

# REPORT

**TO:** Chief Executive  
**FOR:** Council Meeting - 7 November 2018  
**FROM:** Asset Manager Open Space and Property – Mark Rykers  
**DATE:** 26 October 2018  
**SUBJECT:** **COUNCIL INVOLVEMENT IN SOCIAL HOUSING**

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## RECOMMENDATION

*That Council:*

- a) *Adopts a Policy Statement confirming Council's position on social housing, this being:*
- i. The Selwyn District Council does not view social housing as a core activity and will not be a direct provider or investor in this activity.*
  - ii. The Council believes that the primary responsibility for direct delivery of social housing lies with central government, community housing providers or the private sector where these agencies are equipped to provide a full social housing service.*
  - iii. The Council will take an advocacy/enabler role and work with community housing providers, government agencies and the private sector to support social housing needs in the district.*
  - iv. As part of the Greater Christchurch Partnership, the Council is committed to working collaboratively to develop an action plan and establish partnerships to enable social and affordable housing provision across Greater Christchurch.*
  - v. The Council will divest any existing interest in direct provision of social housing to a suitable alternative provider.*
  - vi. Council may consider contributing to social housing provision through land leases and/or swaps and/or release of land.*
  - vii. Any agreement entered into by Council to provide land for social housing will be on the basis of an acceptable financial return that takes account of the social benefit of the proposal.*
  - viii. The Selwyn District Plan will allow for the provision of a range of housing typologies and forms to reflect the needs of communities, changing demographics and social structure.*
  - ix. Planning will take into account needs of social housing accommodation in design and maintenance of neighborhoods and the built environment.*
  - x. The Council will continue to review and develop incentives for Community Housing Providers to establish services in the district and for developers to provide smaller and lower cost housing units within residential developments.*
  - xi. The Council will work with community and government agencies to monitor the demand for social housing in the district and assist with appropriate responses as needs change over time.*

- b) *Co-ordinates establishment of a social housing forum comprised of agencies with an interest in social housing provision in the district to focus on capturing data on needs, identifying issues and working collaboratively on solutions.*
- c) *Works collaboratively and proactively with Government agencies (MSD, Housing NZ) and Community Housing Providers to enable delivery of social housing that meets the identified needs of the community and considers opportunities in the district as they arise.*
- d) *In undertaking the above, will assist with site identification and may offer its own land holdings for this purpose subject to the suitability of the land and an acceptable financial outcome balanced against the social benefits of the transaction.*
- e) *Identifies Council owned land parcels that have a strategic advantage for location of social housing developments and reports this to the Property Committee for further consideration.*
- f) *In undertaking the review of The Selwyn District Plan consideration will be given to including policies, objectives and rules that enable provision of a range of housing forms that will meet the changing needs of the district community and may include:*
  - *Comprehensive medium density development lots to accommodate smaller housing units located close to amenities;*
  - *Provision for Alternative Housing – retirement villages, supported housing, boarding houses;*
  - *Provision for Minor Residential Units (Family flats) with occupancy restrictions removed.*
- g) *Considers options for the best future model to deliver the existing social housing portfolio (three units in Darfield) in consultation with the Malvern Community Board.*
- h) *Maintains a ‘watching brief’ on central government initiatives on social housing and is flexible in responding to changes that will potentially have a positive impact on social housing provision for the district.’*

## **1. PURPOSE**

The purpose of this report is to present information on social housing provision and demand to enable the Council to confirm the appropriate level of involvement in this activity and, depending on the outcome of this, to consider how it might support social housing provision in the district.

## **2. SIGNIFICANCE ASSESSMENT/COMPLIANCE STATEMENT**

The level of significance of the decision being sought is considered to be medium when assessed against Council’s Significance and Engagement Policy criteria, in particular:

- the magnitude of the overall benefits that will be achieved for the region, its communities and present and future interests.
- the magnitude of the net costs of the proposal or decision to the Council and / or to affected communities or groups.
- any impact on the Council’s capacity to undertake its statutory responsibilities.
- the extent to which the proposal or decision impacts upon community members or groups, and the numbers of people or groups affected.

