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April 2020



OHBA ACTIVITY Summary

Keeping Members Informed

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Essential Workplaces

This past month has been a challenging one for our industry. Given the public health consequences of the COVID-19 virus, on March 17th, the government of Ontario declared a “State of Emergency” and has been releasing a steady stream of emergency orders under that declaration to restrict or close most non-essential facilities, businesses and economic

activities. It is vital to note that this is not business as usual situation. The health and safety of our members and their employees is our number one priority. During Ontario's State of Emergency, we also have thousands of homes and renovations to deliver to waiting families, whose future well-being is tied to the homes we are building. We need to continue to serve them in a safe and orderly way.

Under the State of Emergency on March 23rd, the provincial government released a list of essential workplaces in response to COVID-19 in which residential construction was listed as an essential service. On April 3rd, the provincial government placed limitations on the residential construction sector. Residential construction projects can remain open where:

- A footing permit has been granted for single-family, semi-detached and townhomes
- An above-grade structural permit has been granted for condominiums, mixed-use and other buildings, or
- The project involves renovations to residential properties and construction work was started before April 4th, 2020
- Construction and maintenance activities are necessary to temporarily close construction sites that have paused or are not active and to ensure ongoing public safety

As part of the April 3rd limitations, all business operations not listed above must be closed and sites shut down. If members have questions about what will be open or the impacts to your business or employment, please call the Stop the Spread Business Information Line at 1-888-444-3659.

OHBA has updated members and local HBAs daily as the COVID-19 State of Emergency is a dynamic and changing situation. To catch the latest updates, please follow OHBA on Twitter @OntarioHBA.

OHBA Members Update on COVID-19

On March 11, 2020, the World Health Organization declared the COVID-19 virus a worldwide pandemic. Governments in Canada and its provinces, and across the world are declaring States of Emergency and implementing dramatic health and safety measures and

The Ontario Home Builders' Association has prepared a "[Members Update on COVID19 Document](#)" designed to cover a broad range of issues that OHBA members may have questions about as they and their businesses navigate a rapidly changing public policy environment through this health crisis. Ontario was the second province to declare "a State of Emergency" and has been releasing a steady stream of emergency orders under that declaration to restrict or close most non-essential facilities, businesses and economic activities. **This is NOT a business as usual situation – the health and safety of our members and their employees is our number one priority.**

Please note this document was prepared for April 3rd, 2020, and this "State of Emergency" is rapidly evolving, thus the information in this document is accurate as of the date of publication but may change on a daily basis going forward. OHBA encourages members to carefully review this document and the links in the document to government resources.

Ministry of Labour - COVID-19 Enhanced Precautions

Since the start of COVID-19 in Ontario, OHBA has been working with the Ministry of Labour and our partner associations to deliver transparent, clear and predictable criteria for our members, so that they can keep job sites safe. In his various press conferences since mid-March, Premier Doug Ford has been clear, the construction industry must step up, improve health and safety conditions on sites, or be shut down. Our association has heeded the Premier's call and that is why on March 20th, OHBA, in partnership with the Greater Ottawa HBA announced a workplace information guide to help members implement best practises on sites as we awaited Ministerial direction to this.

On March 23rd, the Provincial cabinet classified residential construction as an essential workplace, meaning sites could remain open. Premier Ford was clear however that the list of essential workplaces was fluid and dynamic and that changes could be made in the future as we navigate the COVID-19 State of Emergency. The following day, HBAs across Ontario recognized that we have an important role in curbing the spread of COVID-19. During Ontario's State of Emergency it is important that we do our part to protect workers, contractors, suppliers, customers and their families from the spread of COVID-19 by

adhering to Ontario Public Health and enhancing the health and safety conditions on our active job sites. We also raised the commitment our members have made to waiting families, whose future well-being is tied to the homes we are building. We need to continue to serve them in a safe and orderly way.

On March 29th, the Ministry of Labour released a guide for [enhanced Health and Safety on construction sites during COVID-19](#). We thank the Minister of Labour, Training & Skills Development, Monte McNaughton, for his leadership on this file. OHBA has been actively communicating with members on MOL activity during COVID-19. The Ministry is actively inspecting sites, issuing orders and shutting sites down for not meeting the enhanced health and safety standards. OHBA has also developed template [signage for members to use on sites as well as employer & employee information sheets](#) to help with tracking individuals coming onto site, as per MOL guidelines.

OHBA members are committed to health and safety on job sites. While this is not a “business as usual” environment, our members want safe job sites for employees, employers and everyone in between.

On March 20th, OHBA along with industry partners, developed and distributed a “best practices” guidance document to help members make immediate improvements to health, safety and sanitation on job sites. OHBA followed up with a [health and safety information package](#) to give more guidance and resources to employers to help them meet MOL guidelines such as tracking personnel coming onsite. OHBA wishes to thank former Simcoe County HBA President, Bruce Bolduc and the Greater Ottawa HBA in helping prepare these documents. We will keep working to keep each other safe and remember that we are all in this together.

