

STAFF REPORT

TO: Community Services Committee
FROM: Manager Community Services
REFERENCE: P200
DATE: 31 January 2006
SUBJECT: Golden Bay Housing Trust Proposal

PURPOSE/REASON FOR REPORT

To consider the proposal from the Golden Bay Housing Trust (GBHT) to acquire the Council's community housing in Takaka to enable the Trust to use the equity from these units as a community contribution for funding from Housing New Zealand's Innovation Fund.

BACKGROUND

The GBHT's Consultant, Keith Preston, briefed the Community Services Committee on the aims and objectives of the Trust at a workshop held in October 2005. Since then Mr Preston has met with the Council's Housing Policy Subcommittee before this matter was considered by the Community Services Committee on 1 December 2005 where it was agreed to let the matter lie on the table until the next meeting when all Councillors would be present.

DISCUSSION

Attached to this report is a copy of a draft proposal to sell the four community cottages in Takaka to the Golden Bay Housing Trust.

Since this proposal was presented, the new valuations for the Takaka cottages have been received which shows an increase of capital value from \$251,000.00 to \$450,000.00. This increased value would enable the GBHT to lever up to approximately \$2.0 million from the Housing Innovation Fund.

The following are some of the important points raised in the attached report:

- 1 The New Zealand Housing Strategy (2005) identified Golden Bay as an area of particular housing stress and a feasibility study into social housing in Golden Bay early in 2005 identified the following issues:

- Lack of affordability
 - Lack of security
 - Lack of accommodation during the peak building season for key workers
 - Lack of suitable accommodation for people approaching retirement
 - Few second homeowners wanting to rent their property long term.
- 2 The proposal is that Tasman District Council sells its four community cottages in Golden Bay to the GBHT for a price equal to the outstanding loan on the cottages (\$96,000.00 as at June 2005).
 - 3 Council would be contracted to manage the cottages as is currently the case and also Council can nominate new tenants to the cottages.
 - 4 This proposal can be considered as a pilot scheme, which could be extended through the District.
 - 5 Tenants in the cottages will be fully consulted and their rent and tenancy conditions will remain unchanged.

In December when this matter was debated by the Committee, some Councillors felt that Council should not be involved in general housing. The benefit of this proposal is that Council only retains an interest in the current community housing and provides the means for the GBHT to meet the general housing needs of Golden Bay.

SIGNIFICANCE

This proposal is considered significant under Council's policy on significance and would therefore need to follow the Special Consultative Procedure as outlined in the Local Government Act 2002.

AFFECTED PARTIES

The affected parties would be the current tenants of the four Takaka community cottages.

OPTIONS

- 1 To decline the request to transfer the ownership of the four Council cottages in Takaka to the Golden Bay Housing Trust for a price equal to the outstanding loan on these cottages.
- 2 To agree in principle to the request so that the Special Consultative Procedure can be initiated which will provide Council with a better understanding of the communities views on the proposal.

RECOMMENDATION

That consideration be given to the request to sell the four Takaka Council cottages to the Golden Bay Housing Trust subject to:

- (i) The Golden Bay Housing Trust contracting the management of these four cottages back to the Council, which includes Council's right to appoint prospective tenants from its current waiting list;
- (ii) That tenancy, including rents, for the current tenants be protected;
- (iii) That should the Trust wish to sell these cottages in the future that Council be given the first right of refusal on the same terms as the original sale.

L L Kennedy
Manager Community Services

<http://tdctoday:82/shared documents/meetings/council/committees and subcommittees/community services committee/reports/2006/rcs060208 report golden bay housing trust proposal.doc>