

Clause 11 in Report No. 11 of Committee of the Whole was adopted by the Council of The Regional Municipality of York at its meeting held on June 23, 2016.

Council also directed staff as follows:

1. Staff pursue the prospect of directing the Public Transit Infrastructure Funding (estimated to be \$35 million) to the Yonge North Subway Extension subject to:
 - a) The recently announced provincial funding (\$55 million) being deemed to satisfy the matching funds from other sources; and
 - b) An appropriate extension to the March 2018 deadline such that the work can be completed or arrangements made to the satisfaction of the Federal Government.
2. In the event that the conditions are not met or this does not satisfy the criteria set out by Provincial and Federal governments, staff proceed with the recommendations set out in the report.
3. The President, York Region Rapid Transit Corporation be asked to report to the Board setting out:
 - a) The recommended priorities among currently unfunded Bus Rapid Transit projects and funding opportunities (including funds from the sale of surplus properties along the Bus Rapid Transit corridor) for consideration in the 2017 capital budget deliberations.
 - b) Associated business cases supporting applications to Metrolinx and to Phase 2 of the Federal infrastructure program.

11

Federal and Provincial Infrastructure Funding Opportunities

Committee of the Whole recommends:

1. Receipt of the presentation by Bill Hughes, Commissioner of Finance.
2. Adoption of the following recommendations contained in the report dated June 8, 2016 from the Commissioner of Finance:
 1. Council endorse the following Regional projects for submission under the Public Transit Infrastructure Fund:
 - Conventional bus replacements
 - Viva bus replacements

Federal and Provincial Infrastructure Funding Opportunities

- Conventional bus expansions
2. Council endorse the following Regional projects for submission under the Clean Water and Wastewater Fund:
 - Upper York Sewage Solutions
 - Storm water management
 - Microfiltration pilot study
 - York-Durham Sewage System rehabilitation
 - Islington Avenue watermain rehabilitation
 - Groundwater treatment strategy study and initiatives
 - Pilot Study - Feasibility study to reduce infiltration in large sewers
 - Lake Simcoe mussel monitoring
 3. Council endorse the following Regional projects for an application to the Green Municipal Fund:
 - Electric Vehicle Base Case – Feasibility Study
 - Non-emergency Electric Vehicle Replacement – Feasibility Study
 - Municipal Building Retrofits – Pilot Project
 4. Council endorse the following Regional projects for an application to the Provincial-Territorial Infrastructure Component of the New Building Canada Fund if there is a municipal intake:
 - Road widening to optimize provincial investments in Regional Express Rail
 - Humber sewage pump station
 - 16th Avenue sewer rehabilitation
 - Paramedic response stations
 - GO station egress/Access to optimize provincial investments in Regional Express Rail
 - Transit 'Bus Stop' Network to optimize provincial investments in Regional Express Rail
 - Broadband infrastructure project
 - Jane Street transit priority environmental assessment
 5. Council authorize staff to submit the projects identified in recommendations 1 through 4 to the federal and provincial governments if and when there are opportunities to submit.
 6. Council endorse the following Regional projects for consideration under the Investment in Affordable Housing program or other Phase I programs:
 - New affordable housing development

Federal and Provincial Infrastructure Funding Opportunities

- Affordable housing regeneration & intensification
 - Affordable housing capital repair.
7. The Commissioner of Community and Health Services, or delegate, be authorized to execute the necessary agreements with the Province under a new or extended Investment in Affordable Housing program, or other Phase I housing initiatives.
 8. Staff report back to Council with a detailed list of housing projects for submission to the Province under the Investment in Affordable Housing program, or other Phase I housing programs.
 9. The Region continue to seek full funding from Metrolinx, the province and the federal government for the following projects:
 - (a) Pre-construction activities, including design and engineering, for the Yonge North subway extension
 - (b) Construction of the Yonge North subway extension
 - (c) Bus rapidway projects, including:
 - Yonge Street (19th/Gamble to Savage Street North; Davis Drive to Green Lane)
 - Green Lane (Yonge Street to East Gwillimbury GO Station)
 - Highway 7 East (Unionville GO Station to Cornell)
 - Highway 7 West (Highway 50 to Helen Street).
 10. The Region only enter into funding agreements with the federal and/or provincial governments for capital projects that are either in the ten year capital plan or that can be added to the capital plan without incurring any additional debt.
 11. The Regional Chair send a letter to Minister Sohi regarding the federal “incrementality” funding criterion, and the challenges it creates for delivering projects in a short time frame.
 12. This report be circulated to the Federal Department of Innovation, Science and Economic Development with a recommendation that it increase its 30,000 population threshold for ‘rural communities’ so that more municipalities can qualify under the broadband infrastructure program.
 13. This report be circulated to Members of Parliament and Members of Provincial Parliament representing York Region and to the appropriate federal and provincial ministers.
 14. The Regional Clerk circulate this report to the local municipalities.

Report dated June 8, 2016 from the Commissioner of Finance now follows:

1. Recommendations

It is recommended that:

1. Council endorse the following Regional projects for submission under the Public Transit Infrastructure Fund:
 - Conventional bus replacements
 - Viva bus replacements
 - Conventional bus expansions
2. Council endorse the following Regional projects for submission under the Clean Water and Wastewater Fund:
 - Upper York Sewage Solutions
 - Storm water management
 - Microfiltration pilot study
 - York-Durham Sewage System rehabilitation
 - Islington Avenue watermain rehabilitation
 - Groundwater treatment strategy study and initiatives
 - Pilot Study - Feasibility study to reduce infiltration in large sewers
 - Lake Simcoe mussel monitoring
3. Council endorse the following Regional projects for an application to the Green Municipal Fund:
 - Electric Vehicle Base Case – Feasibility Study
 - Non-emergency Electric Vehicle Replacement – Feasibility Study
 - Municipal Building Retrofits – Pilot Project
4. Council endorse the following Regional projects for an application to the Provincial-Territorial Infrastructure Component of the New Building Canada Fund if there is a municipal intake:
 - Road widening to optimize provincial investments in Regional Express Rail
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 - Paramedic response stations
 - GO station egress/Access to optimize provincial investments in Regional Express Rail
 - Transit 'Bus Stop' Network to optimize provincial investments in Regional Express Rail
 - Broadband infrastructure project

Federal and Provincial Infrastructure Funding Opportunities

- Jane Street transit priority environmental assessment
5. Council authorize staff to submit the projects identified in recommendations 1 through 4 to the federal and provincial governments if and when there are opportunities to submit.
 6. Council endorse the following Regional projects for consideration under the Investment in Affordable Housing program or other Phase I programs:
 - New affordable housing development
 - Affordable housing regeneration & intensification
 - Affordable housing capital repair.
 7. The Commissioner of Community and Health Services, or delegate, be authorized to execute the necessary agreements with the Province under a new or extended Investment in Affordable Housing program, or other Phase I housing initiatives.
 8. Staff report back to Council with a detailed list of housing projects for submission to the Province under the Investment in Affordable Housing program, or other Phase I housing programs.
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 - a. Pre-construction activities, including design and engineering, for the Yonge North subway extension
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12. This report be circulated to the Federal Department of Innovation, Science and Economic Development with a recommendation that it increase its 30,000 population threshold for 'rural communities' so that more municipalities can qualify under the broadband infrastructure program.
13. This report be circulated to Members of Parliament and Members of Provincial Parliament representing York Region and to the appropriate federal and provincial ministers.
14. The Regional Clerk circulate this report to the local municipalities.

2. Purpose

This report updates Council on changes and additions to the federal government's infrastructure funding initiatives, and seeks Council's endorsement to submit a number of Regional projects to their applicable funding programs in preparation for possible intakes over the summer of 2016.

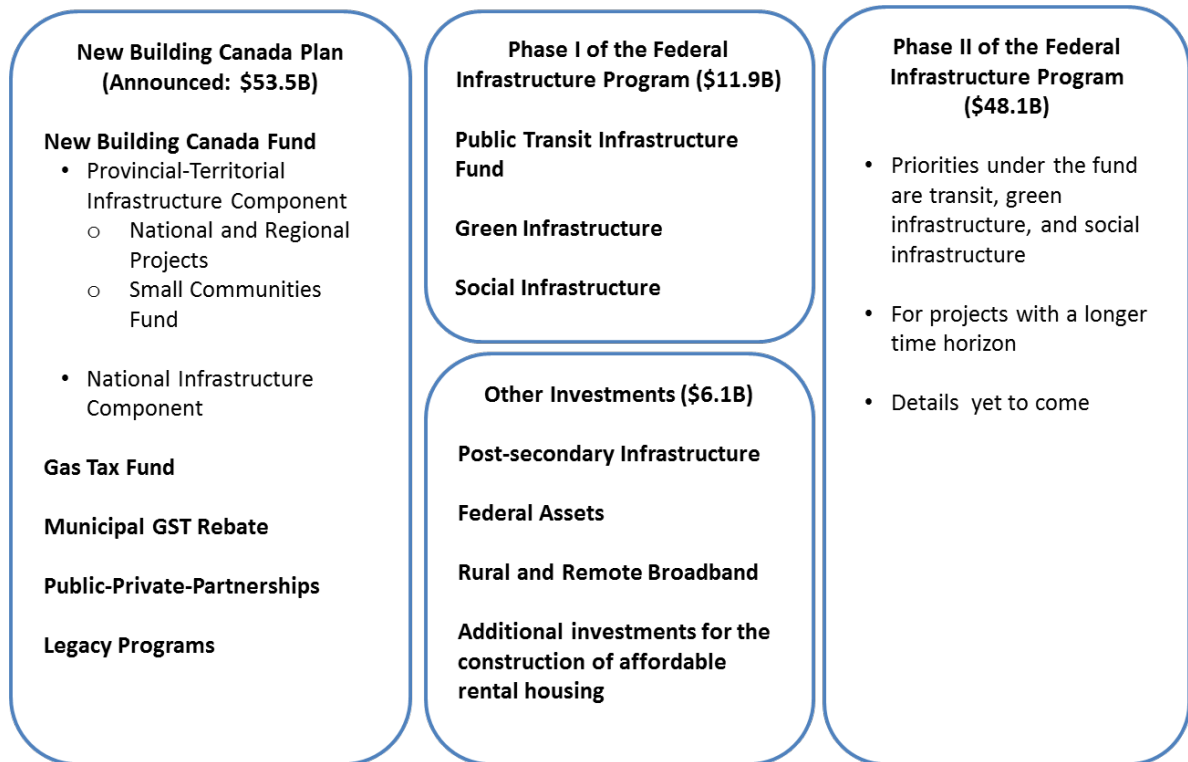
3. Background

In the 2016 budget, the federal government announced \$120 billion of infrastructure funding through a complex array of programs

The 2016 budget announced \$120 billion in infrastructure funding over the next ten years. This funding commitment builds on existing programs (Figure 1). The budget left the \$53.5 billion New Building Canada Plan largely intact, albeit with some variations, and provided an additional \$60 billion of new funding, divided into Phases I and II.

