

Heather - Please consider this an added agenda submission for the PEC - Mtg Jan 20 - Agenda Item # 3.5 - CIP Affordable Housing Program - Business Case # 2 as I will be out of town for this MTG time.

Mayor Holder - Council

As this program has been developing under Council direction and Planner Travis Macbeth's lead - there was no public disclosure outlining the costs of this program or sources of funding until the City Wide Draft Budget was tabled December 17 , which is **very usual** for any Public Participation Process I have been involved with as a voter ( many )

I ask Council to consider the making following amendments / changes prior to this program's approval with respect to costs and sources of funding .

1. That the proposed allocation of 2 FTE staff to this program at a cost of approximately \$180 K per annually be reduced . Loaning \$ 4 Million in Economic Development Reserve Fund " over a 4 year period puts the loan to book costs at 18 % annually - a comparison any one would normally equate to a " **PAYDAY LOANS** " operation. There is also no guarantee or assurance that the City of London funds will be matched or bonuses up by CMHC per City Finance Staff . CMHC will likely play in bigger ponds - pools as they already have signaled.
2. At no point in the design of this CIP Program has the City of London or this planner reached out to the private sector as a source of funding for the loan float , only taxpayers via the ED Reserve Fund transfer which will have to be topped up . I would think that LIBRO or VERSA BANK would be happy to participate in a Community Building Program like this at a 6 % interest rate knowing the payback period is a maximum of ten(10) years and I as a taxpayer would be happy to pay that interest rate rather than " topping up " the Economic Development fund transfer ( \$ 4 Million ). This should still meet the criteria to secure CHMC or other funding as City of LDN would still umbrella and administer the program.
3. As an alternative to # 2 above, I'm very comfortable with the City of London borrowing the loan float @ 3.1 % , charging the annual interest rate as an OP's cost to this program and tax payers and City of LDN clawing back the \$\$ principle from the developers or program property owners . This appears to be a fairly safe " financial risk " to take and a " harder " asset than borrowing to appropriate property , bury it in pavement and leave it on the books as an asset .

I am a strong supporter of opportunities to develop affordable housing stock , but honestly feel we are not being creative - innovative enough with respect to sources of funding and the relative cost effectiveness of this program !

THXS - Chris Butler - 863 Waterloo