

RESOLUTION # 1 (External)



Submitted to: Prime Minister of Canada
Premier of Ontario
Federal Leaders of LPC, NDP and BQ
Provincial Leaders of P.C. & NDP
Federal Ministry of Finance
Ontario Ministry of Finance
Ontario Ministry of Revenue
Canadian Home Builders' Association

Submitted by: OHBA Executive Committee

Date: September 20, 2010

Subject: Harmonized Sales Tax – Updating New Housing Threshold

Whereas: OHBA is supportive of the provincial government's enhancements (in June 2009) to the HST tax structure as it applies to new housing to eliminate the regressive dual threshold tax structure and replace it with a single \$400,000 progressive threshold (housing is subject to a 2% sales tax up to a \$400,000 threshold and 8% on the incremental value of the home above \$400,000) with a tax rebate of up to \$24,000 on all new homes valued over \$400,000; and

Whereas: in 1991 the federal government promised to index the GST rebate thresholds. It never happened and 19 years later housing affordability is suffering in Ontario and across the country; and

Whereas: should the Ontario government not regularly update the HST rebate threshold, Ontario consumers and tax payers will suffer similar eroding affordability conditions as new home prices inevitably rise over the long-term; and

Whereas: currently a new home under \$350,000 receives a GST rebate of 36%. The rebate is reduced up to a \$450,000 threshold above which consumers pay the full 5% GST. This is a regressive tax structure that is harmful to housing affordability for new home buyers, renters and seniors and does not represent good public policy; and

Whereas: British Columbia harmonized the 7% B.C. provincial sales tax with the 5% GST on July 1, 2010 with a progressive sales tax structure similar to Ontario, but with a higher threshold of \$525,000 applied to new housing; and

Whereas: the federal government has approved the progressive provincial tax structure as it applies to housing in principal; and

Whereas: Should Ontario match the B.C. threshold of \$525,000; that would set the stage for the federal government to introduce a progressive single threshold tax structure for the GST with a common 'harmonized' threshold across the country. This would drastically improve affordability and reduce sales tax complexity for new housing;

Therefore be it resolved that: the federal government harmonize the GST new housing rebate with the provincial progressive harmonized sales tax structure; and

Therefore be it further resolved that: the Ontario government update the \$400,000 progressive HST threshold on a regular basis to maintain and improve housing affordability with the ultimate goal of matching the B.C. threshold of \$525,000.

MOVED: E. DenOuden

SECONDED: A. Pol

CARRIED

RESOLUTION # 2 (External)



Submitted to: Premier of Ontario
Leaders of P.C. Party and NDP
Minister of Municipal Affairs and Housing

Submitted by: OHBA Technical Committee

Date: September 20, 2010

Subject: Ontario Build Code Objectives – Housing Affordability

Whereas: until the past couple of years, Ontario has enjoyed over 10 years of economic prosperity resulting in a strong and vibrant housing market; and

Whereas: a strong housing market is better positioned to absorb variations in regulations, policy directives and Building Code changes; and

Whereas: the Provincial Government and many special interest groups regard the Building Code as the vehicle to implement social policies such as resource conservation, fire suppression, and barrier free accessibility; and

Whereas: these social policies are underwritten by the Objective statements in the Building Code; and

Whereas: at the same time as government and special interest groups continue to increase levels of resource conservation, fire suppression and accessibility provisions within the Building Code, they are also engaged in developing housing affordability strategies in an attempt to accommodate and house lower-income Ontarians; and

Whereas: housing affordability strategies and Building Code social policy objectives often have conflicting economic consequences resulting in excessive financial burden and social responsibility being placed unnecessarily on new home purchasers; and

Whereas: the 5 million houses in the existing housing stock in Ontario are a significantly larger problem in terms of addressing provincial policy and social policy objectives of greater resource conservation, increased fire safety, and improved accessibility, yet the Building Code has no jurisdiction over the existing housing stock; and