There is also a further \$6.1 billion for post-secondary infrastructure, rural and remote broadband, federal assets and additional investments for affordable rental housing.

Figure 1
Composition of the \$120 billion Federal Infrastructure Commitment

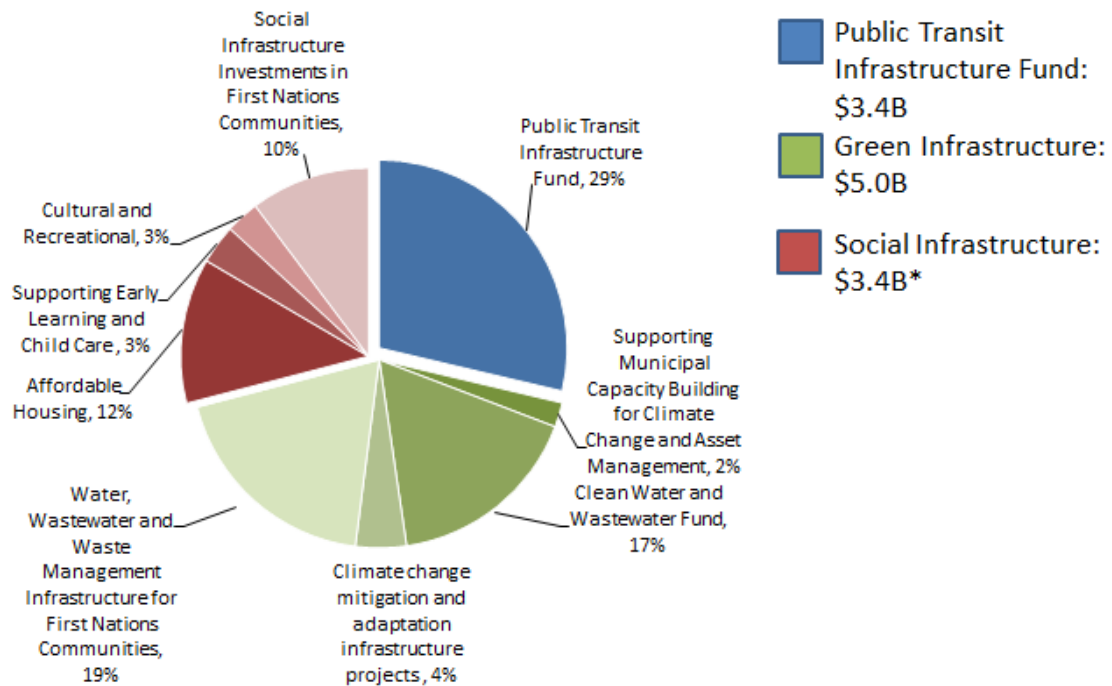


Phase I offers the Region potential near-term funding opportunities in transit, affordable housing and water and wastewater

Phase I of the federal government’s infrastructure program will provide \$11.9 billion funding in three priority areas through a range of programs (Figure 2):

- \$5.0 billion over five years for green Infrastructure programs that help communities adapt to climate change and improve water and wastewater systems
- \$3.4 billion over three years through the Public Transit Infrastructure Fund to upgrade and improve public transit systems
- \$3.4 billion over five years for social infrastructure investments to support affordable housing, childcare and early learning, cultural and recreation and community health care facilities on reserves

Figure 2
Composition of Phase I of the Federal Infrastructure Investment



*This does not include additional investments for the construction of affordable rental housing (\$208.3 million)

The federal government intends to flow Phase I funding over the next two years

The federal government plans to flow approximately 72 per cent (\$8.5 billion) of the Phase I funding in fiscal years 2016 to 2018. To accomplish this, Phase I programs will be administered by a range of federal and provincial ministries and organizations, and delivered through existing programs when applicable.

There are few details available on Phase II of the federal government’s infrastructure commitment

There are few details pertaining to Phase II of the federal government’s infrastructure program. What is known is that priority areas under Phase II will remain the same as Phase I: green, transit and social infrastructure. According to Infrastructure Canada, the federal government has initiated an engagement process to inform Phase II programs, including bilateral agreements with the provinces and territories, and long term outcomes and program design.

It is expected that Members of Parliaments will reach out to their provincial and municipal counterparts to ask for input over the summer. Federal government staff expect funding details will be announced in Budget 2017.

The former federal government announced the New Building Canada Plan

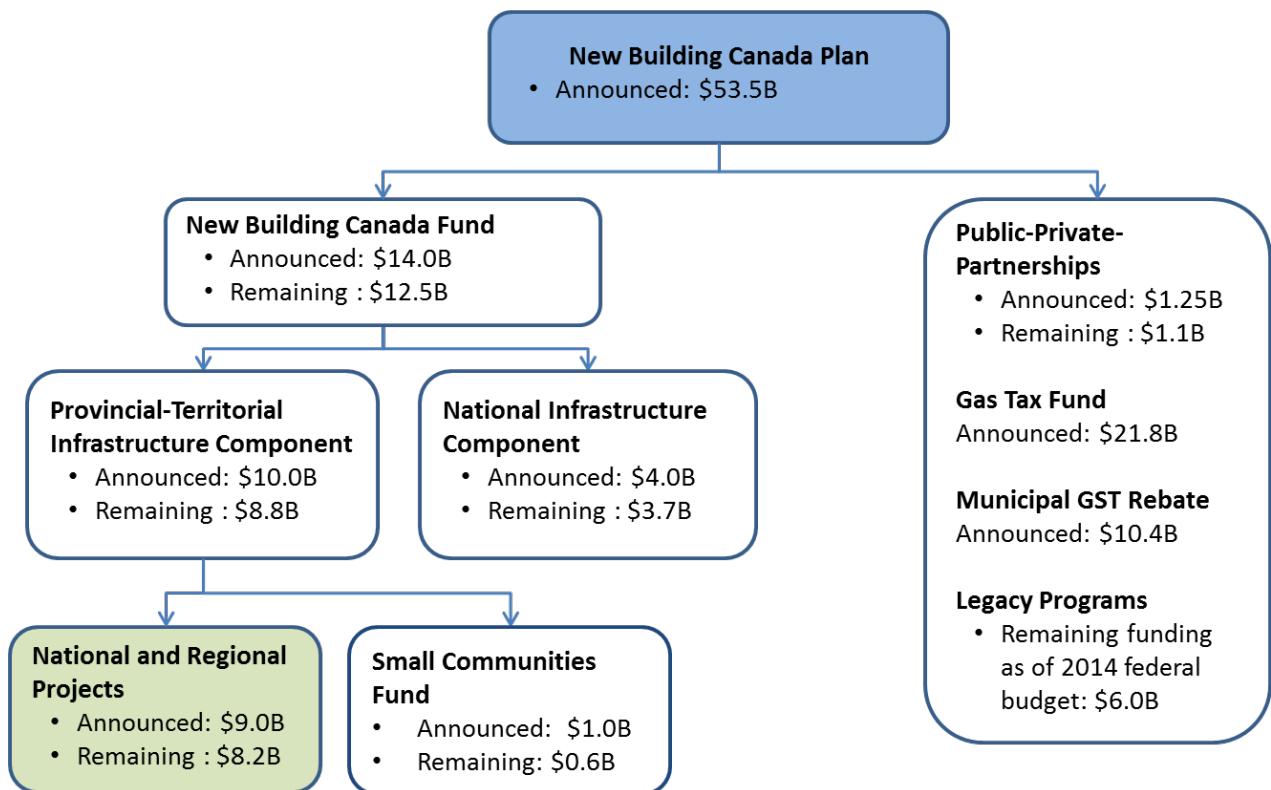
In its 2014 Budget, the federal government announced the New Building Canada Plan, a \$53.5 billion plan (Figure 3) to flow money through a series of infrastructure funding programs to assist provinces and municipalities with capital investment. A subset of that plan was the \$14 billion New Building Canada Fund, which is an application based funding program. Since 2014, only a portion of the New Building Canada Fund has been allocated to projects, with negotiations continuing for the remaining uncommitted portions.

The New Building Canada Fund has two components: the Provincial Territorial Infrastructure Component and the National Infrastructure Component.

The Provincial Territorial Infrastructure Component - National and Regional Projects, is a potential funding source for York Region projects.

The National Infrastructure Component is for projects of national importance. The federal government has not yet indicated whether or not it will use the National Infrastructure Component allocation.

Figure 3
Components of the New Building Canada Plan



Federal and Provincial Infrastructure Funding Opportunities

The federal government plans to accelerate funding under the New Building Canada Fund. This was communicated in the mandate letter from the Prime Minister to the Minister of Infrastructure and Communities (Minister Sohi). These plans were further developed and communicated in the 2016 federal budget, and in letters from Minister Sohi to his provincial counterparts.

Specific changes to the New Building Canada Fund that are relevant to the Region include:

- All funding under the New Building Canada Fund to be allocated within two years (before March 31, 2018), with remaining money to flow directly to municipalities through the Federal Gas Tax Fund
- Adding five new funding categories under the Provincial-Territorial Infrastructure Component: tourism, culture, recreation, passenger ferries services infrastructure, and civic assets and municipal buildings
- Modifying the highways and roads category to reduce the minimum traffic volume thresholds so that more projects could qualify
- Removing the mandatory P3 screen for all New Building Canada Fund programs.