### 3. HISTORY/BACKGROUND

During the recent 2018-28 Long Term Plan process a number of submissions were received requesting that Council considers investing in or providing social housing in the District. In response to these submissions Council agreed to have a report prepared on social housing that would guide future involvement in this activity. The action point and resolution in relation to this matter are recorded below:

**Action Point:** *Council will respond to Central Government's Affordable Housing initiatives as they evolve. A staff report will be requested on housing needs, which will include provision of opportunities in Selwyn with particular reference to partnerships including with Housing New Zealand.*

**Resolution:** *'That Council requests an investigative report from staff on housing needs provision in Selwyn to the Property Committee.'*

The matter was discussed at the Property Committee meeting of 5 September 2018 and the following action point was agreed:

*"Further to last month's request for a Social Housing report to come to the Property Committee meeting, it was agreed by members at the 5 September 2018 meeting that the report will go to a full Council meeting in November 2018 ahead of the 2019 Annual Plan."*

Presented in this section of the report is an investigation of social housing supply and needs in Selwyn District. This assessment and the information captured will provide a framework for defining the appropriate level of involvement in this activity.

#### **What is Social Housing?**

There are various definitions of 'social housing' but the common view is that it is: *"housing that is let at low rents on a secure basis to those who are most in need or struggling with their housing costs and is:*

- *affordable*
- *allocated on the basis of need*
- *owned and managed by central or local government or registered providers*
- *regulated"*

The government provides social housing via subsidised rental housing through state-owned housing managed by Housing New Zealand and also through around 40 community housing organisations such as churches, iwi and housing trusts. These agencies have to register with the Community Housing Regulatory Authority and meet the required standards.

The Government has put in place programmes to assist with affordability of social housing. **Income Related Rent (IRR)** is rent which is subsidised by the government in order to make accommodation more affordable generally for beneficiaries on low incomes. IRR is calculated based on a renter's income and that of the people living in the house to be / being rented. The Ministry of Social Development works out, with the renter, how much rent the renter can afford to pay. The government, through The Ministry of Social Development, then pays the rent directly to the community housing provider. To qualify for the IRR, community housing providers have to be registered with the Community Housing Registration Authority (part of Ministry for Business, Innovation and Employment).

Non – beneficiaries may also be eligible for financial assistance in relation to any rental arrangement, and this is referred to as the **Accommodation Supplement**. It is the renter who makes this application to Ministry of Social Development and it is effectively a “top-up” between what the renter can afford to pay and the rental charged.

Many local councils operate their own rental housing, some of which they subsidise. Wellington City Council, for example, provides around 8 percent of all residential rental properties in the city. Local council social housing is separate from the system of central government funding for Housing NZ and community housing providers.

Where Councils are involved in social housing they often aim to provide for housing needs that aren't met by the other main social housing providers such as Housing NZ. For example, while Housing NZ provides mainly two and three-bedroom accommodation, Wellington City Council provides mainly bedsits and one-bedroom flats, and therefore most tenants are single people and couples without children.

This situation arose from earlier Government programmes whereby an informal agreement between central and local government endorsed local government's role as the principal provider of housing for low-income older people but with government acting as the funder through a mix of low interest loans and grants. This understanding came to an end with the major shift in government policy in the early 1990s to treating housing (and funding for local authority owned housing) as a market based service, with social needs to be addressed through income support policies. The impact on local government was to break down long held understandings and throw open, authority by authority, the question of whether it should continue to be involved in housing and, if so, on what basis.

A key difference now in social housing provided directly by Councils is that its tenants are not eligible for the Income Related Rent Subsidy (IRRS) whereas those living in social housing provided by central government or registered providers can receive IRRS. Local Government NZ has identified this issue in their Housing 2030 initiative and will “*advocate to the Government for council access to Income Related Rent Subsidies (IRR) based on a detailed business case.*”

**‘Social housing’** should not be confused with **‘affordable housing’** which is associated with the provision of housing stock at a level that is affordable for first home buyers or for rental accommodation. However the two are intrinsically linked in that the lack of supply of affordable housing is related to an increase in demand for social housing. There are a number of measures that track affordability typically using household-level data to compare the income after housing costs. Determining affordability depends on each household's circumstances and expectations of what qualifies as a socially acceptable standard of living.

### **The National Housing Situation**

The document **‘A Stocktake of New Zealand Housing (February 2018)’** was commissioned by the Government to gain an understanding of the extent of problems facing the provision of housing in New Zealand. This report notes the following issues:

- The response to homelessness has been inadequate and, even with the introduction of the Emergency Housing Special Needs Grant (EHSNG) in 2017, the numbers of households categorised as Priority A on the social housing waiting list and living in insecure housing almost doubled.

