

Questions for officers for the 2 June 2021 Social, Cultural and Economic Committee

2.1 Wellington City Council Housing Action Plan 6-month report

Isn't the key risk to all Wellingtonians being well housed the high price of rents and home-ownership? Is the risk also an economic one about not being able to attract and retain working people, innovators and businesspeople?

Yes, agree the risks could be reviewed to better reflect that there is an economic effect to the risk of Wellington's housing market pricing people out. HSR03 addresses this to some extent but focuses around Council's primary areas of influence. This could certainly be updated to better reflect the impact on the city's economy if innovators, businesses, etc move away.

It's quite unusual to describe submissions as containing 20,000 ideas? What is that based on?

Global Research were contracted to analyse the submissions, they identified that the submissions equated to 20,000 ideas, describing it as such demonstrates the breadth of feedback. The total number of submissions is also included in the report. The Global Research report is on the planning for growth website https://planningforgrowth.wellington.govt.nz/_data/assets/pdf_file/0023/16709/Wellington-CC-Spatial-Plan-Report-FULL-PDF-27-01-21.pdf

Why does para 23 not include other partners involved in other work on this?

This paragraph is perhaps an oversimplification – the revised strategy will centre around our sector partners as they remain key to delivering on the strategy. We will also explore alignment to central government's Homelessness Action Plan and will include extensive engagement with central government partners and service providers in the city. The focus on partnering with mana whenua is to recognise that homelessness disproportionately affects Māori and our obligations under Te Tiriti o Waitangi.

How is the Council ensuring its meeting international best practice when it comes to ending homelessness?

We stay up to date with the most recent research and papers on homelessness. We have learnt much from the model delivered in London at St Mungo's and our Assertive Outreach Programme is inspired by their service model. Australia's AHURI (Australian Housing and Urban Research Institute) provides up to date research and reports, including their COVID-19

Research Hub. The Canadian Observatory on Homelessness has taken a systemic approach, as we have at WCC. They have formed the Systems Planning Collective which has helped inform our work on advocating for systems change with our NGO and Government partners. We are also linked with He Kāinga Oranga, Otago University's Housing and Health Research Group. Housing First is based on strong international evidence and He Kāinga Oranga is currently reviewing its impact in a New Zealand context. We are following the results of the research closely.

<https://www.ahuri.edu.au/>

<https://www.healthyhousing.org.nz/>

<https://www.homelesshub.ca/about-us/coh-publications>

Why are all the risks in para 34 "reputational"? Isn't the risk that people are not housed on this out of control housing market? Isn't affordability and lack of supply the biggest risk?

Following the Council's risk framework, risks are categorised using consistent categories across all of Council's risk assessments. Reputational seemed like the best fit to the Housing Action Plan Advisory Group but these can be reviewed. The risk matrix in the attachment breaks the risks down to manageable risks, impacts and responses. It includes risks previously flagged, including the risk that people will leave the city as a result of housing being unaffordable and there being a lack of supply.

Affordability and lack of supply is a given across all the risks, but the risk matrix could be reviewed to be more explicit about this. We will consider this at the next Housing Action Plan Advisory Group.

On page 8 of the table, an independent review of P4G is referred to, can you please send me this?

The independent report was prepared by Silvia Allan, Allan Consulting Ltd; Silvia gave a presentation to ELT and to Councillors on the report. The report and presentation has been sent to Councillors.

In regards to legal review of the engagement process, we have two lawyers on the Steering Group reviewing our approach to engagement, among other things. Nick Whittington and Meredith Connell gave verbal feedback to the Council Steering Group on the risks and felt that they were being adequately managed under the Local Government Act (for the Spatial Plan) and the District Plan (RMA). Meredith Connell and Dentons are jointly undertaking legal reviews of the District Plan chapters as they are being produced. They will continue to undertake legal reviews and detailed advice at strategic points throughout the District Plan review process (e.g. prior to notification of the District Plan).

It seems an over-statement to say that the Council is almost certain to fail to meet legislation such as healthy homes given the very serious consequences of doing so and given that this would undermine our own strategy of every Wellingtonian being well housed. Isn't this risk over-stated given we have to do it and have now budgeted to?

The "almost certain" relates to compliance with the Deed of Grant, as well as legislative compliance. It reflects the challenge in the financial sustainability work that half the portfolio needs to be upgraded to meet Deed of Grant requirements, and Council doesn't currently have the funds to carry out those upgrades. It highlights the importance of coming to a resolution for City Housing sustainability.

Page 11 needs updating - wrong committee and wrong date.

Apologies, I thought we caught them all! Will get that amended.

My question is about the report on the Housing Action Plan – the report doesn't contain any updates on work to progress the supply of accessible housing, which is a significant omission. What work has been undertaken in the last six months to increase supply of accessible housing?

Officers have engaged with the Accessibility Advisory Group in the last six months to better understand the challenges, and also to signal that the Housing Strategy is likely to be reviewed going into the next triennium. The review of the Housing Strategy will be widely engaged on, including with Council's Accessibility Advisory Group and other accessibility advisors.

