

ORCHARD PARK SHERWOOD FOREST RATEPAYERS



August 22, 2016

Re: Proposed Secondary Dwelling Unit by law - Secondary Dwelling units in GNCN

Chair and Members
Planning and Environment Committee
City of London

INTRODUCTION

The way input was gathered and the last non statutory meeting with separated tables and no sharing and limitations on speaking to the entire group, was insufficient to explore the matter fully. So no, there is not a consensus.

We are also concerned that there is no reference in the report to any of the submissions to staff on this matter. Certainly ours is not.

This is a provincial imposition because of a GTA problem.

BACKGROUND

1. The GNCN area is shrunk. We thought that would suffice.
2. We have no objection to adding a secondary dwelling unit, provided no other bedrooms are rented. However, this is not the recommendation. The next effect in the GNCN is increasing the "student renter" intensity by increasing the # of bedrooms that can be rented by one PLUS, adding them to townhouses which are not currently licensed.

WE OPPOSE SDU IN THE GNCN, BUT IF YOU ARE GOING AHEAD, WE RECOMMEND

3. If your decision is to add this use to the GNCN, then wait to pass it (or withhold three readings of the by law) until you revise the rental licensing by law. Because, as mentioned, the present rental licensing by law does not include townhouses. The procedures and controls need to be in place BEFORE any new zoning rules come into force and effect.
4. And speaking of townhouses, why is the proposed licensing requirement only for street townhouses and not the other forms of townhouse? Frankly, most people don't know the difference.
5. If you do decide to add this use to the GNCN, you should ask for a report back in a year on the # of building permits taken out for secondary dwelling units vs the number of licenses issued in total and in the GNCN, and # of rented bedrooms to see if any tweaks in either the rental by law or the zoning by law are needed.

OUR REASONS FOR NOT SUPPORTING SECONDARY DWELLING UNITS IN THE GNCN

6. The London Plan already provides for additional intensification by providing for higher densities along various “higher order” street classifications in all areas including the GNCN. It also provides clear infill policies including allowing conversions. This proposed by law provides even more.

7. The purpose of the GNCN strategy was to avoid additional intensification in an area with a high level of intensification. Secondary Dwelling Units as of right have the potential to add to this. There is still no measurement of what is too much intensification in each part of the GNCN, and with as of right, no way to control it.

8. We have concerns about students as named owners. Owner occupied sure. But who is the named owner? In student areas, parents do acquire housing for a student. (Anecdotal)

9. Once installed in a dwelling unit, the secondary unit will generally continue to be a rental unit. If there is no secondary dwelling unit, it is easier to return to non-rental.

10. There is no evidence that housing affordability is an issue in London. Data extracted from RBC Economics Research (attached) show no change in mortgage carrying costs over the past 10 years in London. Anecdotally, if there was demand, new homes would be built with secondary units in them.

