









# Vieux-Verger

Public information meeting Wednesday, April 26, 2023

Your questions/Our Answers



## Agenda

- 1. Introduction by Mayor Robert Benoît
- 2. Return on the project concept
- 3. Answers to questions received
- 4. Presentation of the infrastructures
- 5. Presentation of the financial outline of the project
- 6. Next steps
- 7. Citizen Comments
- 8. Question period
- 9. Conclusion by Mayor Robert Benoît



#### 1. Introduction by Mayor Robert Benoît

#### With all humility,

We don't have all the answers to your questions today, nor all the evidence you would like to have.

However, the biggest risks to the Town - those that have the greatest impact and the greatest likelihood of occurring - are controlled.

At this point, we still have a lot of work to do, and that is quite normal at this stage of the project.



#### 2. Return on the project concept

#### **Main Project Objectives:**

- Financially accessible residential project
- Diversity of housing types near the village core
- Respect for the rural character of Sutton
- Structuring project for the community
- Respect and protection of the environment



#### LES CONCEPTS

#### L'ENVIRONNEMENT



#### LÉGENDE

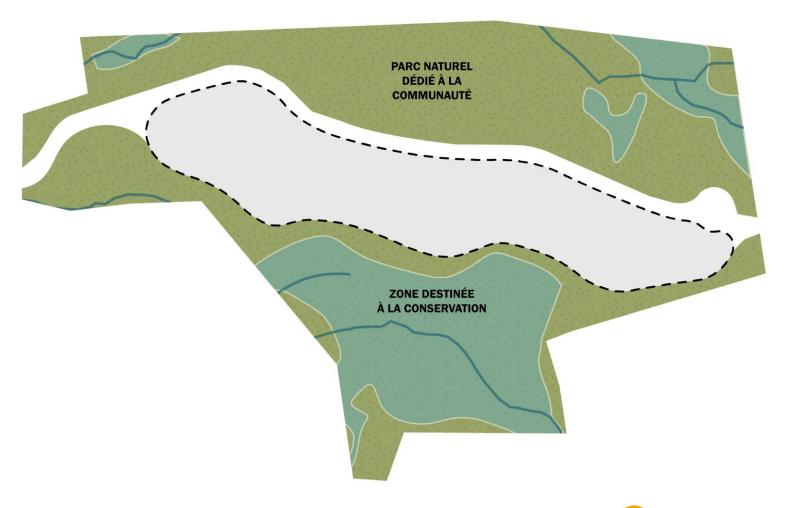
Zone forestière protégée

Zone d'implantation (27%)

--- Ruisseaux

Milieux humides







#### LA PROPOSITION

#### **STATISTIQUES**

Typologies proposées:

- . 9 Micro maisons
- . 18 Mini maisons
- . 9 Duplex
- . 3 Multilogements de 6 unités
- . 2 Multilogements de 9 unités

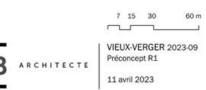
Pour une empreinte construite de 2900 m<sup>2</sup> (31 215 pi<sup>2</sup>)

- Résidentiel: 2700 m2 (29 000 pi²) 80 unités d'habitation
- . Communautaire: 200m2 (2150 pi2) et 4 bâtiments communautaires

Taux d'affectation total au sol: 29% (2.5 ha)

#### LÉGENDE

- Bâtiment communautaire
- Jardins communautaires
- Stationnements (112)
- Amphithéâtre extérieur
- Aire de jeu pour enfants
- Bâtiments partagés
- Piste cyclable





#### 3. Answers to citizens' questions

We have listed the questions asked by citizens since the last public meeting on April 12.

Any additional questions can be asked during the question period.



### What is the emergency?

- In a time of housing shortage, we need to create an environment of affordability by increasing the supply of housing: this land is one of the few immediately buildable.
- It is imperative to develop a project in line with the values of the community.
- This project has been on the drawing board for 12 years. However, it is being offered for sale for the first time, which creates a risk of purchase by a developer who would make a project of only 1 to 3 housing units.
- During those 12 years, the costs of developing this project have increased exponentially: what cost \$100 in 2010 would cost \$134 today according to the Bank of Canada.



