

METRO VANCOUVER REGIONAL FUND EXPENDITURES POLICY

Effective Date: July 26, 2024

Approved By: MVRD Board

Policy No. FN-035**PURPOSE**

The purpose of the *Metro Vancouver Regional Fund Expenditures Policy (MVRF Policy)* is to identify the process through which the Metro Vancouver Regional District (MVRD) Board considers and approves expenditures from the Canada Community-Building Fund for regional transportation projects proposed by the South Coast British Columbia Transportation Authority (TransLink).

DEFINITIONS

“Administrative Agreement on the Canada Community-Building Fund” (Administrative Agreement) means the ten-year funding agreement between Government of Canada, Government of British Columbia, and the Union of British Columbia Municipalities that came into effect on April 1, 2024;

“Eligible Regional Transportation Projects” means the following Eligible Project Categories described in Schedule B of the Administrative Agreement on the Canada Community-Building Fund:

- Public transit – infrastructure which supports a shared passenger transport system which is available for public use; and
- Local roads and bridges – roads, bridges and active transportation infrastructure;

“Evaluation Criteria” means the performance measures that the MVRD Board uses to assess the merit of each project submitted by TransLink for MVRF funding, as described in the Metro Vancouver Regional Fund Application Guide;

“Canada Community-Building Fund” (CCBF) means the permanent funding provided by the federal government to Canadian municipalities to support local infrastructure priorities;

“Metro Vancouver Regional Fund” (MVRF) means the 95 percent of the Metro Vancouver Regional District and its member municipalities’ per-capita aggregate allocation that is pooled for eligible expenditures in regional transportation projects under the Administrative Agreement;

“Metro Vancouver Regional Fund Application Guide” (Application Guide) means the companion document to this MVRF Policy which sets out the application and review processes for TransLink’s project proposals;

“Information Requirements” means the information that must be provided by TransLink to allow for efficient and effective review of proposals by the MVRD Board, as described in the Metro Vancouver Regional Fund Application Guide.

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Through the Canada Community-Building Fund, the Government of Canada transfers funds to municipalities as a source of predictable, permanent funding for building and revitalizing public infrastructure. A renewed ten-year funding agreement, the Administrative Agreement on the Canada Community-Building Fund, came into effect on April 1, 2024 and extends the Canada Community-Building Fund to March 31, 2034. The Administrative Agreement provides the framework for the delivery of federal funding to British Columbia municipalities to help build and revitalize public infrastructure. Its signatories include Government of Canada, Government of British Columbia, and the Union of British Columbia Municipalities (UBCM), the latter of which flows the funding to BC municipalities on a per-capita basis.

One of the three programs identified in the Administrative Agreement is the Metro Vancouver Regional Fund. The MVRF pools 95 percent of MVRD member jurisdictions' aggregate per-capita allocation of CCBF funds to support eligible regional transportation projects proposed and delivered by TransLink. The MVRF program supports the Metro Vancouver *Board Strategic Plan* by enabling the MVRD Board to play a key role in shaping regional transportation priorities towards emissions reductions, building complete communities, and improving livability. Within this MVRF Policy, the evaluation criteria for applications to the MVRF will allow the Board to consider applications for the use of CCBF funds within the context of *Metro 2050*, the Regional Growth Strategy, to ensure integration between transportation planning and regional land use planning. While not a requirement, zero-emission transportation projects are preferred to be funded through the MVRF.

The Administrative Agreement identifies how the funds are to be delivered and provides high-level criteria to identify eligible projects and expenditures. The MVRD Board must approve all applications for eligible projects proposed by TransLink for funding. UBCM may not transfer monies to TransLink for eligible projects until it has received an approved list from the MVRD Board.

To support MVRD Board decisions related to approving expenditures from the MVRF, a process has been defined to clarify the procedural steps through which TransLink is to propose regional transportation projects to the MVRD Board for funding from the MVRF. Information requirements, including evaluation criteria, have also been defined to support the evaluation of regional transportation projects. Applications from TransLink for funding from the MVRF must follow the format and procedures set out in the Metro Vancouver Regional Fund Application Guide.

Application Process

The MVRF application review process will commence upon receipt of an application from TransLink staff. TransLink staff will consider Metro Vancouver's committee reporting deadlines and ensure that applications are sent with sufficient lead time for Metro Vancouver staff to review and provide staff-to-staff questions and comments prior to finalizing the staff report to the Metro Vancouver Finance Committee and MVRD Board.

