Housing Subcommittee
AGENDA

Notice of Meeting:
An ordinary meeting of the Housing Subcommittee will be held on:

Date: Monday 5 August 2019
Time: 10.30am
Venue: Committee Room 1, Level 2, Civic Offices, 53 Hereford Street, Christchurch

Membership
Chairperson Councillor Glenn Livingstone
Deputy Chairperson Councillor Phil Clearwater
Members Councillor Vicki Buck
Councillor Anne Galloway
Councillor Yani Johanson
Councillor Deon Swiggs

5 August 2019

Principal Advisor
John Filsell
Head of Community Support, Governance & Partnerships

Liz Ryley
Committee Advisor
941 8153
liz.ryley@ccc.govt.nz
www.ccc.govt.nz

Note: The reports contained within this agenda are for consideration and should not be construed as Council policy unless and until adopted. If you require further information relating to any reports, please contact the person named on the report.

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Strategic Framework
The Council’s Vision – Christchurch is a city of opportunity for all.
Open to new ideas, new people and new ways of doing things – a city where anything is possible.

Whiria ngā wheno o ngā papa
Honoa ki te maurua tāukiuki
Bind together the strands of each mat
And join together with the seams of respect and reciprocity.
The partnership with Papatipu Rūnanga reflects mutual understanding and respect, and a goal of improving the economic, cultural, environmental and social wellbeing for all.

Overarching Principle
Partnership – Our people are our taonga – to be treasured and encouraged. By working together we can create a city that uses their skill and talent, where we can all participate, and be valued.

Supporting Principles
Accountability
Affordability
Agility
Equity
Innovation

Community Outcomes
What we want to achieve together as our city evolves

Strong communities
Strong sense of community
Active participation in civic life
Safe and healthy communities
Celebration of our identity through arts, culture, heritage and sport
Valuing the voices of children and young people

Liveable city
Vibrant and thriving central city, suburban and rural centres
A well connected and accessible city
Sufficient supply of, and access to, a range of housing
21st century garden city we are proud to live in

Healthy environment
Healthy waterways
High quality drinking water
Unique landscapes and indigenous biodiversity are valued
Sustainable use of resources

Prosperous economy
Great place for people, business and investment
An inclusive, equitable economy with broad-based prosperity for all
A productive, adaptive and resilient economic base
Modern and robust city infrastructure and community facilities

Strategic Priorities
Our focus for improvement over the next three years and beyond

Enabling active citizenship and connected communities
Maximising opportunities to develop a vibrant, prosperous and sustainable 21st century city

Climate change leadership
Informed and proactive approaches to natural hazard risks
Increasing active, public and shared transport opportunities and use
Safe and sustainable water supply and improved waterways
## HOUSING SUBCOMMITTEE - TERMS OF REFERENCE

<table>
<thead>
<tr>
<th>Chair</th>
<th>Councillor Livingstone</th>
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<tbody>
<tr>
<td><strong>Membership</strong></td>
<td>Councillor Clearwater (Deputy Chair), Councillor Buck, Councillor Galloway, Councillor Johanson, Councillor Swiggs</td>
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<tr>
<td><strong>Quorum</strong></td>
<td>Half of the members if the number of members (including vacancies) is even, or a majority of members if the number of members (including vacancies) is odd.</td>
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<tr>
<td><strong>Meeting Cycle</strong></td>
<td>As required</td>
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<tr>
<td><strong>Reports To</strong></td>
<td>Social, Community Development and Housing Committee</td>
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### Responsibilities

The Housing Subcommittee is responsible for:

- Examining a broad range of issues including homelessness, youth housing, emergency housing, social housing, the future of Council’s housing stock, housing affordability schemes for first home buyers, the rental market and housing density
- Reviewing and advising on housing policy, legislation and related issues.
- Overseeing the Council’s housing asset management including Otautahi lease and reporting matters
- Providing advice on particular housing matters that support Council’s decision making across the continuum of social, affordable and market housing, including innovative housing solutions that will increase the supply of affordable housing
- Facilitating collaborative action across the continuum of social, affordable and market housing with Central Government agencies, e.g. Ministry for Business, Innovation and Enterprise (MBIE), Ministry of Social Development (MSD), The Tenants Protection Association (TPA), NGO’s, Te Wai Pounamu Community Housing Providers Network, Housing NZ Corporation (HNZC), Canterbury District Health Board (CDHB) and providers of mental health accommodation, Department of Corrections, representatives from the disability sector, and NZ Coalition to End Homelessness (NZCEH)
- Monitoring the delivery of the Housing Policy 2016 priority actions across its 8 key goals
- Overseeing the Council’s actions in relation to housing from the Greater Christchurch Partnership (UDSIC) Strategy
- Overseeing the Social Housing Strategy 2007
- Support Council’s participation and leadership within the Christchurch Housing Accord.

The Subcommittee will work in close collaboration and partnership with the community, government and private sectors to find new ways and set clear targets to address housing issues including increasing the supply of affordable and social housing in Christchurch.

The Subcommittee will report back to, and obtain its strategic direction and priorities from the Social, Community Development and Housing Committee on all aspects considered under these Terms of Reference.
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B  5.  Presentation of Petitions ............................................................................5

STAFF REPORTS

B  6.  Housing New Zealand
      A representative of Housing New Zealand, Tim Harvey, will attend the meeting to discuss housing.

B  7.  Housing Progress Report...........................................................................11

B  8.  Social Housing Development Contributions Rebate Scheme ..................13
1. **Apologies**
   
   At the close of the agenda no apologies had been received.

2. **Declarations of Interest**
   
   Members are reminded of the need to be vigilant and to stand aside from decision making when a conflict arises between their role as an elected representative and any private or other external interest they might have.

3. **Confirmation of Previous Minutes**
   
   Attached are the notes from the Housing Subcommittee meeting held on **Friday, 5 July 2019** (refer page 6).

4. **Deputations by Appointment**
   
   There were no deputations by appointment at the time the agenda was prepared.

5. **Presentation of Petitions**
   
   There were no petitions received at the time the agenda was prepared.
Housing Subcommittee
OPEN MINUTES

Date: Friday 5 July 2019
Time: 1.07pm
Venue: Committee Room 1, Level 2, Civic Offices, 53 Hereford Street, Christchurch

Present
Chairperson
Councillor Glenn Livingstone

Members
Councillor Vicki Buck
Councillor Anne Galloway
Councillor Yani Johanson
Councillor Deon Swiggs

4 July 2019

Principal Advisor
Matt Pratt
Acting Head of Community Support, Governance & Partnerships

Liz Ryley
Committee Advisor
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Housing Subcommittee
05 August 2019

Part A  Matters Requiring a Council Decision
Part B  Reports for Information
Part C  Decisions Under Delegation

The agenda was dealt with in the following order.

1. **Apologies**
   
   Part C  
   Committee Resolved HSTF/2019/00007
   
   That the apology from Councillor Clearwater be accepted.
   
   Councillor Livingstone/Councillor Galloway  Carried

2. **Declarations of Interest**
   
   Part B
   
   Councillor Buck declared an interest in Item 7 – Status Update – Ōtautahi Community Housing Trust Capitalisation and Financing.

3. **Confirmation of Previous Minutes**
   
   Part C  
   Committee Resolved HSTF/2019/00008
   
   That the minutes of the Housing Subcommittee meeting held on Friday, 5 April 2019 be confirmed.
   
   Councillor Johanson/Councillor Galloway  Carried

4. **Deputations by Appointment**
   
   Part B
   
   A deputation was received from Nicola Fleming, Team Leader of Housing First.
   
   Committee Resolved HSTF/2019/00009
   
   That the Housing Subcommittee:

   1. Request staff provide a briefing on the Policy around burials, including information about headstones, fees and pauper graves.
   