Whereas: the cumulative economic impact of Building Code changes reflecting multiple provincial policy and social policy objectives, coupled with price increases in labour, materials, land, municipal development charges, taxes, fees and levies has resulted in tens of thousands of dollars of increased costs, significantly raising the cost of housing as well as artificially elevating the entire housing market for both new and resale homes;

Therefore be it resolved that: the Ontario Building Code be amended in this current change cycle to include *AFFORDABILITY* as an over-arching Objective statement and that all currently considered and future Building Code change proposals be evaluated on a cost-to-benefit basis and evaluated as an entire package as to their effect on the consumer and the building industry and in particular, the state of the housing market at the time of the Code change cycle in which they are being proposed.

MOVED: M. Pryce

SECONDED: D. Brouwer

CARRIED

RESOLUTION # 3 (External)



Submitted to: Ministry of Municipal Affairs and Housing
Submitted by: OHBA Land Development Committee
Date: September 20, 2010
Subject: Provincial Policy Statement Review

Whereas: The Provincial Policy Statement (PPS) implements Section 3 of the Planning Act, as amended by defining and providing policy direction on matters of provincial interest related to land-use planning and development ; and

Whereas: The PPS provides for appropriate development while protecting the resources of provincial interest, public health and safety and the quality of the natural environment. The PPS supports improved land-use management which contributes to a more effective and efficient land-use planning system; and

Whereas: the planning process has become increasingly complex with numerous pieces of legislation and regulation interfacing with the land-use approvals process; and

Whereas: An overly heavily regulated planning framework drives land prices upwards and creates uncertainty which has negative impacts on housing affordability; and

Whereas: OHBA believes that the PPS has potentially become too detailed and too prescriptive and leaves little room for flexibility and creativity; and

Whereas: at a broader level, OHBA is concerned that multi-jurisdictional planning frameworks have been in a near constant state of review for a number of years. There is a lack of certainty and clarity in the planning framework – the only constant is change; and

Whereas: OHBA strongly believes that Ontario is diverse rather than being homogenous and local communities have very different urban, suburban and rural contexts.

Therefore be it resolved that: the PPS should be less prescriptive and should provide strategic direction to protect provincial interests with flexibility for municipalities to implement the broader goals of the PPS while respecting local interests and urban/rural context through the implementation of local Official Plans; and

Therefore be it further resolved that: OHBA believes the PPS should be a strategic document to protect provincial interests and set broad planning parameters, goals and objectives. The PPS should provide flexibility in the local implementation of the policies with respect to urban conditions and contexts, especially in jurisdictions outside the growth plan area.

MOVED: K. Fergin

SECONDED: C. Curtis

CARRIED

RESOLUTION # 4 (External)



Submitted to: Ministry of Municipal Affairs and Housing
Ministry of Infrastructure
Ministry of Finance

Submitted by: OHBA Land Development Committee

Date: September 20, 2010

Subject: 10 Year Infrastructure Capital Plan

Whereas: The Minister of Infrastructure is in the process of developing a 10-year capital plan to support and plan infrastructure investments across Ontario over the next decade; and

Whereas: The ten-year capital plan is of key importance to the residential construction industry. Investments made by the public sector facilitate additional private sector investment and job creation from OHBA members; and

Whereas: The most important infrastructure for both the future economic well-being and the quality of life of Ontarians is “basic urban infrastructure”, also called “core infrastructure”. It includes: roads and bridges; public transit; water supply and sewerage collection and treatment systems; and

Whereas: A gap in core infrastructure funding across Canada arose during the 1980s, and has resulted in deterioration of a significant proportion of the facilities that people rely on daily. Throughout the 1990s, public investment did not keep up with the demands of a growing population; and

Whereas: In targeting infrastructure investments the province should be supportive of other public policy goals and objectives such as intensification, energy efficiency, accessibility and the efficient movement of goods and people. Infrastructure investments should complement and support the Growth Plan for the Greater Golden Horseshoe as well as the Northern Growth Plan and Metrolinx Regional Transportation Plan;