Tarion - Response to COVID-19

Tarion is taking various precautionary measures and adjusting their operations to support builders, homeowners, and the greater community.

As of March 26th, builder repair periods have been suspended. This does not apply to emergencies or health and safety issues. When it comes to after-sales service in a home,

Tarion does not expect any homeowner to open their homes to trades or suppliers if they do not wish to do so. Similarly, builders and their trades and suppliers who do not wish to enter a home are not expected to do so. This does not qualify as denied access during the State of Emergency.

Tarion has done a good job at providing information on how the unavoidable delay provision works for individual homes. OHBA recommends that members continue to provide the first notice and continue to be in contact with the client, but not provide the second notice until the State of Emergency is over.

Tarion has also provided various builder resources on [their website](#).

Suspension of Limitation Periods Including Planning Act Times

In light of the COVID-19 pandemic, the Ontario government has activated its powers under the *Emergency Management and Civil Protection Act, 2020* and this has had a significant impact on limitation periods in Ontario. In accordance with the Act, on Friday, March 20, 2020, the [Ontario government made an Order](#) suspending *any limitation period* for the duration of the emergency. This suspends any time-limiting provision in any statute, regulation, rule, bylaw or Order of the Ontario government for all proceedings in Ontario. The Order is retroactive to Monday, March 16, 2020.

Through Ontario Regulation 73/20 that was part of the *Emergency Management & Civil Protection Act, 2020*, all *Planning Act* timelines for various planning applications have been suspended retroactive to March 16th. The provincial government is aware of the concerns from the industry with respect to suspending timelines and OHBA is actively engaged with the government in an effort to keep municipal planning processes open for (remote) business.

COVID-19 and the Local Planning Appeals Tribunal (LPAT)

The [Emergency Order](#) made under the *Emergency Management and Civil Protection Act* retroactive to March 16, 2020, will [affect proceedings before the Local Planning Appeal](#)

All timelines within which any step must be taken in a proceeding before the Tribunal, including timelines established in the Tribunal's procedural orders (for example, timelines for the exchange of witness statements, meeting of the experts, or similar directions) are suspended for the duration of the emergency. The Tribunal will not schedule any hearing events, including in-person, written, or teleconference hearings, while the Emergency Order is in effect. All hearing events scheduled in the Tribunal's hearing calendar between the effective date of the Emergency Order and June 30, 2020, will be adjourned to a future date.

OHBA and BILD are engaged with the LPAT as well as with the Ministry of Municipal Affairs and Housing as well as the Attorney General with respect to potential opportunities for limited LPAT services to proceed in a remote fashion, respecting that it would not be business as usual.

On April 2nd the LPAT issued a **Notice to Stakeholders and Settlement Hearings Request Form** announcing LPAT's resumption of certain processes and procedures starting April 6th. Associate Chair Marie Hubbard will exercise her discretion and consider, on a case by case basis, lifting the suspension to schedule settlement hearings via teleconference or written submission. Parties are asked to submit request forms which request the filing of various materials. LPAT will continue to assess lifting the suspension of the provincial Order so that they are in a position to conduct other hearing events via teleconference or in writing, and any updates of that nature will be posted on their website <https://elto.gov.on.ca>

Bill 108 – Community Benefits Charges

As part of the *More Homes, More Choice: Ontario's Housing Supply Action Plan*, Minister of Municipal Affairs and Housing, Steve Clark released the [proposed regulatory matters pertaining to Community Benefits Authority under the *Planning Act*, the *Development Charges Act* and the *Building Code Act*](#) on February 27th with a commenting period until April 20th.

Key highlights of the proposed model in the regulatory posting:

- Municipalities will be required to develop a CBC Strategy with prescribed elements to be included in the strategy;

Some “soft” services initially proposed to be under the CBC will be moved back to Development Charges and will be 100% cost recoverable:

- Public Libraries
- Park development (e.g. playground equipment)
- Long-term care
- Public health
- Recreation
- Note: Under Bill 108 waste diversion & ambulance services were previously moved to DCs at 100% cost recovery
- The CBC would have prescribed percentages of land value that would determine the maximum CBC that could be charged:
 - Single Tier Municipality – 15%
 - Lower Tier Municipality – 10%
 - Upper Tier Municipality – 5%
- Transition timelines (was previously January 1, 2021) will be for a one year period after the new CBC Regulation comes into effect;
- CBC by-law notice provisions will be similar to those set out under the Development Charges Act;
- Interest rate for CBC refunds (Bill 138 allows for an appeal to the LPAT as OHBA recommended in our August and October submissions for CBC By-laws) will be prescribed as the minimum rate a municipality must pay for refunds when a by-law has been successfully appealed as the Bank of Canada rate;
- Building Code Applicable Law – similar to the Development Charges Act the CBC is payable prior to the issuance of a Building Permit.

