

Tiny Town Association Manifesto

21st Century Affordable Housing

Version 0319.29



Vacant land/lot



inFILL Housing



Pocket Community



Tiny Town

Table of Contents

Introduction	4
About the Association.....	4
Why Tiny Homes	4
Tiny Homes on Wheels	4
Adding Tiny Homes	5
Integration Overview	5
Vacant Land/Building Lots	5
InFILL Housing	5
Pocket Communities	5
Tiny Towns	6
An Affordable Option.....	6
Homeownership.....	6
Homeownership vs Land Ownership	6
Homeowner Demographics	6
Tiny Homeowner Demographic Study	7
Age Groups.....	7
Gender Groups.....	7
Health Groups	8
Householder Groups	8
Renter Groups.....	8
Buyer Affluence.....	9
Buyer Demand	9
Scalability	9
Implementation	9
Tiny Homes vs	10
Future Flexibility	10
Citizen Based Solution.....	10
Strategy Benefits.....	10
Tiny Town Design Notes.....	11
Appendix	12
Pocket Community Expansion - Thursday, 14 March 2019	12
About the Association - Friday, 15 March 2019.....	13

Live Tiny Options - Thursday, 21 March 2019..... 13

 Rent..... 13

 Own..... 14

 Cooperative..... 15



Introduction

About the Association

The Tiny Town Association believes that tiny homes should be a housing option available to all. While we see the most interest from singles, couples, and young families, we believe it should be available to anyone wishing a simplistic, affordable lifestyle. Tiny homes are an affordable form of housing that can become a stepping-stone into and out of traditional housing. Tiny homes are successfully being used as a way of addressing homelessness and assisting those vulnerable members of society regain their dignity through independent living.

The Tiny Town Association is a not-for-profit Corporation advocating for tiny homes as a housing option available to all. The Corporation was formed in September, 2017.

Why Tiny Homes

Traditional housing is no longer affordable for many people. Location based demand continues to push house prices higher and when combined with ever increasing construction costs for new builds, traditional housing may never be within the reach of many service sector/middle class workers. To enter into the traditional housing market, most first-time home buyers need to work and save longer, in addition to combining their earnings with a partner and relatives.

Tiny homes can be an affordable stepping-stone into traditional housing. When built on wheels, they eliminate the need to include land in the cost of ownership ensuring they can remain affordable. By supporting tiny homes on wheels (THOWs) municipalities, cities, towns and hamlets (collectively referred to as cities herein) can provide their citizens with an affordable housing option that can be scaled to meet demand.

Tiny Homes on Wheels

Tiny homes on wheels remove the cost of land from homeownership. Tiny homeowners can build or buy a tiny home, then rent space on which to park, providing an affordable form of housing for people that fit the tiny home demographic. While being built on wheels provides the opportunity to take one's house with them when they move, tiny homes are not constructed for a nomadic lifestyle like travel trailers or motorhomes. They are big, heavy and the moving process is still a major event. The key benefit is the owner doesn't need to find a new home, only a location for their home when they move.

Cities shouldn't fear attracting a gypsy population as most tiny homeowners are simply looking for a stable lifestyle in an affordable home, not an easy way to move around.

Adding Tiny Homes

Integration Overview

The Tiny Town Association has identified 4 ways that cities can implement a THOWs program. The options can be used individually or collectively, and as with tiny homes themselves, the strategy can change with time. A city may start with one way that tiny homes can be added, expand to include others, and even reduce the options in the future, simply through zoning and permitting changes.



Vacant Land/Building Lots

Vacant rural land and city building lots are often an early choice for tiny home living. They provide the most privacy for the homeowner, but also the biggest expense to startup and the least flexible for the future. While they are allowed in a number of cities, they limit a homeowner's options.



InFILL Housing

inFILL tiny home living is where a tiny home is placed on a residential building lot as a secondary or auxiliary dwelling. The tiny homeowner would rent the site from the primary homeowner and be connected to the city services through the primary homeowner's connections.



Pocket Communities

A Housing Cooperative owns city land where 2-24 tiny home sites are built for member and non-member tiny homeowners. The community would be connected to city services through a shared account managed by the cooperative.

