list-style-type: none"> <li>• The application should outline the project's objectives and how success will be measured. It should also explain strategies to ensure long-term viability, including potential funding sources like fares, government support and contributions from local businesses.</li> </ul>
<b>Locally driven</b>	<ul style="list-style-type: none"> <li>• The application should explain how the community will support the rural transit solution. It should also describe any partnerships formed with neighboring communities, regional governments, or transit organizations.</li> </ul>

## Definitions

Term	Explanation
<b>Active Transportation</b>	Refers to the movement of people powered by human activity. Active transportation includes walking, cycling and the use of human-powered or hybrid mobility aids.
<b>Charging stations</b>	An electric vehicle charging station is equipment that connects an electric vehicle to a source of electricity to recharge electric cars, and plug-in hybrids.
<b>Class estimates</b>	Cost projections used for the project’s budget planning are provided at different steps of the design process.
<b>Contingency</b>	For budgeting purposes, a reserve is set aside to cover any unexpected costs, risks and uncertainties and is not necessarily allocated to a specific area. The percentage cost value accepted depends on the class estimates.
<b>Fixed route service</b>	A service provided on a repetitive, fixed-schedule basis along a specific route with buses stopping to pick up and deliver passengers to specific locations; each fixed-route trip services the same origins and destinations.
<b>Indigenous governing body</b>	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 have the meaning assigned by the definition Aboriginal peoples of Canada in subsection 35(2) of the <i>Constitution Act, 1982</i> .
<b>KML File</b>	A KML file is a digital file that visually shows geographic information. It uses points, lines, or shapes to display the location of project and assets accurately. A good KML file provides details about where the project is located and the physical area of its assets.
<b>Micromobility</b>	Micromobility is a term for small, low speed, light weight vehicles-including e-bikes.
<b>On-demand services</b>	On-Demand services enable passengers to book their journey at a convenient time (during service operating hours), and to be picked up from an agreed location.
<b>Transit Feasibility Study</b>	A Transit Feasibility Study should analyze the community’s characteristics, including geography, population, and economic

	factors, and ensure that the proposed transit solutions are realistic, scalable, and financially sustainable.
<b>Vulnerable population</b>	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 2SLGBTQI+.