Therefore be it resolved that: To ensure adequate levels of infrastructure investment while increasing housing affordability and choice the provincial government should focus infrastructure investments on “core” infrastructure priorities that support intensification, enhanced productivity, the efficient movement of goods and people as well as housing affordability and choice; and

Therefore be it further resolved that: “Core” infrastructure funding focus on: water and waste-water facilities, the provincial highway network, bridges and regional roads, higher-order public transit outside the GTA and within the GTA the priorities of the Metrolinx Regional Transportation Plan; and

Therefore be it further resolved that: Following the economic stimulus funding of the past two budget cycles, the provincial government must continue a regular, predictable and sustainable level of infrastructure funding over the next decade. A ‘long-term’ commitment for infrastructure funding must be predictable and stable for all public sector partners and private sector stakeholders.

MOVED: J. Kochan

SECONDED: H. Hansen

CARRIED

RESOLUTION # 5 (External)



Submitted to: Ministry of Municipal Affairs and Housing
Association of Municipalities of Ontario
Premier of Ontario
Canadian Home Builders' Association

Submitted by: OHBA Land Development Committee

Date: September 20, 2010

Subject: Secondary Suites

Whereas: The Provincial Government has committed to a poverty reduction strategy and a *Long-Term Affordable Housing Strategy*; and

Whereas: To be effective, a long-term affordable housing strategy must focus its scarce resources on the primary sources of housing affordability problems: the inadequate incomes of many core need households; government barriers to housing; and the unfavourable tax treatment of low-income renters; and

Whereas: Secondary suites are an important supply of rental housing in many cities, towns and rural communities across Ontario; and

Whereas: Rents in secondary suites are often lower than in apartments in conventional rental buildings and the suites can be developed with no or minimal government assistance. Secondary suites enable low and moderate-income households to live in ground-related housing in a residential setting; and

Whereas: Not only are secondary suites a source of affordable rental housing, they can also provide the needed extra income and security for first time homebuyers or for older households that no longer need a large house; and

Whereas: OHBA is concerned that primarily due to NIMBY pressures from ratepayers and intolerance towards the elderly, students, young renters and working-poor, that many municipalities have made secondary suites illegal. It is the opinion of OHBA that this constitutes 'zoning-for-people' rather than 'zoning-for-use' and is a restrictive and discriminatory practice that limits housing affordability and choice for a significant proportion of Ontarians; and

Whereas: Secondary suites offer a valuable avenue for the province to reach intensification goals while increasing the stock of affordable and rental housing; and

Whereas: Secondary suites also present an opportunity to reduce the strain on the health care system where the elderly can age-in-place with care from their families and loved-ones rather than relying on public facilities; and

Whereas: We believe that this is an equitable way of creating a new supply of affordable housing, while also eliminating illegal accessory apartments that may be hidden and unsafe. Furthermore this is a broad based solution that will create more equity and choice for renter households by providing access to communities in which they were previously excluded from by discriminatory municipal by-laws.

Therefore be it resolved that: the province require municipalities to permit 'as-of-right' secondary suites across Ontario as part of a *Long-Term Affordable Housing Strategy*.

MOVED: S. Harris

SECONDED: D. Depencier

CARRIED

RESOLUTION # 6 (External)



Submitted to: Ministry of Revenue
Ministry of Municipal Affairs and Housing
Federal Ministry of Finance
Ministry of Labour
Workplace Safety and Insurance Board
Canadian Home Builders' Association
Canada Revenue Agency

Submitted by: OHBA Renovators Council

Date: September 20, 2010

Subject: Renovations and the Underground Economy

Whereas: The residential renovation sector accounts for approximately \$53 billion in investment activity across Canada and \$20 billion to the Ontario economy on an annual basis; and

Whereas: The renovation industry suffers from a large and growing underground economy. The Altus Group estimates prior to HST implementation that 37% of the total output of residential renovation contracts are done so underground (escaping taxation and safety regulations); and