The Finance Committee, or other standing committee as may be designated by the MVRD Board with responsibility for reviewing expenditures from the MVRF, will review the submitted projects as

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described using the Application Guide and will make recommendations to the MVRD Board. TransLink staff are expected to attend all Finance Committee and MVRD Board meetings, for both Applications and Annual Reports, to present, respond to questions, or both. The need for TransLink presentations will be determined by Metro Vancouver on a case-by-case basis, with appropriate notice. The Committee may also request TransLink staff to make presentations on applications as appropriate.

The MVRD Board will strive to make determinations in a timely manner. The MVRD Board will notify the Union of British Columbia Municipalities and TransLink of the projects that it has approved for funding in a timely manner following its decision.

Information Requirements

For TransLink applications to be considered by the MVRD Board, they must include all of the required information and follow the format specified in the Application Guide.

Every application must be accompanied by an excerpt from TransLink's approved Investment Plan listing all projects anticipating funding from the MVRF. Proposals must demonstrate the consistency of projects with TransLink's current Investment Plan. Applications must also include a description of each project for which funding is requested as defined within the Project Description section, and must demonstrate compliance with evaluation criteria, both as defined within the Application Guide.

Evaluation Criteria

The Application Guide includes a set of evaluation criteria to allow for a detailed assessment of projects for which funding is requested. A description of how each proposed project achieves or works toward each criterion must also be provided.

Two types of evaluation criteria are identified: 1) Screening Criteria, which represent requirements that are mandatory for any project for which MVRF funding is being requested; and 2) Integrated Criteria, which allow for quantitative and qualitative assessments of proposed projects based on high-priority objectives that reflect the intent of the Canada Community-Building Fund, Metro Vancouver goals, and TransLink's current Investment Plan.

Review of Metro Vancouver Regional Fund Expenditures Policy and Application Guide

The MVRF Policy and Application Guide may be reviewed and revised as necessary at the discretion of the MVRD Board. A review of the MVRF Policy and Application Guide is planned for the five-year mark of the ten-year term in 2029.

From time to time, distributions from the CCBF may be increased. The allocation of any future one-time or permanent increases in CCBF distributions, beyond the indexed annual rate, will be considered on a case-by-case basis by the MVRD Board upon confirmation of the additional

funding. This could include allocating the additional funding to other Eligible Recipients for Eligible Projects, as these terms are defined in the Administrative Agreement.

Annual Reports

TransLink will provide to the MVRD Board annual reports on projects that have received funding through the MVRF as at December 31. Annual reports should be submitted no later than Q2 of the following year. At a minimum, the reports must include:

- updates about variances in budgeted and actual costs;
- expenditures to date;
- distributions from the CCBF;
- project progress;
- project schedules;
- risk assessment; and
- state of purchased assets.

TransLink need not:

- request expenditure of all MVRF monies in any given year; or
- expend funding in the year in which it is awarded.

TransLink may choose to apply the approved funding to a project over multiple years. However, the MVRD Board is unable to approve funding that is not yet available in the MVRF. If TransLink wishes to deliver a project that exceeds the value of the MVRF balance, it must bank the necessary funds or deliver the project in phases that can be discretely approved.

Following notification by the MVRD Board of projects approved for funding from the MVRF, UBCM will release funding to TransLink for the approved projects in the amount approved by the MVRD Board.

Ownership of Assets

The Administrative Agreement does not address the question of ownership of regional transportation assets purchased using MVRF funds. Typically, MVRF funds are combined with other sources of funding to offset the cost of a package of improvements. When determining whether asset ownership is advisable, the following factors should be considered:

- Public Sector Accounting Principles do not allow ownership of a tangible capital asset to be divided among different parties. Ownership of the asset must rest with one body.
- Should the MVRD decide to become the owner of an asset purchased through MVRF funding, the MVRD will also have responsibility for the maintenance, replacement and disposal of those assets.

- Ownership of assets, including those acquired using MVRF funding, enable TransLink to borrow for its infrastructure needs in the open market. TransLink currently uses this borrowing power to access funds to operate and maintain the regional transportation system.

At its discretion, the MVRD Board may consider the ownership of a regional transportation asset on a case-by-case basis with consideration given to the above factors.

Disposition of Assets

The Administrative Agreement includes a provision that attaches conditions to the use of revenues generated from the sale, lease, encumbrance, or other form of disposal of gas tax-funded projects that are disposed of within five years of their completion. All such revenues must be invested by TransLink into eligible projects that have been approved by the MVRD Board.

For any assets purchased by TransLink using funds from the MVRF, TransLink will be required to report back annually on the state of the purchased asset(s) in the annual report, including the disposition of any asset(s) and the value of the funds returned to the MVRF based on the residual value of the disposed asset.

