

February 14, 2012

Joe Fontana, Mayor
City of London
300 Dufferin Ave.
London ON N6B 1Z2

Phone: 519-641-1400
Fax: 519-641-4613

342 Commissioners Road, W.
London, Ontario N6J 1Y3

Your Worship,

SUBJECT: AFFORDABLE HOUSING RESERVE FUND

We have learned, to our considerable shock and alarm, that a recommendation will going forward from Committee to Council on Feb. 21 to slash the annual payment into the Affordable Housing Reserve Fund in half. The London and St. Thomas Association of REALTORS® has supported this investment in our community since the fund was originally established and we believe that our ongoing support for it has been more than vindicated by the dollars the City has been able to leverage because of it: \$64M in federal/provincial funding and \$74M in private sector and not-for-profit equity and mortgages.

And that doesn't begin to take into account the number of jobs it has created: as per the Federation of Canadian Municipalities January 2012 document, *The Housing Market and Canada's Economic Recovery*, each new unit built or constructed creates roughly two person years of employment; equivalent expenditures on renovations generate a similar, albeit slightly lower, employment multiplier (due to the purchase of imported appliances and equipment). For both new construction and housing renovations, an expenditure of \$1 million generates roughly three full-time-equivalent jobs, and a further ten indirect and ancillary jobs. In a City haunted by high unemployment these statistics underscore the importance of continuing our investment in Affordable Housing.

As a founding member in the *Home at Last* Affordable Home Ownership Partnership, LSTAR is well-positioned to understand how important readiness is not merely to the success of our renovation projects, but to the fact that they happen at all. If the City hadn't come to the table with funding every time we started a new renovation, our public/private partnership would have been hard put to deliver to the impressive extent that it has. *Home at Last* hopes to play an important role in helping the City to achieve its affordable housing targets, but to do that the City must be prepared to do its part – something the Affordable Housing Reserve Fund has up to now enabled it to do.

This is made all the more critical by the fact that we don't know if there will be any provincial or federal funding for housing beyond 2014. We have to assume that there will not or that it will be greatly reduced. Certainly the monies available through the Investment in Affordable Housing Program are less than they were under the Homelessness Partnering Strategy. If the City of London is not prepared to put sufficient money aside so that it can work with private partners such as LSTAR, then the situation could be dire indeed.

We know that you are a staunch proponent of the *Housing First* principle, Mr. Mayor, and that you understand the critical role access to safe, affordable housing plays in our society. It is as Chair of the Strategic Planning and Priorities Committee that we write to you today, urging you and Council to remember Point 5.3 of the Housing Strategy you approved that reads, "Maintain annual \$2 million City investment in affordable housing." To do otherwise would be a grave mistake and a very bad misstep.

Sincerely,

Barb Whitney, President
LONDON & ST. THOMAS
ASSOCIATION OF REALTORS®