# Why don't we let the real estate developers take responsibility for the project?

• If developers had filled the need for affordable housing, we would not be talking about a housing crisis in Quebec and Canada today.Le constat est le suivant :

"Family accessibility, the ecological impact of construction, and the aging population are examples of sustainability issues to be considered in defining development projects to be brought to market. If the municipality does not intervene in the market, it is not the 'free market' that will provide this responsibility."

(Brome-Missisquoi MRC, Boite à outils sur l'habitation pour des milieux de vie dynamiques et innovants (in French only), 2020)

• The solution must be comprehensive, and all stakeholders must be part of it.



### Why is it necessary for the Town to purchase the land?

- It is not mandatory for the municipality to buy, but it is necessary if it wants to increase its leverage so that a strategic residential project is realized in harmony with the values of our community while controlling the price of the land and the type of dwellings that will be built there.
- This land will one day be developed, which is why it is preferable that it be done in accordance with a promising vision for the future of Sutton.
- There have been enough mistakes made on constructions that do not correspond to our values: Let's set the tone for the future!



#### Is the purchase price of the land unreasonable?

- The purchase price was based on the Fair Market Value (FMV) for a building lot near the heart of the village, based on comparable sales in the area.
- The evaluation of the FMV was carried out by a professional evaluator, the firm Sylvestre Leblond & associés (report published on the site Dream Sutton).
- The sale price for comparable land ranges from \$76,000 to \$87,000 per acre. The usable area of the site is just over 16 of 21 acres. Pricing it at \$86,000 per acre yields a price of \$1.4 million.
- Given the lack of large building lots, the current value of this land can only increase over time.



## Does the purchase price of the land include the cost of GST, QST and land transfer tax?

- The purchase price includes the cost of GST and QST.
- When a Town acquires land within its own jurisdiction, it is exempt from paying real estate transfer tax.
- Upon resale, real estate transfer tax will be paid by the buyer(s)/developer(s).



### What is a municipality's borrowing rate?

- When a municipality borrows, the interest rate is in no way related to the mortgage interest rate that one would have privately: it is normally lower.
- The risk premium of a municipality is very low, because a town cannot go bankrupt.
- The current rate on municipal debt is around 5% over 25 years while the rate on a 5-year closed residential mortgage currently ranges from 5% to 7%.



### How does municipal funding work?

- When a town borrows money, it must ask the Ministry of Finance to call for tenders from different financial institutions. This centralization of requests and their volume makes it possible to obtain more advantageous rates for municipalities.
- The Ministry receives and analyzes the offers received from the financial institutions and then imposes on the municipality the offer to be accepted, which is always the most advantageous for the citizens.
- The financing is for a period of 25 years, renewable every 5 years according to the same process.



#### Are citizens signing a blank check to the Town?

- No, it's not a blank check!
- The loan is only for the acquisition of the land, the cost of which is known.
- The land will be resold as soon as possible so that the Town can recoup the money advanced. (equivalent to "bridge financing")
- The sale price shall be equal to the purchase price plus interest and expenses incurred.
- This will effectively freeze the price of the land during the interim period until the homes are built, thereby promoting the affordability of these homes.



#### Is it true that the financial risks to the Town are enormous?

- No, there is little or no financial risk to the Town!
- The most significant financial risk is the risk of building, leasing or selling the housing units, a risk the Town will not take.
- The Town will not be the developer of the project!
- The residual financial risks are:
  - The devaluation of the land price, which is very unlikely.
  - A sale price below the acquisition cost, which is unlikely, but will have to be authorized by the public anyway if necessary.
  - Losing the economic benefits of private investments between \$20 and \$25 million.

#### What are the other risks?

- The non-realization of the residential project.
- The realization of a project that does not correspond to the aspirations of the community.
- The construction of a low-density project, with only a few monster houses in the center of the village.
- Non-protection of wetlands and sensitive environments in perpetuity.
- Ultimately, the devitalization of our village core.



