

# Findhorn Ecovillage Land & Housing Trust

## Housing Support Policy

### for the East Whins Cluster

Date of Consultation: February - April 2012

Version Number: 2

Approved: 11<sup>th</sup> April 2012

Review Date: April 2013



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## 1 Definitions

Ekopia	Ekopia Resource Exchange Ltd.
Exclusive Occupancy Agreement	A legal agreement between the sharing owner and the community owner - also known as a "Shared Occupancy Agreement".
Land Trust	The Findhorn Ecovillage Land and Housing Trust, a Division of Ekopia created to hold land and buildings in trust and provide subsidies to members of the community seeking affordable housing.
Land & Housing Trust Committee	A committee set up to allocate housing support to community members. It is responsible to the board of Ekopia and currently comprises representatives from Ekopia, the Findhorn Foundation and the New Findhorn Association.
East Whins	A cluster of houses being developed by Duneland Ltd.
Allocations Policy	A method of determining the suitability or otherwise

of applicants for Housing Support.

Housing Support	Financial support by the Land Trust for the provision of housing.
Shared Ownership	A contractual situation by which the Land Trust shall have a continuing stake in a property for which it offers Housing Support.
Cluster	A group of houses or other properties forming a recognisable collective entity and having various associated by-laws to regulate relevant procedures.
Community	The community of individuals associated with Findhorn Ecovillage.
Community Care	Providing the services and support that people who are affected by the problems of ageing, mental illness, mental handicap or physical or sensory disability need, for those who wish to be able to live as independently as possible in their own homes or in homely settings in the community.
House	This shall be interpreted to include 'flat' 'unit' or other essentially self-contained form of housing.

The singular includes the plural for the purposes of this document.

## 2 Scope

This policy describes the method by which a member of the Community may receive support from the Land Trust to live in accommodation at East Whins. It does not set out to describe the general circumstances in which an individual may apply to receive support from the Land Trust – this is contained in the **Allocations Policy**.

These policies are administered together by the Land and Housing Trust Committee (L&HT Committee).

## 3 Background

Housing Support funds are accumulated through:

Donations made by private individuals to Ekopia and Duneland Ltd.

A Section 75 developer's planning gain made available by Duneland Ltd. as required by planning consent.

Shares and loans, at both zero interest and low interest provided by Ekopia members and supporters.

Housing Support funding is available in respect of:

- Shared Ownership
- Rentals for younger community members and core workers
- Rentals for community care.

## **4 Review of Policy**

The policy was reviewed at an open community meeting on 2 May 2011. Unanimous support for the policy itself was received at the meeting although there were unresolved questions about the most appropriate form of calculating an amount due to a sharing owner on sale or transfer of the property. This issue was referred back to the Ekopia board by the L&HT Committee and is now covered under the terms of the relevant "Exclusive Occupancy Agreements".

This Policy shall be reviewed annually by the Land and Housing Trust Committee.

## **5 Principles and Mechanisms**

### **5.1 Shared Ownership**

In relation to Housing Support given from the Land Trust Shared Ownership is defined according to the following **general principles**:

- a) that the Land Trust shall have a continuing stake in the property and
- b) that the value of the Housing Support on redemption shall grow in line with the increasing (or decreasing) value of house prices in general.

#### **5.1.1 Mechanism**

Housing Support in accordance with the above principles is provided through a "Shared Ownership Occupancy Agreement", also known as an "Exclusive Occupancy Agreement". The purposes of this document are to:

- 1) Define the values of the respective financial inputs by the occupier and the Community, via Ekopia.
- 2) Define the responsibilities of the two parties.
- 3) Ensure that the value in the development provided by the Community is held in perpetuity. The individual owner cannot utilise that value without due process. Neither can Ekopia remove that value, except in the case of an outright sale of the property.

The Shared Ownership Occupancy Agreement is a legal document, the details of which are available separately. It is crucial that any candidate fully understands the implications.