- Home ownership rates have fallen to the lowest levels in 60 years. House price inflation over the past five years has been around 30% across New Zealand overall while incomes have risen by about half this rate. These increases have had impacts on the ability of first-home buyers to enter the market and have caused rents to rise faster than incomes. Housing affordability is particularly a problem for first-home buyers and for tenants in the main cities, the towns and communities around these and resort towns. Current housing assistance programmes, like the Accommodation Supplement, are doing little to relieve these affordability problems.
- Lack of housing supply is exacerbated by infrastructure funding constraints noting that the bigger existing and future constraints are around the funding and provision of urban infrastructure to support new house building and it is uncertain whether local Councils and their ratepayers can continue to borrow to fund these assets.
- The private rental housing market appears to be under considerable supply side pressure on account of high house construction costs, high house prices and low yields. Stress is evident in rents rising faster than wages and salaries, declining turnover of tenancies and rising levels of homelessness and housing related poverty.
- Housing policies have failed to address the housing problems of Māori and Pacific peoples. Rising housing costs have contributed to declining home ownership rates, greater housing instability, and Māori and Pacific peoples living in poor quality housing.
- Adjustments to the Accommodation Supplement (AS) programme are unlikely to offer much relief and cannot be seen as a medium-term solution. The supply side pressure in private rental housing markets suggests that much of this increase will be soaked up in even higher rents. If this is the case then the need for a radical review of the AS is likely.
- Private rental housing tends to be of poorer quality and the tenure of such housing is more tenuous than home ownership. The authors see a fundamental review of tenancy law, which provides greater security of tenure for tenants and encourages professional landlordism, as being an important and overdue social policy challenge.
- The falling rates of homeownership over the past 25 years is now feeding through into the housing options for retirees. The numbers of people receiving both New Zealand Superannuation and an Accommodation Supplement payment is growing by 2,000 per year. Previously most people retired with debt-free home ownership and with adequate provision of social housing to cater for those who had not achieved this. These conditions are long gone and increasing numbers of retired people will need to gain housing in the private rental market and, with limited income, will face increasing housing-related poverty.

In terms of social housing from a national perspective, the report outlines the situation noting that social housing can be divided into two broad groups in terms of how it is funded. The Ministry of Social Development (MSD) partially funds the majority of social housing units through its Income Related Rent Subsidy programme (IRRS). Some state housing, anomalously most Council-owned social housing and much of the Community Housing Provider (CHP) social housing stock are not directly funded by the Crown through IRRS. Estimates of the numbers involved in each of these categories in late 2017 are provided in the table below:

	Housing NZ	Local councils	NGOs & others	Total
Receiving IRR subsidies	58,500	0	4,800	63,300
Not receiving IRR subsidies	4,400 <sup>50</sup>	7,700	7,900	15,300
<b>Total</b>	<b>62,900</b>	<b>7,700</b>	<b>12,700</b>	<b>83,300</b>

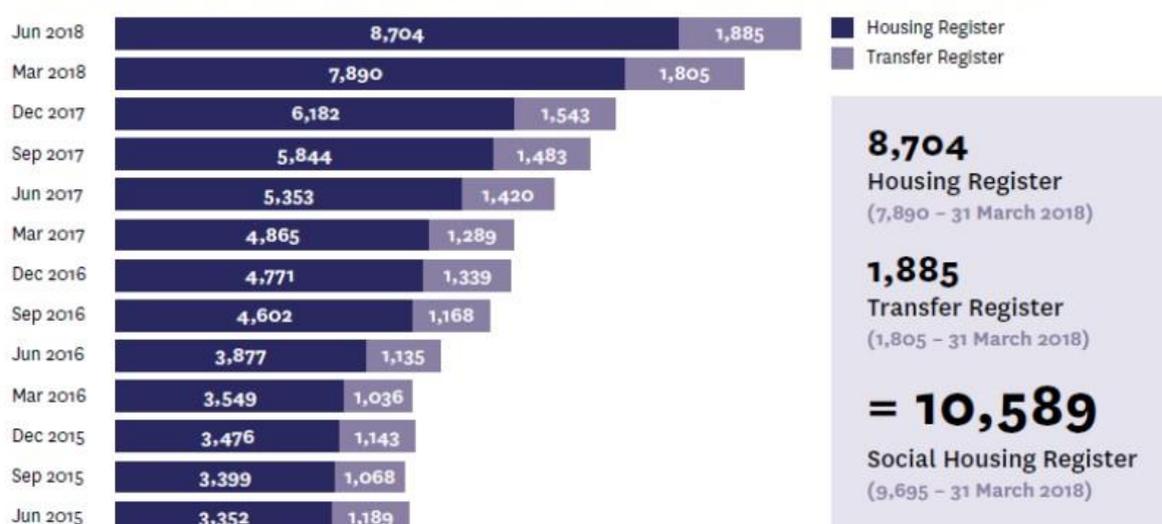
There has been a decline in the number of state houses in Crown ownership against a background of a growing national housing stock meaning that the share of this stock has fallen over the past decade. This decline is from an estimated 4.0% of the national housing stock in 2008 to 3.4% in 2017.