An alternative Pocket Community could provide tiny homeowner space on building sites that will be repurposed in the future. Where a developer owns land that is currently unused, temporary services could be installed and sites could be rented until final development of the site happens. Where the developer did not want to invest in city connections, sites could be rented to off-grid tiny homeowners, that provide their own waste, electrical, heating and water solutions. This form of Pocket Community could provide rental spaces for tiny homeowners, a way of offsetting costs for the developer and a presence on the site to discourage vandalism. Tax concessions would provide incentives for developers as well.

Tiny Towns



Tiny Towns are planned to be located within commuting distance of a host city and would provide rental sites to many tiny homeowners. Each town is planned to be self-sustaining, providing its own services to the town's citizens. Towns will be designed to encourage community living and include community service opportunities. Each town will include a social housing component administered under the Affordable

Rent to Own (ARTO) Program.

An Affordable Option

Homeownership

Tiny homes provide an affordable housing option for homeowners. They can address the needs of singles, couples and even young families, but as families grow, or lifestyles change, traditional housing becomes the better option. Many young individuals and couples are drawn to tiny homes because starting out, most do not have the possessions and a family dynamic that requires more space. While a minimalistic lifestyle attracts some people, affordability is the biggest attraction for first-time homeowners. Typical home-built tiny homes cost \$20-40,000 making them the most affordable form of housing available. Commercially built tiny homes start at \$40,000, with the average being around \$65,000. Any of these ways of acquiring a tiny home is far more affordable than every other type of home, primarily because they do not include land.

Homeownership vs Land Ownership

Tiny homes are affordable because they are not locked to a piece of property. They rely on landowners, leasing or renting them space to live on. By eliminating the cost of land acquisition, tiny homes are affordable and can remain affordable because their location does not have to influence their price. With traditional housing, a key determination of value is location - location - location and tiny homes are exempt from this influence.

This housing model provides some key advantages to cities that embrace the concept. Existing infrastructure can support the addition of tiny homes and through permits, cities can manage how tiny homes affect density. The major costs of increased affordable housing is be carried by citizens of the city that want to participate in the site development process.

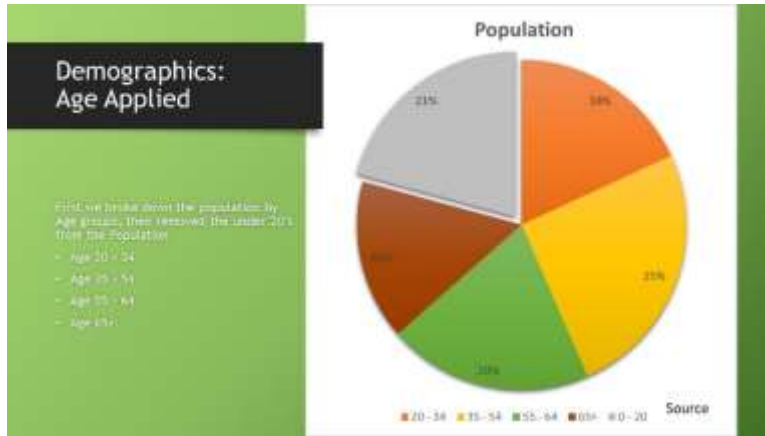
Homeowner Demographics

Singles, couples and even young families find that tiny homes can provide an affordable housing option. While initially embraced by Millennials, Boomers and retiring empty nesters are considering tiny homes as an affordable “next-step” in their housing transition. Tiny homes can free up funds for retirees that can be used to support a retirement lifestyle on a fixed income. Low maintenance, easy to maintain, and accessible designs are making tiny homes an attractive option for seniors looking to maintain an independent lifestyle.

Tiny Homeowner Demographic Study

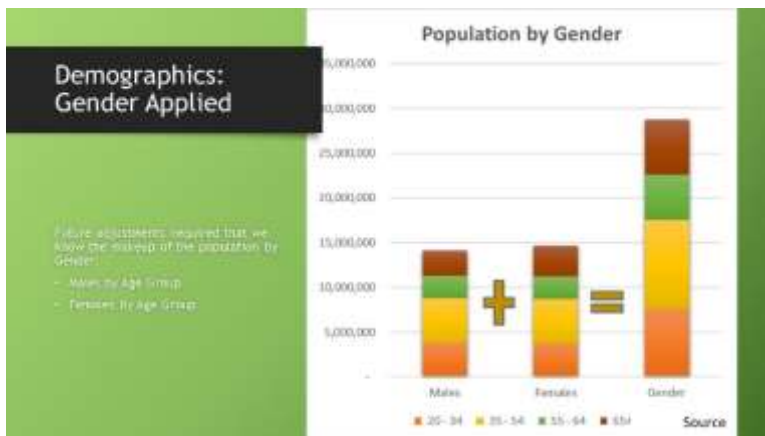
We have identified key metrics that are consistent across all tiny homeowners. We have applied each to the national population to determine the number of people that would be most likely to purchase and live in a tiny home. The metrics have been gathered on current tiny home buyers, builders, owners, and wannabe’s through social channels, forums, and groups representing over 100,000 people around the globe. Each of the following slides are from our **Canadian Institute of Planners - World Town Planning Day Conference 2018 presentation** and are based on Canadian population demographics:

