
ORDINARY MEETING

OF

**PŪRORO RANGARANGA - SOCIAL, CULTURAL AND
ECONOMIC**

MINUTES

Time: 9:30am
Date: Wednesday, 2 June 2021
Venue: Ngake (16.09)
Level 16, Tahiwī
113 The Terrace
Wellington

PRESENT

Mayor Foster
Deputy Mayor Free
Councillor Calvert
Councillor Condie (via audiovisual link)
Councillor Day (Chair)
Councillor Fitzsimons
Councillor Foon
Councillor Matthews
Councillor O'Neill
Councillor Pannett
Councillor Paul
Councillor Rush
Councillor Sparrow
Councillor Woolf
Councillor Young (Deputy Chair)

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1. Meeting Conduct

1.1 Karakia

The Chairperson declared the meeting open at 9:33 am and invited members to stand and read the following karakia to open the meeting.

**Whakataka te hau ki te uru,
Whakataka te hau ki te tonga.
Kia mākinakina ki uta,
Kia mātaratara ki tai.
E hī ake ana te atākura.
He tio, he huka, he hauhū.
Tihei Mauri Ora!**

Cease oh winds of the west
and of the south
Let the bracing breezes flow,
over the land and the sea.
Let the red-tipped dawn come
with a sharpened edge, a touch of frost,
a promise of a glorious day

1.2 Apologies

No apologies were received.

1.3 Conflict of Interest Declarations

No conflicts of interest were declared.

1.4 Confirmation of Minutes

There were no minutes to confirm.

1.5 Items not on the Agenda

There were no items not on the agenda.

1.6 Public Participation

1.6.1 DCM

Representing DCM, Stephen Turnock and Natalia Cleland spoke to item 3.1 Report of the Kāwai Whakatipu - Grants Subcommittee Meeting of 19 May 2021.

1.6.2 Community Law

Representing Community Law, Machrus Siregar spoke to item 3.1 Report of the Kāwai Whakatipu - Grants Subcommittee Meeting of 19 May 2021.

Tabled items

Attachments

- 1 Community Law

2. General Business

2.1 Wellington City Council Housing Action Plan 6-month report

Moved Councillor Fitzsimons, seconded Mayor Foster, the following motion

Recommendation/s

That the Pūroro Rangaranga - Social, Cultural and Economic Committee:

1. Receive the information.
2. Note the updates included in the second 6-monthly report of the Housing Action Plan 2020-22.
3. Note that the Housing Action Plan is currently under review, recognising changes to the proactive development (creating additional affordable supply), homelessness and City Housing sustainability priority areas. The reviewed Housing Action Plan will incorporate decisions made at this committee on housing supply and Te Kāinga, as well as decisions made on City Housing sustainability, and will be brought to Pūroro Āmua Planning and Environment later in 2021.
4. Note that the paper later in 2021 will also cover issues related to housing quality and Council's role in improving quality of housing in Wellington. It will also propose a review of the Housing Strategy leading into the next triennium.

The meeting adjourned at 10:25 am and reconvened at 10:46 am with all the members present.

Moved Councillor Matthews, seconded Councillor O'Neill, the following amendment

Resolved

That the Pūroro Rangaranga - Social, Cultural and Economic Committee:

5. Agree that future reports on the Housing Action Plan include targets to increase the number of universal design/accessible units across Council's portfolio including Te Kainga, what actions have been taken to increase Wellington's accessible housing stock, and updates on progress against targets.

Carried

Moved Councillor Fitzsimons, seconded Mayor Foster, the following substantive motion

Resolved

That the Pūroro Rangaranga - Social, Cultural and Economic Committee:

1. Receive the information.

2. Note the updates included in the second 6-monthly report of the Housing Action Plan 2020-22.
3. Note that the Housing Action Plan is currently under review, recognising changes to the proactive development (creating additional affordable supply), homelessness and City Housing sustainability priority areas. The reviewed Housing Action Plan will incorporate decisions made at this committee on housing supply and Te Kāinga, as well as decisions made on City Housing sustainability, and will be brought to Pūroro Āmua Planning and Environment later in 2021.
4. Note that the paper later in 2021 will also cover issues related to housing quality and Council's role in improving quality of housing in Wellington. It will also propose a review of the Housing Strategy leading into the next triennium
5. Agree that future reports on the Housing Action Plan include targets to increase the number of universal design/accessible units across Council's portfolio including Te Kainga, what actions have been taken to increase Wellington's accessible housing stock, and updates on progress against targets.

Carried unanimously

2.2 Social Housing Policy Update

Moved Councillor Fitzsimons, seconded Councillor Day, the following motion

Resolved

That the Pūroro Rangaranga – Social, Cultural and Economic Committee:

1. Receive the information
2. Agree ~~to recommend to Council~~ that until such time as the wider City Housing financial sustainable options are agreed, any changes to the current Social Housing Policy and City Housing Policy: Rent Setting are put on hold.
3. Note that subject to decision(s) to address financial sustainability, the Social Housing Policy may require updating to reflect any decisions. This may include eligibility criteria and rent settings.

