

London Property Management Association Submission



DeForest, Catherine

From: DeForest, Catherine
S nt: Thursday, September 13, 2012 4:51 PM
To: DeForest, Catherine
Subject: MFIPPA Request #2012-101

1 – number of applications received for a licence by year.

2010 – 2392 applied

2011 – 682

2012 – 582 to date

2 – number of licences issued by year.

2010 – 388

2011 – 897

2012 – 1655

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3- number of licences refused and copies of decisions and grounds for refusal of each.

15

20110522	54 DENLAW RD
20102843	386 FLEMING DR
20101690	112 ASKIN ST
20102552	381 AVONDALE RD
20102478	1-1050 BROUGH ST
20102479	7-1050 BROUGH ST
20110868	78 BLACKFRIARS ST

20102158	147 BROUGHDALE AVE
20102502	40 BEAUFORT ST
20102471	194 BROUGHDALE AVE
20101740	583 CENTRAL AVE
20110491	603 COLBORNE ST
20102662	400 COOMBS AVE
20102664	459 COOMBS AVE
20101101	15 CONNAUGHT

4 – number of appeals filed for refusals.

One (invalid)

5- administrative costs for operation of licensing program by year.

The cost is in the area of \$400,000 per year.

6-revenue by year.

2010 - \$59,800

2011 - \$17,050

2012 - \$14,550 to date

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Licences & Permits

THE CITY OF LONDON

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	London
Applications Received	(from estimated 12,000 properties)
2010	2392
2011	682
2012	582 (to Sept 13, 2012) [3000 Total: Katolyk 2013]
Licenses Issued	
2010	1870
2011	897
2012	1655 (to Sept 13, 2012 includes renewals)

Licenses Refused	15 [out of 3000 applications!]
13- Non-compliance with Zoning 1- Couldn't schedule FPPA Inspection 1- Non-compliance with FPPA	
Appeals Filed	1 (invalid)
Costs	Average \$400,000 per year \$420,000 per year [Katolyk, 2013]
Revenue	
2010	\$59,800
2011	\$17,050
2012	\$14,550 (to Sept 13, 2012)

Total Costs 2012-2012	\$1,260,000 [Katolyk, 2013]
Total Revenue 2010- Sept 13, 2012	\$91,400
Net Loss to Tax Payers	\$1,100,000.00 [cost per violation \$84,000.00!!!]
License Fees (2-3 bedroom, non-owner occupied)	\$25 application/yearly renewal \$0 appeal \$95 inspection if required
Proposed License Fees ["Tenant Tax"]	\$230 new applications \$80 yearly renewal

2013 Service Change Case # 8

Service	By-law Enforcement, Licensing & Property Standards
Initiative	Increase in Residential Rental Unit Licence Fees

Financial Implications (\$ 000's)								
	Change to Gross Expenditure	Change to Non Property Tax Supported Revenue	Net Change to Property Tax Levy	2013 Tax Levy Impact %	Incremental Net Change Future Years \$ (if applicable)			
					2014	2015	2016	2017
Capital Budget Impact								
Operating Budget Impact		(180)	(180)	(0.04%)				

Background

The Residential Rental Unit Licensing By-law was implemented in 2010. The current fees for both new and renewal applications are \$25. The costs to process new and renewal residential rental unit licenses include inspections by enforcement officers and Fire staff as well as the enforcement of this by-law and administration therefore the costs are estimated to be approximately \$230 for new applications and \$80 for renewal applications. Based on processing 180 new applications and 1800 renewal applications per year, the increase in revenue would be approximately be \$180,000. For comparison purposes, Oshawa charges \$320 and Waterloo charges \$375 - \$658.

Performance Measures Impact

These user fee changes do not directly affect any of the services' key performance measures.

Impacts

a) Community

Private owners who have not licensed their rental properties will be subject to higher fees.

2013 Service Change Case # 8

Service	By-law Enforcement, Licensing & Property Standards
Initiative	Increase in Residential Rental Unit Licence Fees

b) Community Engagement

The community will learn about these user fee changes through the tabling of the 2013 Property Tax Budget on December 4, 2012.

c) Other City of London services

No other City of London services are affected.

Risks

Should these fees remain unadjusted, it will result in an additional burden on the tax base.

SUMMARY

- **This "License Fee" is not like a taxi or other business license where the cost is passed on to hundreds of customers: this License Fee gets passed on to a maximum of four tenant households (for a single tenant household it would be a monthly "Tenant Tax" of \$20.00)**
- **City Taxpayers should not have to subsidize the Million dollar cost for some "Old North" Londoners to keep "undesirables" out of their neighborhoods.**

SUMMARY

- **The Landlord License Program is a financial disaster and staff did not even disclose this to Councilors when the 2013 budget proposal was put forward.**
- **So much for giving Council the ability to exercise prudent fiscal oversight!**

SUMMARY

- The *Residential Tenancies Act*, City Zoning by-laws; and Fire Code/Property Standards by-laws all regulate landlords and housing conditions.
- The Licensing By-law is a Million Dollar boondoggle which reflects poorly on Council's oversight of responsible fiscal management.