The numbers of social housing units in NGO ownership has grown rapidly over the past two years due to major transfers or sales. These include:

- The sale of 344 units by Hamilton City Council to Accessible Properties in March 2016.
- The transfer in April 2016 of 2800 units from Housing NZ to the Tamaki Regeneration Company, which is a joint venture between the Crown and Auckland Council.
- The long-term leasing of 2,250 units by Christchurch City Council to a Council owned entity – Ōtautahi Community Housing Trust in October 2016.
- The sale of 1,138 Housing New Zealand units in Tauranga to Accessible Properties in April 2017.
- The long-term leasing in July 2017 by Auckland Council of 1,452 units to a limited partnership venture with the Selwyn Foundation – the partnership is known as Haumaruru Housing.

A commonly accepted indicator of unmet demand for social housing need is the social housing waiting list or register, which is administered by MSD. The **'Housing Quarterly Report – June 2018 (MSD)'** indicates the continued increasing demand for social housing on a national basis as shown in the information below:

The Social Housing Register has grown by 9% this quarter, and is up 56% on the same time last year



From a regional perspective the following information is relevant:



**'Taking Stock - The Demand for Social Housing in New Zealand (2017)'** prepared by the Salvation Army provides some insights into the demand for social housing in New Zealand. This report notes that demand for social housing results from a complex interplay of factors and behaviours. The criteria identified that may underpin demand for social housing are:

- 1 The size of the population judged to be at risk of homelessness or poor housing outcomes.
- 2 The availability of other (non-social housing) options to this identified population.
- 3 The cost of these other options relative to the incomes of this population.

Estimating demand for social housing depends, in part, on the size of the population that might be judged as being at-risk of housing-related poverty, the depth and nature of their often unmet housing need, and the practical options available for addressing these needs.

This report defines the at-risk population as private sector tenants over 65 and receiving the Accommodation Supplement, as well as a core and probably stable group of around 150,000 people who are of working age and are long-term recipients of welfare benefits. The over-65-year-olds segment of this population is likely to be the more dynamic in terms of numbers because the number of over-65-year-olds will increase over the next 15 years at the pace of 26,000 to 28,000 per year and home ownership rates have fallen over time, which means that as the population ages, the aggregate rate of home ownership amongst over-65s will fall. In turn, this means the proportion of over-65s requiring social housing or income support to pay private rents is likely to increase.

The Housing and Urban Development Minister has emphasised the Government's commitment to addressing housing issues in New Zealand. At the **Housing Symposium** hosted by LGNZ in June 2018 the Minister outlined the following initiatives:

- Modernising and expanding public housing with an investment of \$4 billion to provide 6,400 houses;
- Reviewing the Residential Tenancies Act;
- The KiwiBuild programme to provide opportunities for access to affordable homes with 100,000 homes planned for first home buyers over a decade;
- Tackling the structural problems that have led to increased housing costs – planning, finance, infrastructure provision and an unproductive building sector;
- Mobilising capital to support local government provision of public housing (noting that much of the current housing provided by the local government sector was developed in the 1950s to 1970s under subsidised central government programmes).
- The potential for shared equity arrangements for people struggling to own houses.

The Housing and Urban Development Minister has released the '**2018 Public Housing Plan**'. This plan, which is managed by the Ministry of Social Development, provides Housing New Zealand and the housing sector with updated information about where, and how many, additional public housing places are planned over the next four years to June 2022. It is essentially the procurement statement for public housing provision.