Age Groups



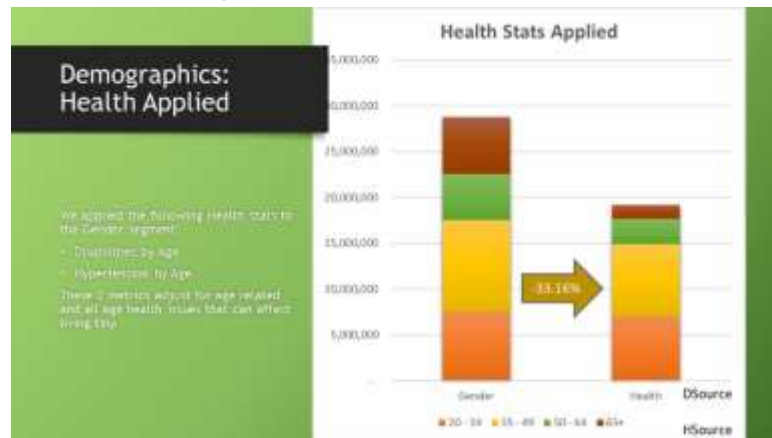
The earliest tiny home adopters were Millennials. Young, first-time home owners continue to be the largest segment of the tiny home market. Interest is growing amongst the Boomer market, as these empty nesters consider a tiny home lifestyle. Singles and couples with few possessions, a limited or fixed income are beginning to appreciate a tiny home simplistic lifestyle.

Gender Groups



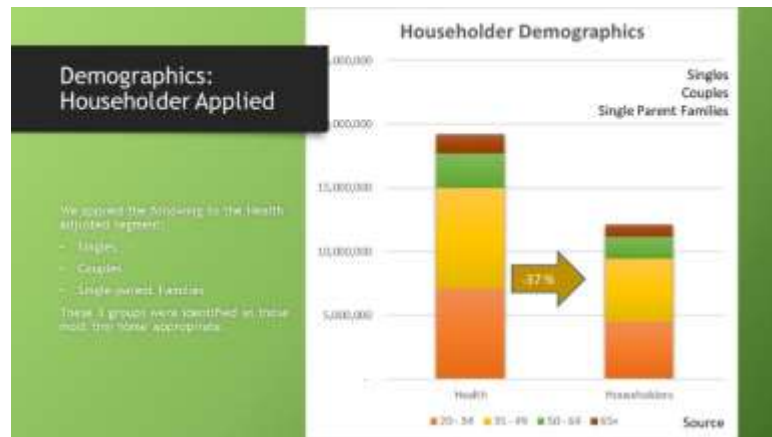
When we consider gender statistics, we can get a better appreciation for the target market. Splitting the market in this way will allow us to apply health related statistics next to our tiny homeowner population. Additionally, single women are becoming a strong segment of the current tiny home demographic.

Health Groups



Health is a significant factor when reviewing the target group. We have selected disabilities and hypertension as 2 metrics to provide both a physical limitation as well as a mental one to the target group. When we initially published these stats on social channels, we were surprised by the number of people that said they were attracted to tiny homes because of their these limitations.

Householder Groups



Next, we removed families of more than 2 people from our study group. Again, we were surprised how many families commented back to us about their desire to become tiny homeowners.

