

8.3 HOUSING NEEDS AND FUTURE OPPORTUNITIES

Author: Morag Taimalietane, Principal Advisor

Authoriser: Janice McDougall, Group Manager

PURPOSE OF REPORT

- 1 This report:
 - 1.1 provides an overview of the Housing Programme Assessment Report (attached as Appendix One) for the Kāpiti Coast district, completed by The Property Group;
 - 1.2 seeks the Council's endorsement of proposed next steps to enable the Council's involvement in future housing opportunities.

DELEGATION

- 2 The Council has the authority to consider this matter.

BACKGROUND

- 3 In August 2017 the Council received a report from the Kāpiti Coast Communities Housing Taskforce – a group established by the Mayor to advocate for the needs of the housing sector on the Kāpiti Coast.
- 4 The Taskforce Report (attached as Appendix Two) made a number of recommendations in relation to Council's role in addressing housing issues. These ranged from helping to increase the housing supply and supporting community housing providers, to advocating for changes to central government policy.
- 5 Through the consultation for the 2018-38 long term plan, the Council discussed the Housing Taskforce report and identified that Council would “do more work to investigate the options the Council has to influence housing issues”.
- 6 Following supportive feedback from the consultation, the 2018-38 Long Term Plan (LTP) provided mandate and direction for the Council to consider our future role in housing including:
 - housing - In 2018/19 we'll investigate options for the Council's role (pg 22, LTP); and
 - Council has a role in social housing as it provides affordable housing for older people, and over the next three years we will consider our wider role in social housing. (pg 82, LTP)
- 7 In early 2019, the council engaged The Property Group (TPG) to prepare specialist and targeted advice on the future of housing in the Kāpiti Coast district. The purpose of the assessment was to identify the key issues to be addressed and the tasks required to establish a housing programme.
- 8 A final draft Housing Programme Assessment report was completed in October 2019 following consultation with over 80 stakeholders including Council staff, housing providers, Māori landowners and Central Government.
- 9 Following internal review the Housing Programme Assessment report has been finalised.

ASSESSMENT OVERVIEW**Scope**

- 10 The Housing Programme Assessment report (the Assessment) provides the Council with a benchmark of current housing supply in Kāpiti, as well as identifying current and future potential gaps to be addressed.

- 11 The Assessment also aims to give the Council a broad understanding of its role in supporting affordable and public housing and to understand housing needs across the district.

Key issues and recommended actions

- 12 Four key issues were identified through the Assessment, which a housing programme would need to address:
- a) Investigate ways to increase the supply of public housing.
 - b) Improve the quality of existing public housing.
 - c) Encourage take up of existing development capacity.
 - d) Improve the availability of emergency and transitional housing.
- 13 There are 14 recommended actions sitting under these key issues (detailed in Appendix One), which would be the foundation for a housing programme. The actions are listed in the recommended order of completion to enable the Council to best respond to each of the issues, and a timing guideline is provided in three phases:
- Short term (3-6 months)
 - Medium term (6-12 months)
 - Long term (12-24 months)

Establishing a Housing Programme

- 14 The Assessment provides clear next steps in terms of establishing a housing programme which would build a work programme for housing in the Kāpiti Coast:
- a) Preparation of a programme brief including:
 - i. Definition of a Council Housing Policy
 - ii. Definition of workstreams
 - iii. Stakeholder engagement strategy and communication strategy.
 - b) Resourcing of a dedicated programme team and a cross functional team within Council.
 - c) Establishing a budget and duration of programme.
 - d) Preparation of an implementation strategy.

HOUSING TASKFORCE REPORT**Overview**

- 15 The Kāpiti Coast Communities Housing Taskforce Report was first submitted to the Council in August 2017. An updated Taskforce Report was then provided in April 2018, as part of the Taskforce's submission to the 2018-38 Long Term Plan consultation.
- 16 The Taskforce consulted housing providers, developers and others involved in the sector on the Kāpiti Coast as part of the development of the report.

Conclusion and recommendations

- 17 The Taskforce Report concluded that Kāpiti Coast communities were facing "unprecedented housing pressure, largely caused by recent excessive net migration, showing up the gaps in our housing infrastructure mix and capacity that has been pushed to the limit and beyond."
- 18 There are 18 recommended actions in the Taskforce Report. These are based around the following areas:
- a) Providing housing needs assessments;