Carried unanimously

2.3 City Housing Financial Sustainability

Moved Councillor Fitzsimons, seconded Councillor Calvert, the following motion

Resolved

That the Pūroro Rangaranga - Social, Cultural and Economic Committee:

1. Receive the information.
2. Confirm Council's commitment to social housing provision in Wellington, adopting solutions to resolve City Housing's financial challenges and to provide certainty for tenants
3. Note that a Deed of Grant was signed between the Crown and Wellington City Council in 2007 to deliver a \$400M upgrade of City Housing, with the government providing \$220M to upgrade the first half of the portfolio and Council committing to provide \$180M to upgrade the second half of the portfolio.
4. Note that City Housing has both an annual operating deficit and shortfall in capital funding that need immediate resolution to enable City Housing to remain solvent and meet the requirements of the Deed beyond FY 2022/23.
5. Note that officers continue to work actively with government agencies to develop advice for Council, and to seek to grow the supply of social and affordable housing in Wellington.
6. ~~Agree to the following way forward to resolve City Housing sustainability:~~
 - a. ~~Establish a CHP (new entity) to enable tenants to access the IRRS and substantially address the operating deficit (subject to public consultation)~~
 - b. ~~Negotiate with the government for the CHP to receive immediate access to the IRRS for all current, eligible tenants, rather than only for new tenants as properties turn over (current government policy settings)~~
 - c. ~~Establish a sustainable financing model to fund the CHP's housing upgrade and asset maintenance requirements which may be another new entity (e.g. an SPV), or other arrangement, depending on subsequent decisions about the CHP structure (subject to public consultation)~~
 - d. ~~If required, commit to provide a one-off capital injection to set the CHP (or SPV) up on a sustainable long-term footing, the size of which will depend on the terms of access to the IRRS and the financing terms available to the CHP or SPV (subject to public consultation)~~
 - e. ~~Fund City Housing's operating deficit and capital shortfall through debt and City Housing cash reserves until the CHP is operational (up to three years).~~
6. **Agree to the following:**
 - a) **Note that it is estimated that approximately 80% of city housing tenants would be eligible for IRRS if it was available**
 - b) **Note that the Council is disappointed that the Government did not commit to implementing IRRS for City Housing tenants in budget 2021 given the long standing importance of this to tenant welfare and to the ongoing sustainability of City Housing.**

- c) Instruct the Mayor and the CEO to write to the Minister of Housing and the Minister of Finance seeking to enter into formal negotiations to amend the Deed of Grant between the Council and the Crown including, but not limited to providing that IRRS is available for City Housing tenants.
- d) Agree that the reply to the letter to the Minister is formally tabled at the next available Council committee meeting after it is received.
- e) Instruct officers to commence work in parallel on items (i – iv) below for an initial report back to the Committee in September 2021 and to provide further reports to Committee on a quarterly basis:
 - i) Establish a CHP (new entity) to enable tenants to access the IRRS and substantially address the operating deficit (subject to public consultation)
 - ii) Negotiate with the government for the CHP to receive immediate access to the IRRS for all current, eligible tenants, rather than only for new tenants as properties turn over (current government policy settings)
 - iii) Establish a sustainable financing model to fund the CHP's housing upgrade and asset maintenance requirements which may be another new entity (e.g. an SPV), or other arrangement, depending on subsequent decisions about the CHP structure (subject to public consultation)
 - iv) If required, commit to provide a one-off capital injection to set the CHP (or SPV) up on a sustainable long-term footing, the size of which will depend on the terms of access to the IRRS and the financing terms available to the CHP or SPV (subject to public consultation)
 - v) Fund City Housing's operating deficit and capital shortfall through debt and City Housing cash reserves until the CHP is operational (up to three years)
 - vi) Provide advice in the report on if Council assets have been transferred to a community housing provider and should there be any change to that CHP where the assets are no longer required, these will be transferred back to council or council will have for first right of refusal.
- 7. Note that the following options were considered by officers but are not recommended:
 - a) Removal of the ring-fencing of City Housing operations by fully rates funding the operating deficit and debt funding the full capital programme – on the basis that the rates and debt impact would be unsustainable given other Council funding pressures
 - b) Full or partial divestment of the City Housing portfolio – based on the Council's commitment to social and affordable housing provision, the Deed commitment with the Crown, and the lack of a buyer of sufficient scale to purchase the entire portfolio
- 8. Note that, if the government provides Councils with direct access to the IRRS in next year's Budget, officers will provide the Council with further advice. This advice would consider, amongst other things, whether the Council could debt fund the capital programme or could continue with the establishment of an SPV to finance and manage the upgrade programme, without the need to establish a CHP.
- 9. Note that all options require some re-negotiation of the Deed of Grant and that

government agencies have agreed in-principle to progress these negotiations.

