

**ORDINARY MEETING**

**OF**

**STRATEGY AND POLICY COMMITTEE**

**AGENDA**

**Time:** 9:30am  
**Date:** Thursday, 10 September 2020  
**Venue:** Ngake (16.09)  
Level 16, Tahiwī  
113 The Terrace  
Wellington

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**MEMBERSHIP**

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

**NON-VOTING MEMBERS**

Te Rūnanga o Toa Rangatira Incorporated  
Port Nicholson Block Settlement Trust

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**Have your say!**

*You can make a short presentation to the Councillors at this meeting. Please let us know by noon the working day before the meeting. You can do this either by phoning 04-803-8334, emailing [public.participation@wcc.govt.nz](mailto:public.participation@wcc.govt.nz) or writing to Democracy Services, Wellington City Council, PO Box 2199, Wellington, giving your name, phone number, and the issue you would like to talk about. All Council and committee meetings are livestreamed on our YouTube page. This includes any public participation at the meeting.*

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## **AREA OF FOCUS**

The role of the Strategy and Policy Committee is to set the broad vision and direction of the city, determine specific outcomes that need to be met to deliver on that vision, and set in place the strategies and policies, bylaws and regulations, and work programmes to achieve those goals.

In determining and shaping the strategies, policies, regulations, and work programme of the Council, the Committee takes a holistic approach to ensure there is strong alignment between the objectives and work programmes of the seven strategic areas covered in the Long-Term Plan (Governance, Environment, Economic Development, Cultural Wellbeing, Social and Recreation, Urban Development and Transport) with particular focus on the priority areas of Council.

The Strategy and Policy Committee works closely with the Annual Plan/Long-Term Plan Committee to achieve its objective.

To read the full delegations of this Committee, please visit [wellington.govt.nz/meetings](https://wellington.govt.nz/meetings).

**Quorum:** 8 members



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## 1. Meeting Conduct

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### 1.1 Karakia

The Chairperson will open the meeting with a karakia.

<b>Whakataka te hau ki te uru,</b>	Cease oh winds of the west
<b>Whakataka te hau ki te tonga.</b>	and of the south
<b>Kia mākinakina ki uta,</b>	Let the bracing breezes flow,
<b>Kia mātaratara ki tai.</b>	over the land and the sea.
<b>E hī ake ana te atākura.</b>	Let the red-tipped dawn come
<b>He tio, he huka, he hauhū.</b>	with a sharpened edge, a touch of frost,
<b>Tihei Mauri Ora!</b>	a promise of a glorious day

At the appropriate time, the following karakia will be read to close the meeting.

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

### 1.2 Apologies

The Chairperson invites notice from members of apologies, including apologies for lateness and early departure from the meeting, where leave of absence has not previously been granted.

### 1.3 Conflict of Interest Declarations

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

### 1.4 Confirmation of Minutes

The minutes of the meeting held on 3 September 2020 will be put to the Strategy and Policy Committee for confirmation.

### 1.5 Items not on the Agenda

The Chairperson will give notice of items not on the agenda as follows.

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***Matters Requiring Urgent Attention as Determined by Resolution of the Strategy and Policy Committee.***

The Chairperson shall state to the meeting:

1. The reason why the item is not on the agenda; and
2. The reason why discussion of the item cannot be delayed until a subsequent meeting.

The item may be allowed onto the agenda by resolution of the Strategy and Policy Committee.

***Minor Matters relating to the General Business of the Strategy and Policy Committee.***

The Chairperson shall state to the meeting that the item will be discussed, but no resolution, decision, or recommendation may be made in respect of the item except to refer it to a subsequent meeting of the Strategy and Policy Committee for further discussion.

## **1.6 Public Participation**

A maximum of 60 minutes is set aside for public participation at the commencement of any meeting of the Council or committee that is open to the public. Under Standing Order 3.23.3 a written, oral or electronic application to address the meeting setting forth the subject, is required to be lodged with the Chief Executive by 12.00 noon of the working day prior to the meeting concerned, and subsequently approved by the Chairperson.

Requests for public participation can be sent by email to [public.participation@wcc.govt.nz](mailto:public.participation@wcc.govt.nz), by post to Democracy Services, Wellington City Council, PO Box 2199, Wellington, or by phone at 04 803 8334, giving the requester's name, phone number and the issue to be raised.

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## **2. General Business**

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# **WELLINGTON CITY COUNCIL HOUSING ACTION PLAN 6-MONTH REPORT**

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### **Purpose**

1. This report provides the Strategy and Policy Committee with an update on the Council's Housing Action Plan, through a Housing Action Plan 6-month Report, with particular emphasis on the impact that COVID-19 and the national lockdown has had on delivery. An amended Housing Action Plan is proposed which reflects the material changes since the Plan's adoption.
2. The Housing Action Plan 6-month Report also identifies the key risks to delivering on the long-term outcomes of the Housing Strategy, with the mitigation measures currently in place to address these risks.
3. This report to the Strategy and Policy Committee also proposes a minor amendment to the Housing Strategy, to reflect the current state of the Wellington Housing Affordability Model. This amendment reflects that the model has been developed, reviewed, and is currently being used by the Council.

### **Summary**

4. The Housing Action Plan 2020-22 (the Plan) was adopted in March 2020, to put into effect the long-term outcomes and vision of the Wellington City Council's Housing Strategy (the Strategy). Shortly after adoption of the Plan, New Zealand went into level four lockdown in response to COVID-19, this has had wide-spread impacts including some delays to projects in the Plan.
5. The Housing Action Plan 6-month Report, attachment 1, identifies progress since adoption of the Plan, as well as changes that have arisen predominantly as a result of the COVID-19 lockdown. The Plan will be amended to reflect current project timeframes, as per attachment 2 to this report.
6. Supporting the Strategy and Plan is the Wellington Housing Affordability Model (WHAM), this tool has been externally reviewed and put into use since the adoption of the Strategy. A minor amendment to the Strategy is proposed, attachment 3, to reflect the current status of WHAM. This, along with a WHAM fact-sheet included as attachment 4, will be updated on the Council's website.

### **Recommendation/s**

That the Strategy and Policy Committee:

1. Receive the information.
2. Receive the Housing Action Plan 6-month Report, as per Attachment 1. This is the first report back on the Housing Action Plan 2020-22.
3. Note the achievements of the six months since adoption of the Housing Action Plan 2020-22, but also that there have been some delays primarily due to COVID-19 and the national lockdown.
4. Agree to the proposed amendments to the Housing Action Plan, as per the draft amended Action Plan included as Attachment 2. The amendments reflect changes to project timings and some minor clarifications.
5. Agree to the amended Housing Strategy, as per Attachment 3, reflecting that the Wellington Housing Affordability Model has been developed since adoption of the Strategy and is currently in use by Wellington City Council.

## **Background**

7. The Council's Wellington Housing Strategy (the Strategy) was adopted unanimously in June 2018. The Strategy guides Council decisions that relate to housing across the housing continuum, i.e. social housing through to private housing for sale or rent. Council has a part to play at all ends of this continuum and this is reflected in the Strategy.
8. The Strategy is put into effect by an Action Plan. The second action plan, the Housing Action Plan 2020-22 (the Plan) was adopted in March 2020. The Plan builds on the previous Action Plan by putting in place greater structure and alignment with the Council triennium.
9. The Plan focuses around five priority programmes of work, supported by strategic partnerships that help Council to deliver on the vision of 'all Wellingtonians well-housed'.

## **Discussion**

10. When the Plan was adopted, the Strategy and Policy Committee (the Committee) agreed that officers would report on the progress of the Plan every six months.
11. This paper now presents the first six-monthly report of the Housing Action Plan 2020-22. Officers are working to better align reporting on the Plan with formal Council reporting, in the meantime this report provides an update on progress of the Housing Action Plan.
12. The Housing Action Plan 6-month Report (the Report) is included as attachment 1. The key updates from the Report are included below.