- b) Helping community housing providers
 - c) Helping increase supply
 - d) Helping decrease demand
 - e) Helping change central government policy; and
 - f) Helping improve the adequacy of Kāpiti Coast homes.
- 19 Of the 18 total recommendations, the Taskforce identified four as key, with a focus on increasing supply:
- Recommendation 3A - That Council lease its social housing stock and land to the local Registered Community Housing Providers - Dwell Housing Trust or Link People or Paekakariki Housing Trust, and iwi if they wish, by December 2018.
 - Recommendation 3B - That Council immediately investigate why landowners do not want to rent unused habitable units that they own, and use the results to free up these potential homes.
 - Recommendation 3F – That Council waive or reduce its fees and levies as appropriate when a residential development includes provision for affordable or social or papakainga housing, particularly where it is to be purchased by a recognised or run by a recognised Community Housing provider. That Council use discretion and scaling in the application of its rules, Development Contributions and required items, particularly where the homes being developed are smaller or are socially clustered.
 - Recommendation 3G - That Council immediately request Government to urgently fund and develop affordable and social housing on suitable NZTA owned Residential zoned land surplus from the construction of the Kāpiti Expressway, to remedy the earlier loss of housing.

ESTABLISHING A HOUSING PROGRAMME

Analysis

- 20 Council Officers have reviewed both the Taskforce Report and the TPG Assessment.
- 21 The Taskforce Report and the TPG Assessment have identified similar key issues to be addressed with regards to housing in the Kāpiti Coast, in particular the supply and quality of housing.
- 22 In many cases the TPG Assessment has developed actions which will respond to the recommendations made in the Taskforce Report.
- 23 A full comparison of the recommendations and actions from the two reports is attached as Appendix Three, which includes the Council officer response to the recommendations made through the Taskforce Report.

Programme Development

- 24 The TPG Assessment provides clear direction for which issues and actions should be progressed first, and guidelines for the timings of those.
- 25 It is the recommendation of Council Officers that the Council establishes a housing programme based on the steps identified by the TPG Assessment Report as detailed in paragraph 14.
- 26 To enable the Council to respond and implement actions within the timeframes suggested by the TPG Assessment, funding for additional resourcing has been included in the draft 2020/21 Annual Plan, scheduled for public consultation in April 2020.
- 27 Funding for additional resourcing includes \$200,000 of rates funded operating expenditure to increase the Council's capacity to deliver on actions within the Housing work programme and \$2 million for strategic property purchases capital expenditure (to be funded from new

borrowings), which would provide scope to buy land suitable for housing or make it available for development.

- 28 The Council's ability to respond and implement actions for housing within the Kāpiti Coast will depend on the level of resourcing available through the 2020/21 Annual Plan to develop and progress this work programme.
- 29 A detailed Housing work programme will be developed once the level of resourcing has been clarified through the Annual Plan process.
- 30 Council Officers recommend the following actions from the TPG Assessment are prioritised in the interim:
- Action 1: Undertake an audit of Council's existing residential land holdings to determine redevelopment potential and improvements needed.
 - Action 2: Investigate the suitability of other Council owned land to support housing developments, giving greater weight to the use of Council land for housing.
 - Action 3: Engage with local iwi to determine how Council can support and enhance the capacity of Maori housing providers through opportunities for development partnerships on Maori-owned and other land.
 - Action 7: Establish a working group with the local housing sector, including CHPs to support this industry to provide quality housing.

CONSIDERATIONS

Policy considerations

- 31 As part of the Cross-Council Policy Work Programme, approved by the Strategy and Operations Committee on 5 December 2019, a line was included for Council's 'Wider Role in Housing'. This Policy was given a timeframe starting early 2019 and finishing early 2021 to enable the outcome to feed into the Council's 2021-41 Long Term Plan.
- 32 The work undertaken by TPG has provided the foundation for this Policy to be developed, in line with the timeframes noted in the Cross-Council Policy Work Programme, however resource is now required to continue to progress this work through the "programme brief" phase noted in paragraph 14a above.
- 33 Council Officers also envisage that the criteria for the Council's Strategic Land Purchase Policy will be reviewed as part of the Housing work programme in response to the TPG Assessment - Action 6 "Investigate potential for long term strategic acquisitions to expand the opportunity for Council to undertake or enable housing development projects".

Legal considerations

- 34 There are no legal considerations in relation to the recommendations made in this Council Report.

Financial considerations

- 35 As noted above the pace of implementation proposed in the TPG Assessment is not possible within existing budgets.
- 36 Consequently, the Council's 2020/21 Annual Plan proposes an \$200,000 increase to the operating budget to increase the Council's capacity to deliver on actions within the Housing work programme, as well as a \$2 million to our capital spending budget for strategic property purchases which would provide scope to buy land suitable for housing or make it available for development.

