Greetings Mayor and Council

Our Director of IGR, Marnie McGregor has prepared the following outline of the key themes and messages from the 2016 provincial budget today.

They are ordered according to the City’s policy priorities.

Staff comments are included in brackets in blue. I hope this is helpful to you.

Sadhu

Housing (effective February 17, 2016):

- The purchase of a newly built home valued at up to $750,000 will now be exempt from the property transfer tax, saving the buyer up to $13,000 (Concern that property prices will simply rise by this amount rather than being passed onto the buyer). The new home transfer tax exemption only applies to people who live in their homes as their principal residence for a year after purchase (relatives do not qualify) and BC will share the information with Revenue Canada to double-check if the rules are being followed.
- The measure will be funded through an increase in the property tax transfer rate on homes with a value above $2 million, from two to three per cent.
- Tracking foreign ownership: people buying homes in B.C. will again be required to disclose their citizenship. The data, which has not been collected since 1998, will be used to measure the impact of foreign investment on home prices. The government hasn’t said what measures it might consider once the data is collected.
- Home Owner Grant threshold is increased from $1.1 million to $1.2 million for the 2016 tax year.
- Home Renovation Tax Credit: a program currently offered to seniors will also provide up to $1,000 per year for persons with disabilities to renovate their homes to improve accessibility.
- The existing First-time Homebuyer Program for existing homes remains in place but the threshold is unchanged for properties worth less than $475,000.
- New taxpayer-supported infrastructure spending of $355 million by the BC Housing Management Commission over the next 5 years to increase the supply of housing across the province through the construction and renovation of more than 2,000 units of affordable housing for people with low to moderate incomes.
- The Province also continues to work in collaboration with other levels of government to support British Columbians’ ability to buy or rent at prices they can afford. Through the Community Partnership Initiatives program, BC Housing partners with municipalities, non-profit societies and other community-based...
organizations to create affordable housing. The program arranges construction or long-term financing for non-profit societies, connects stakeholders through partnership referrals and provides advice.

- Municipalities must do their part on the supply side. This means reducing red tape, costs and fees, as well as ensuring developments can be approved in a timely fashion. Regrettably there are reports of some local governments taking up to two years to approve a residential housing development, and municipal leaders are urged to work together through UBCM to share best practices and find ways to streamline these processes. Municipal leaders are responsible for local zoning regulations and regional directors responsible for planning must also contribute by using the tools at their disposal to help improve the supply of new housing at prices that are affordable. The province sees legislation to address these issues as a last result, and believe that if the will truly exists, local governments will do their part to help make the dream of homeownership a reality for more British Columbians.

Transportation & Infrastructure:

- $3.1 billion in transportation investments over the next three years including*:
  - George Massey Tunnel Replacement Project
  - Highway rehabilitation/Major Highways & Roads
  - Highway 1 (Kamloops to Alberta border)
  - Transit Infrastructure (Evergreen Line) (13% or $0.45 billion, funding reduced by 23% by 2018/2019)

* Over the coming months BC will continue to work with the federal and municipal governments to identify priorities and confirm details around project criteria, timelines and cost-sharing arrangements for the new federal infrastructure funding (this may suggest that the province's transportation priorities and plans could change with news from Ottawa in the 2016 federal budget).

- See housing infrastructure funding commitment above. (proposed total spending of $375 million on housing over the next 3 years, this is more than the past three years at $240 million, but significantly less than during the Olympic period at $565 million).

- Investment in new and upgraded infrastructure including $2.9 billion for health-care projects (In Vancouver: BC Children’s & Women’s Hospital Redevelopment clinical support building & accurate care centre), $2.5 billion for post-secondary facilities (In Vancouver: Emily Carr University of Art & Design Campus Redevelopment Great Northern Way, UBC Life Sciences Teaching Laboratories Revelopement) and $1.7 billion for maintenance and replacement for kindergarten to Grade 12 schools (In Vancouver: Sir Charles Kingsford-Smith seismic upgrade).

Sustainability & Clean Energy:

- A further $13 million has been identified in 2015/16 within the Innovative Clean Energy Fund, in support of government’s energy and environmental priorities. This includes additional funding for the Clean Energy Vehicle Program to provide British Columbians incentives when considering the greener choices for their transportation needs.
Childcare:

- As part of the emphasis on responding to the needs of vulnerable children and families, Budget 2016 includes an additional $217 million over the next three years for the Ministry of Children and Family Development with $11 million to support child care centres.

Economic Growth:

- B.C. Economic Forecast Council projects a provincial GDP growth of 2.7 per cent in 2016 and 2.6 per cent in 2017. The provincial government forecasts its growth at 2.4 per cent this year and 2.3 per cent next year.
- B.C.'s economic growth is attracting people from other regions of the country with a net inflow of 6,315 people from other regions, one-third of those from Alberta.
- A $100 million B.C. prosperity fund is created out of the 2015-16 budget surplus to be used to help eliminate the debt, invest in health care, education, transportation and family supports.

Disaster Prevention:

- $85 million will be spent to prevent wildfires through measures such as reforestation and habitat restoration.
- Another $55 million will go to emergency preparedness, such as flood protection in vulnerable communities.

PST:

- Review of PST: a new commission will consider ways to modernize the existing sales tax, introduced in 1948. The review will not consider a return to the harmonized sales tax.

Medical Services Plan:

- Changes to premiums that exempt children will save single parent families a minimum of $864 per year, but many couples who earn $45,000 or more will pay $20 dollars more per month.

Disability Assistance:

- Everyone on disability will receive an increase of up to $77 per month in place of the existing transportation subsidies some receive, such as a $52 bus pass. Bus passes will now be optional.

http://bcbudget.gov.bc.ca/2016/default.htm