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**Achievements to date**

13. *One-stop shop consenting improvements* –
- Website content update, biggest website refresh by any part of the Council in the history of wellington.govt.nz. This refresh has taken a year to complete. The initial feedback is positive from the contact centre and front of house staff, with commentary that customers are finding the information they are looking for. External user testing will be undertaken shortly.
  - RuBRIC – Council is developing a world leading tool called RuBRIC (a Rules Based tool that Results in Improved Consents). The proof of concept has been proved, through testing minimum viable product with a group of public and council testers, that it is possible to turn the District Plan rules into code. If successful the tool is expected to help the public and the Council save time and money, gain certainty and clarity and be better educated about the application process and information needs leading to better quality consent applications. The project team is now testing the viability of drafting new District Plan content directly into RuBRIC.
  - Resource Consent numbers have recovered to pre-COVID levels quickly after the level 3 and 4 lockdown, this is a good sign that development activity in the city is still high.
14. *Te Mahana homelessness strategy* –
- The team, working alongside officers from Ministry of Housing and Urban Development and the Wellington City Mission, managed to house all street homeless through the COVID-19 lockdown. The challenge and opportunity now is to keep those people housed, after the lease on the temporary facility ends (end of September).
15. *Proactive development*
- Te Kāinga (previously known as CBD apartment conversions) – agreements for all four buildings in the initial programme are now in place. Once complete, the initial programme of four buildings will result in 250 affordable rental units, operated by Council. Further update on this programme is provided in the Te Kāinga report to the Strategy and Policy Committee (Committee).
  - Strategic Housing Investment Plan disposals and developments. First sale of a unit identified for disposal has been finalised, the proceeds will be invested into Harrison St redevelopment in Brooklyn which is currently in detailed design phase. Further update on the SHIP disposals and developments programme is provided in the SHIP report to Committee, also on the 10 September agenda.

**COVID-19**

16. Shortly after adoption of the Plan, New Zealand went into level four lockdown as a result of the COVID-19 global pandemic. This has had significant and wide-spread impacts. Much of the Housing Action Plan has seen delays as a result of the lockdown, some of the more material impacts are noted below.
17. *Planning for Growth*

Consultation on the draft Spatial Plan was due to go out in April 2020. Consultation was delayed by several months and opened in August 2020. Consultation is due to close in October. The delay did however allow greater alignment with the new National Policy Statement on Urban Development. This NPS has significant impacts on how Councils provide for and enable growth through District Plan provisions.

18. *City Housing financial sustainability*

Rent setting policy – consultation had begun on the proposed rent setting policies when the country went into level four lockdown. The consultation was put on hold and re-opened in June. Consultation recently closed and Committee have heard from many submitters on the proposal. An update on this work will be provided to Committee in coming months.

19. *Stakeholder engagement on the Housing Action Plan*

Developing strategic partnerships is a core principle to the Housing Strategy and Action Plan. Recognising that Council has limited mandate and funding to deliver housing solutions, partnerships are key to achieving our vision of ‘all Wellingtonians well-housed’. For this reason, significant stakeholder engagement was planned to connect with Council’s key partners and to share Council’s commitment to enabling, encouraging and delivering more housing supply in the city. As lockdown commenced shortly after adoption of the Plan, stakeholder engagement has been limited. Wider stakeholder engagement, including with the Accessibility Advisory Group, Iwi and mana whenua, Community Housing Providers, Universities and Kāinga Ora, will be a priority in the next six months.

**General updates**

20. Also included in the agenda of the 10 September Strategy and Policy Committee (Committee) agenda are updates on the Strategic Housing Investment Plan (SHIP) – disposals and developments and Te Kāinga (apartment conversions) programme. These are key programmes of work included in The Plan, some updates are included in the Housing Action Plan Report and are discussed further in the separate committee reports.

21. Te Kāinga was included in the Housing Action Plan as a programme of four initial buildings. The separate report in this programme includes consideration of exploring the potential to add further buildings into this programme. Pending Committee agreement, the Plan will be amended to allow for further buildings to be included in the Te Kāinga programme.

22. Since adoption of the Housing Action Plan, City Housing has begun an investigation into the options for long-term financial sustainability of the City Housing service. An options paper is currently being developed; this is due to go to Committee toward the end of 2020. The City Housing policy framework and rent settings will be included in this piece of work.

23. When the Plan was adopted, Councillors instructed officers to ensure accessibility must be a core consideration to meet the vision of all Wellingtonians well-housed. Officers will be engaging with the Accessibility Advisory Group on The Plan in the next six months to understand the opportunities to better provide for people with disabilities.

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**Risks**

24. In June 2019 a workshop was held, in which the Finance Audit and Risk Management Subcommittee reviewed the strategic housing risks. A number of these risks were about programme management, resourcing, collaboration and partnerships. These types of internal operational risks are now managed and mitigated by the Housing Action Plan Advisory Group (the Advisory Group).
25. The Advisory Group brings together the internal owners of projects and programmes within the Housing Action Plan, along with advisors on risk, project governance and legal on a monthly basis. The group reviews risk, ensures collaboration across these interlinked programmes of work, and monitors how these are progressing against the Action Plan.
26. Operational risks are managed internally by the Advisory Group, with reporting to Councillors by exception only. Strategic risks are the risks identified from the top down, that could inhibit delivery against the strategic outcomes and vision set by the strategy.
27. Strategic risks are reported within the Housing Action Plan Report, attachment 1.

**Wellington Housing Affordability Model**

28. Supporting the Housing Strategy and Action Plan is the Wellington Housing Affordability Model (WHAM). WHAM was created to address a gap where publicly available measures were found not to be fit for purpose to inform decisions about how to direct local resource.
29. WHAM is based on the premise that assessing affordability depends on each household's composition, and that housing affordability is more complex than providing one set dollar amount or ratio that is applied in a 'one-size fits all' way. At a high level WHAM has been developed to answer the following questions:
  - Who is a particular rent or purchase price affordable for?
  - What is affordable for a particular household type (income and composition)?
  - How affordable is a particular rent or purchase price for a particular household type?
30. For more on WHAM, refer to Wellington Housing Strategy and Action Plan report to the Strategy and Policy committee on 12 March 2020.
31. In the March 2020 committee paper, Councillors were informed that officers are working with partners from Ministry of Housing and Urban Development and the Centre for Research Evaluation and Social Assessment to assess opportunities for improvement and wider use of the model by other organisations.
32. Working with partners has been slowed due to COVID-19 and the lockdown, however this work continues. The Research Evaluation and Social Assessment team have given initial findings of their review of WHAM and are now working with MHUD to understand the potential to improve some assumptions with greater access to data. Further update on this piece of work will be provided in future Action Plan 6-monthly reports.

**Housing Strategy amendment**

33. The Strategy currently refers to WHAM as a tool that is in development. While improvements continue to be investigated, the tool has been externally reviewed and is in use by the Council. The Strategy needs to be amended slightly to reflect this. An excerpt of the amended section of the Strategy is included as Attachment 3.
34. When the amended Housing Strategy is adopted and published on the website, a one-page introduction to WHAM, included as Attachment 4, will also be published on the website with contact details for anyone wanting to know more about the tool.

## Options

35. The Strategy and Policy Committee could
- Accept the 6-month report on the Housing Action Plan 2020-22. As a result the Action Plan will be amended, as per attachment 2, and posted on the Council Website.
  - Not accept the 6-month report, in which case officers will need to work with councillors to agree acceptable reporting structure for future reports.

## Next Actions

36. The next Housing Action Plan Report will go to committee early in 2021. Officers are working with the Planning and Reporting team to better align reporting on the Action Plan with Council Annual and Quarterly reports for future Action Plan reports.
37. There are several decisions on projects being sought from Committee and Council in the next six months, these include:
- 10 September – Strategic Housing Investment Plan – disposals programme, a decision to recommend the next package of disposals to Council will be proposed. These disposals were identified through the Portfolio Alignment Strategy as not being fit for purpose and as such have been recommended for disposal.
  - 10 September – Te Kāinga
  - 5 October – consultation on draft Spatial Plan closes
  - 5 November (preceded by 2 workshops in September/October) – options for long-term financial sustainability of City Housing
  - End 2020 – final Spatial Plan presented to Council

## Attachments

Attachment 1.	Housing Action Plan 2020-22 6-month Report	Page 17
Attachment 2.	Housing Action Plan 2020-22 - amended	Page 28
Attachment 3.	Wellington Housing Strategy - amended excerpt for WHAM	Page 31
Attachment 4.	WHAM 1-pager for website	Page 35

Authors	Rebecca Tong, Programme Manager, Housing Development John McDonald, Housing Development Manager
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Authoriser	Moana Mackey, Acting Chief Planning Officer Phil Becker, Business Engagement Manager
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## **SUPPORTING INFORMATION**

### **Engagement and Consultation**

There has been significant engagement on some of the projects in the Housing Action Plan, these are managed through project Communications and Engagement Plans.