OHBA worked with the Ministry in March to arrange a couple of technical consultations attended by a broad range of members and OHBA has arranged a number of internal regional conference calls examining the potentially significant financial impacts to the proposed regulatory package. OHBA believes the Minister and this government has and will continue to be supportive of delivering new housing supply in communities across Ontario. But with the currently proposed CBC regulations, they have taken an approach that will increase the cost of housing. The CBC framework needs to be changed to eliminate the potentially devastating impact on housing affordability.

OHBA is issuing a challenge to local HBAs and members to provide the government with information from across the province as a call to action. While OHBA will be making recommendations for significant amendments to the regulatory framework, it is important

for the government to hear from members and local HBAs from across Ontario to ensure they understand the significant potentially negative financial implications for housing affordability. Please share any comments, questions or concerns with OHBA Director of Policy, Mike-Collins Williams (mikecw@ohba.ca) - OHBA would be pleased to assist local HBAs and members with their responses to the provincial government. Submissions to the Ministry should be directed to John Ballantine at the Ministry of Municipal Affairs and Housing (john.ballantine@ontario.ca) prior to April 20th and include the potential impacts in your community that you build in, or as a local HBA, the community you represent.

Ontario Fiscal Update



On March 25th, the Minister of Finance, Rod Phillips delivered a 1-year fiscal update entitled "[Ontario's Action Plan 2020: Responding to COVID-19](#)". The government will provide \$7 billion in additional resources for the health care system and provide direct support for people and jobs. It will also make available \$10 billion in support for people and businesses through tax credits and deferrals to improve their cash flow, protection of jobs and household budgets while providing resources to protect their health.

Key Business Sector Details

Employer Health Tax

- The government is cutting taxes by \$355 million for about 57,000 employers by proposing a temporary increase to the Employer Health Tax (EHT) exemption from \$490,000 to \$1 million for 2020. With this plan, more than 90 per cent of private-sector employers would not pay EHT in 2020.
- Eligible private-sector employers with annual payrolls up to \$5 million would be exempt from EHT on the first \$1 million of total Ontario remuneration in 2020.
- The maximum EHT relief from the exemption would increase by \$9,945 to \$19,500 for 2020 for eligible employers.
- The exemption would return to its current level of \$490,000 on January 1, 2021.

Regional Opportunities Investment Tax Credit

- To support business investment in regions on the province where employment growth has been significantly below the provincial average, Ontario is proposing a new 10 per cent refundable Corporate Income Tax credit.
- The Regional Opportunities Investment Tax Credit would be available to eligible businesses that construct, renovate or acquire qualifying commercial and industrial buildings in designated regions of the province, saving them up to \$45,000 in the year.

Support for People and Businesses to Improve Cash Flow

- Ontario is making \$10 billion available to improve cash flows for people and businesses through tax and other deferrals over the coming months to provide relief during this challenging economic time, in coordination with the federal government.

\$6 Billion in Tax Deferrals

- To help support Ontario businesses, the government is providing a five-month interest and penalty-free period for businesses to make payments for the majority of provincially administered taxes.
- Beginning April 1, 2020, the Province is providing flexibility to about 100,000 businesses in Ontario to help manage their cash flows.
- This will continue for a period of five months, up until August 31, 2020, and is expected to make available \$6 billion to improve the cash flows of Ontario businesses.
- For this period, the Province will not apply any penalty or interest on any late-filed returns or incomplete or late tax payments under select provincially administered taxes, such as the Employer Health Tax, Tobacco Tax and Gas Tax.

- The initiative and relief period complement the relief from interest and penalties from not remitting Corporate Income Tax owing that was announced by the federal government on March 18, 2020.

\$1.8 Billion in Education Property Tax Deferrals

- Many residents and businesses are facing challenges in making property tax payments.
- The government is working with municipalities as they introduce measures to provide property tax relief, by allowing taxpayers to defer property tax payments.
- To encourage these actions, the government is deferring the property tax payments municipalities make to school boards by 90 days.
- In addition to collecting municipal property taxes, municipalities collect and remit education property taxes to school boards on a quarterly basis.
- Deferring the June 30th quarterly remittance to school boards by 90 days will provide municipalities with flexibility to, in turn, provide over \$1.8 billion in property tax deferrals to residents and businesses.
- To ensure this does not have a financial impact on school boards, the Province will adjust payments to school boards to offset the deferral.

\$1.9 Billion in Workplace Safety Expenses

- The WSIB will allow employers to defer payments for a period of six months. This will provide employers with \$1.9 billion in financial relief.
- All employers covered by the WSIB's workplace insurance are automatically eligible for the financial relief package.
- Schedule 1 employers with premiums owed to the WSIB will be allowed to defer reporting and payments until August 31, 2020.
- The deferral will also apply to Schedule 2 businesses that pay WSIB for the cost related to their workplace injury and illness claims.
- In addition, no interest will be accrued on outstanding premium payments and no penalties will be charged during this six-month deferral period.

WSIB Employer Relief Program



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