Tāngata whenua considerations

- 37 Te Whakaminenga o Kāpiti has identified housing as an area of interest. There is a currently a standing item on the work programme related to the development of a Papakainga Housing toolkit.
- 38 Interest has been raised by some iwi authorities with regards to the Council supporting iwi to develop their lands further.
- 39 The Government is proposing amendments to the Local Government (Rating) Act 2002 to promote the development of Māori freehold land and to modernise the rating legislation relating to Māori freehold land.
- 40 The amendments are in the Local Government (Rating of Whenua Māori) Amendment Bill which will aim to support Māori freehold landowners to engage, use, develop and live on their land.
- 41 The Amendment Bill has been referred to Select Committee, and the Council will discuss with and work alongside Te Whakaminenga o Kāpiti with regards to the submission process and development.

Strategic considerations

- 42 The 2018-38 Long Term Plan (LTP) provided mandate and direction for the Council to consider its future role in housing including:
- housing - In 2018/19 we'll investigate options for the Council's role (pg 22, LTP); and
 - Council has a role in social housing as it provides affordable housing for older people, and over the next three years we will consider our wider role in social housing. (pg 82, LTP)

SIGNIFICANCE AND ENGAGEMENT**Significance policy**

- 43 This matter has a moderate degree of significance under Council's Significance and Engagement Policy as there is likely to be interest from across a number of sectors.

Consultation already undertaken

- 44 A significant amount of engagement and consultation has taken place or will be taking place with regards to the Council's role in housing for the Kāpiti Coast District. These include:
- 44.1 Engagement through the development of the Kāpiti Communities Housing Taskforce Report.
- 44.2 Consultation for the Long Term Plan 2018-38 included provisions around the future management of Councils Older Persons Housing, and the Council's role in influencing housing issues.
- 44.3 Engagement through the development of The Property Group Housing Assessment Report.
- 44.4 The draft 2020/21 Annual Plan consultation scheduled in April 2020, which will discuss the additional resourcing required for the Council's housing response.

Engagement planning

- 45 At this stage in the process, the engagement plan is focused on consultation through the draft 2020/21 Annual Plan.
- 46 Further engagement may be required as the housing programme is developed and implemented.

Publicity

- 47 A communications and engagement plan has been developed. Housing Portfolio Lead Councillor McCann will be the Council's spokesperson on this topic.

Other Considerations

- 48 The Urban Development Bill, which is with Select Committee, provides for functions, powers, rights, and duties of the Crown entity Kāinga Ora—Homes and Communities, to enable it to undertake its urban development functions.
- 49 Kāinga Ora will be provided the ability to enable, lead or facilitate a special type of complex, transformational development – called specified development projects (SDPs); access to a tool-kit of development powers when undertaking SDPs; access to land acquisition powers when undertaking urban development projects (including SDPs).
- 50 The Council will continue to monitor the progression of this Bill.

RECOMMENDATIONS

- 51 That the Council note that the 2018-38 Long Term Plan (LTP) provided mandate and direction for the Council to consider its future role in housing. That the Council note and endorse Housing Programme Assessment report, attached as Appendix One.
- 52 That the Council note the comparison of the recommendations and actions from the Kāpiti Communities Housing Taskforce Report and Housing Programme Assessment report, as detailed in Appendix Three.
- 53 That the Council approve the Council Officer response to the recommendations made through the Taskforce Report Recommendations, as detailed in Appendix Three
- 54 That the Council agree to establish a housing programme based on the steps identified by the Housing Programme Assessment Report, as detailed in Appendix One.
- 55 That the Council note that the existing level of resourcing available for housing will not enable the Council to progress within the timeframes proposed by the Housing Programme Assessment, as detailed in Appendix One.
- 56 That the Council note that a detailed Housing work programme will be developed once the proposed budget increase has been considered through the Annual Plan 2020/21 process.
- 57 That the Council agree that Council Officers continue to progress the Actions 1, 2, 3 and 7 from the Housing Programme Assessment while the Housing work programme is developed, as detailed in paragraph 29.

APPENDICES

1. Appendix One - Housing Assessment [!\[\]\(c33cb967c8fc4f5e27188a389b621c8e_img.jpg\) !\[\]\(38e1383487ca0f0e9e2c9378b9dbcae7_img.jpg\)](#)
2. Appendix Two - Kāpiti Communities Housing Taskforce [!\[\]\(d399648641177ccf0f777d76c74f84ed_img.jpg\) !\[\]\(d32727c446c8638ae1599c3d4f46ad10_img.jpg\)](#)
3. Appendix Three - Report Analysis and Officer Response to Taskforce [!\[\]\(af3a820412cab4640f1b0ff6288cd856_img.jpg\) !\[\]\(12f929b5ec67e02f5e65eeeaf3df99e5_img.jpg\)](#)