Stakeholder engagement on the Housing Action Plan has been limited, due to the COVID-19 lockdown. In the next 6 months officers will engage further with the sector on the Plan and opportunities for partnership, including with Iwi, Kāinga Ora, Accessibility Advisory Group, Community Housing Providers and others.

### **Treaty of Waitangi considerations**

While there aren't any specific Tiriti o Waitangi considerations associated with the Housing Action Plan, there are opportunities for Iwi that considered as they arise. Officers are seeking an understanding of how to better partner with Iwi, under the new Te Maihi o te Whare Māori – the Māori and Iwi Housing Innovation Framework.

### **Financial implications**

The financial implications of the Housing Action Plan are handled within existing project budgets.

### **Policy and legislative implications**

There are policy and legislative considerations with a few of the projects in the Plan that are discussed in other Committee papers. The Committee meeting of 10 September includes agenda items on Te Kāinga which requires a rental policy and City Housing which has recently consulted on a review of its policy settings.

### **Risks / legal**

Risks are discussed in the Housing Action Plan 6-month Report.

### **Climate Change impact and considerations**

Where possible, Council's housing developments incorporate sustainable building practices where this can be done within budgets. In addition, efforts have been made to recycle concrete from sites that have been demolished for redevelopment, for example at the City Housing Nairn Street site.

Climate Change and rising sea levels has been a core consideration for the Planning for Growth and the draft Spatial Plan work. More on this on the Planning for Growth website.

### **Communications Plan**

There are individual communications plans in place, as well as a communications plan for the Housing Action Plan as a whole. Communications on the Action Plan is focused on engaging with stakeholders and providing information on the website.

### **Health and Safety Impact considered**

Healthy and safety implications are considered on a project by project basis.



## Housing Action Plan 2020-2022

As our population grows, we want to make sure everyone has access to safe and affordable quality housing. The Housing Strategy sets out the long-term outcomes for housing over 10 years. Refer to the Strategy on our website for these outcomes. The Housing Action Plan captures the priority programmes of work that the Council will deliver to meet the vision of 'All Wellingtonians well-housed'.

### Strategic Partnerships

We're working with many partners to deliver this Plan and housing outcomes for the city.

Over the course of the three years of this plan we will continue to develop these partnerships. Particular focus will be with Kāinga Ora, Universities, mana whenua, and Community Housing Providers.

## Housing Action Plan 6-month Report

The Council has a Wellington Housing Strategy (the Strategy), this sets the long-term vision and outcomes Council seeks to achieve for Wellington. The Strategy is put into effect by a Housing Action Plan (the Plan), the current plan was adopted in March 2020 and it was agreed that officers would report on the progress of the Plan every 6 months.

This report is the first of the six-monthly reports. Officers are working to align reporting better with quarterly and annual reports, this is a work in progress. In the meantime, the following report gives Councillors an update on project progress, with particular focus on the impacts of recent COVID-19 pandemic and lockdown.

## Project updates – priority areas

### Planning for Growth

Our city is growing. The District Plan is up for review. This programme will shape the way we live, for decades.

Actions	Action Plan timeframe	Current timeframe
<ul style="list-style-type: none"> <li>Draft Spatial Plan consultation</li> </ul>	April 2020	August – October 2020
<ul style="list-style-type: none"> <li>Final Spatial Plan presented to Council</li> </ul>	Mid 2020	October 2020
<ul style="list-style-type: none"> <li>Stebbings Valley structure plan (mid 2020 – early 2021)</li> </ul>	mid 2020 – early 2021	Early 2021
<ul style="list-style-type: none"> <li>Lincolnshire Farm structure plan (late 2020 – early 2021)</li> </ul>		Early 2021
<ul style="list-style-type: none"> <li>Draft District Plan consultation (Late 2020)</li> </ul>	Late 2020	Early 2021
<ul style="list-style-type: none"> <li>Proposed District Plan statutory process (publicly notified late)</li> </ul>	publicly notified late 2021	Late 2021



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2021) <ul style="list-style-type: none"> <li>• Wellington Regional Growth Framework – developing a Spatial Plan for the region (draft for consultation late 2020)</li> </ul>	draft for consultation late 2020	Late 2020
<b>Status</b>		
<p>Engagement on draft Spatial Plan has been delayed several months due to COVID-19, this was originally scheduled for April/May 2020. This pushes back the programme but also allows for greater alignment with the LTP 2021-31 and Let's Get Wellington Moving programme.</p> <p>Since adopting the Action Plan, the Government have released a National Policy Statement on Urban Development (NPS). The NPS provides a direction that has been built into the draft Spatial Plan, the delay to engagement has allowed for this alignment. The NPS requires high density development within and adjacent to the city centre and suburban centres, adjacent to train stations (Johnsonville line and Tawa/Linden train stations). This is a significant shift in government policy which will drive housing supply and intensification across the city.</p> <p>One stream of the District Plan looks to understand the potential measures to enforce or encourage supply of housing typologies where there is a mismatch between supply in demand in the city and across the suburbs. A piece of research work has begun in the six months since the Action Plan was adopted, which will inform how diversity of supply could be encouraged through the District Plan.</p>		

**One-stop shop consenting improvements**

A series of improvements to our consenting process is underway. This programme supports growth in supply of houses in the private market by improving the ease and efficiency of the consenting processes.

Actions	Action Plan timeframe	Current timeframe
<ul style="list-style-type: none"> <li>• Consents website content refresh and online resource consent lodgement</li> </ul>	Early 2020	Complete
<ul style="list-style-type: none"> <li>• Improve pre-application processes</li> </ul>	Mid 2020	Complete
<ul style="list-style-type: none"> <li>• Online resource consent tool (RuBRIC) incrementally implemented by coding rules of the District Plan, if proven feasible</li> </ul>	Starting early 2020	Testing MVP
<ul style="list-style-type: none"> <li>• Review of Teamwork (old system relied on by City Consenting)</li> </ul>		Started early 2020



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**Strategic Partnerships**  
We're working with many partners to deliver this Plan and housing outcomes for the city.  
Over the course of the three years of this plan we will continue to develop these partnerships. Particular focus will be with Kāinga Ora, Universities, mana whenua, and Community Housing Providers.

and Compliance) <ul style="list-style-type: none"> <li>• Ongoing improvements over three years include greater visibility of applications, consistent information, advice and service.</li> </ul>	
<b>Status / highlights</b>	
Programme largely tracking to plan with some minor delays through COVID-19 lockdown and reduced ability to access subject matter experts. The number of resource consents and pre-applications are back to pre-COVID levels, this is a good sign that residential development is still strong. <p>Highlights:</p> <ul style="list-style-type: none"> <li>- Simpli and GoGet which allow building consents to be lodged and processed in a paper-less manner.</li> <li>- Improved Resource Consent pre-applications to provide greater certainty to the customer up-front.</li> <li>- Website content overhaul for all consenting and compliance information. Positive feedback from contact centre and front of house staff, with commentary customers are finding the information they are looking for. External user testing will be undertaken shortly.</li> <li>- RuBRIC proof of concept – proved, through testing minimum viable product with a group of public and council testers, that it is possible to turn the District Plan rules into code. Currently testing viability of drafting new District Plan content directly into RuBRIC.</li> </ul>	

### City Housing sustainability

City Housing is the Council's social housing provider and one of the largest landlords in New Zealand. The purpose is to provide affordable residential rental accommodation, allocated to people in housing need.

Actions	Action Plan timeframe	Current timeframe
<ul style="list-style-type: none"> <li>• City Housing financial sustainability                             <ul style="list-style-type: none"> <li>○ Consultation on revised policy framework and rent settings</li> <li>○ Decision on policy framework and rent settings (currently under review)</li> <li>○ Options considered for long-term financial</li> </ul> </li> </ul>	March – April 2020 Mid – end 2020	June – July 2020 September – October 2020 TBC November 2020



## Housing Action Plan 2020-2022

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sustainability <ul style="list-style-type: none"> <li>• Strategic Housing Investment Plan (SHIP), Single Capital Programme workstream – Deliver a 10-year delivery plan of renewals and upgrades, this includes the Housing Upgrade Programme phase 2 and incorporates Healthy Homes Standards</li> </ul>	
<b>Status</b>	
Engagement on the policy framework and rent settings were put on hold through COVID-19 lockdown in March/April, this was re-started in June and concluded in July. The Strategy and Policy Committee (SPC) have heard submissions on the policy and an update on this will be provided to SPC in coming months.	
A wider piece of work is underway to present options for long-term financial sustainability of City Housing, this is due to go to SPC in November. Depending on the outcome of the policy and rent setting update, this may be included in the long-term financial sustainability options review.	
The Strategic Housing Investment Plan – Single Capital Programme is a 10-year delivery plan of renewals, the Housing Upgrade Programme and now incorporating Healthy Homes standards. The narrative around this piece of work will be amended in the Plan, as per the above, for improved clarity. The Housing Upgrade Programme Phase 2 and Healthy Homes requirements will also form part of the financial sustainability work, as this is currently not funded.	

