

Appendix 1

Crown Investment in Council Housing

1. *Note that the feedback through the Special Consultative Procedure has in large part confirmed the Statement of Proposal regarding Crown investment in Council housing*
2. *Agree to accept the offer from the Crown to invest \$220 million in Council housing over the next 10 to 15 years as set out in the Statement of Proposal attached as Appendix 1.*
3. *Confirm the Council's objective for this project is to identify options and find a solution to:*
 - a. *ensure the long term provision of social housing in Wellington*
 - b. *enable the City Housing to provide safe and secure housing to an appropriate modern standard*
 - c. *ensure the on-going financial sustainability of the City Housing portfolio.*
4. *Note that the formalisation of the agreement will be in 2 stages, through the signing of a Memorandum of Understanding in June/July and a Deed of Grant by December 2007*
5. *Note that the Memorandum of Understanding has changed in form since February 2007 and is now a high level non binding agreement*
6. *Note that the Memorandum of Understanding will be signed by the Ministers of Housing and Finance on behalf of the Crown and the Chairperson of the Board of Housing New Zealand Corporation*
7. *Note that in February 2007 the approval and signing of the Memorandum of Understanding was delegated to the Chief Executive Officer*
8. *Agree to retract the delegation to the Chief Executive to approve and sign the Memorandum of Understanding and delegate to the Mayor the authority to approve and sign the Memorandum of Understanding*
9. *Delegate to the Chief Executive Officer the authority to approve and sign the Deed of Grant (funding agreement) with HNZA to implement the offer accepted under recommendation 2 above*
10. *Note that the Deed of Grant will be subject to the approval of the work programme by the Ministers and Cabinet*
11. *Delegate to the Chief Executive Officer the authority to approve the Work Programme and Investment Plan prior to it being considered by the Ministers of Housing and Finance and Cabinet*
12. *Note that officers will report back on the Work Programme and Investment Plan once it has been finalised*

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13. *Note that HNZN officials will report back to Ministers in September 2007 on the way forward for the Work Programme*
14. *Note that HNZN officials will report to Cabinet to obtain budget approval of the \$220m funding by December 2007.*