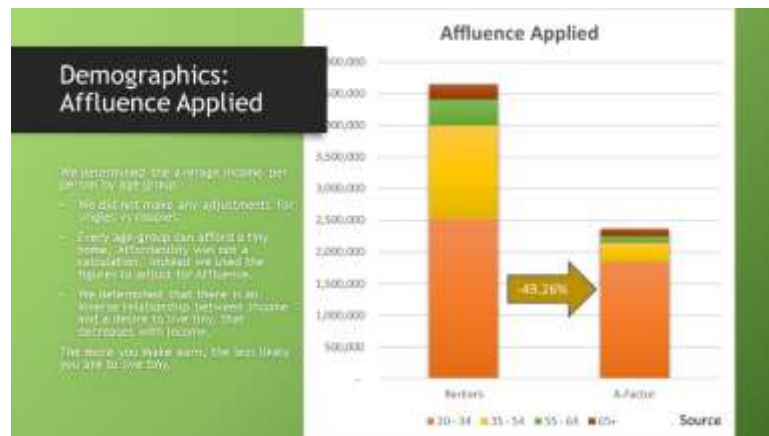
Wanting to identify the “typical” current tiny homeowner, we continued to limit our sample to individuals and couples.

Renter Groups



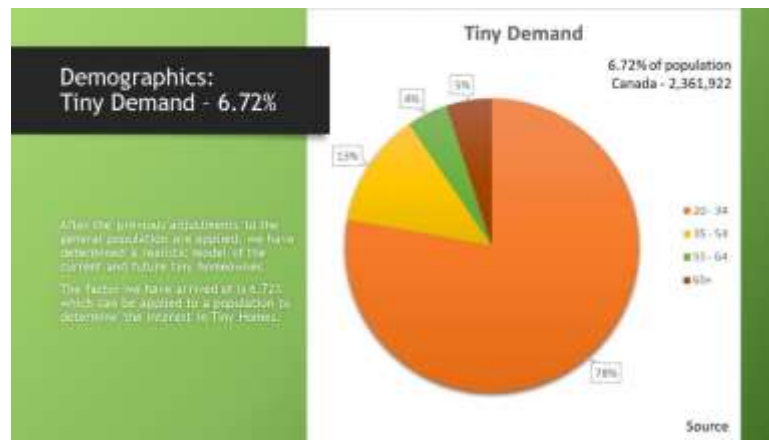
To further tighten the group demographics, we removed people that currently own a house. The expectation is that they current homeowners would not move into a tiny home until around retirement. The result is the portion of the population doesn't own a house, expecting that if tiny homes were an option, some of these would look to become tiny homeowners.

Buyer Affluence



The last metric we applied to the group is Affluence. As a person's income increases, often the accumulation of stuff occurs. This results in a need for more storage space. The accumulation of stuff and space seems to increase the likelihood of a single becoming a couple, and a couple having a family. All these factors can reduce interest in a simplistic tiny lifestyle.

Buyer Demand



After all these metrics are applied to the Canadian population, we find that over 2.3 million people fall into a group of people that would expect to have an interest in tiny homes.

This is **6.72%** of the population and any municipality, city, town or hamlet that applies this factor to their population can quickly determine the potential level of interest of those looking for an affordable housing

option that tiny homes could fill.

Scalability

Implementation

When a city is looking at affordable housing options, tiny homes are the easiest option to implement. Through a few zoning changes and permit implementations, cities can provide affordable tiny housing faster than any other form of housing.

Once a city makes changes to their zoning bylaws to allow tiny homes, and outlines the site preparation requirements, property owners can apply for permits and begin site construction for tiny homes. A small permit force can oversee the various site setups and confirm that site preparation meets the city guidelines. Site preparation costs are born by the property owners and tiny house costs are born by the homeowner, meaning that cities can implement the strategy for a very low cost.

Once sites are established, permit fees can become a form of revenue for the city, without additional infrastructure costs.

Tiny Homes vs ...

Tiny homes as an affordable housing solution can be implemented faster than any other form and at a lower cost to the city per resident, than any other way. Additionally, the availability of new affordable housing can happen faster and can easily be managed through issuing permits by the city. Areas of the city can be designated as permitting tiny home applications, this combined with site requirements by the city, can provide a way to manage tiny home development.

Future Flexibility

Tiny homes provide a fast solution to housing affordability, in a non-permanent way. Unlike building an apartment, condo, row-housing or other permanent affordable housing solution, tiny homes on wheels are a flexible solution.

Through issuing an annual permit, cities can control the number of tiny homes in a given area, providing immediate access to affordable housing, but the changes to implement the strategy can easily be reversed. Should a traditional homeowner providing a site for a tiny home, decide to sell and the new buyer decide they do not want to continue to rent space, the site can be easily returned to other uses. The site permit could be applied for again in the future, should the situation change again.