**Te Mahana – homelessness strategy**

The strategy to end homelessness is endorsed by 30 Government agencies and marks a shared commitment to work together in a collaborative and culturally specific way.

Actions	Action Plan timeframe	Current timeframe
Focus on the Housing First pilot, supporting DCM to provide tenancy sustaining services and outreach services, and supporting partners to provide the following supported and transitional housing: <ul style="list-style-type: none"> <li>○ Wellington City Mission new build</li> <li>○ Wellington Night Shelter renovation</li> <li>○ Kāinga Ora – Rolleston site</li> </ul>	Operational early 2022 Completion late 2020 Completion early 2022	Completion 2023



## Housing Action Plan 2020-2022

As our population grows, we want to make sure everyone has access to safe and affordable quality housing. The Housing Strategy sets out the long-term outcomes for housing over 10 years. Refer to the Strategy on our website for these outcomes. The Housing Action Plan captures the priority programmes of work that the Council will deliver to meet the vision of 'All Wellingtonians well-housed'.

### Strategic Partnerships

We're working with many partners to deliver this Plan and housing outcomes for the city.

Over the course of the three years of this plan we will continue to develop these partnerships. Particular focus will be with Kāinga Ora, Universities, mana whenua, and Community Housing Providers.

○ Kāinga Ora – Arlington sites 1 and 3	Completion 2023
<b>Status</b>	
<p>COVID-19 saw collaboration across the sector to house all the city's rough sleepers, the challenge now is to keep them in housing.</p> <p>Project updates:</p> <ul style="list-style-type: none"> <li>- Wellington Night Shelter: The Wellington Night Shelter ceased operation at the Taranaki St site in April 2020 and handed over the building and assets to the Wellington City Mission. With the building now under new management, the refurbishment and operational model has been reviewed and updated. MHUD and WCC will now partner to see a smaller scale renovation that will create a total of 30 bedrooms. Approximately 6 of these will be crisis beds and 24 will be transitional housing with intensive wraparound support. The renovation will cost considerably less than anticipated. WCC has committed \$250,000 towards the refurbishment from the Social and Recreation Fund.</li> <li>- Te Paapori: this is a temporary facility providing accommodation for 38 individuals that was opened during lockdown by the Wellington City Mission. The lease for Te Paapori is in place until end of September and discussions are in place with the core funder, MHUD, to explore what happens next. The current property (The Set Up on Manners St) is not fit for purpose as it has no communal space or appropriate spaces for support agencies to work with residents. End of September.</li> <li>- Arlington: will be completed in 2023 with a total of 300 units with 40 that will be supported living units for vulnerable people. The mix of size and configuration is still to be determined.</li> <li>- Rolleston: will be completed in 2023 with a total of 80 units with 20 that will be supported living units for vulnerable people. These 20 units will be for Housing First clients and will be funded by HUD</li> </ul>	

### Proactive Development

This programme focuses on being prepared and open to maximising opportunities for greater provision of housing supply.

Actions	Action Plan timeframe	Current timeframe
<ul style="list-style-type: none"> <li>• Te Kāinga – affordable rentals (previously known as CBD apartment conversions) – programme of up to four buildings</li> <li>• City Housing Strategic Housing Investment Plan – development and disposals programme. Current development sites:</li> </ul>	Completion mid 2020	Handover early 2021 (TBC)



## Housing Action Plan 2020-2022

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**Strategic Partnerships**  
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<ul style="list-style-type: none"> <li>○ Harrison Street</li> <li>○ Nairn Street</li> </ul>	<p>End 2021 Detailed design underway in 2020</p>	<p>Early 2022 Investigation ongoing</p>
<p><b>Status</b></p> <p>Developments delayed by a few months due to COVID-19.</p> <p>Te Kāinga, first building 195 Willis Street</p> <ul style="list-style-type: none"> <li>- Some delay to renovation of 195 Willis Street, updated handover date still to be confirmed with the developer, this is the first in a programme to create an affordable rental service run by Council. The first of this programme is a conversion of office space to warm, dry apartments.</li> <li>- Expressions of interest to let the units in the first building will go out toward the end of 2020, the approach is to actively advertise to healthcare workers through Capital and Coast DHB in the first instance.</li> </ul> <p>Te Kāinga, policy and programme</p> <ul style="list-style-type: none"> <li>- Progress on the policy to operationalise the first Te Kāinga property has been ongoing through the lockdown.</li> <li>- The next three buildings, which will take the total units to around 250, have been agreed. An update on timing for fit-out of these will be included in the Action Plan through the next report on the Plan.</li> </ul> <p>City Housing Strategic Housing Investment Plan, development and disposals workstreams. Development site updates:</p> <ul style="list-style-type: none"> <li>- Harrison Street – some delays but contract for design and build, using early contractor involvement, has been awarded and engagement with the community as well as immediate neighbours has been ongoing. Resource Consent for enabling works have been submitted, Resource Consent for the redevelopment itself will be submitted shortly. Construction is now expected to be completed early 2022.</li> <li>- Nairn Street – investigation ongoing, a decision will be sought toward the end of 2020, based on feasibility work completed to date.</li> <li>- Investigating development potential on four more City Housing sites, which would either replace existing homes that are no longer fit for purpose or develop more warm, dry homes through infill development on underutilised sites.</li> <li>- Progressing the disposals arm of the SHIP which identifies underperforming assets for divestment, the proceeds of which will be reinvested back into the Council's social housing. We are in discussions with Kāinga Ora on some of these sites. This would keep the sites for social housing supply in the city, more on this partnership approach to be included in future reports on the Action Plan.</li> </ul>		



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## Strategic risks

In June 2019 a workshop was held, in which the Finance Audit and Risk Management Subcommittee reviewed the risks to the Housing Strategy and Action Plan. A number of these risks were about programme management, resourcing, and internal collaboration. These types of internal operational risks are now managed by the Housing Action Plan Advisory Group which meets monthly to provide oversight and manages day-to-day operational risks of the Housing Action Plan. Officers will continue to manage these operational risks and will report these to Council by exception.

There are also several more strategic risks that, if they eventuate, would mean Council would fail to meet the outcomes and vision set by the Housing Strategy. It is these risks that are outlined below, as well as the controls to mitigate these risks. In assessing strategic risks, officers looked at the strategic outcomes set by the strategy and asked – what are the key risks that could stop us achieving those outcomes, and what can we do to treat or mitigate those risks?

Strategic outcomes	Key Risks	Key Controls
<p><i>Wellington has a well-functioning housing system</i></p> <ul style="list-style-type: none"> <li>• More availability and choice of housing</li> <li>• More affordable homes</li> <li>• Growth in supply</li> </ul>	<p><b>Legal risk.</b> The changes to the District Plan which aim to enable more growth are met with public/legal opposition</p> <p><b>Impact of risk</b></p> <ul style="list-style-type: none"> <li>- The timeframe to finalising the District Plan will be impacted if there is significant legal objection.</li> <li>- The ability of Council to enable the growth in homes to meet growth in population could be challenged.</li> </ul> <p><b>Regulatory risk.</b> Our consenting process inhibits rather than enables more growth and residential development</p> <p><b>Impact of risk</b></p>	<ul style="list-style-type: none"> <li>- Planning for Growth programme engagement brings community along on future District Plan decisions. Consultation on the draft Spatial Plan is underway.</li> <li>- Consultation carried out to date has been generally supportive. The draft Spatial Plan builds on the most supported growth approach.</li> <li>- The one-stop shop programme of works comprises a series of improvements to make it easier and faster to work through the consenting process.</li> </ul>