Whereas: The current value-added tax regime discourages consumers from seeking the services of professional contractors operating above-board. Illegal underground (cash economy) behaviour is pervasive as consumers attempt to avoid paying the current 5% GST (value-added tax); and

Whereas: The Ontario government has introduced a harmonized sales tax, which will represent an additional eight percent in costs for the consumer (B.C. has also proposed a harmonized sales tax representing an additional seven percent in cost for the consumer), in addition to the 5% GST. The cumulative impact is a 13% value-added tax in Ontario (12% in B.C.); and

Whereas: The Altus Group report commissioned by the CHBA, "The Potential Impacts of Sales Tax Harmonization on the Residential Renovation Sector in Canada" estimates that renovators currently pay an embedded 2.6% PST on an average renovation contract in Ontario (2.3% in B.C.); and

Whereas: The cash economy places risks on consumers, causes significant revenue leakages for the provincial and federal governments and places legitimate contractors at a competitive disadvantage;

Therefore be it resolved that: To ensure a level playing field, and to ensure that renovators can still maintain a livelihood in the province, the federal government and provincial governments should implement a home renovation tax rebate to the consumer valued at 2.6 percent at the federal level and 5.4 percent on each project in order to ensure the tax is revenue neutral as well as provide an incentive for consumers to demand receipts from legitimate renovators and submit them to the CRA; and

Therefore be it further resolved that: all firms and individuals in the construction industry should be required to register for a Business Number, even if they wish to take advantage of the HST exemption for companies which operate below the \$30,000 annual sales threshold; and

Therefore be it further resolved that: The Ontario government embark on an advertising campaign targeted towards consumers that explains the risks associated with paying cash under-the-table to illegitimate contractors.

Therefore be it further resolved that: Government departments such as the Canada Revenue Agency, local building departments, the Workplace Safety and Insurance Board, and the Ministry of Labour better coordinate and share information to catch illegal renovators that are operating in the underground.

MOVED: D. Depencier SECONDED: B. Bolduc

CARRIED

RESOLUTION # 7 (External)



Submitted to: Minister of Municipal Affairs and Housing
Association of Municipalities of Ontario
Ontario Provincial Planners Institute
Canadian Institute of Planners

Submitted by: OHBA Land Development Committee

Date: September 20, 2010

Subject: OPPI – Self Regulation

Whereas: The Ontario Professional Planners Institute (OPPI) is pursuing legislation establishing self-regulation of the planning profession in Ontario. The Legislation would require that all professional planners in Ontario be licensed to practice; and

Whereas: Many government approval agencies with whom OHBA members submit Planning Act applications and conduct business employ persons who are conduct planning related work, but are not necessarily registered professional planners and would not qualify to be registered; and

Whereas: Many OHBA members currently employ registered professional planners in the submission, review and approval of their Planning Act application and therefore, this proposed licensing should have little or no affect; and

Whereas: However many OHBA's member companies also employ persons who conduct planning related work which should not require a professional planner; and

Whereas: The OPPI self-regulation initiative will impact labour force requirements and potentially increase costs for the province, municipalities and private business; and

Whereas: OHBA is concerned that if the scope of planning related work that can be conducted by non-licensed planners conducting planning related work is greatly reduced that there could be significant labour force disruption within the residential construction industry; and

Whereas: Legislation should clearly define the scope of work that is required to be completed by licensed planners and recognize that there is an important role for non-licensed planners and they should continue to be able to perform these planning related functions;

Therefore be it resolved that: OHBA support the self regulation for professional planners provided the Legislation:

- Clearly defines the scope of work required to be completed by a licensed registered professional planner;
- Provides for the recognition there are planning responsibilities and functions that can be undertaken by a non licensed planner (i.e. an individual that is not a registered professional planner);
- Provides a for a transitional implementation framework that is clearly defined to provide for the continued efficient processing and approvals of Planning Act applications; and
- Provides for additional consultation with the Ontario Home Builders' prior to passing.

MOVED: K. Fergin

SECONDED: E. DenOuden

CARRIED