

Attachment 1: Budget 2022 Key Highlights

Investing in affordable and attainable housing:

- Building on the Homes for the B.C. plan, a refreshed housing plan will be released in spring 2023 to respond to new pressures in the housing market. The plan will outline the next steps to ensure B.C. has more attainable housing.
- \$4.2 billion in operating and capital funding over the next three years to build thousands of new homes for renters, people with middle incomes, Indigenous people, and students, as well as funding for new transit-oriented development and more complex care and supportive housing.
- Almost \$1.7 billion in operating and capital funding over the fiscal plan to create homes through BC Builds and Building BC programs, which includes investments in the Indigenous Housing Fund and Community Housing Fund.
- \$394 million earmarked to help acquire land for thousands of new homes - affordable and market rates - near future transit development projects.
- \$1 billion earmarked for a new [Growing Communities Fund](#) that will help local governments enhance community infrastructure and amenities needed to meet growth. These grants will complement existing infrastructure funding (such as sewer, water and recreation facilities) and will be distributed to B.C.'s 188 municipalities and regional districts by the end of March 2023.
- \$66 million in annual operating funding to support new housing developed through the Rapid Housing Initiative, a federal-provincial cost-shared program launched in 2020 to help address urgent housing needs for vulnerable Canadians.
- New property transfer tax incentive to encourage the construction of new purpose-built rentals.
 - Effective for transactions that occur on or after January 1, 2024, purchases of new purpose-built rental buildings will be exempt from the further 2 per cent property transfer tax that is applied to the fair market value of the residential component of a taxable transaction that exceeds \$3 million.
 - Purpose-built rental buildings are those that are non-stratified and held as rental, on a monthly basis or longer, for at least 10 years. The residential portion of the building must entirely be for rental and have at least four apartments.

- Providing up to \$11 million over the fiscal plan to support implementing legislation, including the new *Housing Supply Act (November 2022)* which allows the Province to set housing targets for communities. Another \$57 million over the fiscal plan will help to unlock more homes through new residential zoning measures and by reducing the time and cost associated with local government approval processes.
- \$91 million over three years towards a new pilot project that will provide financing incentives to encourage homeowners to develop new secondary suites on property of their principal residence to rent to long-term renters.

Advancing B.C.'s strong, sustainable, and clean economy:

- The 2023/24 funding envelop for CleanBC enhancements has been drastically reduced from \$24 million to \$11 million. Increased funding of \$21 million may potentially be available 2025/26, and in total \$44 million has been earmarked over the fiscal period.
- Various tax expenditures will continue, such as the provincial sales tax exemptions for the used ZEVs, electricity, heat pumps, and specified energy conservation equipment such as insulation and clean energy generation equipment, and tax credits such as the clean budligns tax credit for qualifying energy efficiency upgrades.
- \$480 million over three years to support the Future Ready Plan to help close the immediate and long-term skills and labour supply gaps, while providing more opportunities to get ahead and providing employers with the employees of the future. The plan is set to be released by the Province in spring 2023, and includes initiatives like:
 - \$39 million over three years for a new short-term skills training grant to enable people to get the ready-made and relevant skills needed to success in good-paying, high-demand jobs. Details for this grant will be made available later this year.
 - New funding to assist small and medium-sized businesses in finding and implementing practical solutions to current labour market challenges.
 - Creating thousands of new training seats for in-demand fields to help build up a workforce ready and able to meet the demands of the future.
- Building on the Permitting Strategy for Housing, \$77 million over three years is earmarked to help speed up natural resource permitting and begin work to modernize the permitting service delivery model. This includes:

- An initial investment of 42 new full-time positions that will form a dedicated, cross-ministry team prioritizing provincial authorizations required for housing. Budget 2023 will further support an additional 160 staff across several ministries to reduce permit backlogs, allow projects to move forward and unlock economic potential. This intended to meet commitments on housing as well as delivering priorities on connecting remote communities, *CleanBC Roadmap to 2030* regarding electrification, and the hydrogen strategy. Over the medium term, government will modernize provincial permitting processes and enhance the service delivery model through improvements to policy, legislation, and information management systems.

Summary of Tax Measures Related to Housing:

- New income-tested renters' tax credit, starting next year when 2023 income taxes are filed. This is expected to reach more than 80% of renter households.
- Property Transfer Tax revenue is expected to decline by 20 per cent in 2023/24 mainly due to a slower housing market. Over the last two-years of the fiscal plan property transfer tax is expected to increase at an average of 11.9 per cent annually.
- No changes on the Renovations Tax Credit for Seniors and Persons with Disabilities.
- Increased expenditures related to the Training Tax Credits. This provided refundable income tax credits for apprentices based on the apprenticeship level completed as well as refundable tax credits for employers of up to 15 per cent of apprentices' salaries. which has been extended several times since 2007, sunsets on December 31, 2024.
- Employer Health Tax is forecast at \$2.7 billion in 2023/24. Over the next two years, revenue growth is expected to average 4.8 percent annually, consistent with growth in wages and salaries. No relief in sight for this tax burden.

Other:

- \$178 million for construction of the Trades and Technology Complex at the Burnaby campus of the British Columbia Institute of Technology (BCIT). This project will modernize the tools and spaces needed to help meet the growing demand for skilled tradespeople in the construction sector and is set to start late 2023 and complete in 2027.