



Okotoks Ratepayers Community Group

(Town response is in blue)

Reasons to Sign the Petition against the Homestead Tiny Homes Project

We are not against tiny homes or tiny home developments. Okotoks could be a great place for the tiny homes, however the approach taken by the town and approved by the majority of Council is significantly flawed.

NOTE: This project's approval is conditional on the successful land lease negotiations. Land lease negotiations have not been finalized at this point.

1. **The cost of this project is already escalating, and it has not even been started yet.** This project started with an estimate of \$2.62M, was revised to \$3.34M, and is now at 4.26M. This does not include the value of the land. This project is out of control and needs to be stopped.

As more detailed planning occurred after the initial presentation to Council in February, 2019, administration consulted with external experts to complete a more precise cost assessment. The assessment was based on the revised phasing schedule for the 10 acre site.

Grading and servicing the land, and completing the environmental elements for the ecovillage will cost approximately \$3.34 million. An additional \$900,000 needs to be set aside to complete the initial plan for the entire 10 acres, and to build the community gardens and green space.

2. **This is an inefficient way to provide attainable housing.** If \$4M was invested in traditional housing such as townhomes or apartments, significantly more housing units could be created including large enough units for families, instead of only 42 that are only useful for singles and couples. This has already been done with Westwinds and Rowan House.

The Town is not funding or building any homes in the ecovillage. As the land owner, the Town needs to grade and service the land before any development can occur. Once the infrastructure is in place, it will have a life-cycle of approximately 100 years.

As Westwinds Communities and Rowan House are already providing traditional multifamily options, the ecovillage offers a single-family, non-traditional housing option that falls within the affordable range. It represents a diversity of housing types that include both affordable and market-priced homes and rentals. This project meets the goal of CMHC's Innovation Fund to encourage new funding models and innovative building techniques in the affordable housing sector. The fund supports unique ideas that will revolutionize the affordable housing sector.

3. **The Eco focus of this project is leading to extremely high costs in exchange for the limited benefit that will be realized.** A traditional building approach would provide significantly more value for the tax dollar investment.

An environmentally sustainable model offers greater opportunities for grants and potential interest from external partners than a traditional development. Addressing the impacts of climate change is a priority for all levels of Canadian government and Okotoks wants to remain an environmental leader. Integrating environmental elements into neighbourhood design is becoming a standard in the building industry and is one of the reasons why the Town is interested in supporting the project. Once the project moves to detailed design, cost analysis of the environmental features will be evaluated.

4. **The benefits of this project are focused only on the direct residents of the project and not the town as a whole.** The residents of this project should carry the burden of those costs and not the entire town.

Part of phase 1 includes community gardens and public park space. The ecovillage centre will also offer space and programs for the general public.

Subsequent phases on the majority of the site will be completed between 2022-2030 with new amenities that will benefit the entire Okotoks community, such as natural green space and trails, a community greenhouse and winter garden, outdoor nature play spaces, multi-use community facilities and flexible studio spaces. Okotoks residents and stakeholders will influence the final decision on what is built.

5. **A development of this type has not been done before and the town Ratepayers should not be exposed to this risk.** If the Town wants to support this kind of development it should zone the land and allow a developer to shoulder the risk instead of placing that burden on ratepayers. The town should not be in the business as a developer as it is not experienced in this regard.

As a municipal dedication site, this 10-acre parcel is to be permanently owned by the Town and to be developed and used for municipal purposes. Municipal purposes include recreational, educational and/or other municipal purposes such as community facilities or affordable housing.

As the land owner, the Town needs to grade and service the land before any development can occur. This will be completed through a tender process.

Council directed the following controls to reduce the risk to taxpayers, including:

- a) That the Town maintain ownership of the land in perpetuity;
- b) That Okotoks tax payers will not be responsible for any financial obligations not met by the ecovillage lease;
- c) That all profits made by the lease be reinvested into the ecovillage and/or the Okotoks community;
- d) That the lease continue to provide affordable housing options throughout the term of the land lease;
- e) That Realize Communities will be required to pay a lease fee equivalent to property taxes; and

- f) That Realize Communities will require a repayment of 50% of the Town's development costs for the 2.8 acre ecovillage
6. **The business case for this project has not been correctly completed by the Town Administration.** Approval by Council on a major project without a valid business plan is reckless and should not be permitted. It appears that this project was approved under duress due to the timing requirement of CMHC funding. Approving this under duress without proper due diligence should never have occurred.