The Government is aiming to secure around 6,400 additional public housing places - or 1,600 places per year on average across New Zealand between July 2018 and June 2022, bringing the total number of public housing places in New Zealand to 73,628 by June 2022.

As part of this increased supply, over the next four years Housing New Zealand will contribute on average 1,100 net additional state homes. The information below shows where the new housing will be provided and by which agencies.



More detailed information on where the additional houses are planned is set out in the Appendices to the '**2018 Public Housing Plan**'. The table below indicates that 10 additional public houses are being sought for Selwyn District and these are included in the committed 'pipeline' for Housing NZ (under the Christchurch City allocation). The HNZ pipeline reflects Housing NZ's four year plan for net additional places.

**Table 4:** Purchasing intentions for additional public housing IRRS places

Territorial authority	(A) Total net number of additional public housing places being sought by June 2022	(B) Total net pipeline as at 30 June - How many of these 6,400 additional public housing places are in the pipeline <sup>22</sup>			(C) Total net number of additional public housing places the Ministry is still seeking (above and beyond the pipeline) from either HNZ or CHPs, by number of bedrooms			
		HNZ	CHP	Total	1	2	3	4+
<b>AUCKLAND REGION</b>	<b>3,550</b>	<b>2,300</b>	<b>549</b>	<b>2,849</b>	<b>122</b>	<b>276</b>	<b>173</b>	<b>130</b>
Auckland	3,550	2,300	549	2,849	122	276	173	130
<b>BAY OF PLENTY REGION<sup>23</sup></b>	<b>275</b>	<b>190</b>	<b>60</b>	<b>250</b>	<b>37</b>	<b>21</b>	<b>21</b>	<b>1</b>
Kawerau District	10	0	0	0	5	0	5	0
Ōpōtiki District	5	0	0	0	5	0	0	0
Rotorua District	85	60	0	60	13	7	4	1
Tauranga City	105	100	60	160	0	0	0	0
Western Bay of Plenty District	30	0	0	0	10	10	10	0
Whakatāne District	40	30	0	30	4	4	2	0
<b>CANTERBURY REGION<sup>24</sup></b>	<b>480</b>	<b>675</b>	<b>214</b>	<b>889</b>	<b>21</b>	<b>11</b>	<b>4</b>	<b>4</b>
Ashburton District	5	5	0	5	0	0	0	0
Christchurch City	405	650 <sup>25</sup>	214	864	0	0	0	0
Hurunui District	0	0	0	0	0	0	0	0
Kaikōura District	0	0	0	0	0	0	0	0
Mackenzie District	0	0	0	0	0	0	0	0
<b>Selwyn District</b>	<b>10</b>	<b>0<sup>26</sup></b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Timaru District	25	5	0	5	8	4	4	4
Waimakariri District	25	15	0	15	8	2	0	0
Waimate District	0	0	0	0	0	0	0	0
Waitaki District	10	0	0	0	5	5	0	0

The '**2018 Public Housing Plan**' also outlines other housing related programmes that are being delivered including:

- Transitional Housing - contracted short-term housing provided by the Ministry for people who urgently need a place to stay.
- Housing First – a programme to house and support people who have been homeless for a long time and have multiple and complex issues.
- Emergency Housing Special Needs Grant - to cover the cost of emergency accommodation for people with an urgent housing need.

The plan also sets out the Housing Support Products that are available. These include:

- Bond Grant
- Letting Fees Assistance
- Rent in Advance
- Moving Assistance
- Tenancy Costs Cover
- Transition to Alternative Housing Grant
- Statement of Satisfactory Tenancy

Local Government NZ (LGNZ) has initiated the '**Housing 2030 Project**' which acknowledges unaffordable housing is having a negative impact on local economies, discretionary household expenditure and social well-being. The Housing 2030 Project is based on three priority areas:

- 1 supply;
- 2 social and community housing; and
- 3 healthy homes.

In regard to social housing the following actions are identified:

- 1 Advocate to the Government for council access to Income Related Rent Subsidies (IRRS) based on a detailed business case.
- 2 Research alternative social housing options to develop guidance on the outcomes.
- 3 Work with MSD and councils to Identify and distribute information on effective strategies for addressing homelessness and emergency housing.

### ***National Housing Affordability***

Housing affordability is linked to demand for social housing in that, as houses have become less affordable, more people are likely to encounter housing problems and more are forced into seeking accommodation support which may include a need for social housing.