#### **5.1.2 Allocation of Property**

It is the task of the L&HT Committee to receive and assess applications for housing support based on the Allocations Policy and this housing support policy.

It is important to bear in mind that the outcome of this assessment will be that the individual becomes the part-owner of a house in which they have a less than outright, probably a minority, financial stake. Ekopia invests the remaining value through the above mechanism.

An occupancy charge/rental will be paid to Ekopia based on the principles outlined below for the value of Ekopia's stake in the property.

The L&HT Committee must therefore assess candidates on the following criteria that are additional to those spelled out in the Allocations Policy.

- a) The amount of capital they have available. This is not an entirely straightforward process and guidance may be issued by the Ekopia board from time to time. If the individual has too little capital they are likely to be better advised to seek a rental property. If they have too much the Committee may conclude they have no need for housing support. A guideline is a minimum of £40,000 or one third of the property value, whichever is the lower, and a maximum of £100,000 or two thirds of the property value, whichever is the lower. Such figures may be adjusted for house price inflation from time to time by the L&HT Committee.
- b) the ability of the candidate to pay the charge/rental.

The Shared Ownership Occupancy Agreement allows for extra increments of capital to be invested by the occupant of the property according to certain agreed criteria.

Each successful applicant will be allocated a proportion of the total value of the property, calculated as the amount they pay in divided by the total value of the unit - as determined at that time by the Ekopia board after consultation with Duneland Ltd.

### **5.1.3 Final Decision**

Given the substantial stake that Ekopia has invested in such properties the role of the L&HT Committee is to recommend individuals for this form of support to the Ekopia Board for approval. The Board shall take cognisance of this advice but may request further investigation of the circumstances.

## **5.2 Rentals**

Unlike other allocations undertaken by the Committee to date, which have involved the granting of cash or in-kind support to individuals this allocation is a straightforward choice of a suitable individual to receive a letting. A balance may need to be struck between housing need and ability to pay. The properties involved are also subject to "Community Care" as outlined below. Housing for rent at a subsidised rate shall therefore be made available via the Allocations Policy on the following basis.

### **5.2.1 Mechanism**

Rentals are provided via a "Short Assured Tenancy", which is a standard legal format for such lets. A draft lease document is available from Ekopia on request.

The rent charge, which is regulated by agreement with Moray Council, will vary from time to time and details are available from Ekopia on request.

The period of the lease shall be determined by the L&HT Committee on an individual basis.

There are two forms of Rental Type - "Community Care" and "General".

### **5.2.2 Community Care**

The general principle for housing subject to Community Care is that the unit shall be made available to a tenant requiring Community Care as quickly as is practical.

Suitable candidates should be assessed by the NFA's Community Care Circle, who will put forward to the Land and Housing Trust Committee the name of any person who would like to rent a Community Care unit and who fulfils the criteria stated in the Community Care Definition. The bottom line is that the applicant would have to leave their present accommodation and go to a nursing home or similar if a Community Care unit was not available.

The Land and Housing Trust Committee shall take cognisance of this list, (but shall not be bound by it). The length of the Short Assured Tenancy provided for Community Care shall be determined in consultation with the Community Care Circle.

A person allocated a Community Care unit is eligible to stay there for as long as they meet the Community Care definition. Should they no longer fulfil the stated criteria they will be required to vacate the unit on 2 months notice. The unit would then be available for another Community Care candidate, if there is someone in need at that time.

If a unit dedicated to Community Care becomes available but no suitable candidates requiring such care come forward, the L&HT Committee shall immediately offer the unit under the terms of the General criteria below, with provisos that:

- a Short Assured Tenancy shall be offered for the initial minimum period of six months allowed by law;
- this tenancy agreement shall normally continue on a two month period of notice (see Re-allocations below);
- any applicants shall be made aware that such notice to vacate the property shall be given if someone requiring Community Care comes forward and is allocated to the property.

