

October 24, 2024

FOR DECISION

Report of the President

Canada Public Transit Fund: Metro-Region Agreement Update

1. Recommendation

It is recommended that the YRRTC Board:

1. Authorize staff to work in collaboration with the Cities of Markham and Vaughan and Regional staff to refine the compelling case for the Highway 7 East and Jane Street Bus Rapid Transit projects, by integrating corridor land use planning and affordable housing policy actions, for submission to the Ministry of Transportation to support the Greater Golden Horseshoe Metro-Region Agreement Integrated Regional Plan submission under the Canada Public Transit Fund;
2. Direct staff to work with the Region to prepare a response to the Minister's September 24, 2024 letter to communicate the Board's position, as reflected in Attachment 1; and
3. Forward a copy of this report to York Regional Council, City of Markham Council, and City of Vaughan Council.

2. Purpose

This report provides an update on the federal Canada Public Transit Fund (CPTF) and next steps for advancing the Region's two priority Bus Rapid Transit (BRT) projects as part of the Ministry of Transportation's (MTO) federal funding request through the Ministry's Greater Golden Horseshoe (GGH) Metro-Region Agreement proposal.

Key Points:

- > An estimated \$1.7 billion is required to design and construct the Region's priority BRT along the Jane Street and Highway 7 East corridors (including Enterprise Boulevard in Markham Centre)
- > The Province, through MTO, is responsible for determining the Metro-Regions created within the province and has been identified by the federal government as the coordinator of Ontario's Metro-Region Agreement submissions
- > On September 24, 2024, York Region received a letter from the Minister of Transportation expressing MTO's intention to submit a comprehensive Metro-Region Agreement proposal that covers the Greater Golden Horseshoe (GGH) region, including York Region
- > The Minister's letter reiterated that housing conditions (such as increasing affordable housing supply) are tied to the Metro-Region Agreement funding program. The letter also noted that municipalities will be responsible for a cost share of projects
- > For the GGH Metro-Region, MTO will lead coordination of an Expression of Interest and an Integrated Regional Plan – a submission by partner organizations in a metro-region outlining how long-term capital investments in transit complemented by supporting initiatives will advance the core objectives of the CPTF
- > Collaboration with the Cities of Markham and Vaughan is underway to include description of the measures to be employed to increase affordable housing supply within the rapidly growing Jane Street and Highway 7 East corridors

3. Background

Metro-Region Agreements will provide funding to support partnerships between provinces and large urban areas with the largest public transit systems

The federal CPTF program description suggests that funding amounts for the Metro-Region Agreement stream will be based on merit, with the highest amounts of funding going to the most ambitious partnerships, including those that can best demonstrate how investments in transit will help build more homes.

A core objective of the CPTF's Metro-Region Agreement stream includes increasing housing supply and affordability

The CPTF's \$30 billion investment over 10 years is focused on expanding public transit, with funding beginning in 2026. Four core objectives have informed the design of the CPTF:

1. Increasing the use of public transit and active transportation relative to car travel;
2. Increasing [the supply of housing and affordable housing](#) as part of complete, transit-oriented communities;
3. Using mobility investments to contribute to climate change mitigation and resilience; and
4. Improving access to transit, biking, and walking options for all, especially for equity-deserving groups.

On September 24, 2024, Minister of Transportation sent a letter confirming that MTO intends to submit a GGH Metro-Region Agreement proposal, including York Region

On September 24, 2024, York Region received a letter from the Minister of Transportation expressing MTO's intention to submit a comprehensive Metro-Region Agreement proposal that covers the entire GGH region, including York Region. The letter also reiterated that housing conditions (increasing affordable housing supply) are tied to the Metro-Region Agreement funding program.

The letter further noted that municipalities will also be responsible for a cost share of projects selected under this fund, to ensure a shared responsibility that projects are successful and delivered on time.

MTO will lead coordination of an Expression of Interest and an Integrated Regional Plan – a submission by partner organizations in a Metro-Region

For the GGH Metro-Region, MTO will lead coordination both an Expression of Interest and an [Integrated Regional Plan](#) (IRP) – a submission by partner organizations in a metro-region outlining how long-term capital investments in transit complemented by supporting initiatives will advance the core objectives of the CPTF. More details outlining timing and next steps are expected to be shared by MTO in the coming weeks.