## Housing Action Plan 2020-2022

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Strategic outcomes	Key Risks	Key Controls
<p><i>Homes in Wellington are of good quality and are resilient</i></p> <ul style="list-style-type: none"> <li>• More homes are safe, secure and resilient</li> <li>• More homes are warm, dry and energy efficient</li> <li>• More homes are environmentally sustainable.</li> </ul>	<ul style="list-style-type: none"> <li>- Potential developments are stalled or stopped as consenting seems too hard or too slow.</li> </ul> <p><b>Health and Safety &amp; Reputation risk.</b> If we are unable to finance the upgrade and renewals of our City Housing portfolio, including upgrades to meet Healthy Homes Standards, parts of Council's own housing portfolio may not be warm, dry and resilient.</p> <p><b>Impacts of risk</b></p> <ul style="list-style-type: none"> <li>- Some of our own housing residents will be housed in homes that may not be warm, dry and resilient.</li> </ul>	<ul style="list-style-type: none"> <li>- Recent initiatives like the introduction of case managers, complete review of website content to make it easier to find and understand and improving the way teams within Council work together to provide a coordinated response, aim to provide a more cohesive experience for our customers.</li> <li>- Work is underway to understand and present options to councillors to achieve financial sustainability of the City Housing service. This will include ensuring that the housing portfolio can be brought up to required standards – making them warm, dry and resilient.</li> </ul>
<p><i>Homes meet the needs of Wellingtonians</i></p> <ul style="list-style-type: none"> <li>- Decisions reflect the housing need in Wellington</li> <li>- More Wellingtonians can access a home</li> <li>- More Wellingtonians can sustain a home</li> </ul>	<p><b>Reputation risk.</b> Through COVID-19 Te Paapori was opened as a temporary facility providing accommodation for 38 individuals. There is an opportunity to keep these people housed. There is a risk that Council and partners will be unable to achieve this, and that people return to homelessness.</p> <p><b>Impacts of risk</b></p> <ul style="list-style-type: none"> <li>- Those housed during the COVID-19 lockdown</li> </ul>	<ul style="list-style-type: none"> <li>- Officers are actively working with partners Wellington City Mission and MHUD to determine what happens after the lease of Te Paapori ends at the end of September.</li> </ul>



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Strategic outcomes	Key Risks	Key Controls
<p><i>Our housing system supports sustainable resilient and connected communities</i></p> <ul style="list-style-type: none"> <li>- Housing supports wellbeing, particularly for the most vulnerable</li> <li>- Housing supports connected communities and better placemaking</li> </ul>	<p>won't have accommodation after the lease ends and they return to homelessness.</p> <p><b>Reputation risk.</b> If lower income groups of people are priced out of Wellington, then we risk gentrification in the city and a loss of diversity and community connection.</p> <p><b>Impact of risk</b></p> <ul style="list-style-type: none"> <li>- We could lose diversity in the city if people are priced out of housing.</li> </ul>	<ul style="list-style-type: none"> <li>- Te Kāinga programme introduces an affordable rental product in the city, operated by the Council.</li> <li>- The Strategic Housing Investment Plan sees some disposals of City Housing assets to fund developments, retaining unit numbers in the City Housing portfolio in line with the Deed of Grant. When disposing of City Housing units that are deemed not to be fit for purpose, the first preference is to sell to Kāinga Ora. A sale to Kāinga Ora retains social housing in the central city and inner-city suburbs, this enables lower income people to remain in the central city.</li> </ul>



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## Outcome Indicators

In future, outcome indicators and performance measures will be a core part of the Housing Action Plan 6-month Report. This Report has been developed out of sync with Annual Reporting so not all of the 2019/20 results are available. This section identifies which of the outcome indicators currently being monitored are relevant and being tracked in relation to the Housing Action Plan.

Wellington City Council uses outcome indicators to monitor progress toward our long-term outcomes over time, these will help us understand whether we are achieving our outcomes. This provides information on trends that may influence our performance, but they are not fully within our control.

Outcome indicator	2018/19 result	Trend	Comments
Average house price	\$738,874	Increasing	Infometrics report of 14 July 2020, signal that house prices have almost returned to pre-lockdown level, just 0.5% below March levels and are 8.6%pa higher than a year prior.
Overall housing affordability	Wellington city 9.76 NZ 10.5	Increasing	
Number of building consents (residential)	New residential consents 978 New and altered 2204	Decrease on last year	
Value of residential building consents	\$419m	Decrease on last year	
Healthy housing stock – residents who report their home is insulated	Adequate insulation in ceiling (71%); under floor (54%)	Increasing	This is a self-reported measure through the Residents Monitoring Survey.
Healthy housing stock – residents who report their home is warm and dry	Never or rarely cold (47%); Damp (70%)	Increasing	This is a self-reported measure through the Residents Monitoring Survey.



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Proportion of houses within 100m of a public transport stop	42.4%	Decreasing	The result would have been impacted by the changes to the bus network.
City Housing tenants who report good quality of life (City Housing tenants survey)	77%	New	
Proportion of residents who feel safe in the event of a moderate earthquake at home	85%	New	
Proportion of residents who have checked their dwelling to improve its seismic resilience in the past year	27%	New	
Proportion of residents who have taken action to improve their dwelling's seismic resilience in the past year	14%	New	



# Housing Action Plan 2020-2022

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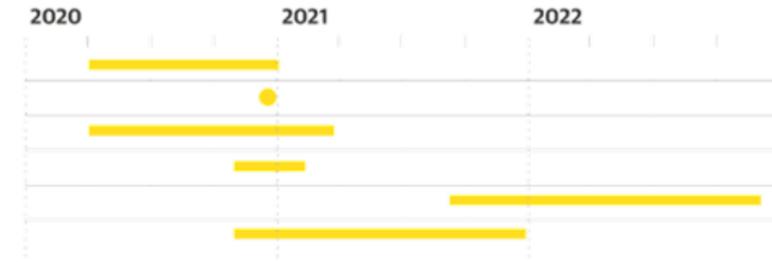
## Strategic Partnerships

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### Planning for Growth

Our city is growing. The District Plan is up for review. This programme will shape the way we live, for decades.

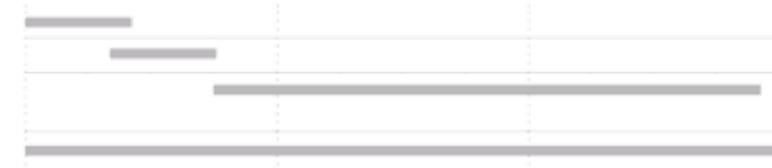
- Draft Spatial Plan consultation (August - October 2020)
- Final Spatial Plan (End 2020)
- Stebbings Valley structure plan (mid 2020 - early 2021)
- Draft District Plan consultation (Early 2021)
- Proposed District Plan statutory process (publicly notified late 2021)
- Wellington Regional Growth Framework - developing a Spatial Plan for the region (draft for consultation late 2020)



### One-stop Shop

A series of improvements to our consenting process is underway. This programme supports growth in supply of houses in the private market by improving the ease and efficiency of the consenting processes.

- Consents website content refresh & online resource consent lodgement (Early 2020)
- Improve pre-application processes (Mid 2020)
- Online resource consent tool incrementally implemented by coding rules of District Plan, if proven feasible (starting end 2020)
- Ongoing improvements over three years include greater visibility of applications, consistent information, advice and service



### City Housing sustainability

City Housing is the Council's social housing provider and one of the largest landlords in New Zealand. The purpose is to provide affordable residential rental accommodation, allocated to people in housing need.

#### City Housing financial sustainability

- Revised policy framework and rent setting consultation (June - July 2020)
- Options considered for long-term financial sustainability, including policy framework and rent settings (End 2020)

#### Strategic Housing Investment Plan (SHIP), including single capital programme - deliver a 10-year plan of renewals and upgrades incorporating Healthy Homes Standards:

- New tenancies by July 2021, properties leased to Kāinga Ora and Community Housing Providers by July 2023 and existing City Housing tenancies by July 2024

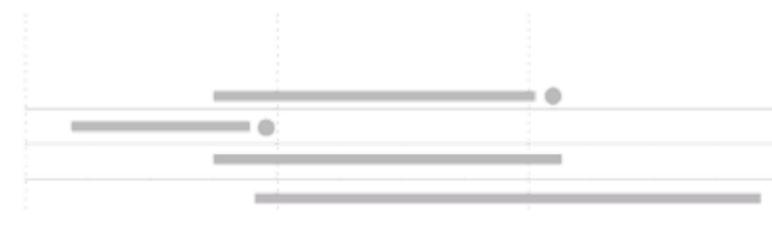


### Te Mahana - homelessness strategy

The strategy to end homelessness is endorsed by 30 Government agencies and marks a shared commitment to work together in a collaborative and culturally-specific way.