Citizen Based Solution

Where a city wants to implement an affordable housing solution, in the past they relied on an individual corporation to undertake a large project. The tiny home strategy allows site development to be shared by many citizen homeowners, providing a large pool of capital, a large base of existing developed land to be utilized and allowing many smaller construction companies to become involved. This is a key benefit of the strategy, because it can be funded by a large base of citizens who see tiny homes as both a solution to housing affordability, as well as a source of income in the form of site rental fees.

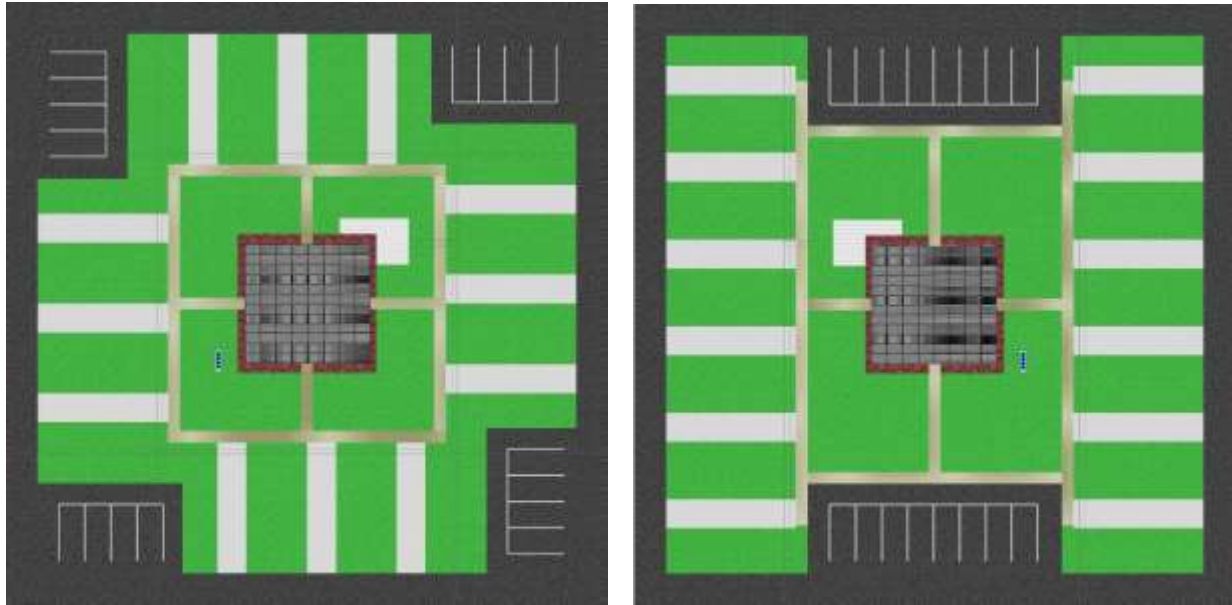
Strategy Benefits

- Sites are developed by coops, corporations and individual citizens,
- Tiny homes can be constructed by tiny homeowners,
- Tiny homes can be constructed by many small businesses/builders,
- Tiny home sites do not need to be permanent changes to a city,
- Tiny homes may be bought and sold, but these costs are expected to remain replacement-cost based rather than land/location-value based,
- Tiny homes can quickly provide needed housing in already developed areas,
- Tiny homes are owned, encouraging owner maintenance and not renter's disrespect,
- Housing maintenance costs are eliminated from the program as they are the responsibility of the homeowner.

Tiny Town Design Notes

The Following notes outline our plans and ideas for Tiny Towns. We have been working on a design that is modular, so that each town can start off small, but grow following a preplanned design to ensure that services can easily be expanded into new “neighborhoods” without affecting established ones.

The design is based on a neighborhood Pod, consisting of sites for 12 tiny homes. Each Pod includes space for parking, a community center which houses central solar collection and distribution, as well as garden space, community gathering center and common storage. We hope that the community center will provide a place where each Pod neighborhood can assemble and even share meals together.



