

**Report To: Council**

**Meeting Date:** 14 December 2007

**Subject:** Community and Older Persons Housing Review

**Purpose of Report**

- 1.1 The purpose of this business paper is to present a review on Community and Older Persons Housing in the District.

**Background**

- 2.1 Community and Older Persons housing in the District consists of:

Location	No	Type of Units	Built
<b>Community Housing</b>			
6 Miriama Street, Taumarunui	4	One Double Bedroom	1980
4 Taumarunui Street, Taumarunui	8	Two Bedroom	1982
<b>Older Persons Housing</b>			
Rochford Flats	25	Four - One Bedroom Units Twenty-one Bed sits	1967 & 1970
Rangimarie Flats, Taupo Road	20	Ten Bed Sits Five - One Single Bedrooms Five - One Double Bedrooms	1975, 1981, 1988
Raetihi (leased to Waimarino Rest Home Trust)	16	Ten - One Bedrooms Six - Bed Sits	1977, 1980, 1985
Ohakune	8	One Bedroom	Circa 1976

**Issues****3.1 LEGISLATION REQUIREMENTS**

- 3.1.1 Council is not required by legislation to supply older persons or community housing. Older person's housing is a discretionary role for local authorities, but central government has acknowledged that it cannot continue to meet the increasing demand for social housing on its own and is looking for ways to encourage local authorities and other community organisations to help meet this need.

**3.2 COMMUNITY VIEWS ON OLDER PERSONS HOUSING**

- 3.2.1 Strategic Goal 1 for the Community Property activity as stated in the Future Ruapehu Long Term Plan 2006-16 is:

- Council provision of older persons housing meets community needs not otherwise satisfied by central government or the private sector.

- 3.2.2 Past community consultation has shown that many people believe that Council should remain the provider of older persons housing, as this service is not provided sufficiently by the private sector and Council already has the facilities available. The community was insistent, however, that the service is provided on a rate-cost neutral basis.
- 3.2.3 Local health professionals have expressed that there is a need for more supported accommodation in the community. Many older people still wish to be independent but would feel safer and more secure if there was a "help" person, such as a nurse, within the complex.

### **3.3 DEMAND**

- 3.3.1 Housing Corporation NZ supply social housing throughout New Zealand. It has 133 houses in Taumarunui, one in Owhango and one in Ohura. The houses in Taumarunui are all full and Housing Corporation has a waiting list for the houses. The turnover in occupants is slow. Housing Corporation rents start at 25% of income for beneficiaries, and rise with income.
- 3.3.2 There are two Rest Homes in Taumarunui, both of which have waiting lists. Rest Homes cater for older people who can no longer cope on their own.
- 3.3.3 At the present time, only five of 60 units owned by the Council could be considered reasonably accessible for wheelchair bound disabled. None of the units are fully accessible for wheelchair bound disabled.

### **3.4 USAGE**

Ohakune	Occupation of these units is generally reasonable. Seven of the eight units are currently tenanted, but there are generally long gaps between tenants in those that are unoccupied.
Taupo Road	Eight of the ten one-bedroom units are currently occupied. Five of the ten bed-sit units are empty. Bed-sits are no longer attractive to those looking for accommodation.
Taumarunui Street	The demand for the four one-bedroom flats is consistently high. All are tenanted. Currently three of the 21 bed-sits are empty.
Overall	Currently 43 out of the 53 units are tenanted.
Miriama Street Taumarunui	Occupation of these four units is consistently high and has been at 100% over the past few years.
4 Taumarunui Street	Occupation of these eight units is consistently high and has been at approximately 98% over the past few years.

### **3.5 DEMOGRAPHIC ANALYSIS OF DISTRICT**

- 3.5.1 Almost 15% of the population in Ruapehu is over 60 years of age in 2006, a rise from 13.5% in 2001. This is expected to grow during the next decade.