10. Note that establishing a CHP will require an estimated 12-18 months of detailed design work (including legal, structural, and financial considerations) and public consultation, and up to a further 18 months for full transition to a new model.
11. Note that the LTP budget proposed for the 27 May 2021 Annual Plan / Long-term Plan Committee meeting includes City Housing's full \$446M capital programme and operating costs, but that debt funding the capital programme is not the recommended medium to long-term option (from year four onwards)
12. Note that following further CHP/SPV design work and public consultation, the new funding arrangements will be addressed in a Long-term Plan (LTP) amendment or in the next LTP.
13. Direct officers to report back to SCEC by 30 September 2021 with further advice on:
 - a) Options for structuring the CHP (and any associated financing arrangements) to best meet Council objectives
 - b) Implications of CHP design for the Council's wider balance sheet
 - c) Progress on Deed of Grant renegotiation
 - d) Consultation requirements under the Local Government Act

Carried unanimously

Secretarial note: Councillor Fitzsimons moved the original motion with amendments (supported by officers) as marked in red.

(Councillor Paul left the meeting at 12:16 pm)

(Councillor Paul returned to the meeting at 12:18 pm)

The meeting adjourned at 12:25 pm and reconvened at 1:25 pm with all the members present.

Moved Councillor Day, seconded Deputy Mayor Free, the following motion

Resolved

That the Pūroro Rangaranga - Social, Cultural and Economic Committee:

1. Pursuant to the provisions of the Local Government Official Information and Meetings Act 1987, exclude the public from the following part of the proceedings of this meeting namely:

General subject of the matter to be considered	Reasons for passing this resolution in relation to each matter	Ground(s) under section 48(1) for the passing of this resolution
2.1 Attachments 1 and 2 of item to 2.4 - Update on the Te Kāinga Programme -	The withholding of the information is necessary to protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information.	That the public conduct of this item would be likely to result in the disclosure of information for which good reason for withholding would exist under Section 7.

2. Agree that the Chief Executive release the public-excluded information after 8 October 2021.

Carried

The meeting went into the public excluded session at 1:27 pm and returned to the public at 1:43 pm.

2.4 Update on the Te Kāinga Programme

Moved Councillor Fitzsimons, seconded Mayor Foster, the following motion

Resolved

That the Pūroro Rangaranga - Social, Cultural and Economic Committee:

1. Receive the information.
2. Note the update on the Te Kāinga Aroha project (195 Willis Street).
3. Note the update on the projects at 203 Willis Street, 178 Willis Street and 53 Boulcott Street.
4. Note the update on a fourth project detailed in the publicly excluded Attachment One.
5. Agree to progressing discussions on the unsolicited proposals for the long-term lease of the properties detailed in Attachment Two and note that discussions are underway to establish the financial requirements for both the developers and Wellington City Council.
6. Authorise the Chief Executive to conclude all matters in relation to the projects detailed in Attachment Two, including the execution of the head agreement to lease sites on behalf of Council.
7. Note that a 6-month evaluation report on Te Kāinga Aroha will be provided to Pūroro Āmua | Planning and Environment Committee in October 2021 with the full report provided to Committee in April 2022.
8. **Request officers to consider on future proposals for the long-term lease of properties the minimum standards including but not limited to size, storage, accessibility and occupancy levels.**

Carried unanimously

Secretarial note: Councillor Fitzsimons moved the original motion with amendments (supported by officers) as marked in red.

2.5 Affordable Housing Supply and Development

Moved Councillor Fitzsimons, seconded Mayor Foster, the following motion

Recommendation/s

That the Pūroro Rangaranga - Social, Cultural and Economic Committee:

1. Receive the information.
2. Note that Kāinga Ora (KO) and Ministry of Housing and Urban Development (HUD) have a focus on increasing public (social) housing stock in the city and region.
3. Note that officers continue to work directly with Central Government, mana whenua, and other housing providers to develop advice for Council, and to seek to grow the supply of social and affordable housing in Wellington.
4. Agree that officers will report back to Pūroro Āmua | Planning and Environment Committee in October 2021 with further advice on:
 - a. An updated position on the Housing Acceleration Fund
 - b. Progress on discussions with HUD and KO on how we can deliver more affordable housing supply at scale and pace.
5. Note that officers will investigate a potential regional approach to housing delivery in partnership with Central Government, Greater Wellington Regional Council, other local authorities and mana whenua.
6. Agree that a target of 1000 Te Kāinga homes to be delivered or under contract in the next 5 years is set.
7. Note that subject to agreement of recommendation 6, officers will report back to Pūroro Āmua | Planning and Environment Committee in early August with a detailed 5-year plan including indicative timeline for delivery of the 1000 homes.
8. Agree that officers will report back to Pūroro Āmua - Planning and Environment Committee in October 2021 confirming:
 - a. Progress on the redevelopment of the Harrison Street Development site
 - b. A preferred development scheme for the Nairn Street site including an assessment of mixed tenure opportunities and indicative budget for the project.
9. Agree that Build Wellington will progress with further assessment and feasibility on the potential for development, under a joint venture approach, of the five sites identified for divestment under the Strategic Housing Investment Plan (SHIP) that have capacity for redevelopment.
10. Agree, that subject to agreement of recommendation 9, officers engage early with Ngāti Toa Rangatira and Taranaki Whānui ki Te Upoko o te Ika on opportunities to undertake a joint venture approach to redevelopment.