Pod12 Notes:

01. pod size 208' x 208' = 1 acre
02. road width 11' - single lane
03. 16 car/truck parking spaces
04. car parking space 9' x 20'
05. 2 parking areas
06. parking area 31' x 86'
07. 12 - tiny home sites
08. site 31' x 50'
09. tiny home size 10' x 45'
10. path width 4'
11. common room 43' x 40'
12. solar panel roof
13. 96 panel capacity
14. underground services
15. interlock path
16. asphalt pavement
17. grass
18. tiny home cement pad
19. garden area
20. battery/controler bunker
21. Geothermal heating
22. may be used as a corner/end pod



A Pod can operate completely on its own as a standalone neighborhood. A single lane road runs around the Pod providing access to all tiny home sites. Parking for 1 vehicle for each tiny homeowner and guest parking is available within a short walk of each home. Paths connect each tiny home to the central community center, gardens and greenspace. Utilities run below each site and connect to the central utility room beneath the community center. Solar panels on the roof of the community center collect power, and each community center is connected to the Tiny Town’s smart grid.

Solid and liquid waste are collected through a sewer system and feed to a central anaerobic digester the converts the town’s human and organic waste into Renewable Natural Gas that is then fed back into the gas grid and provide to each tiny home through their services hookups. Each tiny home site is planned to provide electricity, sewer, natural gas, TV and internet hookups.

Appendix

The following Blog posts from the Association website cover various topics pertaining to tiny home living and Tiny Towns. <https://tinytownassociation.com/tiny-town-blog.html>

Today's conversation is on tiny home sites. We have identified 3 ways that you could live tiny, but if you know of or think of others, please share.

Pocket Community Expansion - Thursday, 14 March 2019



I wanted to send a thank you out to Martin Skolnick at Cushman & Wakefield in Kingston, ON for sharing the idea of commercial property owners renting out space to tiny homeowners until the site is scheduled for development. This is a real win-win idea because developers can get an income from undeveloped land that could off-set property taxes, as well as having the tiny homeowners on the property, thereby helping maintain the grounds and prevent vandalism.

This could potentially provide rental space for many tiny homeowners in desirable locations in a city. Where the developer didn't want to provide any services, the tiny homes would need to be able to operate totally off-grid, but we see this as a small price to pay for in-city locations. As some development sites can be vacant for years while going through the design, planning, permit, and other processes using them as temporary Pocket Communities for tiny homes make sense.

We feel that through an application and annual permit process, the city would be able to manage and control the Pocket Community to ensure that the tiny homeowners appreciate that living tiny in the city is a privilege, not a right. The responsibility to integrate into the community where tiny homes park, lies with the tiny homeowners.

While we have thought that the best way to build and operate Pocket Communities was using a coop model, where a cooperative would own the land and rent it out to tiny homeowners/members, we can't ignore the creative sensibility of this idea. Using undeveloped commercial, light industrial or other investment type lands to quickly get more spaces, in key locations, available for tiny homeowners is just brilliant.



About the Association - Friday, 15 March 2019



What's right for you?

I just wanted to take a moment to clarify what the Tiny Town Association is and is not for those that have not visited our website. We do not own or operate any tiny home communities but are advocating for governments to make changes to allow people to live tiny. We have identified 4 key ways that zoning bylaws can change to accommodate tiny homes, and while we have an affinity for our Tiny Town concept (hence the Association name), we strongly support all ways that allow tiny homes to exist alongside traditional housing.

We are advocating for tiny homes on vacant land/lots, as inFILL housing, in Pocket Communities, and in Tiny Towns. Expanded explanations are on our website, but in a nutshell, here is what we mean:

Vacant land is rural, divided but undeveloped land that an individual tiny homeowner would purchase, make the needed improvement to and live on. Building lots are the same but within a city. In both these scenarios, we expect that the city/municipality would assess a tax rate equal to the smallest traditional house size that could be built on the land, in place of the tiny home. The land is owned by the tiny homeowner.

InFILL Housing is where a homeowner with a big enough yard that met the city requirements could apply and receive an annual permit to provide services for and rent space to a tiny homeowner. This would be like the coach house or laneway housing model that many cities are adopting, but for tiny homes on wheels. The site is rented by the tiny homeowner.

Pocket Communities would be developed on vacant lots within a city. The lots would either be cooperatively owned or owned by a developer. Cooperative Pocket Communities would be permanent sites, whereas undeveloped sites we expect would be temporary. However, some temporary communities could exist for many years. The site is rented by the tiny homeowner, but in the coop model, they could have the stability and rent geared to cost that a coop offers.