Council had endorsed two priority projects for consideration under the New Building Canada Fund

In June 2015, there was an expectation that a municipal intake to the New Building Canada Fund could occur over the summer. With this in mind, Council endorsed two Regional projects for submission, Upper York Sewage Solutions and the Transit Optimization Project. The Region did not submit an application as there was no intake in Ontario.

Regional staff have identified a number of federal funding programs for which project submissions are required in the short term

The federal government has not released details on all of the Phase I programs. Among the programs where details are available, the Region could benefit from:

- The Public Transit Infrastructure Fund;
- The Clean Water and Wastewater Fund;
- The top-up of the Investment in Affordable Housing Initiative; and
- The top-up of the Green Municipal Fund.

In addition, the Region could benefit from the Provincial Territorial Infrastructure Component of the New Building Canada Plan, which still has remaining funding available.

**Table 1
Infrastructure Funding Program Details**

Program	Description	Funding Details
Phase I Public Transit Infrastructure Fund	Funds transit projects that deliver increased capacity, enhanced service or improved environmental outcomes	\$3.4 billion nation-wide Up to 50 per cent federal funding; no provincial matching York Region allocation approximately \$35 million
Phase I Clean Water and Wastewater Fund	Funds the rehabilitation and optimization of water, storm water and wastewater infrastructure	\$2.0 billion nation-wide; Ontario's allocation approximately \$570 million Up to 50 per cent federal funding; no provincial matching
Phase I Top up of the Investment in Affordable Housing program, and affordable housing for seniors	Funds the construction of new affordable housing units, the renovation and repair of existing affordable housing, measures to support housing affordability, and measures to foster safe independent living.	\$705.1 million nation-wide (off-reserves)

Federal and Provincial Infrastructure Funding Opportunities

Program	Description	Funding Details
Phase I Various other housing programs (including funding for shelters, energy and water efficiency retrofits, and tackling homelessness)	Funding for energy and water efficiency retrofits and renovations in existing social housing Construction and renovation of shelters and transition houses for victims of family violence Funding for projects to prevent and reduce homelessness	\$775.6 million nationwide
Affordable Rental Housing	Administered by the Canadian Mortgage and Housing Corporation, funding to test innovative business approaches to lower the cost and risks of financing affordable rental housing programs. Funding expected to support the construction of up to 4,000 new affordable rental housing units	\$208.3 million over five years
Phase I Top-up of Green Municipal Fund administered by the Federation of Canadian Municipalities	Provides loans and grants for feasibility studies and innovative municipal capital projects in water, wastewater, transportation, transit, energy, brownfields, and waste management	\$125.0 million nationwide \$10.0 million available for 2016 Grants up to 50 per cent of eligible cost*, and loans up to 80 per cent of eligible cost

Federal and Provincial Infrastructure Funding Opportunities

Program	Description	Funding Details
New Building Canada Plan Provincial Territorial Infrastructure Component – National and Regional Projects	Funding for highways, public transit, connectivity and broadband, water and wastewater, green energy and innovation, brownfield development, disaster mitigation infrastructure, local and regional airports, short line rail and short sea shipping, northern infrastructure, tourism, culture, recreation, passenger ferries services infrastructure, civic assets and municipal buildings	\$8.2 billion remaining nation-wide; Ontario's remaining allocation is \$2.4 billion Federal government will fund up to 50 per cent for transit and disaster mitigation For projects announced to-date, Ontario has provided a cost share

* To a maximum of \$175,000 for plans and feasibility studies and \$350,000 for pilot projects.

Regional staff evaluated potential projects for federal funding based on a number of policy and financial criteria

In prioritizing eligible projects for federal funding submissions, Regional staff considered: the ability of the project to support the Region's policy priorities; the extent to which federal funding could help reduce the Region's debt and tax levy pressures; and maximization of federal and provincial funding. The evaluation criteria are detailed in Table 2.

Table 2
Proposed Regional Criteria for Submissions

Objective	Criteria
Regional policy priority	Critical infrastructure to support growth Critical for asset management Achieving policy priority (e.g., reduces congestion) Large complex projects benefitting more than one municipality
Fiscally prudent	Preferably in ten-year capital plan Reduces debt Minimizes tax levy pressure
Grant maximization	Highest combined federal and provincial percentage grant Highest combined federal and provincial funding to York Region If no provincial funding, prioritize programs with highest federal percentage grant
Meets federal funding criteria	Satisfies federal funding stipulations (e.g., incrementality) Meets program requirements

The federal government has imposed an incrementality criterion that may affect the timing of some projects in York’s capital plan

“Incrementality” is one of the eligibility criteria under a number of Phase I funding programs. The stated intent is to ensure federal infrastructure funding leads to *“new, additional infrastructure funding in the jurisdiction”*, a policy *“that encourages investments that otherwise would not have been considered”* prior to March 31, 2018 or *“investments in projects that would not have been considered in the absence of federal funding”*.

The requirement for projects to be “incremental” is consistent with past federal infrastructure funding practices. However, the precise definition and application of incrementality has varied over the last 15 years. The federal government is expected to provide further details on the criteria for Phase I projects.

Federal and Provincial Infrastructure Funding Opportunities

When considering projects for potential submission to Phase I projects, and pursuant to correspondence with the federal government, Regional staff have screened potential Phase I submissions based on the following two conditions to address the federal incrementality criterion:

- Projects for consideration are in the capital plan from 2019 onwards and are brought forwards, or
- Projects in 2017 and 2018 and are unfunded.

There are a number of funding opportunities for local municipalities

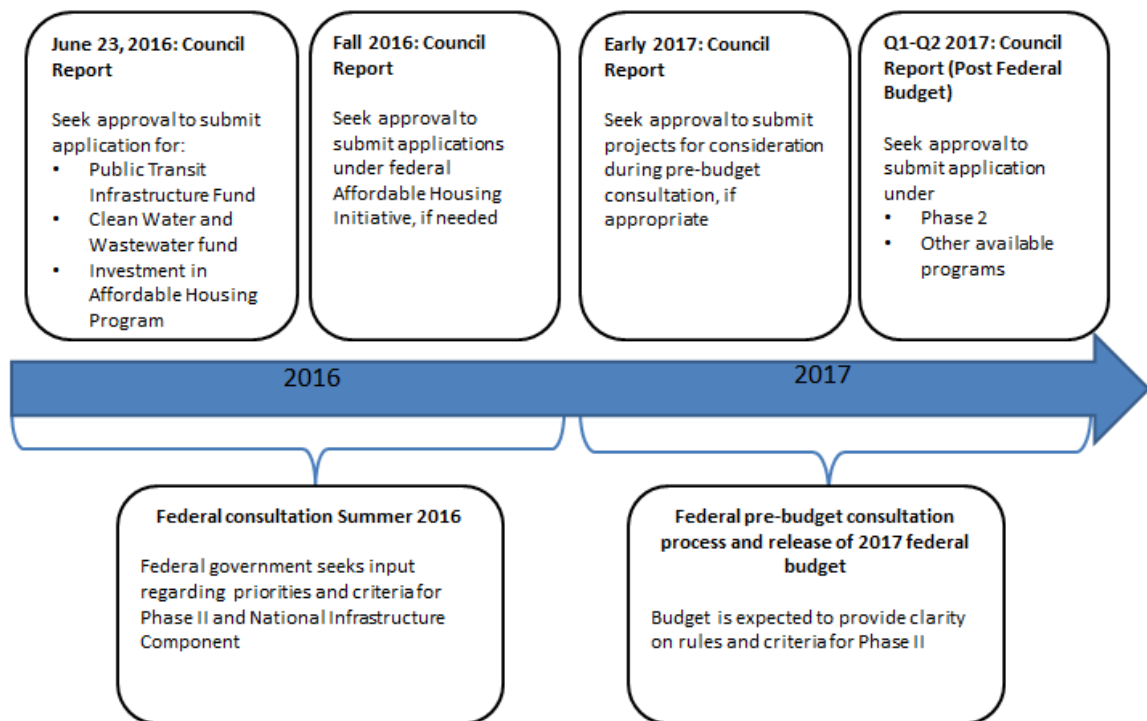
A number of federal funding programs are aimed at infrastructure needs of local municipalities. These include:

- Clean Water and Wastewater Fund, provides funding for local distribution infrastructure, including stormwater management infrastructure
- Small Communities Fund category of the Provincial Territorial Infrastructure Component of the Building Canada Fund, which provides funding for municipalities with fewer than 100,000 residents. The Province of Ontario is providing matching funding to support these projects
- Rural and Remote Broadband through which the federal government is providing \$500 million over five years.

Regional staff intend to seek Council endorsement for project submissions through a phased approach

Regional staff plan to take a phased approach to seek Council endorsement for project submission for federal funding (see Figure 4). This approach takes into consideration the timing of federal consultations, and when the federal government is likely to announce program details.

**Figure 4
Proposed approach**



4. Analysis and Options

York Region could receive approximately \$35 million from the Public Transit Infrastructure Fund

The Public Transit Infrastructure Fund will provide \$3.4 billion over three years to upgrade and improve public transit systems across Canada. This fund will be available starting 2016-2017.

Notional funding allocations to municipalities are based on transit ridership, as reported in the Canadian Urban Transit Association 2014 Canadian Transit Fact Book. Each municipality with a transit system is eligible for \$50,000 plus a share based on ridership. Finance staff have determined that the Region could receive approximately \$35 million. The Prime Minister announced Toronto's \$840 million share of this fund on May 6, 2016 (pending agreement and satisfying incrementality stipulations).

The Public Transit Infrastructure Fund will primarily support investments that meet immediate public priorities and include projects that:

- Improve the state of good repair of public transit
- Support system optimization and efficiency
- Increase asset management capacity
- Design and planning for future expansions of public transit systems

The Region will be required to submit project lists to the Province to access the funds. Up to 50 per cent of eligible project costs will be funded by the federal government. The Province is not expected to match any federal funding received.

Regional staff have identified and prioritized potential transit projects for submission under the Public Transit Infrastructure Fund (see Attachment 1). The proposed projects for submission are listed in Table 3 below.