The possibility of an ecovillage was introduced to Council in spring, 2018 and administration has been researching and modifying the concept since then. The complete development is at the conceptual design stage, as specific amenities and facilities for the majority of the site have not been finalized. Council has accepted and approved the plan for the first phase of the project including the 2.8 acre ecovillage.

This project's approval is conditional on successful land lease negotiations. Land lease negotiations have not been finalized at this point.

7. **Public Engagement on this project has been poorly executed.** Many residents were surprised with this approval by Council and did not realize the Town was this far involved in the project. Posts relating to the Homestead project on Facebook have had multiple hundreds of negative comments towards the project.

The first public engagement for the original site was in August, 2018 with directly impacted stakeholders. There was also a survey, pop-up booths and information displays in several locations where residents could indicate their level of support.

When the new site was identified and supported by Council, the new design and concept were shared with the public through pop up boards in various locations where the public could indicate their level of support. The results are available on the Town's website.

The Town has also developed an email list for anyone interested in receiving updates on this project and more than 400 people have registered their interest in the ecovillage.

Consultation will continue as the project proceeds.

8. **This housing is not affordable.** Based on the Pad rental of \$500 and purchase price of \$120,000 for a tiny home, monthly payments will be approximately \$1100. Not much different than a standard Single-Family starter home. And the owners will not own their land.

Council has recently approved the following definition for affordable housing:

Housing that costs less than 30 percent of before-tax household income. This cost includes shelter costs that include the following:

- For renters: rent and any payments for electricity, fuel, water and other municipal services;
- For owners: mortgage payments (principal and interest), property taxes, and any condominium fees, along with payments for electricity, fuel, water and other municipal services.

The Affordable Housing Task Force has completed a housing assessment report for Okotoks that includes affordable housing guidelines. This report will be presented in a report to Council at the July 15 meeting. The ecovillage homes will fall within this guideline.

9. **Vagabond Homes and their Non-profit organization do not have experience setting up an eco village.** The group the Town has decided to sole-source this project with does not have prior experience with this type of project. Any other project of this magnitude would require a minimum of 5 years of industry experience and references for similarly completed projects. Knowing how to build Tiny homes does not indicate they can run a community.

Vagabond Tiny Homes and the non-profit Realize Communities were required to complete a comprehensive application process to gain CMHC funding. As well, other community agencies have offered to assist Realize Communities to develop the organizational model for the ecovillage to ensure best practices are followed. Detailed design and construction of the ecovillage will include contractors and experts from the building industry.

10. **This project did not go out to Open Tender.** Government projects over \$25,000 typically are required to go out to open tender for transparency and to ensure taxpayers receive competitive quotes for projects. This was not done on this project and the cost is in excess of \$4M.

The Town is responsible for servicing the site, which will be completed through a tender process, including the landscaping of the community gardens and park space. The Town is not responsible for building the homes or village centre in the ecovillage, although we will be involved in developing and approving the architectural controls through the lease agreement and development permit process.

11. **This project is not practical and is only a “Showcase” project.** As mentioned by Councillor Thorn, the economics of this project do not make sense and the current economic climate does not allow for town showcase projects. The town’s focus should be on essential services and maximizing value for tax dollars taken from ratepayers, not chasing awards/accolades that do not provide direct value for residents. There are many higher priority projects that could be done with this money that would benefit residents as a whole.

There is an identified need for diverse and affordable housing options. A municipality's role is to foster, grow and pilot innovation and demonstrate new development standards for future neighbourhoods that will encourage the private sector to explore alternative types of development.

Council has determined that this is a priority project as it meets many of the identified outcomes within the strategic plan including:

- affordable
- housing
- diversity of housing options
- natural environment
- sense of community
- health and well being
- active transportation
- business attraction in manufacturing
- environmental innovation/technology
- tourism industry

The following table provides an illustration of the potential payments over the proposed term of the lease. Details of the repayment schedule are currently being negotiated:

Potential Ecovillage Lease Payments (60 Year Lease Term)

(Please note that these figures do not represent confirmed amounts and are only for illustrative purposes)

