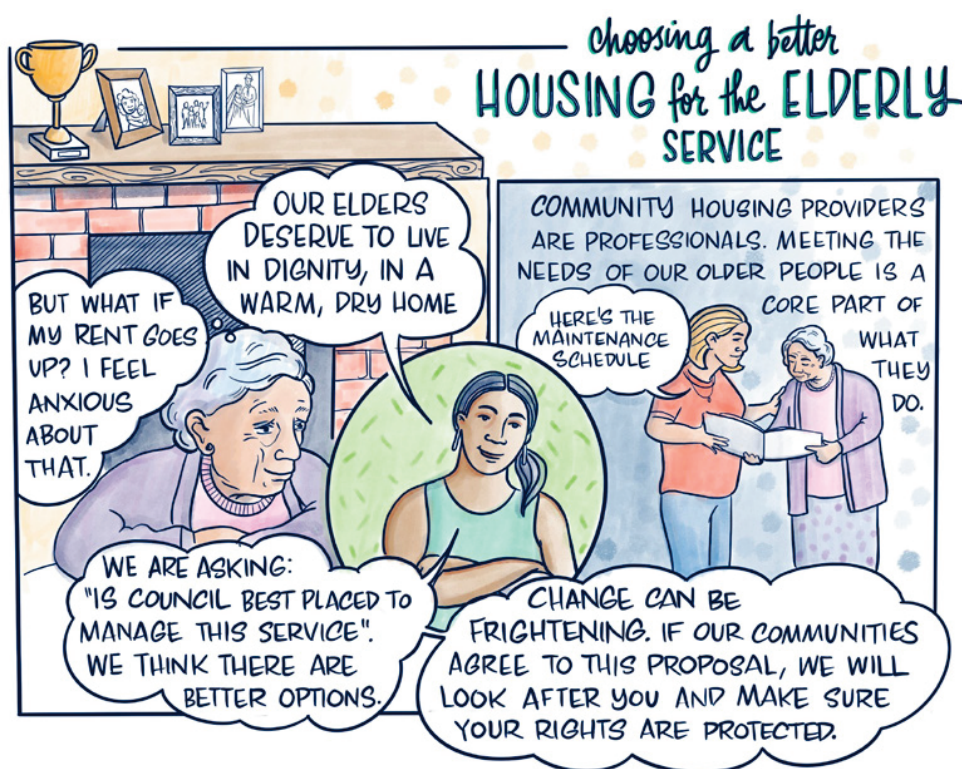


He kāinga mō ngā kuia / kaumātua | Housing for the elderly



The options

Option 1 - Status quo

We continue to own and maintain the 147 units. This means that as issues arise, they are fixed and when a unit is vacated it is refurbished if needed. As is the current situation, minor modifications may happen but in general, refurbishments will be 'like for like'. Over the next three years Council will ensure that all units are brought up to legal standards and remain fit for purpose, however we don't plan to build any new units or carry out configuration changes to current units, for example, bedsits will remain bedsits.

Cost: \$4.09 million over the next three years for improvements and a further \$6.95 million over the 10 years of the LTP for refurbishments.

Annual ratepayer impact

2021/22	\$5.93
2022/23	\$6.64
2023/24	\$7.18
2025-31	\$10.56 average

Option 2

We continue to own the 147 units but the management would be outsourced to another party. Rental income stays with Council, as do all current operational and refurbishment costs, but day-to-day management would be outsourced at an additional cost of at least \$100,000 per year.

Cost: \$4.09 million over the next three years for improvements and a further \$6.95 million over the 10 years of the LTP for refurbishments plus a minimum of \$100,000 in management fees.

Annual ratepayer impact

2021/22	\$6.95
2022/23	\$7.67
2023/24	\$8.21
2025-31	\$11.59 average

Option 3

We continue to own the 147 units but form a partnership with an existing registered community housing provider to manage and maintain the units on Council's behalf. We expect that an alternative provider would want us to invest in bringing the units

up to a certain living standard before they would enter any arrangement for ongoing management. For instance, it may be necessary for us to convert some bedsits to one or more bedroom.

Cost: \$4.09 million over the next three years for the improvements we think we would need to make plus a further \$4.75 million for refurbishments as required over the same three year period. Operating costs would remain as planned for the first three years but then drop by \$7.18 for the remaining seven years of the LTP.

Annual ratepayer impact	
2021/22	\$5.93
2022/23	\$6.64
2023/24	\$7.18

Option 4

Council fully transition its Housing for the Elderly units to another party or parties with strict requirements such as protection of existing tenant arrangements and the number of units is maintained or increased over time. As with option 3, we expect that whoever takes over would want us to invest in bringing the units up to a certain living standard before they would enter any arrangement for transition. For instance, it may be necessary for us to convert some bedsits to one or more bedroom. Any proceeds from the transition could be ring-fenced for future social housing initiatives and to protect current tenants from the impact of any rent increases.

Cost: \$4.09 million over the next three years for the improvements we think we would need to make plus a further \$4.75 million for refurbishments as required over the same three year period. Operating costs would remain as planned for the first three years but then drop by \$7.18 for the remaining seven years of the LTP.

Annual ratepayer impact	
2021/22	\$5.93
2022/23	\$6.64
2023/24	\$7.18

The option we think works best

Council considers that the best option - both for our tenants and for the viability of Council's housing stock to continue as social housing - is option 4 - to transition to a registered community housing provider or another government housing provider, as per option four. This will give tenants better access to health services, other social support services. Community housing providers are also better placed to apply for subsidies to support social housing that are not available to Councils.

Impact on debt

From year 4 onwards this proposal assumes we will no longer own and maintain the units. The impact on debt however, will be neutral as we will no longer need to fund depreciation on the units or carry out renewal works.

Level of service

Under this proposal there will be no level of service provided by Council. However, the occupants of the units should see an increased level of service and support as the units will be owned and managed by a specialist community housing provider.

Results

Totals for each option

Overall response total	Option 1	Option 2	Option 3	Option 4
478	218	40	88	132

Respondents by area

Option	Total responses	BOI / Whangaroa	Kaikohe / Hokianga	Te Hiku	Outside Far North	Not provided
1	218	126	34	35	6	17
2	40	21	5	11	1	2
3	88	51	17	18	-	2
4	132	85	16	29	2	-
No response	262	457	668	647	731	719
Total	478	283	72	93	9	21