



## **For Action with Confidential Attachment**

### **Canada Public Transit Fund**

**Date:** July 15, 2025  
**To:** TTC Board  
**From:** Chief Executive Officer

#### **Reason for Confidential Information**

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This report contains information explicitly supplied in confidence to the City or local board by Canada, a province or territory or a Crown agency of any of them.

This report contains information that is subject to solicitor-client privilege, including communications necessary for that purpose.

#### **Summary**

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The Canada Public Transit Fund (CPTF) is a federal program that will provide \$3 billion annually, for public transit across Canada starting in 2026. The CPTF is divided across three streams, the Baseline Capital Funding stream, the Metro-Region Agreement stream and the Targeted Delivery Funding stream.

The TTC received a 10-year allocation of \$1.163 billion under the Baseline Capital Funding stream. This report provides an update on the status of the TTC's Capital Plan submission under the Baseline Capital Funding stream and implications for the 2026 Budget process.

#### **Recommendations**

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It is recommended that the TTC Board:

1. Direct that the information contained in Attachment 1 remain confidential, as it contains information explicitly supplied in confidence to the City or local board by Canada, a province or territory or a Crown agency of any of them, and release the information as part of the 2026 recommended TTC Budget.
2. Direct that the information contained in Attachment 2 remain confidential as it contains advice or communications that are subject to solicitor-client privilege, including communications necessary for that purpose.

#### **Financial Summary**

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There are no financial impacts from the recommendation in this report. Any adjustments to the TTC Capital Budget and Plan will occur in the 2026 Budget process or through quarterly financial update reports.

The Executive Director, Finance has reviewed this report and agrees with the financial impact information summary.

## **Equity/Accessibility Matters**

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The TTC strives to create access to opportunity. The geographic coverage and seamless integration of the multi-modal system enables the TTC to serve equity-deserving communities across Toronto. The TTC is committed to making Toronto's transit system barrier-free and accessible so that all customers can enjoy the freedom, independence, and flexibility to travel anywhere on the system, regardless of ability. Investment from intergovernmental partners enables the TTC to provide high-quality service that meets our commitment to equity, diversity, inclusion and accessibility.

## **Decision History**

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*Prioritizing TTC Asset State of Good Repair to Keep the System Moving Reliably – 2025 Capital Budget Outlook, July 17, 2024*

The TTC Board endorsed the state-of good-repair unfunded capital requirements as the first priority for investment utilizing new funding made available to the TTC by any order of government. Link: [Prioritizing TTC Asset State of Good Repair to Keep the System Moving Reliably – 2025 Capital Budget Outlook](#)

*2025-2023 TTC Capital Budget and Plan, January 10, 2025*

The TTC Board approved the 2025-2034 TTC Capital Budget and Plan. The Board also delegated authority to the Chief Executive Officer to execute any transfer payment and/or contribution agreements required with the Province of Ontario and/or the Government of Canada to receive intergovernmental funding for priority projects and programs. The TTC identified in Table 3, Attachment 3 (page 98) the key unfunded priority projects and programs for future intergovernmental funding opportunities through each stream of the Canada Public Transit Fund, and/or new funding programs to address immediate TTC priorities.

Link: [Recommended 2025 Operating Budget: 2025-2034 Capital Budget and Plan, 15-Year Capital Investment Plan and Real Estate Investment Plan Update](#)

## **Issue Background**

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The Federal Canada Public Transit Fund launched on July 17, 2024, and will provide \$3 billion annually for public transit systems across Canada starting in 2026-27, to be allocated across three funding streams: Baseline Capital Funding; Metro-Region Agreement; and Targeted Funding. See Appendix 1 for a detailed table summarizing the Canada Public Transit Fund Streams.

## **Comments**

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The report provides an update on the status of the TTC's Capital Plan submission for the Canada Public Transit Fund Baseline Funding Stream. The federal Baseline Funding stream is a \$500 million annual envelope for transit authorities across Canada,

to be distributed based on a combination of ridership (70%) and population (30%). Under the Baseline Funding Stream, the following conditions apply:

- Maximum of up to 40% federal funding towards eligible project costs
- State-of-good repair projects are eligible projects
- Funding will start to flow in fiscal year 2026/27

On November 20, 2024, the TTC received confirmation of an allocation of \$116,363,918 annually, or \$1,163,639,180 over ten years starting in 2026, under the CPTF Baseline Funding Stream. Confidential Attachment 1 provides an update on the status of the TTC's Capital Plan that was approved by Housing Infrastructure Communities Canada in February 2025, and the implications for the 2026 TTC Budget process.