Focus is on the Housing First pilot, supporting DCM to provide tenancy sustaining services and outreach services, and supporting partners to provide the following supported and transitional housing:

- Wellington City Mission new build 40-50 units, 35 to be supported (operational by early 2022)
- Wellington Night Shelter renovation including 33 supported units (completion late 2020)
- Kāinga Ora - Rolleston site, including approximately 20 supported housing units (completion 2023)
- Kāinga Ora - Arlington sites 1 and 3 up to 40 supported units included as part of the redevelopment that will deliver new quality, fit-for-purpose, housing on these sites (Completion 2023)



### Proactive Development

This programme focuses on being prepared and open to maximising opportunities for greater provision of housing supply. We will work with accessibility advisors and disabled people to inform how Council's own projects can include options for those with disabilities and mobility challenges, improving the supply of accessible housing in the city.

- Te Kāinga - affordable rentals (previously known as central city apartment conversions) - programme of up to four buildings (first building due to be completed early 2021)  
Strategic Housing Investment Plan, Development and Disposals Programme - current development sites:
  - Harrison Street, 72 bed spaces (completion early 2022)
  - Nairn Street (undergoing investigation, design and detailed design will be underway in 2020)
- Future development opportunities are likely out of Planning for Growth and Let's Get Wellington Moving strategic programmes, the Plan will be updated as these progress









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## Our 10-Year Plan 2018-28

Wellington City Council, Housing Strategy

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## Affordability

Issues relating to affordability affect each of the strategy’s four outcome areas, so it’s important there is a clear understanding of what affordability means, and how it can be understood in the Wellington context and in relation to specific Council projects.

A review of existing and publicly available measures found that they are, in general, effective for their intended purpose but do not meet our specific requirements and/or cannot be used in a way that meets our needs to direct local resource.

For example some are ‘one-size-fits-all’ and don’t take into account household size, composition, expenditure and other key elements that impact what a household can afford to spend on housing costs. Others have been designed to produce trend information and/or to make national or international comparisons about housing affordability but are not necessarily useful to support decision making at a local level. Others focus on a particular aspect of housing affordability or aren’t flexible enough to inform the different aspects of the Housing Strategy - for example to cover both rental and home purchase scenarios for a range of different household types.

For us, as a Council and city, we want a clearer understanding of what affordability looks like for all Wellington residents.

To provide this the Council **has developed and tested** the Wellington Housing Affordability Model (WHAM), a consistent and flexible tool that helps us to understand what housing can be considered affordable, and for whom. WHAM is based on the premise that assessing affordability (be it in a rental or purchase scenario) depends on each household’s circumstances (specifically size, composition, and income level) and that local level decision making about housing affordability is more complex than providing one set dollar amount or ratio that is applied in a ‘one-size-fits-all’ way.

**WHAM is used** alongside other measures to help the Council make informed decisions about housing in Wellington. **Future improvements to WHAM continue to be investigated with partners, including the ability to share the model with other local authorities and organisations.**

### Using WHAM

WHAM specifically seeks to provide answers to the following questions:

- Who is a **particular rent or purchase price** affordable for?
- What is affordable for a particular population or target group (**based on income and composition**)?
- How affordable is a particular rent or purchase price for a particular group?

### The WHAM calculation includes:



# Our Housing Strategy

*Wellington Towards 2040: Smart Capital* is the Council's strategic plan for the city. Its four goals focus on collaboration, not competition, and aim to build Wellington's resilience in the face of future environmental, economic and social challenges.

## **Vision** *All Wellingtonians well housed*

### **Guiding principles**

We will play an active leadership role to enable housing solutions.

We will continue to build on existing partnerships with central government and communities.

We will make well-informed decisions that are strategic and co-ordinated.

Our current housing system is not equitable - we support a housing sector that looks after our vulnerable communities.

Housing is a regional market - opportunities and challenges exist across the Wellington region.

Housing has a broader context and is key to supporting a resilient and sustainable city.



### **Scope**

We'll work with other housing stakeholders to support all parts of the housing market, including temporary housing, short and long-term rental, and home ownership.

### **10-year outcomes for Wellington**

A well-functioning housing system

Good quality and resilient homes

Homes meet the needs of residents

Our housing system supports sustainable, resilient and connected communities

### **How we'll get there**

Delivering on our Housing Action Plan

Central government initiatives and partnerships

Developing the housing sector in Wellington

Being easy to do business with and supporting housing initiatives led by others



CSMCC1006215

Absolutely Positively  
**Wellington City Council**  
Me Heke Ki Pōneke

## Wellington Housing Affordability Model (WHAM)

Absolutely Positively  
Wellington City Council  
Me Heke Ki Pōneke

Build  
Wellington

### Background and context

In June 2018 the City Strategy Committee approved the Wellington City Council Housing Strategy (the Strategy). The Strategy had been developed based on extensive engagement and consultation on housing issues in Wellington.

The Strategy sets a long-term vision of “All Wellingtonians well-housed”.

Contributing to the vision, the Strategy sets four long-term outcomes. These outcomes are as follows and are further defined in the Strategy.

- Wellington has a well-functioning housing system
- Homes in Wellington are of good quality and are resilient
- Homes meet the needs of Wellingtonians
- Our housing system supports sustainable, resilient and connected communities

Supporting the Housing Strategy is the Wellington Housing Affordability Model (WHAM). The model was created to address a gap where publicly available measures cannot be used to direct local resource.

### Purpose of WHAM

A number of affordability measures exist including the Demographia International Housing Affordability Survey, the MHUD Housing Affordability Measure (HAM) and a general housing cost to income ratio. A review of these available measures found that they are, in general, effective for their intended purpose but cannot be used to direct local resource.

The purpose of WHAM is to understand what housing is affordable for specific population groups based on their income and household composition. This recognises that affordability varies significantly across different household groupings.

WHAM is based on the premise that assessing affordability depends on each household’s circumstances and composition, and that housing affordability is more complex than providing one set dollar amount or ratio that is applied in a ‘one size fits all’ way. WHAM has been developed to answer the key questions of:

***‘Who is a defined house price/rent affordable for?’***

***‘What is affordable for a defined household (income and make-up)?’***

***‘How affordable is a particular rent or purchase price for a particular household type?’***

To answer these questions WHAM incorporates a number of underpinning assumptions as part of the calculations. Assumptions have been selected to represent a range of households and will not be directly applicable to every individual household.

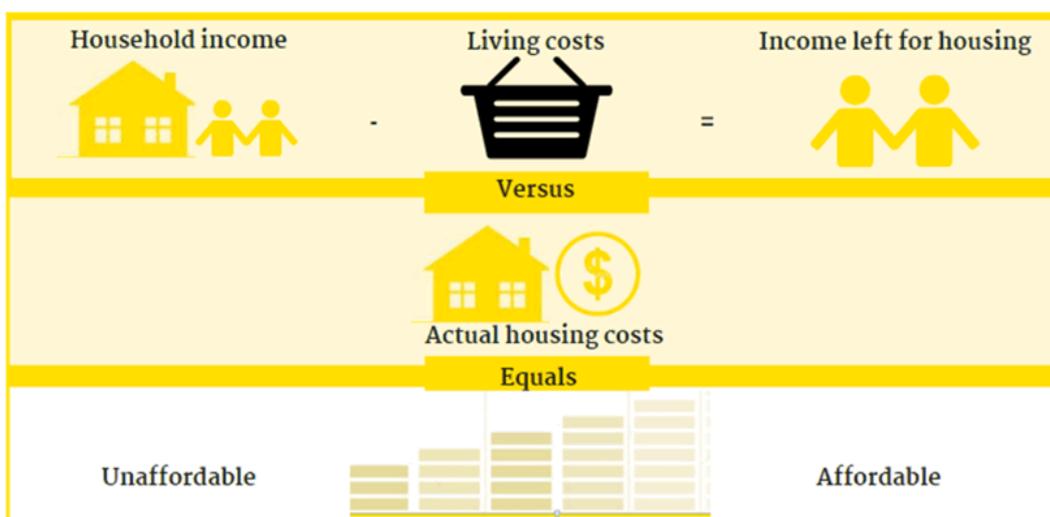
## Wellington Housing Affordability Model (WHAM)

Absolutely Positively  
Wellington City Council  
Me Heke Ki Pōneke

**Build  
Wellington**

The results are displayed as a spectrum of affordability from unaffordable to comfortably affordable; levels of affordability are defined based on the living costs assumed. The living costs are based on data from the Household Economic Survey – Expenditure, this data set is produced by Stats NZ every three years. The NZ-specific data is used to form 'baskets of goods' which represent a household's potential living costs.