If and when revenues become available from assets that are disposed of by TransLink within five years of a project's completion, the use of such revenues must be approved by the MVRD Board using the same process and Application Guide as for new MVRF funds.

Scope Changes and Unspent Funds

Should a project require greater funding from the MVRF than anticipated due to a change in scope or other financial reason, TransLink may either submit a new application or outline their request in a letter that provides a rationale for the funding increase and all relevant project details. The request will be provided to the Metro Vancouver Finance Committee and MVRD Board, along with a report confirming that the project evaluation, as outlined in the Application Guide, is substantially unchanged (or improved). A full project application may be requested at Metro Vancouver's discretion for any project requiring greater funding from the MVRF than originally approved. The project need not be evaluated using the criteria set out in the Application Guide.

Should any project approved by MVRD for expenditure from the MVRF result in unspent funds, these funds must be returned to the MVRF.

RELATED DOCUMENT (does not make up part of policy and is for reference only)

- Metro Vancouver Regional Fund Application Guide

Metro Vancouver Regional Fund

APPLICATION GUIDE

Context

The MVRD Board is authorized under the *Administrative Agreement on the Canada Community-Building Fund (Administrative Agreement)* to approve or reject applications from TransLink for funding from the Metro Vancouver Regional Fund (MVRF).

The terms of MVRF are detailed in the *Administrative Agreement* and in the *MVRF Policy*, available on the Metro Vancouver website.

This Application Guide:

- summarizes the application and review process;
- provides an application template and a checklist of information required for each project;
- details the evaluation criteria that Metro Vancouver staff will use to assess each project; and
- includes a blank scorecard (Table 1) that Metro Vancouver staff will use to assess each project.

Application Process

1. The MVRF application review process will commence upon receipt of an application from TransLink. TransLink staff will consider Metro Vancouver's committee report deadlines and ensure applications are sent with sufficient lead time for Metro Vancouver staff to review and provide staff-to-staff questions and comments prior to finalizing the staff report to the Finance Committee and MVRD Board.
2. Project applications must follow the format set out in this Application Guide. A separate application is required for each project.
3. Project applications are to be attached to a memorandum, addressed to the Metro Vancouver Chief Administrative Officer, which summarizes the entire project package, including the total amount of MVRF funding being requested. The cover memorandum is an opportunity for TransLink to outline any other information or overarching considerations that may help the MVRD Board assess the project application(s).
4. Metro Vancouver staff will review the application(s) for completeness and notify TransLink of any omissions in information requirements within 10 business days of receipt. It is recommended that TransLink submits all proposals for the current year in a single application for ease of administration.
5. Metro Vancouver staff will complete the Assessment column in Table 1: Evaluation Criteria and will include the completed evaluation with Finance Committee and MVRD Board reporting. TransLink is not expected to complete a self-assessment using Table 1.
6. The Metro Vancouver Finance Committee, or other standing committee as designated by the MVRD Board with responsibility for reviewing expenditures from the MVRF, will review the proposals and will make recommendations to the MVRD Board. The Finance Committee may request TransLink staff to make presentations on the application(s), as appropriate.
7. The MVRD Board will notify the Union of British Columbia Municipalities (UBCM) and TransLink of the projects that it has approved for funding in a timely manner following the decision.

A. PROJECT DESCRIPTION

Please complete the following for each project proposed for expenditure from the MVRF.

1. Project Name

2. Project Overview

3. Project Need

4. Project Location

As appropriate, provide a map depicting the intended in-service location of the proposed project.

5. Project Eligibility

- a) **Public transit** – infrastructure which supports a shared passenger transport system which is available for public use; or
- b) **Local roads and bridges** – roads, bridges and active transportation infrastructure.

6. Project Purpose

- a) **Expansion:** Expands the carrying capacity of people and/or goods movement.
- b) **State of Good Repair:** Replaces or modernizes assets to keep the regional transportation system in a state of good repair.
- c) **Operational Efficiency/Effectiveness:** Improves the efficiency or effectiveness of the regional transportation system.
- d) **Refurbishment:** Extend the useful life of assets to maximize the utility of the regional investment in the transportation system.
- e) **Other (please specify):** _____

7. Project Type

- a) **Growth**
- b) **Upgrade**
- c) **Risk (Resilience)**
- d) **Maintenance**
- e) **Opportunity**

8. Project Staging

Year(s) of Acquisition or Start of Construction	Year of Completion of Construction	Year of Service Initialization	Year(s) of Renewal	Year(s) of End of Service

17. What other corporate or external factors could alter the project need, scope, budget, or timeline for project delivery (e.g., changes in technology, investment, regulation, policies, interest rates, currency exchange rates)? Describe possible mitigation strategies to address these risks, if any.