In the meantime, detailed design is completed at Harrison Street, although not included in the original City Housing brief (and in the absence of any guidelines on accessibility), Lifemark were engaged for practical guidance and implementation of universal design standards. This has resulted in the provisional rating of 'easy access' units (Lifemark 4 – second highest accessibility rating) and 1 'fully accessible' unit (Lifemark 5- highest accessibility rating). <https://www.lifemark.co.nz/official-star-rating/>

Officers continue to work with building owners through the Te Kāinga scheme to achieve accessible units in Te Kāinga buildings. Note the new builds in this programme will present a greater opportunity to shape the make-up of units than in the building conversions, this will become a focus in the next year.

On page 17 it says we have decided to code the District Plan rules after the District Plan has been notified. How are we coordinating to make sure that the District Plan rules are drafted in a way that makes them easy to code?

The new District Plan is being drafted in accordance with the new National Planning Standards, which prescribes a level of consistency and structure that will make it easier to

code than the (existing) operative District Plan. In addition, the plan drafters are endeavouring to write the plan using consistent, plain language.

Page 20 incomplete sentence: "Feasibility complete, investigation underway to"

Apologies, this is covered in the housing supply and development paper but should read "Feasibility complete, investigation underway to understand what additional capacity could be achieved."

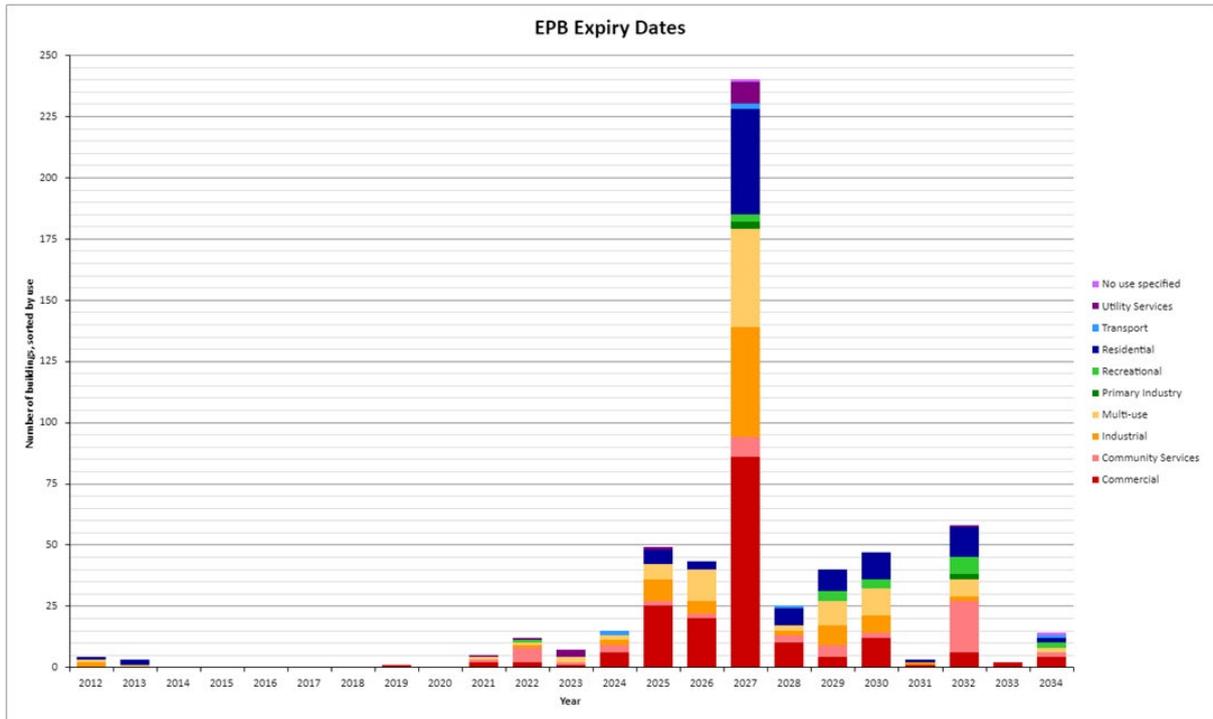
Page 24 risks: risk HSR02 includes risk to housing being resilient. Why have we not referenced the earthquake strengthening deadlines in this context? If buildings are not strengthened in time will they need to be vacated? Could this effect housing supply?

Yes this is a risk Council is monitoring. Officers will consider including context in future HAP reports.

As a last resort, Council can penalise building owners who do not meet their deadlines as stated on their earthquake-prone building (EPB) notice. Penalties include prosecution, requiring buildings to be vacated and/or putting up hoardings. Council may also seek orders from the Courts to undertake the seismic work and recover the costs from the owner.

The Resilient Buildings team have just kicked off a four month programme of work to engage with all of our EPB owners. We are reaching out to building owners to discuss progress with their building project to make sure they get the right advice. We are also taking the opportunity to ask a set of questions so we can better understand the challenges and barriers that building owners face and how best we can help. We are planning to report back to ELT and Councillors in October 2021.

High level numbers are shown in the graph below.



Page 21- This might be an error but does this mean reinvestment into Harrison Street?

Yes, apologies typo in there, the disposals bullet should read 'package 1 of disposals is now complete which funds the redevelopment of Harrison Street.'

Page 26- Status report / how many beds/ hotel rooms are currently used for emergency housing in Wellington?. What is the strategy for transition back to hotels?

The Ministry of Social Development (MSD) and the Ministry of Housing and Urban Development (HUD) both have contractual relationships with hotel providers in Wellington. Some of these agreements have fixed periods on them and some are indefinite. It is our understanding that HUD will be exiting their contracts by the end of 2021 but that their current number of individuals accommodated is less than 50 and so they are on track to have people moved into permanent or transitional accommodation by this time.