Moved Councillor Pannett, seconded Councillor Foon, the following amendment

Resolved

That the Pūroro Rangaranga - Social, Cultural and Economic Committee:

11. Note that the 5-year plan will include:
 - Requirements that partners apply sustainable building and universal design practices
 - An updated risk assessment programme noting potential strategic risks, likelihood, impacts and mitigations
 - A commitment to implement creative solutions to ensure sustainable building outcomes (whilst maintaining a zero impact on rates), to achieve Homestar ratings or equivalent for building warm, dry dwellings
12. Note that Build Wellington will be seeking a Homestar assessor certification.

Carried

Moved Councillor Fitzsimons, seconded Mayor Foster, the following substantive motion

Resolved

That the Pūroro Rangaranga - Social, Cultural and Economic Committee:

1. Receive the information.
2. Note that Kāinga Ora (KO) and Ministry of Housing and Urban Development (HUD) have a focus on increasing public (social) housing stock in the city and region.
3. Note that officers continue to work directly with Central Government, mana whenua, and other housing providers to develop advice for Council, and to seek to grow the supply of social and affordable housing in Wellington.
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9. Agree that Build Wellington will progress with further assessment and feasibility on the potential for development, under a joint venture approach, of the five sites identified for divestment under the Strategic Housing Investment Plan (SHIP) that have capacity for redevelopment.
10. Agree, that subject to agreement of recommendation 9, officers engage early with Ngāti Toa Rangatira and Taranaki Whānui ki Te Upoko o te Ika on opportunities to undertake a joint venture approach to redevelopment.
11. Note that the 5-year plan will include:
 - Requirements that partners apply sustainable building and universal design practices
 - An updated risk assessment programme noting potential strategic risks, likelihood, impacts and mitigations
 - A commitment to implement creative solutions to ensure sustainable building outcomes (whilst maintaining a zero impact on rates), to achieve Homestar ratings or equivalent for building warm, dry dwellings
12. Note that Build Wellington will be seeking a Homestar assessor certification.

Carried unanimously

3. Committee Reports

3.1 Report of the Kāwai Whakatipu - Grants Subcommittee Meeting of 19 May 2021

SOCIAL AND RECREATION FUND – MARCH 2021

Moved Councillor Fitzsimons, seconded Councillor Matthews, the following motion

Resolved

That the Pūroro Rangaranga - Social, Cultural and Economic Committee:

1. Approve the allocation of Social and Recreation funding for Community Law Wellington and Hutt Valley Trust (Wellington Community Law Centre) (application #6) for \$110,000, being an allocation of greater than \$100,000.
#6 Community Law Wellington and Hutt Valley Trust (Wellington Community Law Centre), \$110,000
2. Approve the allocation of multi-year contract funding (from 1 July 2021 for three years) for DCM (application #27), being an allocation of greater than \$100,000, subject to the Social and Recreation Fund being available through the Annual and Long-term Plan.
#27 Downtown Community Ministry Wellington Inc (trading as DCM), \$507,011 p.a. for period of three years (1 July 2021 to 30 June 2024)
3. Approve the allocation of \$300,000 from the Sportsville Partnership Fund for Polo Grounds Community and Sports Centre Incorporated (application #28), being an allocation of greater than \$100,000.
#28 Polo Grounds Community and Sports Centre Incorporated for Miramar Polo Grounds Community and Sports Centre, \$300,000

Carried

The meeting concluded at 2:41 pm with the reading of the following karakia:

Unuhia, unuhia, unuhia ki te uru tapu nui	Draw on, draw on
Kia wātea, kia māmā, te ngākau, te tinana, te wairua	Draw on the supreme sacredness To clear, to free the heart, the body and the spirit of mankind
I te ara takatū	
Koia rā e Rongo, whakairia ake ki runga	Oh Rongo, above (symbol of peace)
Kia wātea, kia wātea	Let this all be done in unity
Āe rā, kua wātea!	

Authenticated: _____

Chair