Table 3
Projects for Submission under the Public Transit Infrastructure Fund

Project*	Project Cost
Conventional bus replacement – 30 buses	\$16.80 million
Viva bus replacement – 25 buses	\$31.90 million
Conventional bus expansion – 51 buses	\$28.60 million
Total	\$77.30 million

*Please see Attachment 1 for more complete project descriptions

Funding for the Clean Water and Wastewater Fund will be prioritized and allocated by the province

The Clean Water and Wastewater Fund is a \$2 billion fund allocated to Provinces based on population. Ontario's share is approximately \$570 million.

The Fund is for projects that address immediate improvements to water and wastewater systems, including:

- Rehabilitation and optimization
- Improvement of asset management approaches, including studies
- Planning for future upgrades and pilot projects
- New construction projects may also be considered if they can be completed within the program timeframe (March 31, 2018).

The provinces are responsible for prioritizing projects. To date, Ontario has not announced its criteria, nor has the province indicated that there will be an intake.

Regional staff have developed a prioritized list of projects for submission should there be an intake over the summer of 2016 (see Attachment 2). The projects for submission are listed in Table 4 below.

Table 4
Projects for Submission under the Clean Water Wastewater Fund

Project*	Project Cost
Upper York Sewage Solutions: Stormwater Management	\$2.0 million
Upper York Sewage Solutions: Microfiltration Pilot Study	\$2.0 million
York-Durham Sewage System Rehabilitation	\$2.8 million
Islington Avenue Watermain Rehabilitation	\$11.0 million
Groundwater Treatment Strategy Study and Initiatives	\$5.5 million
Pilot Study - Feasibility to Reduce Infiltration in Large Sewers	\$2.5 million
Lake Simcoe Mussel Monitoring	\$2.0 million
Total	\$27.8 million

*Please see Attachment 2 for more complete project descriptions

The Region can access funds under the Investment in Affordable Housing Program through administration agreements

The Investment in Affordable Housing program provides federal and provincial funding to improve access to affordable housing. Through initiatives like new construction, renovation, homeownership assistance, rent supplements, shelter allowances, accessibility modifications, and accommodations for victims of family violence, funding under the Investment in Affordable Housing is used to:

- Increase the supply of affordable housing across Canada
- Improve and preserve the quality of affordable housing
- Improve housing affordability for vulnerable Canadians
- Foster safe, independent living.

The 2016 federal budget committed \$1.7 billion through various initiatives for housing. This includes a commitment to expand affordable housing across the country, and funding for social housing, shelters and programs to tackle homelessness. These investments as shown in table 5, and do not include additional investments for First Nations communities.

Table 5
Housing Investments under Phase I – Off-Reserve Portion

Initiative*	Total (2016 – 2018)
Doubling the Investment in Affordable Housing	\$504.4 million
Increasing affordable housing for seniors	\$200.7 million
Supporting energy and water efficiency retrofits and renovations to existing social housing	\$573.9 million
Supporting shelters for victims of violence	\$89.9 million
Tackling homelessness	\$111.8 million
Total investments funded through social infrastructure component	\$1.481 billion
Additional investments to support the construction of affordable rental housing (2016- 2021)	\$208.3 million
Grand Total	\$1.689 billion

*Funding for the construction of affordable rental housing will continue beyond 2017–18. Additional funding of \$122.6 million over three years, starting in 2017–18, will be provided, bringing total investments to \$208.3 million over five years.

Budget 2016 proposes to double the current federal funding under the Investment in Affordable Housing Program over two years starting in 2016-17, and to increase affordable housing for seniors. The total federal investment through these initiatives is \$705.1 million.

Historically, the Region has participated in both the capital and operating components of the Investment in Affordable Housing program, with the majority of funds directed at upfront capital costs to build new housing.

The Capital Rental Housing component of the Investment in Affordable Housing program supports funding up to a maximum of \$150,000 per unit for new construction and building acquisition. Funds are flowed to the Region based on execution of specific agreements and construction milestones.

Federal and provincial funding to maintain the existing affordable housing stock has previously been made available through various programs from the Province, most recently the Social Housing Electrical Efficiency Program (SHEEP) and the Social Housing Apartment Retrofit Program (SHARP), which focused on energy efficiency and greenhouse gas emission reductions. The Region’s affordable housing stock needs approximately \$300 million in capital repairs over the next twenty years.

The table below identifies potential affordable housing projects in general terms.

**Table 6
Proposed Projects for Under Future Housing Programs**

Project*	Project Cost
New Affordable Housing Development	\$140 million (scalable from \$1M-\$140M)
Affordable Housing Regeneration and Intensification	\$112 million (scalable from \$9M-\$112M)
Affordable Housing Capital Repair	\$75 million (scalable from \$1M-\$75M)

*Please see Attachment 3 for more complete project descriptions

The Region could seek funding for feasibility studies under the Green Municipal Fund

Created in 2000, the Green Municipal Fund is an application based program administered by the Federation of Canadian Municipalities. The program aims to fund projects that reduce greenhouse gas emissions and produce tangible

benefits through improved environmental and social outcomes. The 2016 federal budget announced a \$125 million top-up to the Green Municipal Fund. The federal budget indicated that funding will flow in 2017-18. The details surrounding the top-up in funding are still being negotiated between the federal government and the Federation of Canadian Municipalities. With the increased funding commitment by the federal government, the Green Municipal Fund could be expanded to include more eligible project categories and more money for grants.

For 2016, \$5 million is available in grants for plans, feasibility studies, and pilot projects. The grants can fund up to 50 per cent of eligible costs, to a maximum of \$175,000 for studies, and \$350,000 for pilot projects. Another \$5 million in grants and \$30 million in loans is available for capital projects for up to 80 per cent of the eligible costs.

For the 2016 intake, applications are due by August 1, 2016. The formal application, by invitation, is due by September 15, 2016.

Table 7 below identifies three potential projects for application under the Green Municipal Fund.

Table 7
Projects for Application to the Green Municipal Fund

Project*	Project Cost
Electric Vehicle Base Case – Feasibility Study	\$100,000
Non-emergency Electric Vehicle Replacement – Feasibility Study	\$100,000
Municipal Building Retrofits – Pilot Project	\$50,000**
Total	\$250,000

*Please see Attachment 4 for more complete project descriptions

** Preliminary approximate project cost, subject to review

The 2016 Federal budget also announced a further \$125 million in funding to be administered by the Federation of Canadian Municipalities:

- \$50 million for Asset Management Best Practices
- \$75 million for Climate Change Initiatives.

These funds are expected to flow in 2016 and 2017. Further details pertaining to these programs are still in development.

Funding for Ontario municipalities through the Provincial-Territorial Infrastructure Component of the New Building Canada Fund may be less than expected

The Provincial-Territorial Infrastructure Component was allocated to provinces based on population. Ontario's share of the \$9 billion National Regional Project component is \$2.7 billion.

To access funding under the Provincial-Territorial Infrastructure Component of the New Building Canada Fund, municipalities need to submit project proposals through the provinces. Ontario has submitted a number of projects for the National Regional Project funding category. As of February 2016, \$2.4 billion of the original allocation remains.

To date, there has been no Ontario municipal intake or any announcement indicating there will be one. Ontario may want to use the funding to support provincial initiatives such as Regional Express Rail. Federal and provincial staff indicated that negotiations on the Provincial-Territorial Infrastructure Component projects are currently underway. It is likely that only a small portion of the Provincial-Territorial Infrastructure Component funds will remain after the negotiations. Any unallocated funds as of March 31, 2018 will be distributed to municipalities through the Federal Gas Tax Fund.

Regional staff have identified a list of projects for Council's consideration for funding under the Provincial Territorial Infrastructure Component of the New Building Canada Fund

In the event that the Province announces a municipal intake to the Provincial-Territorial Infrastructure Component of the New Building Canada Fund, York Region will be required to submit Council endorsed projects for consideration.

In anticipation of this possibility, staff developed and prioritized a short list of potential infrastructure projects proposals for Council consideration and endorsement (see Table 8 and Attachment 5).

Table 8
Projects for Application under the Provincial-Territorial Infrastructure
Component of the New Building Canada Fund

Project*	Project Cost
Road widening to optimize Regional Express Rail	\$260 million (scalable from \$8-\$260 million)
Humber Sewage Pump Station	\$42.7 million
16th Avenue Sewer Rehabilitation	\$65.0 million
Paramedic Response Stations	\$32.3 million
Go Station Egress/Access to optimize Regional Express Rail	\$25.0 million
Transit 'Bus Stop' Network to optimize Regional Express Rail	\$5.0 million
Broadband Infrastructure Project	\$25.2 million
Jane Street Transit Priority (Environmental Assessment)	\$1.9 million
Total	\$457.1 million

*Please see Attachment 5 for more complete project descriptions

Details on Phase II will likely be announced in the 2017 federal budget with funding to begin in 2018

Phase II of the federal government's infrastructure program will provide approximately \$48.1 billion over eight years beginning in 2018, at the earliest. Details for Phase II are in development, and are expected to be announced in the 2017 federal budget. The themes for Phase II are the same as Phase I: green infrastructure, public transit and affordable housing.

The federal government has indicated that Phase II funding would be for longer term, more ambitious and complex projects. Consequently, potential funding opportunities for major signature projects such as the Yonge North subway extension or the Upper York Sewage Servicing project would likely fall into Phase II rather than Phase I.

Staff have developed a short list of potential infrastructure projects for Council consideration and identification to their federal counterparts during the summer 2016 consultation process.

These projects were identified based on their importance to the Provincial growth plan, ability to benefit more than one municipality, complexity, contribution to economic growth, expected completion time horizon, project cost and their potential to maximize any potential federal grant. Table 9 identifies the projects and their approximate costs, with the highest priority projects shaded.