The high-level formula follows a methodology of taking account of reasonable living costs and what is left over is available for housing. Other measures tend to account for housing cost first. The formula can be summarised by the following infographic.



### Current use

The model has been reviewed by Sense Partners and was found to be fit for use, with confidence on both accuracy of the calculations and the conceptual basis, with the usual caveats on data quality and assumptions made.

Council are using the model to inform policy and planning. While the model is useable and produces adequate results, there are improvements that could be made with more focused resource.

The model is currently being used to inform:

- WCC's City Housing policy decisions
- WCC's rental policy for Te Kāinga – affordable rental programme

The model has the potential to be used by other Councils and organisations. WCC is working through options to make it available, in the meantime please contact the Housing Development Team to find out more [housingdevelopment@wcc.govt.nz](mailto:housingdevelopment@wcc.govt.nz)

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## **STRATEGIC HOUSING INVESTMENT PLAN**

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### **Purpose**

1. The purpose of this report is to provide the Strategy and Policy Committee with an update on the Development Programme and Portfolio Alignment Strategy (PAS) workstreams of the Strategic Housing Investment Plan (SHIP) and seeks agreement from committee to recommend that Council approves the divestment of 20 properties that are surplus to operational requirements. These are outlined in attachment 1.
2. This report also provides an update on work recently undertaken to progress the development sites at Harrison Street in Brooklyn and Nairn Street in Mount Cook.

### **Summary**

3. As part of the PAS workstream of SHIP, officers are seeking a recommendation that Council divest of 20 properties that are surplus to operational requirements. These are outlined in attachment 1.
4. As part of the Development Programme workstream of SHIP, officers have progressed planning work in relation to the redevelopment of Harrison Street. The earthquake prone building was demolished between June and August 2019 and a business case for the redevelopment of the site was established and this identified a requirement for the additional supply of family homes in the City Housing portfolio.
5. Work has also progressed with the Nairn Street site. The earthquake prone buildings previously on the site were demolished at the end of 2019 in preparation for redevelopment. Design work and an options analysis is currently underway to establish the best use of the site.
6. In a first for Council the concrete from this site was recycled to reduce the organisation's carbon footprint.
7. An indicative development work programme for City Housing Properties has been developed and is funded by a pipeline of capital released through the implementation of the PAS.
8. In addition to progressing the redevelopment of the Harrison Street and Nairn Street sites, officers are currently undertaking preliminary feasibility work in relation to the second phase of the SHIP Development Programme (Years 4-6). An update will be reported back to the Strategy and Policy Committee in early 2021.
9. Officers will also continue to identify and scope housing development opportunities on other Council owned sites and work with partners to achieve city level outcomes in line with our Housing Strategy and Action Plan.

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**Recommendation/s**

That the Strategy and Policy Committee:

1. Receive the information.
2. Recommend to Council that properties outlined in attachment 1 be declared surplus to operational requirements and approved for divestment.
3. Recommend to Council that it delegates authority to the Chief Executive Officer to conclude all matters in relation to the divestment of these properties, including all legislative matters, issuing relevant public notices, negotiating the terms of sale or exchange, impose any reasonable covenants and anything else necessary.
4. Note that the Development Programme of the Strategic Housing Investment Plan is funded by divestment of underperforming City Housing stock that is identified through the implementation of the Portfolio Alignment Strategy.
5. Note the progression of design, engagement and planning work in relation to the Harrison Street and Nairn Street sites and notes that officers will provide a further update on the progress of these projects in late 2020.

**Background****Wellington City Council Housing Strategy**

10. Improving housing outcomes is a significant priority for Wellington City Council (the Council). Having the security of a home that is safe, warm, dry and affordable is a key foundation to ensuring that individuals, families, and whanau can live well and achieve their aspirations. In turn this also supports wider community outcomes, and is a crucial component to ensure the city's full potential and wider socio-economic aims are being realised.
11. The Council's Wellington Housing Strategy (the Strategy) was adopted unanimously in June 2018. The Strategy guides Council decisions that relate to housing across the housing continuum, i.e. emergency and social housing through to private housing for sale or rent. Council has a part to play at all ends of this continuum and this is reflected in the Strategy and Action Plan.
12. Based on the Wellington Regional Housing and Business Development Capacity Assessment Report, the basis for the Council's work on Planning for Growth, without action it is estimated that the city will face a housing shortfall of between 4,600 and 12,000 dwellings by 2047. This projected shortfall is one of the main drivers in the Council's commitment to playing an active role across the city's housing continuum.
13. The Strategy is put into effect by the Housing Action Plan 2020-22 (the Action Plan), supported by the guiding principles of Council taking a leadership role and establishing partnerships with central government and other housing sector stakeholders to improve housing outcomes for Wellingtonians. The Action Plan was adopted in March 2020 and a

6-month report is provided to the Strategy and Policy Committee at the meeting of 10 September 2020.

14. The Strategy and the Action Plan 2020-22 can be found on the Council website <https://wellington.govt.nz/your-council/plans-policies-and-bylaws/policies/housing-strategy>
15. One of the five priority areas of the Housing Action Plan is proactive development, which involves seeking opportunities to redevelop underutilised land. The Strategic Housing Investment Plan – development and divestment delivers on this priority area.

### **The Strategic Housing Investment Plan**

16. In March 2017, Councillors agreed that sustainability, growth, and diversification (Social and Affordable housing) were key objectives and that these objectives would be achieved through the delivery of a three part work programme that includes;
  - **Programme of Development** – using our existing land better
  - **Portfolio Alignment Strategy (Disposals and acquisitions)** - to ensure that the City Housing portfolio is aligned to housing needs in Wellington; and a;
  - **Single Capital Programme** of works that brings together and delivers our Housing upgrades and renewals workstreams.

### **Discussion**

17. In December 2018, City Strategy Committee (CSC) was provided with an update on the progression of SHIP, with approval sought for next steps in the delivery of the development and PAS workstreams. Approval was given to initiate planning, consultation and procurement for the Harrison Street and Nairn Street sites.
18. The Development Programme utilises City Housing assets that present the opportunity for further site intensification but are currently occupied by underperforming assets. The workstream is funded by a pipeline of capital released through the implementation of the PAS.
19. Since the SHIP was approved in 2017 the wider housing context has shifted considerably with Central Government taking a more proactive role including the establishment of Kāinga Ora. There has also been progression on key strategic programmes such as Planning for Growth and Let's Get Wellington Moving which could present significant housing supply opportunities in the future. Decisions on future development sites will be taken over time and on a project by project basis to ensure that current context, opportunities and constraints can be taken into account.

### **Harrison Street**

20. Further planning work on the development sites initially focused on the Harrison Street site. This work was closely tied to engagement and communication with local residents.

21. An initial meeting with the Brooklyn Residents Association was held in March 2018, and the group indicated support of the intention to redevelop the site for social housing as part of the City Housing portfolio.
22. This consultation with local residents progressed throughout the demolition of the building itself through a range of channels including articles in local magazines, letter drops and community meetings.
23. In terms of the redevelopment of the site itself over the past 12 months, the Build Wellington and City Housing business units have been assessing options and developing feasibility scenarios (bulk & location studies) for various redevelopment options for the site.
24. The City Housing business unit has identified the need for family homes in this location. The proposed scheme will deliver a new multi-unit housing complex comprising of eight 4-bedroom units and one 3-bedroom unit, across four 2-storey blocks. This provides a yield of 70 bed spaces which is more than double the previous capacity.
25. Engagement with local residents on this proposed site make-up has begun. There has been some opposition to this draft design with concerns mainly centring on the impact of introducing larger family homes on the site and concerns around increased traffic flow to Harrison Street. Engagement with the community on this development is ongoing.
26. A Resource Consent application for the enabling works has been lodged and a further application for the redevelopment phase is currently being prepared.

