

DRAFT RESOLUTION # 1 (External)



Submitted to: Ministry of Finance
Submitted by: OHBA Board of Directors
Date: September 28, 2020
Subject: Modernizing HST Threshold for New Housing (Indexing and Updating)

Whereas: Ontario’s HST came into effect on July 1, 2010 resulting in a significant “net new” tax increase on new housing compared to the previous PST regime. At the time, a fixed rebate of 6 percentage points of the 8% provincial portion of the tax was provided for new homes up to a threshold value of \$400,000 (up to \$24k per home); and

Whereas: The intent of the rebate was for the change from the PST to the HST to be “tax neutral” for new homes under the threshold value of \$400,000; and

Whereas: The threshold has remained at \$400,000 for the last decade despite significant increases in housing prices; and

Whereas: A large number of households living in homes valued above \$400,000 are middle income families. The HST significantly pushes up housing costs and increases the financial burden on younger millennials purchasing their first home or condominium and on middle income and middle-class families; and

Whereas: As a result of the implementation of the HST, the tax burden on homeowners was \$3.4 billion more from 2010-2016 than it would have been under the old tax regime (Altus Group Report: “Ontario’s HST New Housing Rebate: A Review and Analysis of the Rebate Threshold” November 2017); and

Therefore be it resolved that: As part of the COVID-19 economic recovery, the provincial government should reduce the tax burden on new housing in an effort to immediately make housing more affordable for Ontarian's and stimulate additional investment in new housing that will generate private sector jobs in construction, and in supply chains contributing to the residential construction industry; and

Therefore be it further resolved that: As part of the economic recovery plan the provincial government should immediately increase the HST Threshold for New Housing to \$600,000, which would increase the new housing rebate by \$12k to \$36k per home for any new home sold at \$600,000 or more; and

Therefore be it further resolved that: The provincial government indexing the HST Threshold going forward as a major initiative to support the province’s *Housing Supply Action Plan*. Permanently indexing the HST Threshold would protect affordability and ensure the HST Threshold does not fall behind escalating housing price growth.

MOVED: _____ **SECONDED:** _____

DRAFT RESOLUTION # 2 (External)



Submitted to: Ministry of Finance
Submitted by: OHBA Board of Directors
Date: September 28, 2020
Subject: Home Renovation Tax Credit (HRTC)

Whereas: The residential renovation sector accounts for some \$34.4 billion in investment activity in Ontario, equivalent to about 4% of the provincial economy and supports some 312,000 jobs across the province; and

Whereas: Immediately following the 2008/09 financial crisis, the Home Renovation Tax Credit (HRTC) was a key component of Prime Minister Stephen Harper's federal Economic Action Plan. The HRTC proved to be very successful with over 3 million Canadians participating in the one-year HRTC; and

Whereas: A Canada Revenue Agency (CRA) press release in 2011, stated that the Harper Government's one year HRTC: "pumped an additional \$4.3 billion in renovation investment into the economy, at a time when the recession would have reduced investment in the sector". The cost of the one year HRTC to the federal treasury was \$2.3 billion; and

Whereas: By requiring homeowners to have receipts to back up their HRTC claims, the federal government dealt a major setback to underground "cash" operators. Consumers intending to take advantage of the HRTC required proper documentation when they hired a renovator, placing cash operators at a significant disadvantage. This also resulted in increased government revenues as legitimate tax-paying contractors gained business that would otherwise have been lost to tax-evaders; and

Whereas: A tax credit for consumers encourages the use of legitimate business and reduces tax leakage to the underground economy through a required paper trail of receipts; and

Whereas: An HRTC mitigates against climate change by improving energy efficiency & reducing GHG emissions from Ontario's existing housing stock (Ontario's existing 5 million homes represents approximately 10.9% of GHG emissions in Ontario); and

Whereas: An HRTC improves health & safety for construction works as those employed in "underground" renovation projects may not be properly equipped to complete their tasks, nor have proper training or WSIB; and

Whereas: An HRTC ensures renovations have appropriate permits, inspections and are built to the Ontario Building Code; and

Whereas: With many organizations looking at implementing permanent or semi-permanent work from home policies in response to COVID-19, those who work from home will need to create productive space. An HRTC would respond to this immediate need to create home office work space.