Table 9
Projects to consider during the consultation stage leading to Phase II

Project*	Project Cost
Yonge North Subway Extension (planning and construction)	\$4.1 billion
Upper York Sewage Solutions	\$591.0 million
Grade Separations to optimize Regional Express Rail	\$800.0 million (scalable from \$30-\$800 million)
Bus Rapid Transit Plan	\$1.8 billion
Northeast Vaughan Servicing	\$175.0 million
West Vaughan Sewage Servicing	\$309.0 million
Langstaff Road Extension (crossing the Macmillan CN rail yard)	\$620.0 million
Total	\$8.4 billion

* Please see Attachment 6 for more complete project descriptions

The \$500 million investment in 'rural and remote' broadband is meant for smaller communities

The federal government's \$500 million investment in rural and remote broadband is an initiative aimed at connecting smaller communities throughout Canada to the internet. The federal government is currently consulting with the provinces, internet service providers, aboriginal groups, and the Federation of Canadian Municipalities on details of the program. They have indicated a willingness to receive direct communication from municipalities wishing to provide input.

Currently, the federal government has defined 'rural' as any community consisting of less than 30,000 people. Based on the 2011 census, only East Gwillimbury and King Township have a population of fewer than 30,000 people. The federal government has also defined 'remote' in terms of the distance of the community from existing broadband fibre.

It is expected that this initiative will have a call for proposals in the fall of 2016, with decisions on where funds are to be spent beginning in May 2017.

Depending on the eventual program's criteria, some of the Region's more rural local municipalities may be eligible, rather than York Region as a whole.

The Region will continue to seek full funding from Metrolinx and the federal government for design, engineering and construction of the Yonge North Subway Extension

The Yonge North Subway Extension is expected to cost approximately \$4.1 billion (including design) and is not funded in York Region's Ten-Year Capital Plan. Other Big Move projects have been funded entirely by other levels of government.

The proposed Yonge North subway extension would extend the subway by 5 stations and 7.4 kilometers from Finch station to the Langstaff/Richmond Hill transit hub at Highway 7 and Yonge Street.

The Yonge North subway project would be second only to Union Station for intermodal connections to GTA transit networks, including connections to bus rapid transit, conventional transit, heavy commuter rail and 407 express rapid transit services.

With the environmental assessment approved, the conceptual design study completed in 2012, the Train Storage Addendum approved in 2014 and its identification by Metrolinx as a 'Top 15' priority project, the Yonge North subway extension is ready to proceed with design and engineering.

In its recent budget, the province said that "ongoing planning and design work will continue for projects in the Next Wave of the Big Move, including...the Yonge North subway extension." On June 2, 2016, the Province announced \$55 million to fund the detailed design of the Yonge North Subway Extension.

The Region will continue to seek full funding from Metrolinx and the federal government for design, engineering and construction of its Viva Bus Rapid Transit Plan

Rapidway Viva service operating on a frequent basis provides important benefits to the Region, including improving mobility, managing congestion and promoting mixed-use land development.

The Region is pursuing opportunities to advance the next phase of its Bus Rapid Transit (rapidway) network. The rapidways are expected to cost approximately \$1.8 billion and are not funded in the Ten-Year Capital Plan. The Region is seeking funding from both provincial and federal governments, as their investment is essential for this infrastructure project to move forward.

The remaining unfunded portions of the rapidway plan are:

- Yonge Street (19th Gamble to Savage Street North) – 14.5 km - 9 stations;
- Highway 7 East (Unionville GO Station to Cornell Bus Terminal) – 9.5 km - 8 stations;
- Highway 7 West (Highway 50 to Helen Street) – 5.8 km - 6 stations; and
- Green Lane (Yonge Street to East Gwillimbury GO Station) – 4.4 km - 3 stations.

Link to key Council-approved plans

Federal infrastructure funding programs support the “Liveable Cities and Complete Communities” theme areas in Vision 2051. They also support the objective to “Manage Environmentally Sustainable Growth” priority area in the 2015 to 2019 Strategic Plan.

5. Financial Implications

The financial implications of these subsidies will depend on their magnitude and timing, and especially on whether any Regional share can be accommodated in the Region’s capital plan without increasing debt. Additionally, the impact of these subsidies will depend on the federal share for each project, and whether the province participates.

Any federal funding received by the Region would relieve pressures on the funding sources for those projects, be they tax levy or debt.

6. Local Municipal Impact

Advancing capital projects through third party funding has a significant benefit to the local municipalities.

7. Conclusion

This report provides background on the federal government's infrastructure initiatives, as announced in their 2016 budget. It pays specific attention to those funding commitments that are most relevant to the Region and its local municipalities.

In addition, the report provides a list of projects for submission and/or application to the various funding commitments under Phase I of the federal government's infrastructure program. It also discusses projects for consideration during the consultation and engagement stage leading up to Phase II of the federal government's infrastructure initiatives.

Finally, this report identifies Regional transit projects, namely the Yonge-North Subway Extension and the Viva Bus Rapid Transit Plan, for which full funding from Metrolinx will be sought.

For more information on this report, please contact Edward Hankins, Director, Treasury Office, at ext. 71644.

The Senior Management Group has reviewed this report.

June 8, 2016

6790512

Attachments (6)

Accessible formats or communication supports are available upon request

Public Transit Infrastructure Fund - Project Descriptions

Potential Projects (In Priority)	Description	Approximate Project Cost	Potential Funding Pressures
Conventional bus replacements – 30 buses	Purchase of 40 foot conventional replacement buses	\$16.8 million	None
Viva bus replacements – 25 buses	Purchases of Viva replacement buses	\$31.9 million	None
Conventional bus expansions – 51 buses	Purchase of 40 foot conventional buses	\$28.6 million	None

Public Transit Infrastructure Fund - Project Prioritization



Projects	Regional Policy Priority				Fiscally Prudent			Grant Maximization		Meets Federal Criteria	
	Achieving policy priority (e.g. reducing congestion)	Critical for asset management	Large complex projects benefitting more than one municipality	Critical Infrastructure to support growth	Reduces Debt	Preferably in ten-year capital plan	Minimize tax levy pressure	Highest combined federal and provincial percentage grant	If no provincial funding, prioritize programs with highest federal percentage grant	Satisfies Funding Stipulations	Meets Program Requirements
Viva Bus Replacements - 25 buses	●	◐	◐	●	○	●	●	○	●	●	●
Conventional Bus Replacements - 25 buses	●	◐	◐	●	○	●	●	○	●	●	●
Conventional Bus Expansions- 65 buses	●	◐	◐	●	●	●	○	○	●	●	●

Clean Water and Wastewater Fund - Project Descriptions

Potential Projects (In Priority)	Description	Approximate Project Cost	Potential Funding Pressures
Upper York Sewage Solutions: Stormwater Management	Retrofit and monitor stormwater management pond to improve total phosphorus removal in support of a total phosphorus off-setting program.	\$2.0 million	None
Upper York Sewage Solutions: Microfiltration Pilot Study	Pilot study and design of microfiltration facility to provide tertiary treatment at the Upper York Water Reclamation Center	\$2.0 million	None
York-Durham Sewage System Rehabilitation	Repair of infiltration points in sanitary sewer, including structural rehabilitation in Markham and Vaughan and Richmond Hill	\$2.8 million	None
Islington Avenue Watermain Rehabilitation	Watermain rehabilitation by Cure-In-Place Pipe liner of approx. 2.9 km of 450mm & 600mm diameter Ductile Iron watermain from Steeles Avenue to Hwy. 27 then west to Kipling Avenue in the City of Vaughan	\$11.0 million	None
Groundwater Treatment Strategy Study and Initiatives	Develop an integrated Region-wide Groundwater Treatment Strategy for the aesthetic parameters of iron and manganese and associated effects to distribution water quality. The study will cover over 30 wells at 19 groundwater supply facilities.	\$5.5 million	None

Pilot Study -
Feasibility to
Reduce Infiltration
in Large Sewers

Pilot study to determine suitability of innovative geopolymeric grout in sewer rehabilitation. Results of study to be published and made available for consideration by other jurisdictions. This study will leverage a similar study completed by the EPA, whilst applying it to improving the local context and project specific challenges.

\$2.5 million

None

Lake Simcoe
Mussel Monitoring

Testing and monitoring to determine ideal treatment for quagga (“zebra”) mussel control and associated impacts. Also includes repair and replacement of intake lines.

\$2.0 million

None

Clean Water and Wastewater Fund - Project Prioritization



Projects	Regional Policy Priority				Fiscally Prudent			Grant Maximization		Meets Federal Criteria	
	Achieving policy priority (e.g. reducing congestion)	Critical for asset management	Large complex projects benefiting more than one municipality	Critical infrastructure to support growth	Reduces Debt	Preferably in ten-year capital plan	Minimize tax levy pressure	Highest combined federal and provincial percentage grant	If no provincial funding, prioritize programs with highest federal percentage grant	Satisfies Funding Stipulations	Meets Program Requirements
Upper York Sewage Solutions: Microfiltration Pilot Study	●	◐	◐	●	◐	●	○	○	●	●	●
Upper York Sewage Solutions: Stormwater Management	●	●	◐	●	◐	●	○	○	●	●	●
Islington Avenue Watermain Rehabilitation	●	●	○	◐	○	●	○	○	●	●	●
Lake Simcoe Mussel Monitoring	◐	●	○	○	○	●	○	○	●	●	●
Pilot Study - Feasibility to reduce infiltration in large sewers	●	●	○	○	○	●	○	○	●	●	●
Groundwater Treatment Strategy Study and Initiatives	●	◐	◐	◐	○	●	○	○	●	●	●
York-Durham Sewage System Rehabilitation	●	●	◐	○	○	●	○	○	●	●	●

Investment in Affordable Housing Initiative - Project Descriptions

Potential Projects (In Priority)	Description	Approximate Project Cost	Potential Funding Pressures
New Affordable Housing Development	Development of approximately 450 new units at new sites	\$140 million (scalable from \$1M-\$140M)	None
Affordable Housing Regeneration and Intensification	Regeneration/replacement of approximately 100 units & intensification of approximately 270 new units at various existing sites	\$112 million (scalable from \$9M-\$112M)	None
Affordable Housing Capital Repair	Capital repairs and retrofits of existing units	\$75 million (scalable from \$1M-\$75M)	None