The TTC will continue to seek opportunities to secure intergovernmental funding and long-term partnerships to address priority capital and operating needs. The Canada Public Transit Fund is an important program the TTC is seeking to leverage to address state-of-good repair requirements. A key strategic direction of the TTC's [Corporate Plan 2024-2028](#), is to address the structural fiscal imbalance, in part through building intergovernmental partnerships to advance public transit [*Action 5.4.2*].

## Contact

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## Signature

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Mandeep S. Lali  
Chief Executive Officer

## Attachments

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Appendix 1 – Canada Public Transit Fund: Funding Streams Overview  
Confidential Attachment 1  
Confidential Attachment 2

## Appendix 1: Canada Public Transit Fund: Funding Streams Overview

Baseline Funding	Metro-Region Agreements	Targeted Funding
<b>\$500 Million Annually</b> – Allocated Nationally (\$5 Billion over 10 Years)	<b>\$2 Billion Annually</b> – Allocated Nationally (\$20 Billion over 10 Years)	<b>\$500 Million Annually</b> Allocated Nationally (\$5 Billion over 10 Years)
<b>Program Design:</b> <ul style="list-style-type: none"> <li>Stable, predictable funding toward routine growth and rehabilitation, such as system expansion, extension of assets lifecycle, state-of-good-repair, and/or transit performance improvements.</li> <li>Up to 10 Year Agreements with communities with eligible transit systems</li> <li>Maximum Federal contribution of 40% of eligible costs for capital projects.</li> </ul>	<ul style="list-style-type: none"> <li>Stable, predictable funding geared to regions with highest funding demand and complex transit systems.</li> <li>Funding to support diverse projects, including planning and feasibility studies, major transit expansion based on priorities outlined in an Integrated Regional Plan. Projects may also include transformational investments that build new subways, dedicated bus lines, and to maintain and sustain health of an existing system.</li> <li>Up to 10-Year Agreements with local government/transit agency partnerships within or adjacent to a Census Metropolitan Area, and with support of the Provincial government.</li> </ul>	<ul style="list-style-type: none"> <li>Targeted intake process for applications based on Federal priorities.</li> <li>Includes rural and remote transit, active transportation, transit solutions in indigenous communities.</li> <li>Anticipated launch of a zero emissions solutions program.</li> <li>Single project agreements targeted at communities of all sizes.</li> </ul>
<b>Process:</b> <ul style="list-style-type: none"> <li>Stage 1: Submit an Expression of Interest (EOI) by September 30, 2024 (complete).</li> <li>Stage 2: Federal department to notify allocation (complete).</li> <li>Submission of Capital Plan Application (complete)</li> <li>Federal approval of Capital Plan Application (complete)</li> <li>→ Submission of Capital Component Applications and execution of Contribution Agreement (underway)</li> <li>Funds to flow in 2026/27</li> </ul>	<ul style="list-style-type: none"> <li>Stage 1: Metro-Regions submit an EOI (partner agencies and Province express interest).</li> <li>Stage 2: Integrated Regional Plan submission.</li> <li>Stage 3: Metro Region Agreement entered into.</li> <li>Stage 4: Project Funding Applications.</li> <li>Stage 5: Contribution Agreements.</li> <li>Funding to flow in 2026/27.</li> </ul>	<ul style="list-style-type: none"> <li>Details pending.</li> </ul>
<b>Status:</b> <ul style="list-style-type: none"> <li>✓ EOI Application submitted July 17, 2024.</li> <li>✓ Baseline Funding Allocation received November 20, 2024 (allocation of \$1.2 billion over 10 years)</li> <li>✓ December 18, 2024 - Capital Plan Application Submitted.</li> <li>✓ TTC Capital Plan Approved February 13, 2025.</li> </ul>	<ul style="list-style-type: none"> <li>Opened July 17, 2024, for EOI from partner agencies, and Province in a CMA</li> <li>EOI coordinated and submitted by Ontario Ministry of Transportation. Further details pending.</li> </ul>	<ul style="list-style-type: none"> <li>Details pending. Anticipated opening of intakes to start in 2025 for projects including zero emissions transit.</li> </ul>