### Why aren't governments involved in the project?

- The federal and provincial governments are not involved at this time, primarily because the Town does not own the land.
- However, their programs to encourage the construction of affordable housing will certainly be used by developers.



#### Will the Town pay part of the cost of the infrastructure?

- No, unless the Town installs equipment that would require connection to the infrastructure.
- The Town's intention is to fully recover the cost of building the infrastructure (road, water, sewer, etc.).



# Can the Town guarantee that taxpayers will not incur any costs beyond the purchase of the land?

• The Town's intention is to limit itself to the acquisition of the land, as we believe this is sufficient to have a positive impact on the affordability of the units and to have leverage in negotiations with the buyer(s)/developer(s).



### Do we have the capacity to supply water to this project?

- The project will be supplied by the Village water system, the Academy well.
- This well has sufficient residual capacity to supply at least 400 new housing units, as previously mentioned.
- Clearly, the project is not affected in any way by the known difficulties with the water supply in the Mountain sector.



## Will the road be private or public?

The road will be public due primarily to the presence of municipal infrastructure and public space.



## Will the proposed community space replace the John-Sleeth Center?

- There is no relationship between this concept of community space and the John Sheeth Center.
- The project presents a collective area for residents and a public space for users of the linear park along the creek north of the access road.



### Who will own the wetlands and community lands?

- Ideally, these lands should be acquired by non-profit conservation societies.
- These lands would be protected in perpetuity.



## What impacts will construction have on the stability of the ravine along the southwest lot line of the site?

- No construction will be allowed in the area of steep slopes.
- The required soil investigations will be conducted prior to the construction of any infrastructure.



# What happens if Cemetery, Seymour, Larivée and Mountain Streets are damaged during construction activities?

- If there is any damage, it will be repaired!
- The rehabilitation of Cemetery Street, Larivée Street and Seymour Street is already planned in the medium term by the Public Works and Fixed Assets Department, whether or not the project is completed.



#### Will the electrical wires be buried?

- We don't have that level of detail right now.
- However, all options will be considered, with the Town's preference being to bury the wires.
- In addition, it will work with Hydro-Quebec to optimize the envelope and the energy efficiency of the homes.
- The Town has initiated discussions with Hydro-Québec's HILO project as a pilot project.



# Will the project be treated as an integrated housing project (IHP)?

 Although the concept and form of the development have not been finalized at this time, it is possible that certain portions of the site could be developed as integrated housing projects (IHP) in order to reduce the ecological footprint and promote common spaces.



### Where will the waste bins be placed?

- Locations have not yet been identified as the project is still in the "conceptual" stage.
- The Town is currently investigating the use of Moloc or semi-underground bins.



## Will the parking spaces provided in the plan meet the needs of residents and visitors?

• The location, number and accessibility for persons with reduced mobility will be taken into account at the time of the detailed study of the projects submitted by the developers.



### What is the estimated price of each type of home?

- It is up to the buyers/developers to make this estimate.
- Affordability must be the target and will be part of the developer/buyer's obligations.



#### Will the units be rental?

• It is too early to guarantee this, but it is the Town's intention that, at a minimum, a portion of the project will be dedicated to rental housing.



# What is the percentage of each type of accommodation and at what monthly rental cost?

- It is too early to establish this kind of data.
- The Town will establish a ratio according to the target clientele, families, seniors, etc.



### What is the size of each housing unit?

- This is a premature question at this point.
- It will be necessary to wait for the deposit of plans from the buyers/developers.
- The concept presented earlier calls for 450, 600 and 1000 square foot units.



### How many bedrooms will the units have?

- It is impossible to say at this point.
- We aim for a variety of housing types and a mix of target clients.
- Among other things, the project will encourage the arrival of new young families.



### Will the homes be principal residences?

- Yes, the Town is looking for permanent residents to have their principal residences in the Vieux-Verger project.
- One of the benefits to the Town of owning the land is the ability to better control its use.