Green Municipal Fund - Project Descriptions

Potential Projects (In priority)	Description	Approximate Project Cost	Potential Funding Pressures
Electric Vehicle Base Case – Feasibility Study	An evaluation of the infrastructure needed to transition to an electric vehicle fleet at York Region. It will include recommendations on vehicle charger locations, style, quantities and necessary policies to support electric vehicles	\$100,000	Yes
Non-Emergency Electric Vehicle Replacement – Feasibility Study	A feasibility study to help with the development of an Electric Vehicle/Plug-In Electric Vehicle based corporate motor pool to reduce overall fleet size, and personal vehicle use and promote car-pooling. Recommendations on number of assets, key locations and technology integration for program administration	\$100,000	Yes
Municipal Building Retrofits – Pilot Project	Municipal retrofit - 30% energy reduction at a Region owned facility, including up to 10% from a renewable source such as solar panel installation	\$50,000*	No

* Preliminary approximate project cost, subject to review

**Provincial-Territorial Infrastructure Component – National Regional Projects
Project Descriptions**

Potential Projects (In priority)	Description	Approximate Project Cost	Potential Funding Pressures
Road widening to optimize Regional Express Rail	Road widening to six lanes for 10 projects and road widening to four lanes for one project.	\$260 million (scalable from \$8 million - \$260 million)	Four out of the 11 road widening projects would have funding pressures if advanced
Humber Sewage Pump Station	Expansion of the Humber Sewage Pumping Station.	\$42.7 million	Yes, if project is advanced (need to issue debt)
16th Avenue Sewer Rehabilitation	Repair of infiltration points of 3 km of sanitary sewer, including a structural rehabilitation.	\$65.0 million	None
Paramedic Response Stations	To meet the growing needs of our communities in York Region due to increasing call volumes as well as the increase of demand for out of hospital services (Community Based Paramedicine), York Region Paramedic Services is currently in the process of constructing new Paramedic Response Stations. York Region Paramedic Services has a legislated requirement to meet specified response times and the	\$32.3 million	None, unless the project is advanced

	<p>Paramedic Response Stations are being built in strategic locations that have been identified to achieve and maintain these requirements.</p>		
Go Station Egress/Access to optimize Regional Express Rail	<p>To provide alternative and/or improved access into and out of GO stations for local transit and active transportations modes. The egress/access enhancements will accommodate increased train travelers and will improve “first mile/last mile” experience for transit customers.</p>	\$25.0 million	Yes
Transit ‘Bus Stop’ Network to optimize Regional Express Rail	<p>The enhanced ‘bus stop’ network will include bus stop facilities such as shelters, pads and related infrastructure to align with YRT/Viva route modifications to optimize the provincial investment in Regional Express Rail.</p>	\$5.0 million	Yes
Broadband Infrastructure Project	<p>Increased broadband connectivity for the community to support transit/bus rapid transit lines and to connect traffic control devices, water/wastewater monitoring devices.</p>	\$25.2 million	Yes

Jane Street Transit Priority (EA)	Environmental assessment and road widening from 4 to 6 lanes to increase road capacity to meet local growth, reduce traffic congestion, and improve operational efficiency and safety on transit priority corridor.	\$1.9 million	Yes
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Provincial-Territorial Infrastructure Component – National Regional Projects Project Prioritization



Projects	Regional Policy Priority				Fiscally Prudent			Grant Maximization		Meets Federal Criteria	
	Achieving policy priority (e.g. reducing congestion)	Critical for asset management	Large complex projects benefiting more than one municipality	Critical infrastructure to support growth	Reduces Debt	Preferably in ten-year capital plan	Minimize tax levy pressure	Highest combined federal and provincial percentage grant	If no provincial funding, prioritize programs with highest federal percentage grant	Satisfies Funding Stipulations	Meets Program Requirements
Road widening to optimize Provincial investments in Regional Express Rail as part of the Transit Optimization Program	●	◐	●	●	◐	●	◐	●	●	●	●
16th Ave. Sewer Rehabilitation	●	◐	●	○	●	●	○	◐	●	●	●
Humber Sewage Pump Station	●	●	◐	●	◐	●	○	◐	●	●	●
Broadband Infrastructure Project	●	○	◐	◐	○	●	○	○	○	●	●
Go Station Egress/Access to optimize Provincial investments in Regional Express Rail Transit Optimization Program	●	◐	◐	●	◐	●	◐	●	●	●	●
Transit 'Bus Stop' Network to optimize Provincial investments in Regional Express Rail Transit Optimization Program	●	◐	◐	●	◐	●	◐	●	●	●	●
Jane Street Transit Priority (EA) - Improvements to Jane Street in advance of the new hospital	◐	○	●	◐	○	●	○	○	○	●	○
Paramedic Response Stations	●	◐	◐	●	◐	●	◐	◐	◐	●	○

Phase II - Project Descriptions

Potential Projects (In Priority)	Description	Approximate Project Cost
Yonge North Subway Extension	The Yonge North Subway Extension is part of the "Next Wave" of projects in the province's Big Move transit plan. The extension will be 7.4 km long and will include 5 stations, 2 intermodal transit terminals and 2,000 parking spaces.	\$4.1 billion
Upper York Sewage Solutions	The Upper York Sewage Solutions project is a state-of-the-art wastewater treatment facility that is needed to accommodate growth in East Gwillimbury, Newmarket and Aurora.	\$591 million
Grade Separations to optimize Regional Express Rail	This program is scalable. Grade separations will support the recently announced Provincial Regional Express Rail investment by making necessary changes in York's road network to accommodate the change in traffic patterns expected as a result of the Regional Express Rail.	\$800 million (scalable from \$30 million - \$800 million)
Bus Rapid Transit Plan	The Viva Bus Rapid Transit Plan entails dedicated, centre-lane bus rapidways and stations along the major transportation corridors in the Region's growth centers.	\$1.8 billion
Northeast Vaughan Servicing	This project provides Regional infrastructure for servicing anticipated growth in northeast Vaughan until the year 2051.	\$175 million
West Vaughan Sewage Servicing	This project is to provide servicing for the communities in the West Vaughan area to accommodate the approved population growth within the servicing boundaries to the year 2031 and the projected population growth to the year 2051.	\$309 million
Langstaff Road Extension (crossing the Macmillan CN rail yard)	Will serve to increase east-west capacity on the Region's arterial road network, accommodate planned growth and help alleviate congestion on parallel corridors (Highway 7 and Rutherford).	\$620 million

Phase II - Project Prioritization



Projects	Regional Policy Priority				Project Specifics	Grant Maximization
	Importance to the Provincial Growth Plan	Ability to Benefit more than one municipality	Complexity of the project	Contribution to the economic growth of the Region	Expected completion time horizon	Highest Potential Federal Grant
Yonge North Subway Extension	●	●	●	●	◐	●
Upper York Sewage Solutions	◐	●	●	●	●	◐
Grade Separations to optimize Regional Express Rail	◐	●	●	●	●	◐
Northeast Vaughan Servicing	◐	◐	◐	◐	◐	○
West Vaughan Sewage Servicing	◐	◐	◐	◐	◐	○
Bus Rapid Transit Plan	◐	●	●	●	◐	●
Langstaff Road Extension (crossing the Macmillan CN rail yard)	◑	○	●	●	●	◐



Federal and Provincial Infrastructure Funding Opportunities

Presentation to
Committee of the Whole

Bill Hughes

June 16, 2016

Outline

- Overview of federal infrastructure funding
- Phase I – potential York Region projects
- New Building Canada Fund
- Looking ahead – Phase II
- Conclusion

Overview

Complex array of federal funding programs

EXISTING

New Building Canada Plan (Announced: \$53.5B)

New Building Canada Fund

- Provincial-Territorial Infrastructure Component
 - National and Regional Projects
 - Small Communities Fund
- National Infrastructure Component

Gas Tax Fund

Municipal GST Rebate

Public-Private-Partnerships

Legacy Programs

NEW

Phase I of the Federal Infrastructure Program (\$11.9B)

Public Transit Infrastructure Fund

Green Infrastructure

Social Infrastructure

Other Investments (\$6.1B)

Post-secondary Infrastructure

Federal Assets

Rural and Remote Broadband

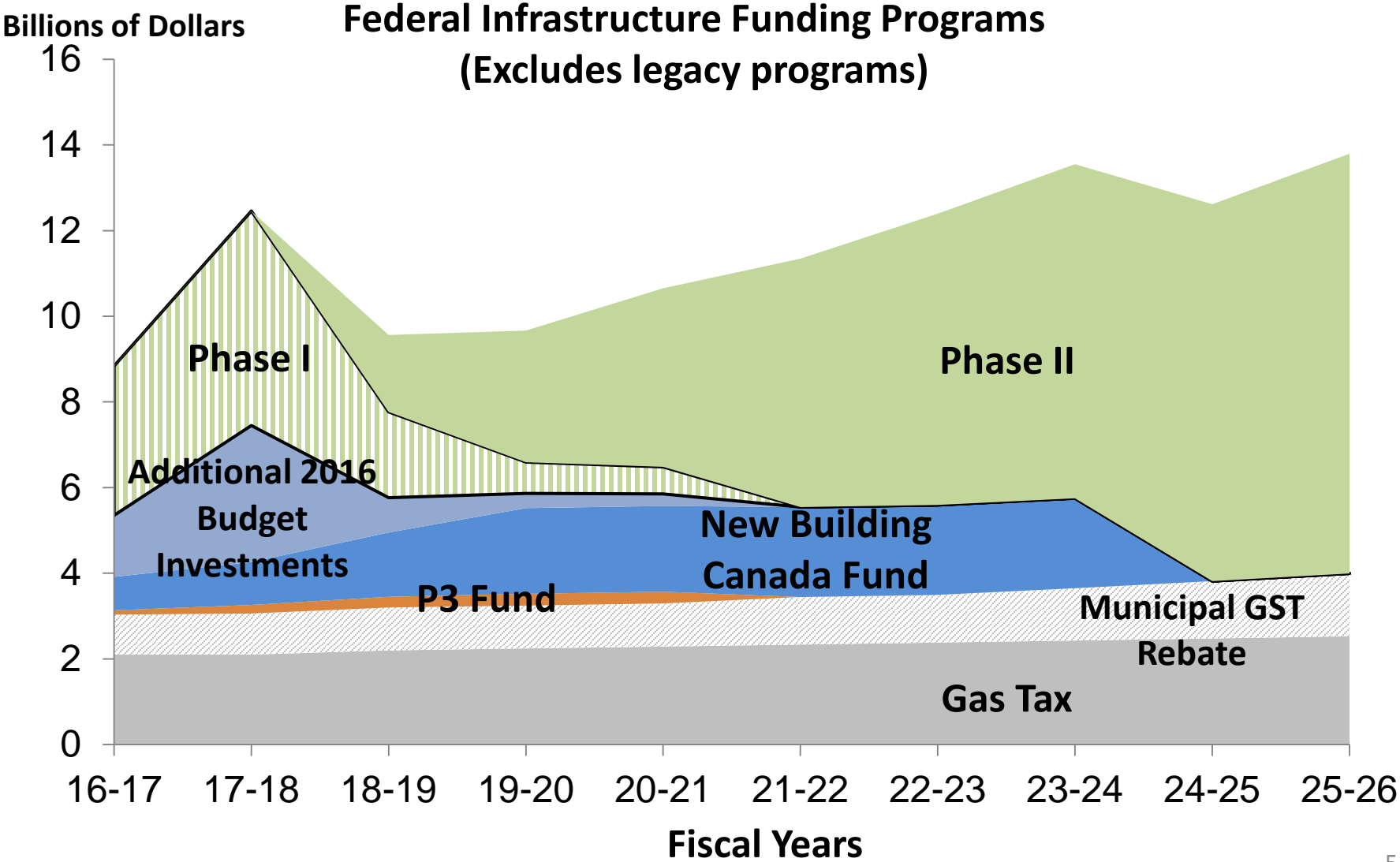
Additional investments for the construction of affordable rental housing