The remainder sit with MSD and while there is an expectation that as travel starts to increase there will be additional pressure on hotel providers, Wellington is reasonably well resourced in this capacity and there are a number of facilities that remain committed to working with MSD. WCC's Community Services team enjoys a close working relationship with MSD at all levels and we are ready to support them to manage this challenge if needed. Increases to transitional housing capacity are also well in progress, with the Wellington Women's Homeless Trust doubling its capacity last month and the Wellington City Mission due to open a multi floor facility in June.

Item 2.2 Social Housing Policy Update

Why does recommendation 2 need to go to Council for a final decision?

We went out to consult on proposals and therefore need to take a decision about what we do in response to consultation feedback. This paper closes out the consultation process. However, the paper does not need to go to Council and this committee can take this decision – this can be amended in the meeting.

How much revenue are we forgoing by not making these changes now, but instead waiting until 2023 when a CHP can be established? Am I correct that this lost revenue does not increase the rates burden, but instead will be funded from City Housing cash reserves? As such any lost revenue will mean we will have to borrow more in order to deliver HUP2, because cash reserves will be lower?

In response to concerns raised by submitters, further modelling looked to clarify income thresholds in the Social Housing Policy and explore further rent setting scenarios to see what options could best balance improved equity for tenants and generate additional revenue to contribute to improving financial sustainability. The preferred scenario modelled generated additional annual income for City Housing of approximately \$800,000, which would not take full effect for 18-24 months as tenants were to be assessed on the anniversary of their tenancy. Also, despite extensive modelling, the proposed changes still resulted in over 200 tenants receiving over \$100 p/w rent increase.

Over this time period, we would need to have established a more significant change in the City Housing funding model which is why officers recommend resolving the funding model issue first and then considering the implications for rent.

Lost revenue is not currently impacting on the rates burden as City Housing is funded solely from the rental income it receives. However, this model is not sustainable past 2022/23 at which time City Housing will be technically insolvent without solutions to closing the operating and capital gaps.

The issues around financing HUP2 are covered in the companion paper: City Housing Financial Sustainability. The implications of not generating further additional revenue are that we are not closing the operating deficit and not building up reserves for the capital programme.

Given many of the submissions agreed with the income-related rents over market-related rents - was there consideration to continue with this part of the rental review?

Yes. Officers further reviewed both the proposed Social Housing Policy and City Housing Policy: Rent Setting, undertaking further modelling in consideration of the concerns raised by submitters.

Given the difficulty in modelling alternative scenarios that both improved equity and generated revenue, it became apparent that any changes to current policy and rent settings needed to be considered as part of the broader financial sustainability options and decisions. It would also take 18 – 24 months to roll out any rent changes, during which time decisions on financial sustainability need to be taken and that will result in further changes to policy, including rent settings.

What were the reasons for not continuing with part of the recommendations in the review?

As above.

If there are other councils that have continued with their housing portfolio, how have they continued with rental increases?

WCC's operating model is unique from other councils that provide social housing, in that we are "ring fenced" and receive no direct rates funding to help subsidise rents.

While we are not recommending changes in the way rent is calculated at this point, we are intending to progress with the annual rent increase. We did not increase rents last year due to Covid but will be increasing rents this year to ensure we don't continue to make the operating deficit larger. The increases will be capped by \$20 for singles and \$30 for groups as per our current rent policy.

Could we have a chart laying out the differences between Kainga Ora and how they manage their rental increases and subsidies etc- or is it just the IRRS that provides the main difference?

Yes, it is the Income Related Rent Subsidy (IRRS) that is the main difference. Kāinga Ora properties are independently assessed each year for market rates, which are then applied to rents charged to tenants. Tenants who are eligible to access IRRS generally pay 25% of their income in rent. The remainder is topped up by Central Government.

Community Housing Providers also assess their properties for market rates, which they then apply to rents charged to tenants. Tenants who are eligible to access IRRS generally pay only 25% of their income in rent and the remainder is topped up by Central Government.

Are there other possibilities we could adopt?

The only way to achieve equity for our tenants compared to other social housing tenants is for them to have access to IRRS. At this stage, under current legislation the only way to achieve that is to become a CHP as Councils are not eligible for IRRS. Accessing IRRS as a CHP would also close the operating deficit. Accessing IRRS directly has been a consistent point of advocacy from councils to central government.

We have explored several options to close the operating deficit, and these are set out in the appendix to the paper. Officers' advice is that the most effective way of addressing the operating deficit and improving tenant wellbeing is to access the IRRS via a CHP.

Item 2.3 City Housing Financial Sustainability

Why are we agreeing to "set up a CHP"? The paper itself says we don't have the legal power to do so at present.

Isn't this recommendation a bit premature?

The preferred option seeks an in-principle agreement from Council (subject to public consultation) to establish an entity that will become a CHP. An analysis of all the relevant options is included in the paper, based on the objectives set out in section 14. Under that analysis, the preferred option is the only option to meet the objectives. A previous Council resolution from March 2020 requested a report on options to resolve City Housing financial unsustainability, which is a key reason why this is being proposed now.