### **5.2.3 General Criteria**

The general principle is that the unit shall be made available to community members with a particular bias towards those who are:

- Younger community members, especially those with a family.
- Core workers.

The L&HT Committee are given broad latitude to interpret these criteria and they may request community input into priorities and changing needs from time to time.

Initial guidelines are as follows.

"Younger" means between 18 and 35 years of age.

"Core workers" means those who, in addition to meeting the minimum "Length of service to the community" set out in the Allocations Policy, are likely have an ongoing work commitment of some kind to a Community organisation. In this context, "commitment" does not imply "seniority" although full time work may be given a higher priority than part-time.

#### 5.2.4 Allocation of Property

The properties available are both 2-bedroom ground floor flats, nos 503 and 508 with an internal floor area of approximately 70m<sup>2</sup>.

It is the task of the L&HT Committee to receive and assess applications for housing support based on the Allocations Policy and this housing support policy.

A rental will be paid to the owner of the property and the L&HT Committee must therefore assess candidates on the following criteria that are additional to those spelled out in the Allocations Policy.

- a) The ability of the candidate to pay the charge/rental. This shall be assessed according to the information provided by the candidate and by undertaking a simple check to ensure candidates are not in breach of any of the "Disqualifications and Exclusions" identified in the Allocations Policy itself.
- b) The suitability of the candidate for the Rental Type available.
- c) The needs of the candidate. This may include their financial and family circumstances, and their likely level of future commitment to the Community. Note that there may be some tension between (a) and (c). Candidates must be in a position to pay the rent, but given the very limited supply of good quality subsidised accommodation, those on low wages should receive suitable consideration. Individuals or families who are in a position to purchase suitable accommodation should not normally be considered.
- d) For the purposes of this exercise "suitable accommodation" means a house, flat or other permanent structure.
- e) Units should be allocated on a best fit basis i.e. so that the overall size and number of bedrooms is adequate for the household concerned.
- f) Single people may be considered for allocations. Note however that the Short Assured Tenancy will include a statement to the effect that the tenant is obliged:

"to occupy the Property as a private dwelling house for the Tenants and their immediate family only and for no other purpose, declaring specifically that the Tenants shall not be entitled to assign or sub-lease the whole or any part of the Property and shall not without the prior written consent of the Landlord or his agents allow any other person to occupy the whole or any part of the Property;"

Even where there is written consent from the Landlord or his agents to allow another person to occupy the whole or part of the property, a single individual shall be the named applicant/tenant, and the obligation of the tenancy shall fall entirely on the named tenant.

- g) The "Immediate family" of the tenant(s) shall include children and persons in committed partnerships for the purposes of this exercise. Couples who are married or in civil partnerships may become joint tenants. For individuals in other forms of committed partnerships, a single individual shall be the named

applicant/tenant, and the obligations of the tenancy shall fall entirely on that named tenant.

### **5.2.5 Re-allocations**

At the end of the initial period of tenancy the House will continue to be allocated to the existing tenant(s), on a two month period of notice, provided they continue to meet the relevant criteria.

The Committee may re-assess tenants from time-to-time against the criteria set by the Allocations Policy and the Housing Support Policy.

If a tenant breaches the conditions of their tenancy this agreement may be discontinued by the landlord and the Committee will be asked to re-allocate the property.

If a House that is on a General let and is required for Community Care purposes and a tenant's needs to be given notice then the landlord shall be asked to do this:

- firstly by discussion with the existing tenants on General lets to ascertain their circumstances, with the aim of creating an amicable solution that works for all concerned, or failing this
- on the basis of "first in first out".

### **5.2.6 Final Decision**

Given the substantial stake that the community has invested in such properties the role of the L&HT Committee is to recommend individuals for this form of support to the Ekopia Board for approval. The Board shall always take cognisance of this advice but may request further investigation of the circumstances.