Property Tax Calculation	
Estimated Leased Area (Acres)	~ 2.8
Estimated Land Value Rate Per Acre	~ \$1,000,000
Total Estimated Land Value	~ \$2,800,000
2018 Tax Rate	0.784%
Estimated Annual Tax (2018)	~ \$21,952.00
Estimated Annual Tax Year 1 with annual tax increase of 2% (2021)	~ \$23,761.55
Estimated Annual Tax Year 60 with annual tax increase of 2% (2080)	~ \$76,433.71
Land Development & Servicing Costs	
Estimated Total Town Land Development & Servicing Costs	~ \$3,340,000
Estimated Annual Repayment (50% of capital costs without interest for 60 years)	~ \$27,833.33
Annual Return of Town's estimated \$1.67 Million Capital Contribution	
Estimated Annual Return on Town's investment loss (2.3% investment rate)	~ \$38,410.00
Total Lease Payment to the Town Escalating annual tax payment + Annual \$27,833.33 repayment + Annual % loss investment interest =	~ \$6 Million

12. **This project does not preserve the original homestead and compromises a historical town landmark.** The spirit of the D'Arcy lands and history of Okotoks should be preserved by turning this area into a park and maintaining the existing house and buildings as landmarks.

The farm site is currently being evaluated by an external expert as a heritage site under the new Municipal Heritage Designation Program, as well as undergoing an expert structural evaluation. This heritage evaluation will come to council for consideration.

13. **Communal living such as this project is not desired by the vast majority of Alberta residents.** Albertans value freedom and independence. As such, the benefit of this project is not for the residents as a whole, but only for a select few that desire this alternative lifestyle. People should be free to live as they wish, however others should not be required to pay for their choices.

During the Environmental Master Plan engagement, when asked about the type of urban design for future development in Okotoks, there was 56% approval rating for tiny home communities and 62% approval rating for communally shared residential green space that supported urban agriculture and biodiversity.

Affordable housing is an issue across Canada and many municipalities, including Calgary, Edmonton and Canmore, have invested in various affordable housing and tiny home projects.

14. **As pointed out by Councillor Christophers in the meeting on May 27, 2019 – if this goes ahead:**

- a. We are partnering with a for profit organization with no track record. We are partnering with a non-profit branch of that company that does not exist yet, does not have a board of directors, does not have a governance structure.

Vagabond Tiny Homes and Realize Communities were required to complete a comprehensive plan to receive funding from CMHC.

The priority at this stage is to finalize the lease agreement, which includes various risk management aspects. Governance models and related details for the operation of the ecovillage will be addressed in due course. Other community agencies have offered to assist in creating a governance model for the ecovillage, which incorporates best practices.

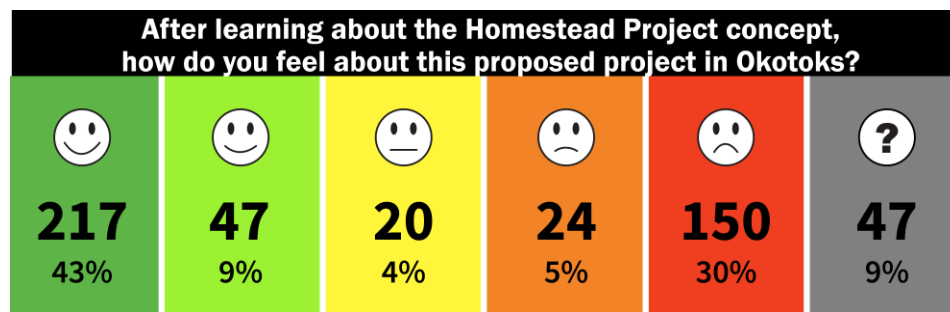
- b. The details of this project are not yet confirmed and is still evolving.

All development moves through various phases from conceptual to detailed design. The project is currently at the conceptual design stage. Once the detailed design is finalized there will be certainty on all aspects of the project. As well, due to confidential legal negotiations, Council is only able to release certain aspects of the project at this time.

- c. The 50 year lease and commitment is too long for an experimental project.
A long term lease provides greater stability for all partners including financial and operational.

- d. This does not have broad public support.

The Town provided boards as part of pop up information kiosks and included boards where residents could indicate their level of support for the project. The results indicated 52% in support and 35% opposed.



The Town of Okotoks has received numerous inquiries from municipalities across Canada in exploring how they can incorporate similar projects into their communities and more than 400 people have registered on the Town's email list to receive updates about the project.