However this is an in-principle agreement only, allowing officers to commence the necessary detailed design work and understand the public consultation and subsequent council decisions which are required to establish the new CHP entity. Any decision to transfer the housing assets to the CHP will be subject to public consultation (likely to be a Special Consultative Procedure)

Clause 13 recommends officers 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

The paper also identifies that if, at a future point, the Council can access the IRRS directly, officers will come back with further advice on whether to continue down the CHP pathway.

Shouldn't we consider agreeing that this is explored further at this stage?

Given the estimated time frame of 3 years to establish a CHP, that none of the other options meet the stated objectives, and the previous resolution regarding the financial unsustainability, we believe that it is important that this decision is made now.

We are seeking Council agreement that this is the preferred way forward and that officers go away and begin the necessary design work. The paper recommends the next report back to Council by 30 September 2021, which includes advice on possible design of the CHP, ongoing discussions with central government, and the necessary public consultation requirements.

Please send evidence for the statements in para 91 regarding HUD indicating "support" for the establishment of a CHP? Who has said this and when? I would like to see this in writing including minutes of any relevant meetings or correspondence.

Officials at HUD recognise the challenges facing City Housing's sustainability and accept that in the absence of other feasible options, access to IRRS via a CHP would close the current operational financial deficit.



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Options Table - High

Appendix 5 summarises the financial sustainability options discussed with MHUD (Ministry of Housing and Urban Development) and their response. Written feedback from HUD accompanies these questions/answers.

Have officials said whether Ministers or Treasury support this? Do we have any correspondence or other material or information about this?

We have provided all necessary information for agencies to brief their Ministers and it is our understanding that they have done that.

We understand agencies are continuing to work on advice for Ministers on the IRRS and we continue to provide information to HUD to support that.

We have also provided all information to HUD about the recommendations the council is considering today, including that we are recommending a CHP pathway.

We have not had direct feedback from Ministers or Treasury on the proposals but are confident we have kept HUD and KO across our work and recommendations.

Please send the analysis about mixed-tenure developments referred to in para 90 including any briefing papers to ELT and any Excel spreadsheets or other analysis estimating the financial impact of such an approach at Nairn Street and anywhere else. Does such an analysis involving buying land for this purpose exist? Please send if it does.

Information on modelling will be tabled at meeting.

What is the process for changing the regulations preventing Councils from registering as a CHP?

First the government would need to take a policy decision to enable Councils to access the IRRS (either by providing it directly to Councils or allowing Councils to register a council-controlled CHP). This would likely be a decision they take on the advice of their agency officials. We are continuing to provide information to support the work agencies are exploring on this issue.

Following this, new regulations would need to be drafted to give effect to the policy decisions.

Please list all the legal, regulatory and deed related matters that would need to change for a CHP to be delivered?

This information will be provided in the Council update by 30 September 2021.

Page 79 seems to imply that IRRS was introduced since the Deed of Grant was signed, is that correct? Could we get a very short potted history of IRRS since it is so important to understanding this issue? In particular, I'm curious about what the policy reasoning was for excluding council housing? Was it clear when this was adopted what the effects would be on council housing, or has this been an unintended consequence?

The income-related rent subsidy (IRRS) has existed for some time but initially was available only to state housing tenants. IRRS was reintroduced for Housing New Zealand properties in 2000 after the 1999 election. In 2013, the government extended access to other types of housing providers, including entities that registered as CHPs with the Community Housing Regulatory Authority. When access was extended to CHPs it was not extended to Council social housing providers. Our understanding of why councils were excluded from the subsidy is that councils had the ability to raise rates to subsidise social housing rents if they chose to do so.

The Community Housing Regulatory Authority are responsible for registering and regulating CHPs.

Since 2016, Wellington City Council has been involved in leasing a number of its properties to CHPs so that tenants can access IRRS.

Am I correct in understanding that if we had access to IRRS funding not only would City Housing be delivering a \$5M opex surplus that could help fund the upgrade, but that many of our tenants would also be paying less rent than they currently do?

Yes, and if we have immediate access to IRRS for our current eligible tenants (not just new tenants), they will generally pay only 25% of their income. Figure 3, para 57 shows the amount of their income our tenants currently pay in rent. The IRRS would have a material impact on the wellbeing of our tenants as well as addressing the operating deficit for City Housing.

Auckland started a review of their housing model in 2015 and launched their CHP in 2017. Christchurch started a review in 2014 and launched their CHP in 2016. Why are

we so far behind these two councils? How much revenue would we have collected by now if we had launched a CHP in 2017 like Auckland? How much would our tenants have saved if we had launched a CHP in 2017? Assuming we launch a CHP in 2023, how much will this six year delay have cost WCC and our tenants?

Previous Wellington City Councils have not taken the decision to establish a CHP as a way to address sustainability. It is a recommended choice for the current council now.

It's difficult to determine how much income would have been earned or how much tenants would have saved. Tenants have changed over time and their individual incomes and circumstances have changed over time too.

The paper indicates that in the current financial year, the additional income from IRRS would have been \$11m.

Have HUD given any feedback on whether or not they would support IRRS funding being made available to all tenants from day 1 of a CHP?

Officials have indicated if we can agree on a partnership that benefits both parties, it is possible they would support this. We are continuing to work with agencies to pursue this opportunity, including by considering how we could work together to increase supply, which is the government's primary housing objective. Access for as many eligible tenants as possible from day one will have the biggest positive impact for our tenants and financial sustainability.

