

1. SUPPORTED EMERGENCY ACCOMMODATION FOR WOMEN AND THEIR CHILDREN

Officer responsible Property Manager	Author Property Manager, Rob Dally
Corporate Plan Output: Information and advice to Council	

(Ms Ann Earle, Manager for the Home and Family Society attended the meeting during consideration of this item.)

The purpose of this report is to present a request from the Home and Family Society, for Council assistance with the provision of affordable accommodation.

INTRODUCTION

The Home and Family Society have been offering supported emergency accommodation for women and their children in the City since 1972.

The house they currently use for this service is provided by Community Housing Limited and no longer meets the needs of the Society from a number of aspects including cost.

The Home and Family Society is keen to enter into a long term partnership with the Christchurch City Council along similar lines to the successful YWCA/Council partnership where the YWCA provide emergency accommodation for women from premises owned by the Council and leased to the YWCA at a rental set at approximately 50% of “market”.

WHAT DO HOME AND FAMILY PROVIDE?

The service that Home and Family offers is not the same as the YWCA in that Home and Family Society provides overnight residential support together with life skills programmes for the families who are in residence. The majority of families are mothers with one child although Home and Family do accommodate larger families. Most need accommodation because of family breakdown, evictions or lack of finance to find suitable permanent accommodation. Typically the women have significant health issues related to past abuse or a history of drug or alcohol misuse. Some are under care and protection orders while others are referred from Christchurch Women’s Hospital or the Mother and Babies Unit at Princess Margaret.

PARTNERSHIP NEED

Home and Family Society works within a very stringent budget to provide its services. Its current rented premises need significant upgrading which Community Housing Limited do not wish to undertake. To find and relocate to suitable alternative accommodation will require a new funding source. The availability of a building provided by lease from the Council, or a guaranteed contribution towards rental costs will enable the work of the Society to continue in a stable manner over the longer term. The preference of Home and Family is for a Council owned property.

POLICY ISSUES

The Council's vision statement is:

“To contribute to the community's social well being by ensuring safe, accessible and affordable housing is available to people on low incomes including elderly persons, and people with disabilities”.

There are six generic goals adopted by the Council with a number of action points to achieve the goals and the vision. Of those generic goals, the services (outputs) of the Home and Family Society deliver on the following Council Policy goals:

“The provision of additional accommodation for single men and women with one child”.

“The provision of affordable housing which is sustainable in perpetuity, and which is not at cost to ratepayers”.

Clearly the above Council Policy guidelines enable the Council to consider a partnership with the Home and Family Society along similar lines to the existing Council partnership with the YWCA.

The Council's Housing Working Party have met with representatives of Home and Family Society, have considered the issues including policy, and recommend to the Community Services Committee that the Council support this application for assistance.

OPTIONS FOR COUNCIL

There appear to be three clear options for the Council:

1. Provide a rental “grant” to the society, funded from the Council's Housing Development Fund (not from rates).

Costs:

- Not preferred by Home and Family as they have less security.
- No property capital appreciation for the Council available from long term ownership of a leased property.
- Gradual erosion of Housing Development funds, originally established as a “capital” fund.

Benefits:

- Additional flexibility for the Council. If Council Policy changes, the grant can be discontinued.

2. Council purchase a property and lease it to the Home and Family Society at a subsidised rental.

Costs:

- Capital cost to Council of approximately \$250,000.

Benefits:

- Preferred option of Home and Family due to security of tenure.
- Capital appreciation of Council owned asset.
- Opportunities exist for the Home and Family Society to seek external grants to modify/maintain the property at no cost to the Council.

3. Decline involvement.

Costs:

- Future uncertainty for a well used/needed social housing service.

Benefits:

- Saving of capital expenditure from Council's Housing Development Fund.

AFFORDABILITY TO COUNCIL

The Council's Principal Accountant, John Mackey, has advised as follows:

"The Property Manager has asked me to comment on whether the Housing Development Fund can meet the unbudgeted expenditure of \$250,000 to \$300,000 on a house to be leased to the Home and Family Society at a concessional rental for the delivery of special housing services.

The Housing Section's surplus was \$584,000 ahead of budget at the half yearly review and was expected to be \$700,000 ahead of budget for the year. This surplus over budget should be sufficient to fund the proposed assistance."

Clearly, the Housing Development Fund has the capacity to absorb this unbudgeted cost/investment with no cost on rates.

PURCHASE OPTIONS

Should the Council opt to support the preferred option of the Home and Family Society, several options exist:

1. Possible purchase/upgrade of existing (Community Housing Limited) property.
2. Purchase of suitable six bedroom home from the private sector.
3. Use/upgrade of existing Council owned property.

Officers have been reviewing all the above options based on a specification of needs drawn up by the Home and Family Society with the intention of best matching those needs in the most cost efficient way.

It is difficult to establish purchase parameters whilst the housing “market” is being investigated. Accordingly, the Property Manager recommends that he be given delegated authority to purchase a suitable property to an upper limit of \$250,000, supported by independent registered valuation and that a sub-committee, comprising elected members of the Council’s Housing Working Party be given delegated authority to extend the Property Manager’s delegated authority to an upper limit of \$300,000.

LEASING ARRANGEMENTS

The following arrangements have been discussed with the Home and Family Society and agreed in principle.

- Auckland District Law Society form of lease.
- Lease term five years with three further rights of renewal of five years each (total term 20 years).
- Exterior and structural maintenance the responsibility of the Council.
- Internal maintenance/refurbishment/remodelling at the cost of the Home and Family Society.
- All outgoings including rates, insurance, Council/Government charges at the cost of the Home and Family Society.
- Rental paid monthly at the rate of 2% of capital purchase cost.
- The Home and Family Society meeting all statutory requirements relating to the lease of a Council owned property.

- Recommendation:**
1. That the Council purchase a suitable residential property, funded from the Housing Development Fund and not from rates, for leasing to the Home and Family Society.
 2. That the Property Manager be granted delegated authority to purchase to the value of \$250,000, supported by independent registered valuation, and that this delegation be extended to \$300,000 in agreement with elected representatives of the Housing Working Party of the Council.

3. That the lease terms be negotiated by the Property Manager, generally in accordance with the arrangements outlined in the report.
4. That the Home and Family Society report to the Council on an annual basis detailing the special housing services provided over the previous year.