

CHRISTCHURCH CITY COUNCIL

NOTES OF A SEMINAR MEETING OF THE COUNCIL

**Held in the Council Chamber, Civic Offices
on Tuesday 18 April 2006 at 1.35pm**

- PRESENT:** Mayor Garry Moore (Chairman),
Councillors Helen Broughton, Sally Buck (from 1.40pm),
Graham Condon, Barry Corbett, Anna Crighton (from
2.05pm), Carole Evans, Pat Harrow, Bob Shearing,
Gail Sheriff (to 2.30pm) and Norm Withers.
- IN ATTENDANCE:** Glenda Burt, Yani Johanson and Bob Todd (Community
Boards).
- APOLOGIES:** Apologies for absence were received and accepted from
Councillors David Cox, Bob Parker and Sue Wells.

1. HOUSING PORTFOLIO - 2006 RENT REVIEW

In opening the seminar, the Mayor advised that the matter had been brought forward as a result of a briefing he had received from staff, related to the need to deal with the issue of the rental increases this week.

A late report would be tabled at the Council meeting this week as a result.

Kevin Bennett, City Housing Manager, advised that it was proposed at the seminar to work through the process in order to determine where the rentals should be set.

There followed a PowerPoint presentation given by Rob Steel, Strategic Property Analyst, covering:

- Purpose
- Background
- Previous rent reviews
- City housing - property type
- Age profile of housing stock
- Rent assessment
 - Cost of consumption model
 - Tenant affordability
 - Discount to market rates
- Summary
 - Rent adjustment necessary to ensure long-term viability
 - Consequence of delay
 - Rents remain within affordability guidelines
 - Rents are significantly below market rents

- Next Steps
 - Report to be considered by Council on 20 April 2006

Questions and comments that followed the presentation included:

- There was a real concern with the proposal, was there another way could be approached, such as selling some property?
- Did the model assume a 100% Council funding, whereas there was opportunities for new partnerships with HCNZ, churches etc?
- The 2003 rent review had an associated algebra formula which was meant to cover the situation - why had it changed so much in a few years?
- There was need to approach the Government to have the CPI index reviewed.
- If the formula had been agreed to, why was a need for the Council to revisit the situation?
- Where did HCNZ rentals fit in the market?
- What was the total rental received and that of the total operational and administration costs?
- A graph would be helpful which showed the rental increases after the benefit increase had been applied.
- Was it equitable for people to pay now for future renewal of the housing stock - ie integrational equity across generations.
- There was need for tenants to have some certainty in the matter.
- The Council should consider transferring the Housing Portfolio to City Facilities and keep out of the issue altogether.
- Housing rentals should remain the same for another year until the Housing Strategy was completed.
- Had the legal issues regarding the Housing Development Fund been checked out, given the problems with the Waste Minimisation Fund?
- Apply just the CPI increase until other funding sources etc checked out.
- Creative ways were needed to get past the large funding hump shown in the graph.
- There was need for the local MPs to work on the Council's behalf with the Government to get relief, as had been the case with Auckland and Wellington.
- There had to be a political input into such a major issue, it could not just be staff-driven.
- There was need for the Council to promote social housing as part of private subdivision developments. City Facilities could be one such developer.
- Examination needed to be made as to the policy surrounding the sale of Council land, as there could be a better return if it was developed first.

Conclusion

- There was need to re-establish the Housing Subcommittee, which the Mayor was to bring forward a recommendation to the Council.
- Potential partners such as HCNZ and the churches needed to be identified.
- An approach needed to be made to Central Government for funding, particularly that of capital. In this regard, local MPs should be asked to put forward the Council's case.

- Financial Statements/Balance Sheets showing the whole picture were required, including what did Christchurch need to fund for future housing needs (not just current stock replacement).
- Any legal issues surrounding establishment of housing development funds etc needed to be checked out as to their legality.

The seminar concluded at 2.57pm