11. No evidence to suggest that students in multi-student living arrangements will leave them for a secondary unit.

12. There is no evidence to suggest that secondary dwelling units will be priced below market rents.

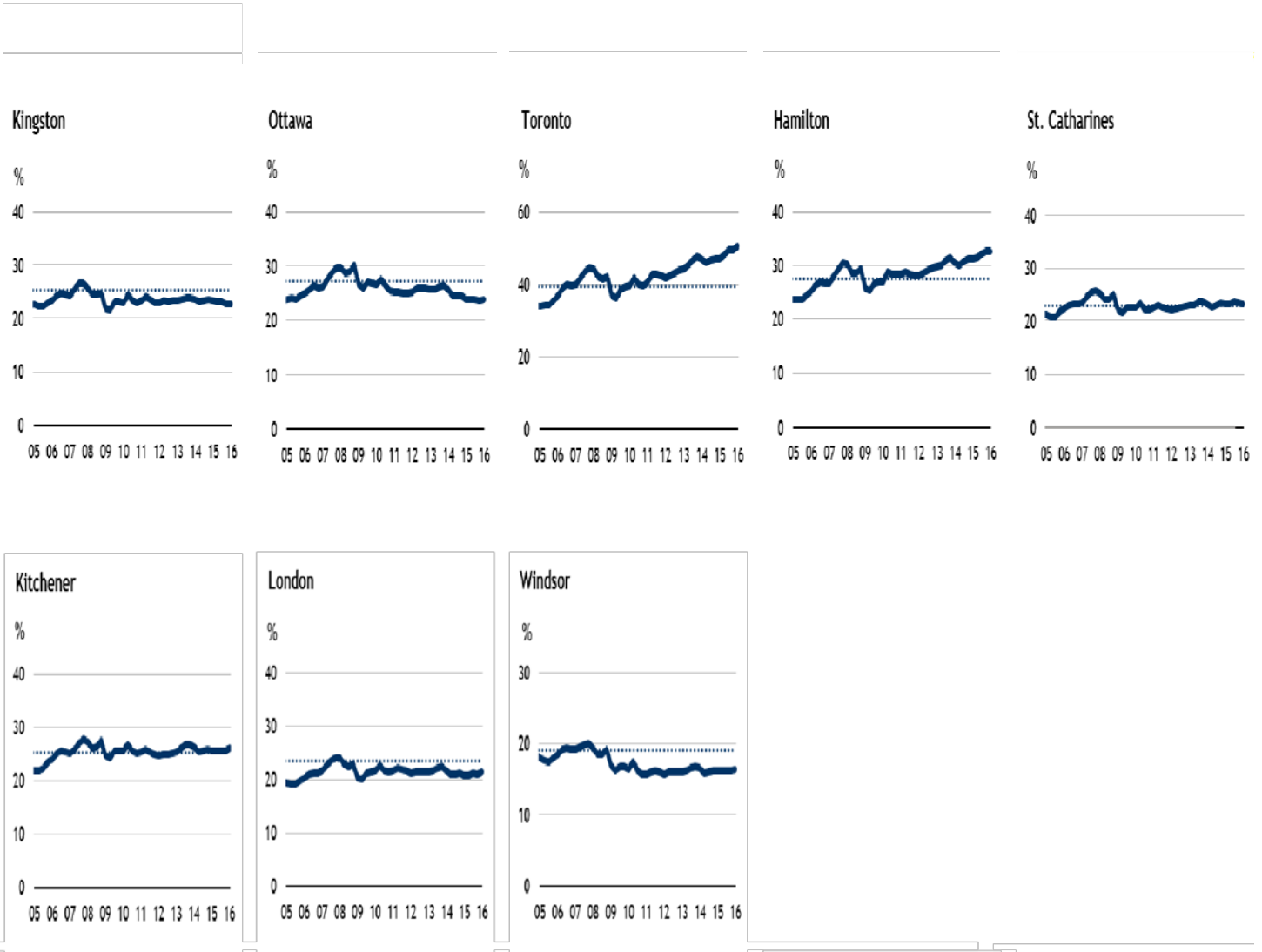
13. This may work against one of your other initiatives. You want to reduce trash bag limit to 3 – trash is an issue in the GNCN. We don't believe data was presented to you as to the average # of bags at the curb in the GNCN.

14. Other than pulling the license, what penalties are available? (Can they be ordered to remove the second kitchen or toilet in the secondary unit?) If they aren't, what happens to violators?

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Mortgage carrying costs by city

Our standard RBC Housing Affordability Measure captures the proportion of median pre-tax household income required to service the cost of a mortgage on an existing housing unit at market prices, including principal and interest, property taxes and utilities; the modified measure used here includes the cost of servicing a mortgage, but excludes property taxes and utilities due to data constraint in the smaller CMAs. This measure is based on a 25% down payment, a 25-year mortgage loan at a five-year fixed rate, and is estimated on a quarterly basis. The higher the measure, the more difficult it is to afford a house.



The dashed line represents the long-term average for the market.

Source: Brookfield RPS, Statistics Canada, Bank of Canada, Royal LePage, RBC Economics Research