4. Analysis

YRRTC's draft mandate letter includes pursuit of funding and preparation of funding submissions for rapid transit priorities, on behalf of the Shareholder

YRRTC's draft Mandate Letter, as approved by the Board on September 12, 2024 and advanced to the Shareholder on October 10, 2024, notes that YRRTC's key responsibilities with respect to pursuit of funding are as follows:

- > Identify, pursue, prepare submissions, negotiate, and arrange funding and funding opportunities, as the case may be, with governments, government agencies and other funding partners; and
- > Coordinate and seek funding such that the Region's planned future Rapid Transit Network project construction is achieved, consistent with the Regional Transportation Master Plan.

On behalf of the Shareholder, and in close collaboration with regional departments and local municipalities, YRRTC will be the lead contact with MTO throughout the development and coordination of the Integrated Regional Plan for the priority BRT projects.

Collaboration with the Cities of Markham and Vaughan and the Region is underway to quantify potential growth scenarios and to document measures to increase the affordable housing supply along the Jane Street and Highway 7 East BRT corridors

Under recent changes implemented through Ontario's Bill 185, land use planning oversight is now largely the purview of local municipalities. Quantifying potential residential and employment growth and identifying measures to increase affordable housing along BRT corridors, requires joint effort and commitment from local municipalities, the Region and senior levels of government. The coordinated and collaborative approach now underway with staff from the cities of Markham and Vaughan will focus on:

- > Defining municipal commitment to delivering and achieving the CPTF affordable housing objectives; and
- > Regional commitment to delivering the transit infrastructure.

Such a collaborative effort is essential to securing the \$1.7 billion in critically needed funding for these two projects to benefit residents of Markham, Vaughan, York Region and the GGH.

Over the coming weeks, YRRTC will continue to work with Markham, Vaughan and Regional staff to integrate documentation of municipal policy frameworks intended to meet the CPTF affordable housing project consideration objectives into a joint submission to MTO for the Integrated Regional Plan. A further update on this work program will be provided to the Board at a future meeting.

5. Financial Considerations

\$1.7 billion is identified in the proposed 2025 Regional Budget as “Unfunded Priority Project costs” for the two critical BRT projects

A capital construction cost estimate of approximately \$1.7 billion is required to construct York Region’s two priority BRT Projects, including future fleet requirements. These dollars are not currently included in the Region’s 10-year Capital Plan, as they require funding commitments from senior levels of government and are subject to the Region’s Fiscal capacity considerations. The \$1.7 billion has been identified in the Region’s proposed 2025 budget as “Unfunded Priority Projects.”

To advance environmental assessment and preliminary engineering work for BRT projects along Jane Street and Highway 7 East corridors (including Enterprise Boulevard in Markham Centre), \$35.9M is included in the Region’s current 10-year capital plan. This critical work is now underway.

Municipal cost-share for projects under the Metro-Region Agreements will be required, however, the exact contributions are yet to be defined

The federal submission guideline signified that the maximum federal cost share for capital project funding provided through the Metro-Region Agreement stream is currently 40%. During earlier consultation processes this year, the Province suggested that both provincial and municipal cost-shares will be required as part of the funding approval process.

More detailed information on cost sharing is expected to evolve and will be communicated to the Board and Regional Council as appropriate.

6. Local Impact

As part of the 2022 Transportation Master Plan (TMP) update, all rapid transit priorities, including the BRT projects along Jane Street and Highway 7 East (including Enterprise Boulevard in Markham Centre) were reviewed with the Cities of Vaughan and Markham respectively.

To access funding through the CPTF, municipalities will need to showcase how projects unlock housing supply and housing affordability, which will include specific local planning requirements. Collaboration with the Cities of Markham and Vaughan is underway to include a description of measures to be employed to increase affordable housing supply along the BRT corridors in the submission of York Region’s priority Highway 7 East and Jane Street BRT projects.

7. Conclusion and Next Steps

On September 24, 2024, York Region received a letter from the Minister of Transportation expressing MTO's intention to submit a comprehensive Metro-Region Agreement proposal that covers the entire Greater Golden Horseshoe (GGH) region, including York Region.

The Minister's letter reiterated that housing conditions (increasing affordable housing supply) are tied to the Metro-Region Agreement funding program. The letter noted that municipalities will be responsible for a cost share of projects.

Collaboration with the Cities of Markham and Vaughan is underway on the Region's priority BRT projects to include description of the measures to be employed to increase affordable housing supply within the rapidly growing Highway 7 East and Jane Street corridors.

Staff will continue to report back to the Board and Regional Council with updates and recommendations as further information becomes available.

For more information on this report, please contact Danielle Hutson, Vice President, Communications, at 905-505-1348. Accessible formats or communication supports are available upon request.

Recommended by: **Paul Jankowski**
President, York Region Rapid Transit Corporation

October 15, 2024
eDOCS # 16388421

Attachment 1 – Draft Response Letter to Minister of Transportation (#16388344)