   2. Request a memorandum about funding allocation from the Wellbeing Budget for Housing First.
3. Thank Nicola Fleming for the work being carried out by Housing First, and the difference this work is making in the city.

4. Invite Housing New Zealand to attend the next meeting of the Housing Subcommittee to discuss social housing priorities.

Councillor Galloway/Councillor Johanson Carried

5. Presentation of Petitions
   Part B
   There was no presentation of petitions.

6. Social Housing EQ Repair Programme Status Update July 2019
   Committee Resolved HSTF/2019/00010
   Part C
   That the Housing Subcommittee:
   1. Receives the information in the Social Housing EQ Repair Programme Status Update report.

   Councillor Swiggs/Councillor Johanson Carried

7. Status Update - Ōtautahi Community Housing Trust Capitalisation and Financing
   Committee Comment
   1. The Subcommittee requested a staff report on what ideas Council should be considering for growing social housing in the Council’s next Long-term Plan.

   Committee Resolved HSTF/2019/00011
   Part C
   That the Housing Subcommittee:
   1. Note the information in this report.

   Councillor Swiggs/Councillor Livingstone Carried
8 Resolution to Exclude the Public
Committee Resolved HSTF/2019/00012

At 2.02pm the Subcommittee resolved to exclude the public set out on pages 16 to 17 of the agenda in accordance with Section 7(2)(A) for the protection of privacy of natural persons.

Councillor Buck/Councillor Galloway Carried

Councillor Johanson asked that his vote against the resolution be recorded.

The public were re-admitted to the meeting at 2.12pm.

Meeting concluded at 2.12pm.

CONFIRMED THIS 2ND DAY OF AUGUST 2019

COUNCILLOR GLENN LIVINGSTONE CHAIRPERSON
7. Housing Progress Report

Reference: 19/862116
Presenter(s): Bruce Rendall, Head of Facilities, Property and Planning

1. Purpose of Report
   1.1 The purpose of this report is for the Housing Subcommittee to be provided with a progress update by staff on housing matters.

2. Staff Recommendations

   That the Housing Subcommittee:
   1. Receive the update by staff on housing progress topics:
      a. Earthquake repairs
      b. Insulation/Healthy Homes
      c. 2019/2020 Major Maintenance programme
      d. $30 Million Loan
      e. $50 Million Capitalisation

3. Key Points

   3.1 Staff will provide a progress update the following housing topics:
      3.1.1 Earthquake repairs
      3.1.2 Insulation/Healthy Homes
      3.1.3 2019/2020 Major Maintenance programme
      3.1.4 $30 Million Loan
      3.1.5 $50 Million Capitalisation

Attachments

There are no attachments for this report.

Confirmation of Statutory Compliance

Compliance with Statutory Decision-making Requirements (ss 76 - 81 Local Government Act 2002).
(a) This report contains:
   (i) sufficient information about all reasonably practicable options identified and assessed in terms of their advantages and disadvantages; and
   (ii) adequate consideration of the views and preferences of affected and interested persons bearing in mind any proposed or previous community engagement.
(b) The information reflects the level of significance of the matters covered by the report, as determined in accordance with the Council’s significance and engagement policy.
**Signatories**

<table>
<thead>
<tr>
<th><strong>Author</strong></th>
<th>Bruce Rendall - Head of Facilities, Property &amp; Planning</th>
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<tbody>
<tr>
<td><strong>Approved By</strong></td>
<td>Leonie Rae - Acting General Manager Corporate Services</td>
</tr>
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8. Social Housing Development Contributions Rebate Scheme

Reference: 19/879265
Presenter(s): Gavin Thomas – Principal Advisor Economic Policy

1. Purpose of Report
   1.1 Memo to brief the subcommittee on the Council's current development contributions rebate scheme for social housing and enable the subcommittee to consider opportunities to bring Council-owned social housing under the provisions of the rebate scheme.