18. Describe how the project lowers the emissions profile of the transit fleet, for both greenhouse gas and common air contaminant emissions and advances the fleet towards the region's greenhouse gas emissions reduction targets.

19. Integrated Criteria

Explain how the project addresses each of the Integrated Criteria detailed in Table 1. The Integrated Criteria will be evaluated on a 1 (Poor) / 2 (Acceptable) / 3 (Excellent) scale for a maximum of 12 points.

Reference Table 1 for additional information about each criterion.

Attach additional references and analyses as needed.

A. TransLink Investment Plan Consistency

B. Centres and Corridors

C. Transportation Benefits

D. Quantifiable Emissions Impacts

B. EVALUATION CRITERIA

Two types of evaluation criteria are identified:

- Screening Criteria, which represent requirements that are mandatory for any project for which MVRF funding is requested (evaluated on a Pass / Fail scale); and
- Integrated Criteria, which allow for a qualitative assessment of proposed projects based on regional growth, transportation and climate objectives (evaluated on a 1 (Poor) / 2 (Acceptable) / 3 (Excellent) scale).

Table 1. Evaluation Criteria

Criterion	Description	Assessment
SCREENING CRITERIA		
Eligible Project Category	Project qualifies as one of the following categories, as set out in the Administrative Agreement (Schedule B): <ul style="list-style-type: none"> • Public transit – infrastructure which supports a shared passenger transport system which is available for public use; and • Local roads and bridges – roads, bridges and active transportation infrastructure 	Pass / Fail
Eligible Expenditures	Project is an Eligible Expenditure, as set out in the Administrative Agreement (Schedule C).	Pass / Fail
Metro Vancouver Policy Consistency	Project must be consistent with Metro Vancouver’s current: <ul style="list-style-type: none"> • Regional Growth Strategy • Regional Climate Strategy 	Pass / Fail
TransLink Policy Consistency	Project must be consistent with TransLink’s current: <ul style="list-style-type: none"> • Regional Transportation Strategy • 10-Year Priorities / Vision 	Pass / Fail
SCREENING CRITERIA SCORE	Project must pass all four Screening Criteria.	Pass / Fail
INTEGRATED CRITERIA		
TransLink Investment Plan Consistency	Project is included in TransLink’s current 10-Year Investment Plan.	1 / 2 / 3
Centres and Corridors	Where applicable, the project is located in, or demonstrates tangible benefits to, the overall performance of Urban Centres, Frequent Transit Development Areas and Major Transit Growth Corridors.	1 / 2 / 3

Transportation Benefits	Demonstrates tangible benefits to: <ul style="list-style-type: none"> • Transit level of service; • Transit passenger experience; • Accessibility; • Active transportation; • Transportation safety; • State of good repair; • Vehicle congestion; or • Goods movement. 	1 / 2 / 3
Quantifiable Emissions Impacts	Achieves quantifiable beneficial impacts on greenhouse gas and common air contaminant emissions relative to baseline transit vehicles, and lowers the emissions profile of the transit fleet. <u>Zero-emission transportation projects are preferred for funding.</u> The information requirement for this criterion is fulfilled as follows: 1. For each transit vehicle project, provide a comparison of the emissions of the project versus the baseline vehicle ¹ 2. For the application in aggregate, provide the: <ul style="list-style-type: none"> ○ Annualized transit fleet emissions in the current year; ○ Plus, incremental changes in transit fleet emissions with full deployment of any proposed expansion, modernized, or refurbished vehicles. 	1 / 2 / 3
INTEGRATED CRITERIA SCORE	Total score based on the four Integrated Criteria.	/ 12

¹ **REQUIREMENTS FOR EMISSIONS ANALYSIS**

Baseline Transit Vehicle Fuel Type

For the purpose of evaluating the comparative emissions performance of the proposed project relative to the baseline in a consistent manner, the following requirements should be followed, unless otherwise stated by TransLink and including the rationale for any variations.

Vehicle Type	Baseline New Vehicle
40-foot bus	Diesel
60-foot bus	Diesel
Shuttle/Van	Gasoline
Other (specify)	Specified by TransLink

Emissions Type and Metric

The emissions of interest are CO₂e, NO_x, and particulate matter. Please denote the carbon content assumptions for each fuel type. For each emissions type, grams per fully loaded passenger kilometre (seated and standing passengers).