How will the different options of the proposed CHP affect the council's balance sheet?

This information will be provided in the Council update by 30 September 2021.

Is there an opportunity to lease more of the councils' housing out to other providers? What are the pro's and cons' of this?

We are currently restricted both within the Deed of Grant and our policy as to how many properties we can lease to other providers. This is currently limited to 5%. The pros are that tenants can access IRRS and the cons are this does not adequately solve our operating deficit. It also creates inequity for City Housing tenants living in our properties because some tenants in leased properties receive IRRS and our tenants do not. It is also important to note that leasing further properties does not increase supply and will affect the City Housing waitlist.

If we have to move tenants out of accommodation while doing the upgrades- how will find temporary housing for them?

We have not determined this yet but are working on various options to enable us to do this. During the first phase of the Housing Upgrade, we kept units vacant while we moved people around the portfolio during upgrades. At that time, City Housing turnover was at 25% p.a. Our current turnover is under 5% p.a. which means we need to look at alternative ways of decanting tenants.

What are the key challenges of setting up a CHP?

There are several further decisions the Council would need to consider in designing and implementing the CHP. This would include things like what kind of entity the CHP would be (e.g. a charitable trust) and how the CHP would be set up to be independent from the council. The Council cannot hold a majority/controlling interest in the CHP in order to access IRRS. However, the Council will want to make sure that the CHP is designed in such a way as to give effect to the Council's housing objectives. These issues will need to be worked through and officers are proposing to come back next to council by 30 September 2021 on these issues.

What safeguards would there be to making sure this doesn't become a private organisation down the track?

The Council has choices to make about the type of entity that the CHP can be (e.g., a charitable trust) and the parties that could be involved in the CHP (e.g., who the trustees could be if the CHP was a charitable trust). The Council cannot hold a controlling interest in the CHP but it could hold a minority interest (up to 49%). All options will be put to Council in the September 2021 paper.

What would examples of governance look like?

There are several choices that can be made about governance, but these need to be carefully worked through to ensure that any structure supports the council's objectives and achieved the best financial and governance outcomes. All options will be put to Council in the September 2021 paper and officers will include information on examples that are already established.

Would the council be able to be part of this?

Yes, the Council would be able to be part of the governance arrangements, but more work is needed to determine how best to set this up. We need legal and financial advice before making final recommendations to Council on this issue and we will come back to these questions in the September 2021 paper.

What would an example of a capital injection look like?

A capital injection could be an upfront amount of money that the council provides to the CHP or SPV when it is established or it could be provided to the CHP or SPV over

a period of time. The size of the capital injection will depend on two key things – the terms of access to the IRRS and the nature of the financing terms available to the CHP/SPV. e.g., if IRRS access is provided upfront to all eligible tenants, a smaller capital injection (or possibly no capital injection) would likely be needed than if access was available only to new tenants.

When would we need to do this?

There is some urgency. City Housing will be technically insolvent by 2022/23 and unable to meet its Deed of Grant requirements. The process of becoming a CHP may take up to three years. At last week's LTP committee the Council agreed to include the full capital costs in the LTP but noted that this is unsustainable in the medium to long term, is not the preferred option, and that council will be asked to resolve a sustainable pathway forward on 2 June.

What is the likelihood of Govt providing councils with the IRRS in the next budget?

There has been no indication from officials or ministers about this. If IRRS is announced in the next central government (2022) budget, officers will make further recommendations to Council about whether to continue with transitioning to a CHP. We cannot afford to wait another year for a decision we are not sure about as the delay will further impact negatively on City Housing's solvency.

We are continuing to work with government agencies both to see if we can work together on shared objectives around supply and on the access to the IRRS.

If do end go to a CHP model, what precautions can council take so that council gets first right of refusal on the housing portfolio – i.e. have first rights to be able to buy it back/ have it returned?

This is something that could be covered in further advice in the September 2021 paper.

2.4 Update on the Te Kāinga Programme

What is the occupancy rate of Te Kāinga compared with City Housing?

There is one apartment which has recently become vacant. This is being advertised through TradeMe and we have ensured that a number of partner agencies are aware of this opportunity.

How is it going managing the tenancies? Are City Housing finding Te Kāinga tenants need less time that those in City Housing?

As part of the evaluation of Aroha we have started collecting direct feedback from tenants and using this in conjunction with data from a number of sources to allow us to fully understand where we have done well, where we can do better and how we can do better.

Given we are only a few months into the first project, it is too early to provide any detailed feedback on the tenancy management but this will be covered in the report back to Pūroro Āmua | Planning and Environment Committee in October as part of the 6-month interim evaluation report.

2.5 Affordable Housing Supply and Development

How many meetings have been held between Council officers, and: Kainga Ora, and MHUD about the matters contained in this paper?

A workshop on 30 October 2020 took place to establish an approach to aligning and partnering on our respective policies and investment programmes.

Officers from WCC, KO and HUD meet on a fortnightly basis and work is ongoing.

What is the major barrier that has led to no new firm proposals in this paper?

Officers are working at pace to understand the potential for delivering more housing and to progress more detailed plans with HUD and KO. A report on this will come to committee in October.

What is the timeframe for the work with mana whenua? Can we include this?

Officers are working with mana whenua on opportunities now. There is no fixed timeline we can provide but this work is a priority for Council and we look forward to reporting back to Council in the coming months with more detail.

