

**MINUTES OF AN EXTRAORDINARY MEETING OF THE CHRISTCHURCH CITY COUNCIL
HELD AT 8.30AM ON MONDAY 28 APRIL 2008**

PRESENT: The Mayor, Bob Parker (Chairperson).
Councillors Helen Broughton, Sally Buck, Ngaire Button, David Cox, Yani Johanson,
Claudia Reid, Bob Shearing, Gail Sheriff, Mike Wall, Sue Wells, Chrissie Williams and
Norm Withers.

1. APOLOGIES

An apology for absence was received and accepted from Councillor Barry Corbett.

2. DEPUTATIONS BY APPOINTMENT

Increase City Housing Rents

(a) Mr Peter Johnstone

Mr Johnstone directed his comments to the subject of affordability for the Council's City Housing tenants.

He commented there were two methods by which affordability could be measured, by either including the accommodation supplement as income and then treating the gross rental as a percentage of this, or alternatively deducting the accommodation supplement from the rental and treating this as a ratio to income. The second method resulted in a lower affordability ratio and was the method used by the Council as the measure of affordability, whereas his understanding was that the view of the Ministry of Social Development (MoSD) was that the first method was more correct in terms of assessing affordability.

He thought that all single tenants would exceed the MoSD affordability measure except for those also in receipt of National Super and it was not true in his opinion that the MoSD criteria had not been breached. He considered there could be in the vicinity of 1,000 tenants who would exceed the MoSD guidelines in terms of affordability and he did not think that a true and fair view had been presented to Councillors on the likely impact of the increases in terms of affordability to tenants.

(b) Reverend Jim McKenna

Reverend McKenna advised that he was a tenant in one of the Council's housing units and together with his wife received government superannuation.

The proposed 24 per cent increase would result in a fortnightly increase in his rental cost of \$66 and he had no guarantee of receiving any support via the accommodation supplement. He was currently a non-stipendiary priest in the Anglican church and dealt with the less privileged members of society. In his view the 24 per cent rent increase, combined with increases in medical, power and food costs, would have a serious impact on the well-being of Council tenants.

(c) Sharon Thorstonson – Coalition for Fair Rents

Ms Thorstonson advised she felt there was good reason to reconsider the previous decision taken by the Council in view of the comments made by Mr Johnstone in respect to the affordability criteria and the previous submission made by Mr David Close, on the assumptions behind the rent increase and requirement to build up a fund for future refurbishment and replacement of the City Housing stock.

She advised that even for those who qualified for the accommodation supplement an increase of \$6-\$7 a week was likely to cause hardship given other recent increases in the cost of living.

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The coalition had been contacted by a number of tenants who did not receive the accommodation supplement. She commented the Council had shown previous initiatives in social areas such as health. She felt an assessment on the health implications of the proposed rent increases should be carried out by the Council together with further work on the issue of defining affordability and the model used to determine future maintenance and refurbishment requirements. The Council should work further with the community on a solution and she also spoke regarding the impact on the elderly and disabled.

3. NOTICE OF MOTION – CITY HOUSING RENTS

The Notice of Motion contained in the agenda was then moved by Councillor Williams and seconded by Councillor Broughton.

Following discussion and debate, Councillor Sheriff then moved in accordance with clause 2.15.1(c) of the Council's Standing Orders: *"That the motion be put."* The motion was seconded by Councillor Reid and on being put to the meeting was declared **carried**.

The Notice of Motion:

- “1. *That pursuant to Standing Order 2.18.14 the resolution to increase City Housing rents by 24% per week, recorded as part (a) in section 14 of the minutes of the Council meeting of 27 March 2008, be revoked.*
2. *That the Council increase rents for all existing City Housing tenants (with the exception of Whakahoia Village tenants) by 5%, commencing from the beginning of the first rental period in July 2008 and for all new tenancies beginning on or after 1 May 2008.*
3. *That the Housing Working Party work with staff to clarify the information presented in the 27 March 2008 report, and present options for the long term sustainability of City Housing to the Council later in 2008, for inclusion in the 2009-2019 LTCCP.”*

was then put to the meeting and declared **lost** on division no 1 by 7 votes to 6, the voting being as follows:

Against (7): Councillors Button, Cox, Reid, Sheriff, Wall, Wells and the Mayor.

For (6): Councillors Broughton, Buck, Johanson, Shearing, Williams and Withers.

The meeting concluded at 9.17am

CONFIRMED THIS 29TH DAY OF MAY 2008

MAYOR