Therefore be it resolved that: Based on the success of the federal economic recovery stimulus package a decade ago, that the Ontario government as part of the post pandemic recovery - implement a provincial HRTC.

MOVED: _____

SECONDED: _____

DRAFT RESOLUTION # 3 (External)



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

Submitted by: OHBA Board of Directors

Date: September 28, 2020

Subject: Modern Surety Bonds as Financial Security for Municipalities

Whereas: Subdivision agreements require the developer to provide a form of financial security for the necessary infrastructure work needed to bring the development project forward. The need for financial security by the municipality is a recognized and responsible practice supported by the industry; and

Whereas: The form of financial security however continues to be a growing concern. In the past, municipalities generally accepted surety bonds, but more recently, municipalities have moved to only accepting letters of credit as the only acceptable form of security; and

Whereas: As a financial security tool, letters of credit directly reduce the financial capacity of the developer, immediately stopping future development investment opportunities across Ontario; and

Whereas: Every dollar tied up in a letter of credit from a builder/developer to the municipality is a dollar unavailable for immediate job-creating construction; and

Whereas: Modern surety bonds provide municipalities with the necessary financial security without reducing the protections that municipalities require; and

Whereas: there are current examples, like the City of Pickering, where after a long, extensive council process the municipality has permitted modern surety bonds to provide the municipality with the protections while supporting more development investment in their community; and

Whereas: New liquidity and investment is what is needed to generate private sector construction jobs for Ontario's economic recovery.

Therefore be it resolved that: In order to improve investment liquidity across Ontario, OHBA proposes that the Province require municipalities to accept surety bonds as an acceptable financial tool to secure municipal agreements; and

Therefore be it further resolved that: This change would continue to provide the municipality with the financial security they need and would have no impact on provincial or municipal revenues or expenditures, while creating billions of dollars of future financial liquidity for development.

MOVED: _____ **SECONDED:** _____

DRAFT RESOLUTION # 4 (External)



Submitted to: Ministry of Labour, Training and Skills Development

Submitted by: OHBA Board of Directors

Date: September 28, 2020

Subject: Continued modernization, promotion and support for apprenticeships and skilled trades

Whereas: The Ministry of Labour, Training and Skills Development (MLTSD) has legislative and regulatory authority over the apprenticeship system as well as voluntary and certified skilled trades in the province of Ontario; and

Whereas: Significant progress has been made by MLTSD to modernize school curriculums to familiarize students with the trades and apprenticeships at younger ages, promote the trades as in-demand, rewarding careers. Important regulatory changes have been made to establish 1:1 apprenticeship ratios, winding down of the Ontario College of Trades, and the implementation of the Ontario Tools Grant; and

Whereas: A skilled trades and apprenticeship gap remains a real and pervasive hamper on the province's economy with over 560,000 positions going unfilled by 2030, over 21% of Ontario's skilled trades workforce expected to retire this decade and up to 85,000 new workers needed just to offset rising retirements; and

Whereas: The skilled trades and apprenticeship gap means up to \$24 billion in lost economic opportunity and \$3.7 billion in lost provincial revenues annually; and

Whereas: Apprenticeships and the skilled trades fill a vital labour market demand, particularly as the province recovers from the job and economic impacts of COVID-19; and

Whereas: OHBA members employ thousands of skilled tradespersons and apprentices across the province. Since the late 1990's, construction-related trades have posted double-digit increases in their shares of total employment and now account for almost 5% of total Canadian employment. In Ontario, construction employment has increased by approximately 200,000 workers since 1997 and now accounts for 6.9% of total Ontario employment; and

Therefore be it resolved that: OHBA reaffirms our commitment to continue advocating for initiatives which modernize, support and promote apprenticeships and skilled trades; and

Therefore be it further resolved that: OHBA continue to work with the Ministry of Labour, Training and Skills Development on the implementation of new financial support programs to encourage employers to come together to train apprentices through group sponsorship and the implementation of a one-window digital portal for apprentices and employers.