2. Executive Summary
   2.1 The Council has a Development Contributions Rebate Policy which enables the Council to identify particular types of development or locations of development where benefit accruing to the general community from growth development warrants the rebating of development contributions.

3. Staff Recommendations
   That the Housing Subcommittee:
   1. Receive the Memorandum on the Council’s current development contributions rebate scheme for social housing.

4. Context/Background
   **Decision Making Authority**
   4.1 Not applicable

**Attachments**

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<tr>
<th>No.</th>
<th>Title</th>
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<tbody>
<tr>
<td>A</td>
<td>Memo to Housing Subcommittee - Development Contributions for Council-owned Social Housing</td>
<td>15</td>
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**Confirmation of Statutory Compliance**

Compliance with Statutory Decision-making Requirements (ss 76 - 81 Local Government Act 2002).
(a) This report contains:
   (i) sufficient information about all reasonably practicable options identified and assessed in terms of their advantages and disadvantages; and
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Signatories

<table>
<thead>
<tr>
<th>Author</th>
<th>Gavin Thomas - Principal Advisor Economic Policy</th>
</tr>
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<tr>
<td>Approved By</td>
<td>Brendan Anstiss - General Manager Strategy and Transformation</td>
</tr>
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</table>
Memorandum

Date: 31 July 2019

To: Housing Subcommittee
CC: Bruce Rendall – Head of Strategic Policy
    Paul Cottam – Principal Advisor Social Policy

From: Gavin Thomas - Principal Advisor Economic Policy

Re: Social Housing Development Contributions Rebate

Purpose of memo

1. To brief the subcommittee on the Council’s current development contributions rebate scheme for social housing.
2. To enable the subcommittee to consider whether there are opportunities to bring Council-owned social housing growth developments under the provisions of the rebate scheme.

Background

3. The Council has a Development Contributions Rebate Policy which enables the Council to identify particular types of development or locations of development where benefit accruing to the general community from growth development warrants the rebating of development contributions.
4. The Development Contributions Rebate Policy is based on clear principles the Council considers important in assessing the value of development to the overall wellbeing of the community. The principles identified in the Policy are as follows:
   1. A development contributions rebate scheme will only be considered where there is a clearly identified benefit to the wider community. For example, to encourage development to occur faster or on a larger scale than it would without a rebate scheme in place.
   2. Rebate schemes should not be used solely to address issues of affordability for the developer. Affordability for developers is one of the considerations for the Council when adopting its development contributions policy.
   3. Development contribution rebates will be funded in ways that best reflect the benefit accruing to the community. Normally this will be from the general rate.
   4. It is neither appropriate nor permitted to fund a development contribution rebate by increasing development contribution charges to other developers.
   5. The Council will ensure the funding of development contributions rebates meets all its fiduciary requirements.
   6. Any rebate scheme should be as user-friendly for the developer as possible while being as efficient as possible for the Council to apply.
7. Development contributions rebates are to address specific situations for a finite period of time. For longer term or permanent outcomes more general or open-ended adjustments to the development contributions regime should be made through the Council’s Development Contributions Policy.

5. Under the Development Contributions Rebate Policy the Council currently has four specific rebate schemes, one of which is the social housing rebate scheme. Other schemes provide for central city residential development, central city non-residential development and stand-alone small residential unit development.


Criteria for the social housing rebate scheme

7. The outcomes expected from the social housing rebate scheme are to:
   - Increase the social and/or affordable rental housing options available
   - Increase supply of a broad range of residential development - encouraging the development of smaller housing options in response to the forecast increase in smaller households, rising levels of rental tenure, and an ageing population.

8. The rebate is available for social and/or affordable rental residential development that is required to pay development contributions. For this scheme, this is defined as:
   - Not-for-profit housing programmes delivered by community housing providers, to help low income households and other disadvantaged groups to access appropriate housing. This can be of a supported nature such as emergency housing, or of a more general nature where low income in relation to housing costs may be the main issue.