## Can the Town prove that housing will be affordable?

- At this time, the Town cannot prove this, but will require it as a condition of future developers/buyers.
- It will be up to the developers to demonstrate this and offer a variety of products for the future residents of the project.
- The federal and provincial governments have several programs to encourage the construction of affordable housing.
- By freezing the price of land, we will promote housing affordability.



# How to control real estate speculation/overbidding?

- This issue is one of the biggest challenges facing the Town.
- There are a variety of innovative business models that can have a positive impact on limiting speculation and overbidding on real estate: in the coming months, the Town will review all of the options and select the model that best meets our objectives.



# Can we already register?

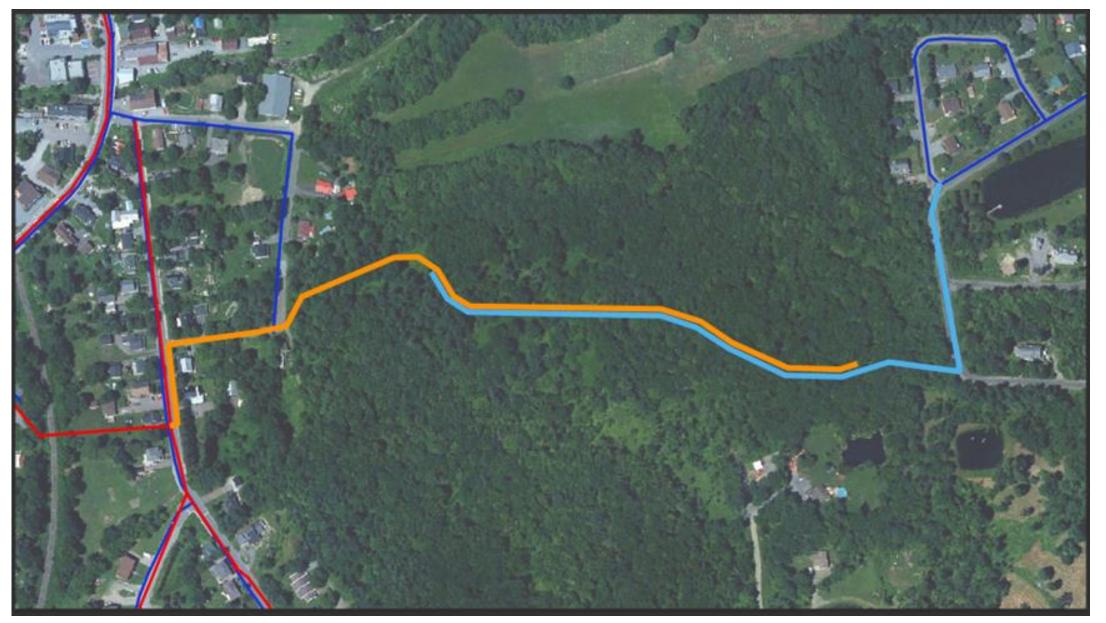
- Not at the moment.
- However, some residents have already indicated their interest by email!



## 4. Presentation of the infrastructures

Infrastructures	Linear meters	\$/linear meter	Total Dollars
Aqueduct	632 m	900 \$	568 800 \$
Sewer	770 m	950 \$	731 500 \$
Roads	520 m	950 \$	494 000 \$
Multifunctional trail	550 m	450 \$	249 750 \$
Т	otal		2 044 050 \$







# 5. Presentation of the financial outline of the project

Land acquisition cost	1 570 896 \$
Financing (capital, interest, 25 years, 5%):	
Total annual cost to the Town	111 445 \$ /year
<ul> <li>Annual cost per 100 000 \$ of assessment to taxpayers</li> </ul>	6,70 \$ /year
<ul> <li>Annual cost for a home valued at 468 000 \$</li> </ul>	31,36 \$ /year

Expected revenues according to housing evaluation	Evaluation at 20 M\$	Evaluation at 25 M\$
Recurring Municipal Taxes (act. rates 2023)	166 480 \$/year	197 980 \$/year