What is happening with Granville? Can we include this?

Council owns the buildings but leases the land at Granville Apartments from the Tenth Trust. The lease is due to expire in 2023 and the Trust has indicated that they wish to renew. Granville requires significant work as part of the Housing Upgrade Phase 2, estimated to cost around \$30m. Once we have a decision on City Housing's Financial Sustainability, we will be able to progress these discussions with Tenth about the future of the site.

In rec 8, why is this coming back to the Planning committee rather than Infrastructure? My understanding is that Planning is where decisions are made and Infrastructure is where they are implemented. It looks to me like these items are decisions that have been made and are now being implemented and therefore should perhaps come to Infrastructure? However, given that the reporting lines appear to be to Liam that may explain why ELT are recommending this come back to the Planning committee.

Para 47: How and why would a decision to move to a CHP influence the SHIP programme of work?

The Strategic Housing Investment Plan (SHIP) was established to help achieve a fit for purpose asset portfolio for City Housing through efficient management of the asset portfolio and to increase levels of social and affordable housing in the city through intensification of land.

The SHIP work programme will need to be reviewed as part of any consideration of a CHP model.

I would also like to understand how it's working have SHIP delivered by Build Wellington, separate from City Housing? I can understand the original logic behind having Build Wellington deliver SHIP, but I would like an update on how these business units are working together to ensure this work programme is joined up effectively.

Build Wellington and City Housing work together on the SHIP programme.

SHIP is achieved through a three-part work programme to ensure a fit-for-purpose asset portfolio for City Housing:

The three programmes are:

- A Programme of Development – Delivered by Build Wellington with assets returned to City housing for provision.
- A Portfolio Alignment Strategy – Delivered by Build Wellington, this programme sees underperforming City Housing assets disposed, and the proceeds reinvested back into the City Housing service to help maintain City Housing provision at approximately the same levels.
- A Single Capital Programme - Upgrades and renewals, Including HUP2. Managed and delivered by City Housing.

| Paper | Page # | Section/ Para # | Question |
|-------------------------|--------|-----------------|---|
| 2.1 Housing Action Plan | 8 | Recommendations | <p>What quarter in 2021 will the revised plan be brought back to committee?</p> <p>Will the review consider a need for additional funding? –opex/ capex?</p> <p>Will the review of the action plan involve a strategy review? If so, what is the scope</p> <p>The review will be brought to committee in October.</p> <p>At this stage the review is a reshaping within existing resources and is not intended to introduce new funding.</p> <p>A review of the strategy is proposed leading into the next triennium, a draft scope for this review will be presented to committee October.</p> |
| 2.1 Housing Action Plan | 9 | 15 | <p>Why is there no mention of government’s role in homelessness? They are the lead stakeholder in this area?</p> <p>Yes, central government is the lead in this space and Council officers work closely with HUD and MSD to support actions to end homelessness.</p> <p>Through the refresh of the strategy to end homelessness, we will explore alignment to central government’s Homelessness Action Plan and will involve extensive engagement with central government partners and service providers in the city.</p> |
| 2.1 Housing Action Plan | 9 | 18 | <p>What is the Study- Planning for Residential Amenity? Where can we locate it?</p> <p>A presentation was given to councillors on 1 April at the working group session, presenting the strategic issues relating to the residential zones. A more detailed presentation on the policy direction will be given to Councillors next week (9th June) where we will present the options and make the residential amenity report available to all Councillors. We will then make this publicly available on the Planning for Growth website. This approach was discussed and agreed with councillors at the working group workshop.</p> |

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| <p>2.1 Housing Action Plan</p> | <p>10</p> | <p>23</p> | <p>1. No reference to working with govt partners as per clause 15. Why not? There's further detail in the attachment that outlines the principles of a strategy review which includes alignment with central government's action plan to end homelessness. Working with government partners is a strength of our mahi under Te Mahana already. We have highlighted what we see will be new and innovative in our strategic refresh. Of course, this doesn't discount all the strong initiatives and partnerships currently in place that will be continued and built upon.</p> <p>2. How will a refreshed strategy align to government's own strategy in this area? What is the purpose of the strategy in relation to the broader Housing Strategy. Is it now required given tasks completed? Council's work in this space is strongly aligned to central government, as the lead stakeholder in this area. There will be further information on the scope of the strategy review in the housing action plan review paper later in the year. The Aotearoa NZ homelessness Action Plan has a strong commitment to housing supply (it is one of four action areas – support, system enablers, prevention and supply). HUD identified both short term (1-2 years) and longer term actions (2 years +) in their plan and there is still much to be done. Our intention is to take a similar approach and explore WCC's role in the same action areas.</p> <p>3. What has been the performance of the strategy (including DCM's outreach service) The biggest success of the strategy is the strong governance structure we have implemented across the sector. We have a multi-disciplinary group, an operational management group and a strategic leadership group. These groups bring together people from Corrections, MSD, HUD, Kāinga Ora, Police, Oranga Tamariki, CCDHB, DCM, Wellington City Mission, Kahungunu Whānau Services, Te Āti Awa, Ngāti Toa and Aro Mai housing first at multiple levels and allow WCC to facilitate and lead initiatives and actions</p> |
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| | | | <p>to reduce barriers and improve outcomes for our homeless whānau.</p> <p>DCM's outreach service has been a huge success, with them engaging with and supporting a huge number of people each month. (data/graphs to come at the meeting)</p> |
| 2.1 Housing Action Plan | 10 | 25 | <p>What are the "numerous conversations" with central govt ministers?</p> <p>Refer to the City Housing financial sustainability paper.</p> |
| 2.1 Housing Action Plan | 11 | 34 | <p>1. First bullet point- Whose reputation? This is a risk to Council's reputation</p> <p>2. Where is the risk around delivery of infrastructure given capability and capacity issues? Refer to the risk assessment in the attachment, this section just highlights risks that have emerged since the last 6-month report.</p> <p>3. 3rd bullet point needs explaining re strategy ending? Te Mahana was a strategy covering 2014-2020 so it is at the end of its original timeframe.</p> |
| 2.1 Housing Action Plan | (5 & 6) | HAP- Homelessness section | <p>1. How are Maori over represented in stats- Please give stats relevant to WCC. Please also show stats (data/graphs to come in the meeting)</p> <p>2. What is the scale of the issue relevant to WCC – please give stats. E.g. number in emergency housing. Number and demographics of those that can't be housed etc. (data/graphs to come in the meeting)</p> |
| 2.1 Housing Action Plan | 8 | HAP- Risks | <p>Regulatory Risk – this risk would be better written as "which aim to enable planned growth do not meet the needs of the city and community"</p> <p>Noted.</p> |
| 2.1 Housing Action Plan | 9 | HAP- Risks HSR01 | <p>Reputation Risk- this risk would be better written as ".. don't</p> |

