

From: Andrew Culver

Sent: Monday, April 08, 2013 12:36 PM

To: Brown, Denise; Armstrong, Bill; Bryant, Judy; Baechler, Joni; Polhill, Bud; Westlake-Power, Barb

Cc: Hubert, Paul

Subject: Unintended Consequences

Hello Councillors,

The city's 2013 capital budget included \$2.2M for public housing and an additional \$19.9M is scheduled to be spent between 2014-2022. The operational budget included \$8.5M for subsidized housing and \$12.5M for social housing. The city has a clear goal of making housing more affordable for low-income families.

At the same time, the city is driving housing costs upwards with added regulations and fees on the rental market. In addition to the direct monetary cost of the fees, there is the added cost of inspections, renovations, upgrades, and labour/time spent for compliance with these regulations. These costs are applied to the landlord, but are inevitably passed on to the tenants through their rent.

Housing costs are not only increased directly, but also indirectly. Adding regulations makes it more difficult for landlords to compete and will lead to a reduction in the supply of rental housing. As we all know from Economics 101, reducing supply increases price. The city's efforts to make housing more affordable is being countered by its own regulations, fees and the growing bureaucracy needed to administer the licensing program. These cost increases will hit low-income families hardest, even harder than this year's property tax increase.

Another concern I have with the licensing program is that rental properties with 5 or more units are exempt from the bylaw. This discriminates against smaller property owners and makes it harder for them to compete against the large rental corporations and developers who have much greater lobbying influence at city hall.

I hope you will consider simplifying this program to promote easier compliance, lower fees, and as a result, lower housing costs for Londoners.

Best regards,
Andrew Culver
Resident, Ward 8

If it's not too late, please attach this letter in the agenda for tonight's committee meeting.