FUTURE

Phase II of the Federal Infrastructure Program (\$48.1B)

- Priorities under the fund are transit, green infrastructure, and social infrastructure
- For projects with a longer time horizon
- Details yet to come

The \$120 billion federal infrastructure funding commitment will flow over ten years



Common federal funding eligibility requirements

Eligible Expenses

- Capital cost of acquiring, constructing or renovating a tangible asset
- All planning and assessment costs
- Costs of engineering and environmental reviews

Ineligible Expenses

- Purchasing of land and associated real estate and other fees
- Financing charges and interest payments on loans
- Costs for leasing land, buildings, equipment and other facilities

Regional policy and financial criteria for evaluating potential projects for federal programs

Objective	Criteria
Regional policy priority	Achieving policy priorities (e.g., reducing congestion)
	Critical infrastructure to support growth
	Critical for asset management
	Projects benefitting more than one municipality
Fiscally prudent	Reduces debt
	Preferably in ten-year capital plan
	Reduces or minimizes tax levy pressure
Grant maximization	Highest combined federal and provincial percentage grant
	Highest combined value of federal and provincial funding
	If no provincial funding, prioritize programs with highest federal percentage grant
Meets federal criteria	Meets program eligibility requirements
	Satisfies federal funding requirements

Phase I Opportunities

EXISTING

New Building Canada Plan
(Announced: \$53.5B)

New Building Canada Fund

- Provincial-Territorial Infrastructure Component
 - National and Regional Projects
 - Small Communities Fund
- National Infrastructure Component

Gas Tax Fund

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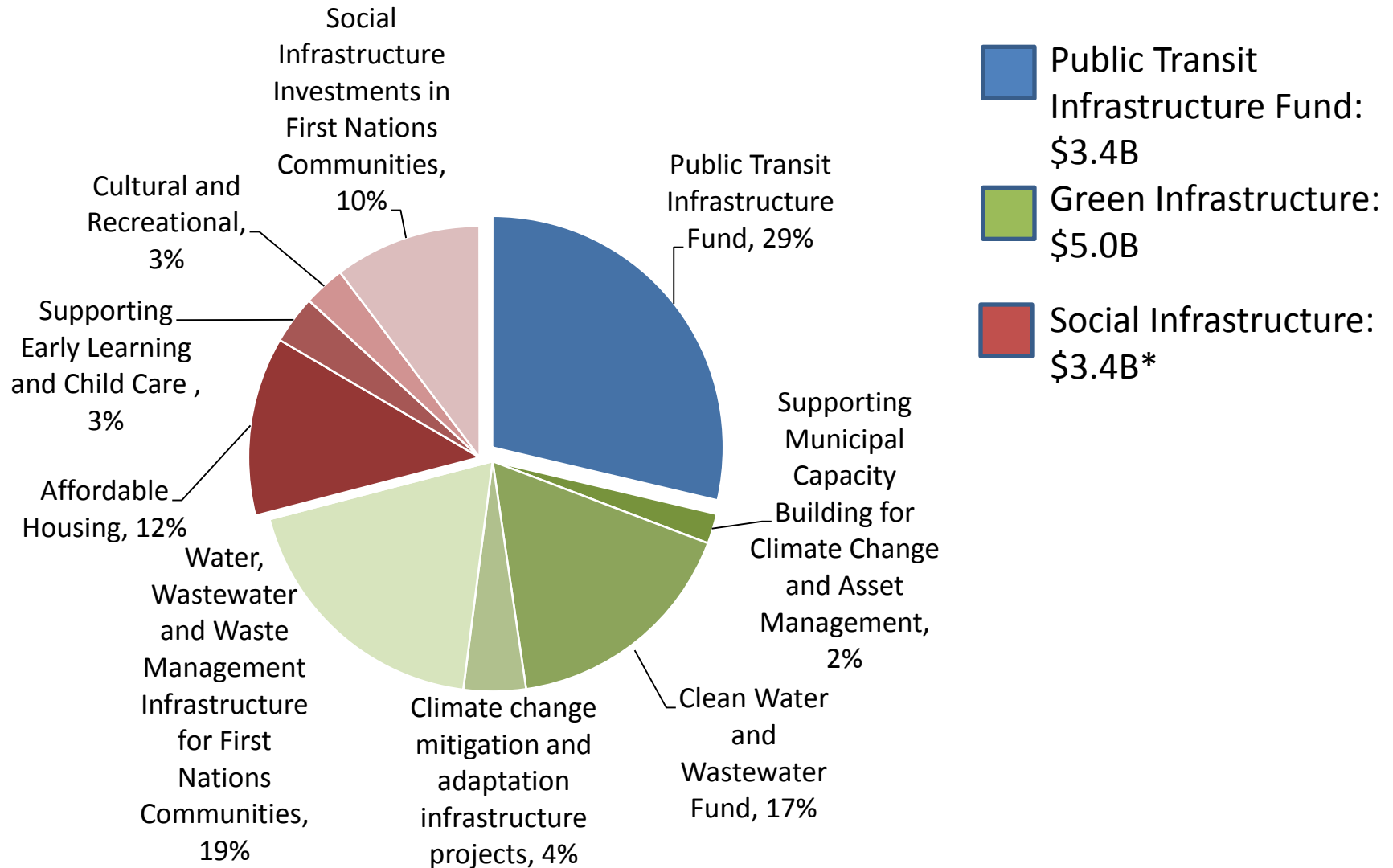
Additional investments for the construction of affordable rental housing

FUTURE

Phase II of the Federal Infrastructure Program (\$48.1B)

- Priorities under the fund are transit, green infrastructure, and social infrastructure
- For projects with a longer time horizon
- Details yet to come

Phase I policy priorities: green, transit and social infrastructure



Phase I funding relevant to the Region

Program	Funding Details
Clean Water and Wastewater Fund	\$2.0 billion nation-wide
Public Transit Infrastructure Fund	\$3.4 billion nation-wide
Various housing programs	\$1.7 billion nation-wide
Green Municipal Fund	\$5.0 million nation-wide for feasibility studies and pilot projects

The incrementality versus timing challenge

- According to Infrastructure Canada, “*Project **incrementality** means that federal funding for projects leads to new, additional infrastructure funding in the jurisdiction*”
- On the other hand, projects under the Public Transit Infrastructure Fund and the Clean Water and Wastewater Fund must be completed by **March 31, 2018**
- All of the Region’s recommended Phase I projects are expected to be completed by March 31, 2018
- In light of municipal concerns, the federal government recently announced that there could be flexibility with respect to project timelines, but the majority of projects will still need to be completed by March 2018

Public Transit Infrastructure Fund

- Projects that deliver increased capacity, enhanced service or improved environmental outcomes
- Must be started by the end of 2016 and completed by March 31, 2018
- York Region expects approximately \$35 million
- Federal government will fund up to 50 per cent of eligible project costs; no provincial matching is expected

Proposed projects under the Public Transit Infrastructure Fund

Proposed Projects	Approximate Project Cost (\$ Millions)
Conventional bus replacement – 30 buses	16.8
Viva bus replacement – 25 buses	31.9
Conventional bus expansion – 51 buses	28.6
Total	77.3

Clean Water and Wastewater Fund

- Projects for rehabilitation and optimization, planning for future upgrades, pilot projects and new construction
- Provincial allocation is \$570 million; no allocation to municipalities
- Must be started by the end of 2016 and completed by March 31, 2018
- Federal government will fund up to 50 per cent of eligible project costs; no provincial matching is expected

Proposed projects for the Clean Water and Wastewater Fund

Proposed Projects	Approximate Project Cost (\$ Millions)
Upper York Sewage Solutions: Stormwater Management	2.0
Microfiltration Pilot Study	2.0
York-Durham Sewage System Rehabilitation	2.8
Islington Avenue Watermain Rehabilitation	11.0
Groundwater Treatment Strategy Study and Initiatives	5.5
Pilot Study - Feasibility to Reduce Infiltration in Large Sewers	2.5
Lake Simcoe Mussel Monitoring	2.0
Total	27.8

Process for Public Transit Infrastructure Fund and Clean Water and Wastewater Fund

- Funding will flow through the province
- Federal and provincial governments are negotiating framework agreements, expected within the next few months
- Municipalities must submit project lists to the province
- Provincial role still needs to be clarified:
 - Province expected to set priorities for the Clean Water and Wastewater Fund based on “need”
 - The Public Transit Infrastructure Fund will be allocated to municipalities based on ridership, but provincial role in approving projects is unknown