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| 2.1 Housing Action Plan | 11 | HAP- Risks HSR02 | <p>There is no mention of the risks that tenants are treated inequitably because of the structure of the city's social housing requiring them to pay more for rent than tenants in gov't or CHP housing</p> <p><i>Noted. Officers will consider when next reviewing the risks.</i></p> |
| 2.1 Housing Action Plan | 15 | HAP Assessment Table | <p>Can we get a copy of the heat map relevant to the HAP?</p> <p><i>A heat map is a good visual tool but, given the complexity of the risks discussed, doesn't help us to prioritise risks and responses so we don't have or use a heat map for Housing Action Plan risk assessment.</i></p> <p><i>The risk approach we use, including the risk matrix included in the report, is the approach we have taken and tested with the FARS committee.</i></p> |
| 2.3 City Housing | 81 | | <p>Why has it taken seven months to bring this matter back to the table (and after LTP deliberations) with a financial situation and options little changed from the October 2020 workshop?</p> <p><i>The options presented in October 2020 were subsequently discussed in-depth with HUD and support or otherwise for each option was indicated by them. Some of the options discussed with councillors in October were not supported by government agencies. This led to further work on the options and discussion with central government and resulted in the recommendations within this paper. Officers' advice is that the recommended option in the paper is a viable and most appropriate way forward to address sustainability and improve tenant wellbeing.</i></p> |
| 2.3 City Housing | 83 | 16 | <p>What councillors have raised access to IRRS with Ministers? Has the Mayor raised any matters in conjunction with the Housing Portfolio Leader</p> <p><i>This is a question that should be directed to the Mayor and councillor colleagues.</i></p> |

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| 2.3 City Housing | 90 | 45 | <p>Table 1- Can you provide a matching table for actuals of the past 10 years?</p> <p>The information is provided in a table at the end of this document. Information is provided back to 2015. Previous years' information is held in an old financial system – information to 2015 is all that we can provide in the available timeframe.</p> |
| 2.3 City Housing | 91 | 47 | <p>Table 2 - Does this include both operating and capital expenditure?</p> <p><i>It is the capital costs only.</i></p> |
| 2.3 City Housing | 94 | 59 | <p>Potential of 80% of city housing tenants' likely eligible for IRRS is significant. Should this not be a key note in the recommendation?</p> <p><i>Currently the legislation only allows new tenants to access IRRS. A key part of the recommended solution in the paper is for full access to be granted to all eligible tenants from day one and recommendation 6b addresses the need to negotiate with Central Government for the CHP to receive immediate access to IRRS for all current tenants.</i></p> |
| 2.3 City Housing | 94 | 60. | <p>Have not the Mayors, Housing Portfolios Leaders and other elected members also been seeking access including lobbying LGNZ through a remit in 2019? Why no mention</p> <p><i>Please refer to Appendix 6 for recent information supplied by Council to LGNZ in response to a request by the Prime Minister for information on the impact of IRRS. Officers have continued to seek this access for several years. Any other questions about engagement of elected members should be directed to the Mayor and councillor colleagues.</i></p> |
| 2.3 City Housing | 99 | 84 | <p>IS this correct. What is the impact of an additional \$100 million on cycleways?</p> <p><i>[to be available in the meeting]</i></p> |