Tiny Towns we feel are the most exciting and offer the most potential for tiny home living. Cooperatively owned and built on rural properties of 100 acres or more, we envision that they would be connected to their host city through public transit. Tiny home sites would be larger than within the city and offer lots of community space. The towns themselves would be off-grid providing the utility services to its citizens in an environmentally responsible way. We see this growing into a network of Tiny Towns connected to all major cities so that a tiny homeowner can relocate to another city (for work or family) in a similar way that traditional homeowners would, but taking their tiny home with them when they move. The site is rented by the coop-member tiny homeowner enjoying a cost-based rental rate.

Live Tiny Options - Thursday, 21 March 2019

Rent

This is the basic type of site where someone owns the property and you rent space to park and live in your tiny home.

Advantages:

1. The key advantage is a tiny homeowner's startup costs are low because the property owner has invested everything into making the site ready for you.
2. You are not locked into your site and can leave when your rent period expires.

Disadvantages:

1. Typically, the rent costs are high because the property owner needs to recover the costs to buy the property, plus make any improvements for a tiny home renter, plus make a profit.
2. The continued use of the site is not guaranteed, as whenever your rent renews, the owner could choose not to renew.
3. There are no "rent controls" governing the treatment of tiny home renters, so your rent could increase when it renews.
4. Monthly rents can cost \$500+ and may require the renter to pay additional costs like utilities, maintenance, etc.

Own

This is what most tiny homeowners have done to date, as other options are limited so far. Basically, a tiny homeowner buys a rural building lot, prepares the site to live tiny on it and then moves their tiny home onto the lot.

Advantages:

1. You own the property so are in control of what is done to the property and how close your neighbors are.
2. You have continued use of your property.
3. You pay no rent, but you do pay property tax. While it is not a current situation, we expect that municipalities over time will develop a minimum property tax which will apply to tiny homes. We expect this will become the norm, as municipalities will still need to provide the same services, they do to every property owner.

Disadvantages:

1. High startup costs. You must buy the property and pay to have whatever services you want to be installed. This can include septic, electricity, water (well drilled), gas (connection if possible or tank rentals), driveway and site preparation to park your tiny home.
2. You will have to arrange any permits which may affect your ability to live on your property year-round, or hope no neighbor reports you if you decide to live on it without approval.
3. If you want to (or must, for work or family) move in the future, you will need to either sell your tiny home with your property (what many people are doing today) or find a buyer with a tiny home that wants to buy your lot with the improvements you've made.
4. If you cannot find a willing buyer when you want to sell, you may be stuck owning multiple sites or selling at a loss.
5. Startup costs can include the following:
 - a. Property purchase price: \$20,000 - \$65,000+
 - b. If you do not have the funds to pay the complete purchase price, expect that you may have to have a down payment of 50%.
 - c. Lawyer fees: \$1,500+

- d. Land transfer fees: up to 1.5% of the property purchase price
- e. Hydro connection: \$2,500+
- f. Septic System: \$10,000+
- g. Well: \$5,000+
- h. Permits & fees: \$500+
- i. Property taxes: \$100+/month

Cooperative

This is a newer concept the Tiny Town Association is working to establish for tiny homeowners. Basically, you become a member of a tiny home cooperative that owns multiple tiny home sites.

Advantages:

1. You have the permanency of being a member of the cooperative, so you can settle on your site, knowing the coop owns it and you will not be forced to move, unlike renting.
2. The coop develops and operates the sites, so the rent is based on operating costs and not making a profit. This is expected to keep rents to a minimum, unlike renting.
3. You can move within the coop from site to site, or to other coop owned sites in other towns, maintaining your coop membership, unlike owning.
4. You can sell your coop membership back to the coop should you no longer wish to live on a site, which is much easier than selling a property you own.
5. Startup costs will be more than renting, but less than owning your own property as costs will be shared among many sites instead of covered by yourself.
6. If you own a tiny home on wheels (THOW) you are not locked into owning a piece of property, or at the mercy of a landowner. In a coop, you are a part owner.

Disadvantages:

1. You do not own the property and upon the sale of your membership back to the coop, you can only expect to recover your initial costs. This is unlike ownership where you may be able to recover your cost, and possibly some appreciation in the property value.
2. You could only move to other sites available within the coop.
3. You have a higher startup cost in joining the coop, then renting a site.
4. Cooperative membership: \$25,000 (TTA target)
5. Monthly rent including utilities: \$250 (TTA target)

We see the coop as it develops as the ideal model for tiny homeowners. You have the security of being a member/owner without the restriction of being locked to 1-location. As more coop-sites open, you will be able to move from one host town to another to meet your lifestyle needs.