

STAFF REPORT

TO: Community Services Committee
FROM: Manager Community Services
DATE: 22 November 2006
SUBJECT: Pensioner Housing Issues

PURPOSE/REASON FOR REPORT

This report is to suggest to the Committee that the attached draft Pensioner Housing Policy be adopted and that consideration be given to increasing the number of cottages owned by Council.

BACKGROUND

Council owns and operates 97 pensioner cottages in six towns throughout the District. Originally these were operated under a policy set by Housing NZ when subsidies and low interest loans were offered to local authorities for building cottages for the elderly.

Over the years this policy has been amended by Council resolutions, however Council have never had a full policy document.

The second issue that needs consideration is the waiting lists Council have for cottages. This varies from time to time and in most cases is quite low, however in the case of Motueka this has grown over the last few years to over 30.

Along with this issue, Council needs to consider the fact that the credit balance in the closed Pensioner Cottages Account is currently over \$300,000.00 and the Government may have funds available under the Housing Innovation Fund to assist with the building of more units.

COMMENT/DISCUSSION

Council staff have prepared the Draft Pensioner Housing Policy which has incorporated previous resolutions and other informal policies.

Councillors will note in the Draft Policy that Council can, in certain circumstances, dispose of cottages and on the other hand can provide additional cottages.

With regard to the issue of providing extra cottages in Motueka, the current Housing Innovation Fund criteria is as follows:

“The Fund

- **Interest-free suspensory loans for acquisitions** – where a Council wants to buy or build a property for social housing, an interest free suspensory loan can be provided for up to 50% of the cost of the project. Councils will be expected to meet the remaining cost.
- **Interest-free suspensory loan for modernisation** – where a Council wants to modernise a property, an interest-free suspensory loan to a maximum of \$30,000.00 per unit is available.
- **Interest-free suspensory loans for reconfigurations** – where a Council wants to reconfigure housing, a maximum \$30,000.00 contribution per existing unit will be made available or the cost split 50:50, whichever is the lesser.

A condition of all Local Government loans is that the housing is retained for social housing for 20 years.

If the property is sold or used for another purpose within the 20 years, your Council will need to repay the Government’s contribution plus interest calculated on the remaining years of the loan.”

At this stage, staff have not enquired about the availability of funds from this source but will do so if Council agree to investigate further the provision of additional cottages.

Currently there are 27 cottages in Vosper Street and 18 in Meares Haven. The Vosper Street property is 6,059 m² and Meares Haven 6,179 m². Based on these figures a 2,000 m² section would provide enough area for six to nine cottages, depending on internal roading requirements and the size of cottages provided.

Staff believe that now is an appropriate time to look at providing additional cottages in Motueka.

OPTIONS

1 Pensioner Housing Policy

- (a) Adopt the draft policy as is or with any suggested amendments.
- (b) Continue operating without a policy.

2 Provision of Additional Cottages

- (a) That no action be taken regarding provision of additional cottages.

- (b) That staff be authorised to investigate suitable sites in Motueka and report back to an appropriate meeting of Council and at the same time staff research possible plans for new cottages.
- (c) That consideration be given to providing funds to a Local Housing Trust to assist in the provision of community housing in Motueka.

RECOMMENDATION

That:

- (a) The Draft Pensioner Housing Policy be adopted.
- (b)
 - (i) Staff be authorised to investigate suitable sites of approximately 2,000 m² in Motueka and to report back to an appropriate meeting of Council.
 - (ii) Staff research possible plans for new cottages.
 - (iii) Enquiries be made of the Housing Innovation Fund as to the availability of funds over the next 12 to 24 months.

L L Kennedy
Manager Community Services