Green Municipal Fund

- \$5 million in nation-wide grants for plans, feasibility studies and pilot projects that reduce greenhouse gas emissions and produce tangible benefits through improved environmental and social outcomes
- Administered by the Federation of Canadian Municipalities
- For the 2016 intake, applications are due by August 1, 2016
- The formal application, by invitation, is due by September 15, 2016

Proposed projects under the Green Municipal Fund

Proposed Projects	Approximate Project Cost (\$)
Electric Vehicle Base Case – Feasibility Study	100,000
Non-emergency Electric Vehicle Replacement – Pilot Project	100,000
Municipal Building Retrofits – Pilot Project	50,000
Total	250,000

Phase I includes significant funding for housing

	Federal Commitment (\$ Millions)	Description
Doubling the Investments in Affordable Housing initiative	504.4	Delivered through the Investment in Affordable Housing initiative Construction of new affordable housing units, renovation and repair of existing affordable housing, rent supplements
Increasing affordable housing for seniors	200.7	Delivered through the Investment in Affordable Housing initiative Supports construction, repair/adaption of affordable housing for seniors
Supporting shelters for victims of violence	89.9	Delivered through the Investment in Affordable Housing initiative Supports the construction and renovation of shelters and transition houses for victims of family violence
Supporting energy and water efficiency retrofits and renovations	573.9	To improve efficiency and reduce energy use
Tackling homelessness	111.8	For projects to prevent and reduce homelessness

- Green = top-ups of existing programs
- Blue = New programs where details are not yet available

Process for accessing federal housing programs

- We do not know if the province will extend the existing Investment in Affordable Housing initiative or create a new program

Step	Previous Process for Allocation of Funding
1	Receive funding allocation from province
2	Council approval of preliminary multi-year delivery plan
3	Submission of preliminary multi-year delivery plan to province
4	Acceptance of preliminary multi-year delivery plan from province
5	Program adjustments to plan by Commissioner to ensure funds are fully utilized

Potential projects under the Investment in Affordable Housing initiative

Projects	Total Project Cost (\$ Millions)
New affordable housing development	140 (scalable from 1-140)
Affordable housing regeneration and intensification	112 (scalable from 9-112)
Affordable housing capital repair	75 (scalable from 1-75)

New Building Canada Fund

EXISTING

New Building Canada Plan (Announced: \$53.5B)

New Building Canada Fund

- **Provincial-Territorial Infrastructure Component**
 - **National and Regional Projects**
 - **Small Communities Fund**
- **National Infrastructure Component**

Gas Tax Fund

Municipal GST Rebate

Public-Private-Partnerships

Legacy Programs

NEW

Phase I of the Federal Infrastructure Program (\$11.9B)

Public Transit Infrastructure Fund
Green Infrastructure
Social Infrastructure

Other Investments (\$6.1B)

Post-secondary Infrastructure

Federal Assets

Rural and Remote Broadband

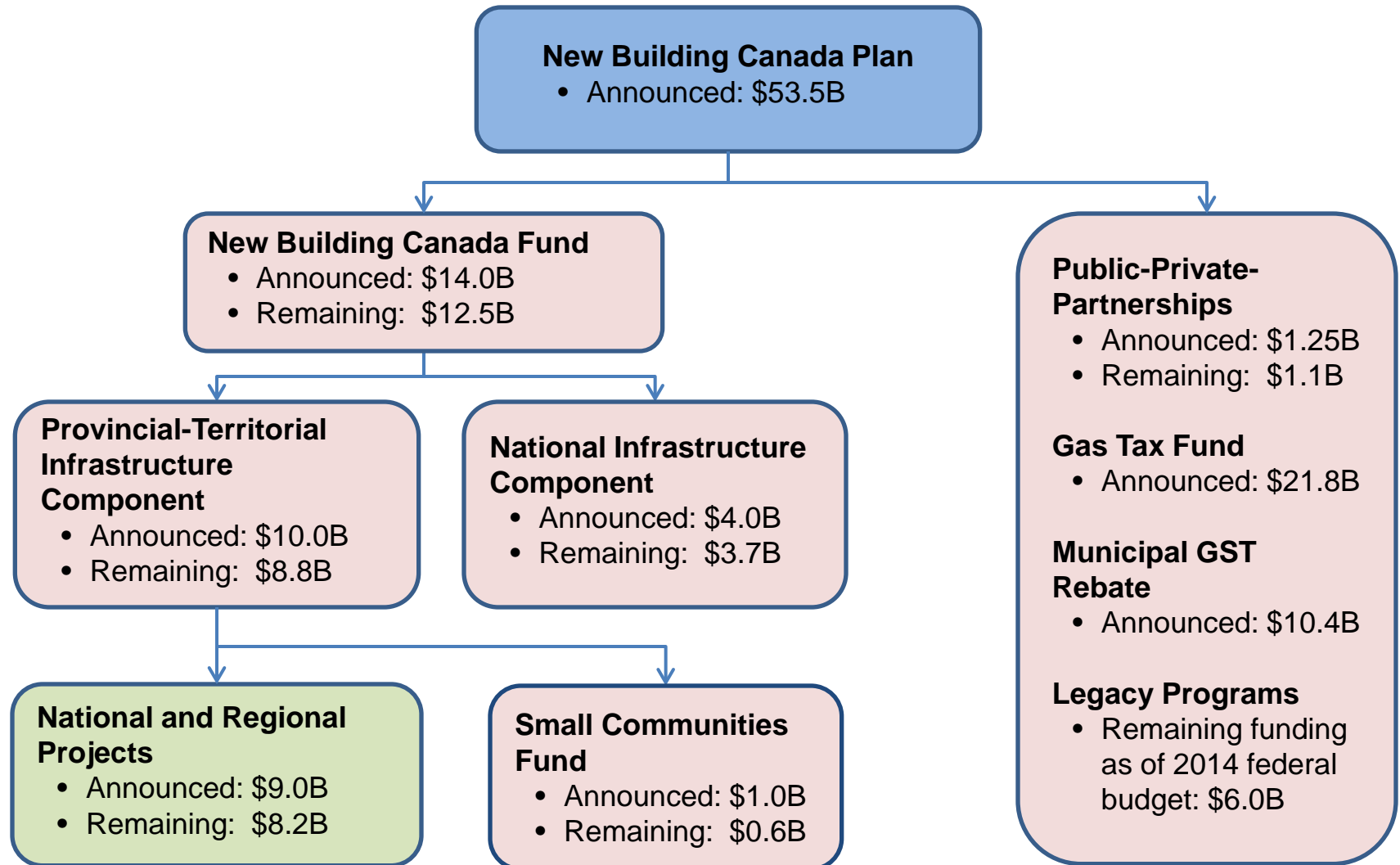
Additional investments for the construction of affordable rental housing

FUTURE

Phase II of the Federal Infrastructure Program (\$48.1B)

- Priorities under the fund are transit, green infrastructure, and social infrastructure
- For projects with a longer time horizon
- Details yet to come

New Building Canada Fund has unspent allocations



The federal government plans to accelerate the New Building Canada Fund

- All funding under the New Building Canada Fund to be allocated within **two years**, with remaining money to flow directly to municipalities through the Gas Tax Fund
- Added five **new categories**: Tourism, Culture, Recreation, Passenger Ferries Services Infrastructure, and **Civic Assets and Municipal Buildings**
- Reduced or removed minimum traffic volume thresholds for highways and roads project under Provincial-Territorial Infrastructure Component so more projects can qualify
- Removed the mandatory Public-Private-Partnership screen across all programs

Province may use Ontario's share of the New Building Canada Fund

- Province may want to use most of the Provincial-Territorial Infrastructure Component for Regional Express Rail and other projects
- Federal and provincial staff are informally signaling that a municipal intake is not expected
- Province has submitted a list of projects

Looking Ahead: Phase II

EXISTING

New Building Canada Plan
(Announced: \$53.5B)

New Building Canada Fund

- Provincial-Territorial Infrastructure Component
 - National and Regional Projects
 - Small Communities Fund
- National Infrastructure Component

Gas Tax Fund

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(\$11.9B)

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Additional investments for the construction of affordable rental housing

FUTURE

Phase II of the Federal Infrastructure Program (\$48.1B)

- **Priorities under the fund are transit, green infrastructure, and social infrastructure**
- **For projects with a longer time horizon**
- **Details yet to come**

Phase II details are under development

- Phase II will provide \$48.1 billion over eight years
- The priorities under Phase II will remain the same: green, transit and social infrastructure
- According to Infrastructure Canada, the federal government has initiated the engagement process to inform Phase II
- Federal staff expect funding details will be announced in Budget 2017

Projects for consideration in preparation for Phase II

Project	Approximate Project Cost (\$ Millions)
Yonge North Subway Extension	4,100
Upper York Sewage Solutions	591
Grade separations to optimize Regional Express Rail	800 (scalable from 30 - 800)
Bus Rapid Transit Plan	1,800
North East Vaughan Servicing	175
West Vaughan Sewage Servicing	309
Langstaff Road Extension	620
Total	8,400

Conclusion

Summary of Recommendations

- Recommendations seek Council authorization for submissions to:
 - The Public Transit Infrastructure Fund
 - The Clean Water and Wastewater Fund
 - The Green Municipal Fund
- Also seek Council authorization for a submission to the Provincial-Territorial Infrastructure Component of the New Building Canada Fund, if a municipal intake takes place
- Three recommendations related to housing:
 - High level identification of projects for consideration
 - Authorization for the Commissioner of Community and Health Services to execute agreements as needed
 - Report back in Fall 2016 with project details for submission to any housing programs available to the Region

Summary of Recommendations continued

- Continued advocacy for funding for the Yonge North Subway Extension and the Viva Bus Rapid Transit Plan
- Recommendation that the Region only enter into agreements if projects are in the ten-year capital plan or can be added without incurring additional debt
- Request that the Chair write to Minister Sohi with respect to the incrementality versus rapid project delivery challenge
- A request that the Federal Department of Innovation, Science and Economic Development increase the population threshold for the broadband infrastructure program
- Circulation of the report to Members of Parliament and Members of Provincial Parliament representing York Region and to the appropriate federal and provincial ministers