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| 2.3 City Housing | 101 | 94 | <p>Because city housing now mainly focusing on the most vulnerable due to the lack of other government provided housing, what is happening to the elderly that are still actively provisioned by other councils. Do we know if we have a gap in this area and what is it?</p> <p>600 or 20% of current City Housing tenants are 65yrs + (excludes our leased properties and Te Kāinga), this is an increase of 3% over the last 5 years. 65 or 11% of applicants on the waitlist (currently at 529) are 65yrs +. City Housing has always provided housing for the elderly and has no intention to change this.</p> |
| 2.4 Te Kainga | 122 | Rec 7 | <p>Will the evaluation look at financial performance information along with delivery performance by officers in reaching expected service levels?</p> <p>Yes, financial performance will be covered as part of the interim report in October and the full year evaluation.</p> |
| 2.4 Te Kainga | 128 | Risks | <p>Paras 18-21 are referred to but are not written in a way to identify the strategic risks, likelihood and impacts? Can we get a copy of the risks as outlined in CSC on 6th Dec 2018 (these should have been attached not just referenced for ease of accessibility.</p> <p>Copy of risks from CSC on 6 December 2018 will be circulated.</p> <p>The evaluation work being undertaken will help to identify any additional or developing risks.</p> |

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| .2.5 Affordable Housing Supply | 131 | Purpose | <p>Is this report also intended to signal the development of a business case to develop more housing supply in the vicinity of what \$ and timeline? \$50 million has previously been mooted? If so, why is this not explicit?</p> <p>This whole paper seems particularly vague</p> <p>The paper recommends that officers continue to work directly with Central Government, mana whenua, and other housing providers to develop advice for Council, seeking to grow the supply of social and affordable housing in Wellington and progress with further assessment and feasibility on the potential to deliver developments under a joint venture approach. Officers are not presenting a business case seeking funding in this paper. The target of 1000 Te Kāinga homes will be delivered under the current parameters set which is to have projects that are self-funding.</p> |
| 2.5 Affordable Housing Supply | 131 | 6 | <p>This is a list of work completed but how did it perform against project deliverables – time cost and resources</p> <p>Project reporting through the Housing Action Plan 6-month reports track project deliverables against timeframes. The last 6-month report in September noted project delays as a result of the COVID-19 level 4 lockdown.</p> |
| 2.5 Affordable Housing Supply | 132 | Recs-4 | <p>4a- an updated position? Are you intending to come back seeking more funds?</p> <p>The update position will provide advice on the Housing Acceleration Fund and progress on discussions with KO and HUD on how/where we can deliver housing supply. Any projects identified would come back to council for further consideration.</p> |

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| 2.5 Affordable Housing Supply | 143 | Risks | <p>There are no clear risks identified. The capacity and capability of Build Wgtn has been stretched for some time resulting in not enough resources to focus on working with property owners on getting key sites developed. A key member of the team is due to leave. What risk mitigations and assurance can ELT provide in this area?</p> <p>Build Wellington will now have two tier three senior managers reporting to the Chief Planning Officer.</p> <p>Phil Becker will lead a refreshed team called City Development focusing on development facilitation and enablement as well as continuing to manage and deliver the many projects the team currently have on the go. Phil will also ensure close integration with the LGWM urban development workstream and the Multi-user Ferry Terminal Precinct project.</p> <p>John McDonald will now be reporting directly to Chief Planning Officer and will lead the Housing Development team. With increased resources, John's focus will be on leading councils housing strategy and action plan and delivering on the Te Kāinga programme, where we are proposing to target 1000 homes delivered or under contract in the next five years.</p> |

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| 3 Grants | 145 | | <p>Relevant information should be included in with this report namely specific information of the the three recs.</p> <p>NB In the Grants Agenda- there was no discussion/background provided for the community law grant- Would officers provide relevant info</p> <p><i>The below is an excerpt from the application from Community Law</i></p> <p><i>We want create and deliver a Wellington-based tenancy service available to take drop-in clients during the day and represent clients in their ongoing tenancy disputes. This service is based on our Hutt valley tenancy service, which has provided us an excellent pilot for how a legal support service for housing can operate and achieve success for clients. Our increased focus on tenancy and housing issues has shown us what a huge need there is for a service like this in Wellington city, that is tailored as necessary to meet the specific needs of the populace here. In order to support the Wellington population we think two lawyers supported by a part time administrator would be necessary.</i></p> <p><i>We will be targeting housing insecure, low-income clients and those who have barriers to accessing justice e.g. English as a second language, mental health issues, low literacy, . We will use staff lawyers and continue expanding our volunteer pool, which both include lawyers who specialise in tenancy, to meet the needs of the service.</i></p> <p>DCM allocation- There is little info on the performance (planned against actual, service levels etc) of the work undertaken by DCM for half a million dollars a year? Would Officers please provide any reports you have received and agreed with in relation to performance</p> |

**Historical
Actuals**

| | | | | | | |
|--|-------|-------|-------|-------|-------|-------|
| | 15/16 | 16/17 | 17/18 | 18/19 | 19/20 | 20/21 |
|--|-------|-------|-------|-------|-------|-------|

| | | | | | | |
|----------------------------|-----------------|-----------------|-----------------|---------------|--------------|--------------|
| Income | 34,257 | 35,583 | 36,433 | 23,310 | 26,470 | 26,901 |
| Expenses | 22,292 | 23,886 | 26,391 | 42,617 | 30,521 | 30,366 |
| Deficit / (Surplus) | (11,964) | (11,698) | (10,042) | 19,307 | 4,052 | 3,465 |

Notes:

Income for 2015/16 to 2017/18 includes \$40m of the remaining \$220m Grant revenue

Expenses for 2018/19 included a one-off adjustment of \$13m relating to long term lease of Arlington Site1+3

Actuals for 2015/16 to 2019/20, 2020/21 is forecast for current year