MOVED: _____

SECONDED: _____

DRAFT RESOLUTION # 5 (External)



Submitted to: Ministry of Natural Resources and Forestry
Ministry of Municipal Affairs and Housing
Ministry of Labour, Training and Skills Development
Ministry of Economic Development Job Creation and Trade
Canadian Home Builders' Association

Submitted by: OHBA Board of Directors

Date: September 28, 2020

Subject: Lumber Supply

Whereas: COVID-19 has had a significant impact on lumber supply chains in Ontario and across North America; and

Whereas: The Chicago Mercantile Exchange: November delivery \$612.0 USD per 1000 board feet, while January 2021 Delivery is \$512. That lumber supply cost is up from a low of \$246 in March 2020; and

Whereas: The lumber shortage is due to a combination of issues:

- The COVID shutdown in April and May limited production capacity across Canada resulting in negative shock in the supply; and
- The lumber supply chain while domestic, is a commodity shipped throughout North America. This supply chain is long with some lumber being cut in Ontario, trucked to Quebec for milling and returning to Ontario for treatment / further processing; and
- The Quebec manufacturing remained closed in response to COVID longer than the Ontario plants; and
- The COVID shutdowns contributed to a major shock to the supply chain; and
- There has been a huge demand for lumber throughout Ontario, Canada and the United States; and
- There is shortage of pressure-treated wood due to the rise in home improvement projects (decks, kitchens, bathrooms) that occurred during quarantine and lock-down periods; and
- Transportation of finished lumber on rail took a large dip. This may be due to prioritization of intermodal rail freight or lack of supply at the lumber mills, thus limiting the availability of lumber to retailers and lumberyards. The weekly rail traffic of forest products in Canada is still far below 2019 levels even with the currently significant lumber demand across North America.

Whereas: OHBA members are either not able to obtain lumber supplies or are having deliveries being shorted by lumber yards (some yards are out of certain products such as OSB). This supply chain shortage is impacting our industry's ability to continue operations and delivery housing supply to consumers.

Therefore be it resolved that: In the event of a future pandemic shutdown, the Ontario Government should continue designate forestry, lumber mills and lumber distribution as essential workplaces to ensure the home building supply chain is continued; and

Therefore be it further resolved that: OHBA form a working group with the Ontario Forestry Industries Association (OFIA) to have discussions with the stakeholders involved in the lumber supply chain, building suppliers/lumberyards, distributors, and mills identify supply chain vulnerabilities and reduce costs. Such an effort could be broadened for other supply chain issues impacting construction; and

Therefore be it further resolved that: OHBA coordinate with our national association (CHBA) with both the provincial and federal government as well as lumber supply chain related associations on a national level (i.e. Forest Products Association of Canada - FPAC) to ensure the supply chain is supported and protected to avoid future supply shocks.

MOVED: _____

SECONDED: _____

DRAFT RESOLUTION # 6 (Internal)



Submitted to: OHBA Local Home Builders' Associations
Submitted by: OHBA Nominations Chair
Date: September 28, 2020
Subject: Maintaining Current OHBA Board Members through 2020-21 due to COVID-19

Whereas: The OHBA Board of Directors scheduled for the (at the time) existing Board to meet on January 30, 2020. The OHBA existing board reviewed the nominations committee recommendations, for the new board seats. The existing board then approved the appointment of the regional director council chairs and the special appointees to the board; and

Whereas: An OHBA Special Meeting of Members, took place on January 30, 2020, where the voting delegates ratified the board approved OHBA 2019 Bylaws; and

Whereas: On March 11, 2020 the World Health Organization declared a global pandemic; and

Whereas: While the association business and government relations activity has continued throughout the pandemic, the new regional meetings, board meetings and events have not occurred in person for members of the Board of Directors and Committees due to the global pandemic; and

Whereas: As was discussed at the June 18, 2020 Board of Directors meeting, there is no restriction in the current President serving for consecutive terms; and

Whereas: Based on the ongoing COVID-19 interruption to the presidential term, and considering that the current State of Emergency will continue to alter OHBA related activities for the remainder of the 2020 year (and potentially into 2021), it was presented to the Board in June that the current slate of table officers, if they so choose to accept the nomination, continue in those current roles as part of the presented slate; and

Whereas: Ultimately, it is the decision of the Members at the Annual Meeting of Members to determine if the slate is elected.

Therefore be it resolved that: the members of the Ontario Home Builders' Association recognize the unique set of circumstances that COVID-19 has had on the association and support maintaining the current OHBA Board Members elected on January 30, 2020 through 2020-21 if they choose to accept the nomination and continue in their current roles.

MOVED: _____

SECONDED: _____