### **3.6 FINANCIAL SITUATION**

- 3.6.1 The financial situation for this activity is currently very positive. Both Community Housing and Older Persons Housing are meeting the Revenue and Financing Policy objectives of being self-funding. This includes funding for overheads, rates, depreciation, loans, renewals and maintenance.
- 3.6.2 There are two loans on this activity; a small loan on the Ohakune units, and another loan on the Miriama Street units. The Ohakune loan is due to be paid off in 2011-12 year. The loans are included in the overall cost. As can be seen from the cash flow budget to include further loan funded development works can be achieved and serviced adequately from projected surplus.

3.6.3 Upgrades and some reconfigurations of the units have been proposed in previous papers to Council, to be funded through Housing Corp NZ. This would add considerable life and value to the units, and also encourage fuller occupancy rates.

3.6.4 The following table shows the financial situation until the 2015/16 year for Older Persons and Community Housing.

3.6.5 The following tables show a snapshot of the 2007/08 year and the 2012/13 year, for each property. This shows that due to the loan on the Miriama Street flats, there is a deficit in both years for that property. The Rochford Street flats are the worst financial performers, and also show a deficit in the 2012/13 year. Generally speaking all the properties except for Miriama Street (due to the current loan) are performing well.

		Costs for Older Persons Housing and Community Housing								
		2007-2008	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016
		\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Ohakune	Maintenance	11	11	11	11	11	11	11	11	11
Rochford Flats	Maintenance	26	22	15	15	15	15	15	15	15
Taupo Road	Maintenance	8	8	8	8	8	8	8	8	8
Cherry Grove	Maintenance	10	10	10	10	10	10	10	10	10
Miriama St	Maintenance	8	8	8	8	8	8	8	8	8
	Overheads	49	44	45	46	47	47	47	47	50
	Other costs (Rates, Inflation Depreciations, Renewals LoS etc)	120	128	131	145	160	167	168	169	167
	Loan Repayments (Ohakune)	31	31	31	29	5	0	0	0	0
	Loan Repayments Miriama St	27	27	27	27	27	27	27	27	27
	Total cost of service	290	289	286	299	291	293	295	295	296
	Total revenue	311	286	283	289	294	296	301	302	302
	Net cost of service	-21	3	3	10	-3	-3	-6	-7	-6
	Net cost of service per unit per year in dollars	-\$304.00	\$43.00	\$43.00	\$144.00	-\$43.00	-\$43.00	-\$86.00	-\$101.00	-\$86.00

## Discussion

### 4.1 CURRENT PARTNERSHIPS

4.1.1 In December 2002, following a period of consultation with the community, Council resolved to enter into a long-term lease of the 16 units with the Waimarino Rest Home Trust; a non-profit, charitable organisation. The lease was conditional upon the incumbent tenants being undisturbed for life or voluntary termination of existing tenancies. The future direction of the Trust is to provide not only housing for the elderly, but rest home care for those in need. A communal kitchen and day room building with attached temporary respite care units attached has been constructed, and officially opened for operation in early 2005. A small extension to Unit 4 has provided a garage for several mobile scooters. The lessee has assumed all maintenance responsibilities including replacement of failed components. Other outgoings of rates and insurance have also been assumed.

### 4.2 SUMMARY

4.2.1 The 2007 review of community and older persons housing concludes the following:

- The provision of this housing is not legislated Council business, but the community has signaled comfort in Council providing social housing, so long as it is rate-cost neutral.
- The financial situation has now improved markedly from several years ago, with overall service surpluses expected. The service does use one dedicated Council resource.
- Within the overall picture, Rochford Flats are not projected to break even over time.
- Council is under no pressing reason for investigating further partnerships, but could perhaps signal its openness to considering viable proposals in future, as they are presented.

<b>Suggested Resolution</b>
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- 1 That Document No 360187 Community and Older Persons Housing Review be received.
- 2 Council continue involvement in community and older persons housing, as long as the projected financial position remains rate-cost neutral.
- 3 That Council assesses any partnership proposals presented to it in future, on a case-by-case basis.

Pauline Love

**TEAM LEADER STRATEGIC DEVELOPMENT**

Date 8 November 2007