**Nairn Street**

27. The Nairn Street site was vacated in May 2017 after an assessment found that the building could pose a risk to life in a 'moderate' earthquake. As with the Harrison Street site, City Housing rehoused tenants in alternative properties within their portfolio.
28. On this project there has been a similar approach to communications and engagement with local residents in the form of letter drops to neighbours and articles in the local residents group's magazine.
29. In a first for Council, the waste concrete from the demolition of the earthquake prone buildings on this site were recycled by removing the material from site where it was then crushed into gravel at CentrePort and then reused as part of regeneration works at the port and also providing material for pavement renewal work in the city.
30. Around 80 truckloads of material was taken off site to be recycled and, in addition to the concrete from the site, metal and window frames were also removed for recycling. This represents a significant offset of Council's carbon emissions and an important initiative feeding into Council's Te Atakura – First to Zero blueprint for the city to become carbon zero.
31. Another notable event during this project was during the hard demolition work on the site where the project manager took the opportunity to offer the site to the Wellington Emergency Response Team (WERT). The team used the site to carry out a number of rescue scenarios which they struggle to find sites to practice on.

32. Due to the success of this work Build Wellington is committed, as part of its standard practice, to offer WERT opportunities to carry out similar exercises on future development sites where possible.

33. The two plots at Nairn St site have now been cleared whilst Build Wellington and City Housing assess options for the redevelopment. The top plot has been fenced off to prevent access to the area. The lower plot has been seeded to allow it to be used as greenspace by local residents while planning is undertaken.

**Portfolio Alignment Strategy (PAS)**

34. The Development Programme workstream of SHIP is funded through the implementation of the PAS.

35. Officers advised CSC in December 2017, that an initial assessment of the City Housing portfolio indicated that 204 units (across 119 sites) did not meet criteria for retention or redevelopment and could be considered for divestment.

36. Of the 204 properties, two properties, 9-11 Regent Street and 12 Hugh Street, were approved for disposal. 12 Hugh Street was sold on the open market in July. Officers are currently completing due diligence 9-11 Regent Street and will be proceeding with this disposal in the coming months.

37. Officers are seeking agreement from Strategy and Policy Committee to recommend to Council that the properties outlined in attachment 1 be declared surplus to operational requirements and approved for divestment.

38. If Council approve the divestment of these properties this work would be carried out in accordance with Deed of Grant and all legislative requirements. Further supporting rationale and information relating to these properties is attached as attachment 2.

39. A detailed timeline for delivery of these and potential future divestments mapped against the SHIP Development Programme workstream has been developed by officers to model the financial implications. It is currently assumed that proceeds from these divestments will be used for the redevelopment of the Nairn Street site for City Housing.

40. The current timeline for these divestments is;

- Action associated with declaring properties surplus will occur prior to 10 October 2020. At this stage the information noted in Attachment 1 will be made publicly available.
- All properties will be offered to Kāinga Ora as part of the right of first refusal (RFR) requirement as set out in the 2008 Deed of Grant.
- Any properties which Kāinga Ora choose to exercise their RFR will be progressed in line with the process set out in the Deed of Grant.
- Any properties which Kāinga Ora decline will be assessed for requirements to offer back to former owners or their successors under Section 40 of the PWA.
- Any properties which are declined by former owners and successors will be offered to iwi.

- Any properties that are not acquired by this stage will be offered for sale on the open market.
- It is expected that this process will be completed for the properties listed by the end of this financial year.

41. Beyond these initial packages officers are continuing to discuss opportunities to work with Kāinga Ora to achieve delivery of more housing in the city.
42. Officers across council have been engaging with Kāinga Ora heavily in recent months and there is an opportunity for Council and Kāinga Ora to work together on a broad range of Housing issues across the City and the Region.

### **Options**

43. The Strategy and Policy Committee can recommend to Council to declare these properties as surplus to operational requirements and recommend they approve them for divestment.
44. The committee can reject the officers' recommendations. This would require officers to consider the impact of this on the SHIP Programme and provide further advice on next steps.

### **Next Actions**

45. Subject to any feedback and approvals from Strategy and Policy Committee next steps include that:
- Recommendation from Strategy and Policy Committee that Council declare the properties outlined in attachment 1 as surplus to operational requirements and recommend they approve them for divestment.
  - Officers will formally offer these properties to Kāinga Ora under the terms of the Deed of Grant
  - For any properties which Kāinga Ora decline officers will carry out investigations into the Section 40 requirements for these properties with a view to offering them back to former owners or their successors
  - Officers will discuss opportunities with iwi on the properties not divested under the Council's legal obligations as part of the Public Works Act
  - All remaining properties will be prepared and sold on the open market.

### **Attachments**

- Attachment 1. List of properties to be declared surplus - **Confidential**
- Attachment 2. Background and rationale for divestment of packages 2 & 3 City Housing properties - **Confidential**

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Authors	Rebecca Tong, Programme Manager, Housing Development Graham Budd, Principal Advisor John McDonald, Housing Development Manager
Authoriser	John McDonald, Housing Development Manager Moana Mackey, Acting Chief Planning Officer

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## **SUPPORTING INFORMATION**

### **Engagement and Consultation**

SHIP incorporated feedback from a range of housing sector stakeholders on opportunities for Council to address housing need in Wellington.

Initial engagement for the Development Programme related to the Harrison Street and Nairn Street development sites has been carried out. Further engagement with local community groups will continue, in coordination with officers from City Housing, as more specific plans for the Harrison Street and Nairn Street sites are developed.

Additional engagement and consultation requirements for the implementation of the SHIP workstreams will be considered on a project by project basis, taking into account requirements set out in the Local Government Act 2002, Public Works Act 1981 and any other relevant legislation.

### **Treaty of Waitangi considerations**

Tiriti o Waitangi considerations associated with the SHIP and opportunities for Iwi will be considered on a project by project basis. Officers are seeking an understanding of how to better partner with Iwi, under the new Te Maihi o te Whare Māori – the Māori and Iwi Housing Innovation Framework.

### **Financial implications**

Under the 2007 Deed of Grant any proceeds from the divestment of City Housing properties will be reinvested back into the portfolio.

No additional funding is currently being sought to progress more detailed scoping and planning for the Harrison Street and Nairn Street development sites. However the delivery of the Development Programme workstream of SHIP relies on the release of capital through the divestment of underperforming City Housing assets. Any additional funding required for future projects will need to be sought through future Annual Plan processes on a case by case basis.

### **Policy and legislative implications**

Under the Deed of Grant, Kāinga Ora has a first right of refusal in the event that Council divests any properties in its portfolio. Proceeds from divestments must be reinvested back into the City Housing portfolio.

The Council's legislative processes in relation to property divestments will be followed (including Public Works Act 1981 offer back obligations).

### **Risks / legal**

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As noted above, under the Deed of Grant the Crown has the first right of refusal in the event that Council divests any of its social housing units and any proceeds from divestment will be reinvested back into the portfolio.

**Climate Change impact and considerations**

There are no immediate impacts resulting from the recommendations of this report. However as specific development sites are considered under SHIP it will be appropriate for more resource efficient and environmentally friendly options to be considered where possible (this aligns with outcomes identified in the Housing Strategy)

**Communications Plan**

In the event that SPC recommends that Council divests the properties identified in this report, officers will develop and implement communications plans in coordination with the City Housing business unit.

Communications plans are developed on a project by project basis in relation to SHIP sites, considering requirements set out in the Local Government Act 2002, Public Works Act 1981 and any other related legislation.

**Health and Safety Impact considered**

Healthy and safety implications are considered on a project by project basis.



### 3. Public Excluded

#### Recommendation

That the Strategy and Policy 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
3.1 Update on the Te Kāinga Programme	<p>7(2)(b)(ii) 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.</p> <p>7(2)(i) The withholding of the information is necessary to enable the local authority to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations).</p>	<p>s48(1)(a) 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.</p>
3.2 Attachment to 2.2 - Strategic Housing Investment Plan - Attachment 1 List of properties to be declared surplus	<p><b>7(2)(a)</b> The withholding of the information is necessary to protect the privacy of natural persons, including that of a deceased person.</p>	<p><b>s48(1)(a)</b> That the public conduct of this item would be likely to result in the disclosure of information for which good reason for withholding</p>

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3.3 Attachment to 2.2 - Strategic Housing Investment Plan - Attachment 2 Background and rationale for divestment of packages 2 & 3 City Housing properties	<b>7(2)(a)</b> The withholding of the information is necessary to protect the privacy of natural persons, including that of a deceased person.	would exist under Section 7. <b>s48(1)(a)</b> 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.
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