# 5. Presentation of the financial outline of the project

Investissements (acheteur/promoteur)	
Purchase of the land	1 570 896 \$
Estimated cost of infrastructure	2 044 050 \$
Total	3 614 946 \$
Investment per unit (buyer/developer)	
investment per unit (buyer/developer)	
Number of housing units	80 units
Total per housing unit	45 186 \$ /unit



#### 6. Next steps

- Maintenance of the register: April 29, 2023, between 9 a.m. and 7 p.m.
- Announcement of the result of the register: April 29, 2023, in the evening
- Announcement of Council's decision on the continuation of the borrowing by-law: Municipal Council meeting of May 3, 2023



#### 7. Citizen Comments

Extract from an anonymous circular sent by mail

"CITIZENS FOR RESPONSIBLE SPENDING AND TAXATION the April 12th information session clearly shows that the Town is prepared to go far beyond its prerogatives and the provisions of the law while using our taxes in an opaque manner, and we see that its ultimate goal is already well established. We should all be concerned about our future. [...] "

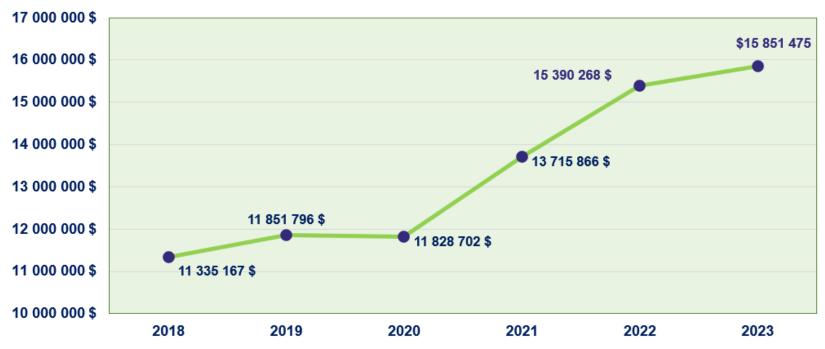
Answers to the statements made in this document: listen to the recording of the public meeting at 1:08:21 on https://www.youtube.com/watch?v=MYMIvWpA55Y





# Restoring a balanced budget

#### **Evolution of expenses**





#### Positive comments received from citizens

"I am aware of the Vieux-Verger project, and I would like to highlight this great initiative by the Town of Sutton to set up a concrete project to increase affordable housing. Bravo!"

"I think the plan is good, the risk to the Town's finances is minimal and we need to move as quickly as possible on the next steps while thinking through the details." "As far as the Vieux-Verger project goes, I think it's very well done, very modern and almost cutting edge!"

"2 words to congratulate you for this project which answers several problems at the same time. Congratulations to Sutton, its employees. Its council and its mayor "

"The Vieux Verger is a great project! Bravo!"

"I wanted to say thank you to you and everyone who has worked on the development of the Vieux-Verger project."



# 8. Question period





#### 9. Conclusion

#### Yes, we need:

- Young families
- Rejuvenating our village
- Looking forward
- To trust us
- Courage, optimism, leadership and enthusiasm



#### Conclusion

# We need to increase the supply of housing to create an environment of accessibility and affordability:

- 80 potentially affordable units
- 98 new units in the short and medium term
- 2,552 existing units in Sutton: 98/2,552 = 3.84
- Almost a 4% increase, that's huge!
- In a short period of time, **if we want to**, we can improve the housing crisis in Sutton.



#### Conclusion

#### If you trust us, we commit ourselves to:

- Recover all amounts invested in the development of the project so that it is zero cost to the Town
- Inventory the best practices for the most affordable real estate project possible.
- Create a joint project committee composed of Sutton taxpayers and members of the municipal team to follow up on the progress of this promising project for the community.



#### Conclusion

#### If you trust us, we commit ourselves to:

- To ensure that the population of Sutton has the first choice to live there and that the dwellings are principal residences.
- To set aside in perpetuity land that will not be used for residential construction.
- To carry out an innovative project that will put Sutton at the forefront of towns that develop ecological and community projects.