9. Qualifying developers are any community housing provider that is either registered as such a provider with the Community Housing Regulatory Authority, or is a registered charitable trust, and has as one of its objects the provision of social and/or affordable rental housing.

10. The rebate is for 100 per cent of the development contributions required and there is no limit on the rebate available per development.

11. The scheme has a funding cap of $1.5 million in total and runs until 31 December 2022.

12. The qualifying developer criteria means neither the Council nor Housing New Zealand are able to access the rebate as they are not able to register as a Community Housing Regulatory Authority and are not a registered charitable trust.


How a development contribution rebate is funded

14. A development contribution rebate is budgeted revenue that the Council foregoes. This means that the rebated funds need to be funded from rates. The rebate schemes each have a total funding limit which is the total amount for the scheme that the Council is willing to fund from rates rather than from development contributions.
15. The rates funding required is not all funded in the year the rebate is provided. Development contribution revenue is used to pay back loan funding used to finance Council capital expenditure. The capital expenditure is loan funded to promote intergenerational equity and to smooth the rate requirement needed for capital expenditure. This means the rates requirement is paid over the normal loan period used for capital expenditure which is normally 25 – 30 years.

16. The effect of this approach to funding the rebates is that rates increase by the amount needed to fund the cost of capital plus principle repayment – say 7.5 percent per year (note this will change depending on interest rates and other financial factors). This means the annual rates cost of funding $1 million of development contributions rebates is approximately $75,000.

Matters considered when the social housing rebate was developed

17. The social housing rebate scheme was conceived in 2017 which was the last year of the last National party government. The government had introduced the Community Housing Regulatory Authority with a clear view to increasing the community housing sector’s share of social housing provision in preference to direct government or local government provision.

18. The framework established at the time shut councils out of accessing government subsidy funding for social housing. The response from Christchurch City Council, which was the country’s second biggest provider of rental housing after the government, was to establish the Otatia Community Housing Trust to manage its social housing assets and enable access to the government subsidy funding.

19. When staff were considering options for the rebate scheme criteria it appeared unlikely the Council would resume management of its social housing stock or would be developing new social housing stock in its own name. The Council’s focus at that time was on repairing and/or replacing its social housing stock damaged in the earthquakes of 2010/11.

20. The Council’s changed role in the provision of social housing meant it was considered unlikely that not being able to access the development contributions rebate would be an issue for concern.

Has anything changed?

21. This memo is intended to provide the Housing Subcommittee with the opportunity to consider whether the social housing situation for the Council has changed and if so should consideration be given to bringing the Council within the criteria of the rebate scheme.

22. The current scheme criteria has appeared to serve the purpose intended. The nature of development contributions means policy and policy implementation is often challenged.

23. The only problem that has been raised concerned the interpretation of the description of a qualifying developer which was challenged by a charitable trust operating a retirement village which believed it should qualify despite not providing social housing as described in the criteria. Some clarifying of this provision of the criteria could be included if a review of the criteria is undertaken.

24. The subcommittee may want to consider the likely future approach the Council will take to social housing provision. If it is to develop and own new and additional social housing there could be value in assessing whether the Council should be able to access the rebate.
25. However, if a change in approach is not likely it is strongly advised that the Council remains outside the qualifying developer criteria. Maintaining the distinction between entities that are a Community Housing Regulatory Authority or a registered charitable trust focused on social housing provision and other developers has proven to be a consistent and workable way to differentiate developers and to ensure community rate funding is applied appropriately.

Next steps

26. The subcommittee will discuss this memo and the matters it covers at their meeting of 5 August 2019.

27. Staff will be present at the meeting to answer questions and provide advice. If the subcommittee believes further work should be undertaken on this matter it can direct staff to undertake that work. Any further information will be presented to the Housing Subcommittee or its equivalent in the new triennium.

ENDS