Massey University produces a quarterly report on housing affordability – ***Home Affordability Report***. The latest report for September 2018 shows the following:

- Nationwide, median sales price shows a 3.4% decrease this quarter – contributing to a quarterly improvement in national affordability of 4.4%
- National House price to income ratios are contracting with house prices moving from 9.1 to 8.8 times annual wages.

- In absolute home affordability index point terms, Southland (10.3 index points), Taranaki (12.8 index points), Manawatu/ Whanganui (14.3 index points), Otago (16.4 index points) and Canterbury/Westland (18.0 index points) are the top five country's regions for home affordability.
- Central Otago Lakes and Auckland/Thames/Coromandel remain the least affordable regions in the country, 50% and 46% respectively less affordable than the rest of New Zealand.
- There has been an improvement in home affordability in the Canterbury/Westland Region as shown in the table below extracted from the **Home Affordability Report**.

HOME AFFORDABILITY INDEX				PERCENTAGE CHANGE IN HOME AFFORDABILITY IN THE LAST 12 MONTHS		PERCENTAGE CHANGE IN HOME AFFORDABILITY IN THE LAST 3 MONTHS	
Region	August 2017	May 2018	August 2018	Improvement	Decline	Improvement	Decline
Northland	20.2	22.6	21.2		4.5%	6.5%	
Auckland	35.1	34.1	33.3	5.0%		2.3%	
Waikato/Bay of Plenty	23.3	23.2	23.3	0.1%			0.3%
Hawke's Bay	18.5	18.0	18.1	2.2%			0.8%
Taranaki	13.5	13.5	12.8	4.9%		4.9%	
Manawatu/Whanganui	13.4	14.2	14.3		6.8%		0.9%
Wellington	20.1	21.9	22.3		11.4%		2.2%
Nelson/Marlborough	23.6	23.2	25.1		6.5%		8.5%
Canterbury/Westland	18.9	18.5	18.0	4.6%		2.5%	
Otago	15.5	16.3	16.4		5.8%		0.4%
Central Otago Lakes	39.2	36.1	34.3	12.5%		5.0%	
Southland	11.5	10.9	10.3	10.5%		5.8%	
New Zealand	23.3	23.9	22.8	2.1%		4.4%	

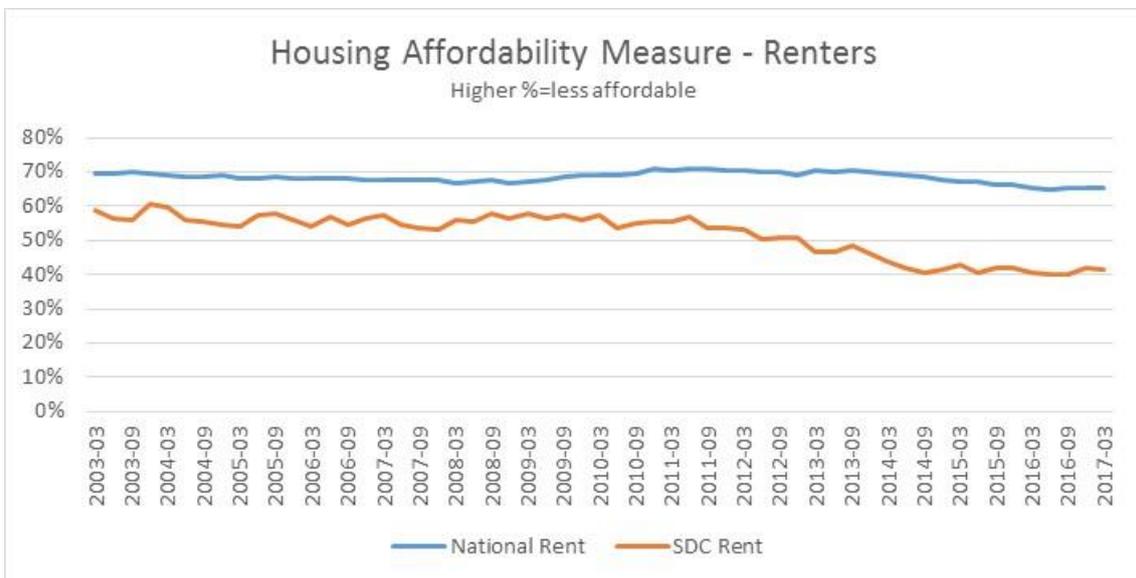
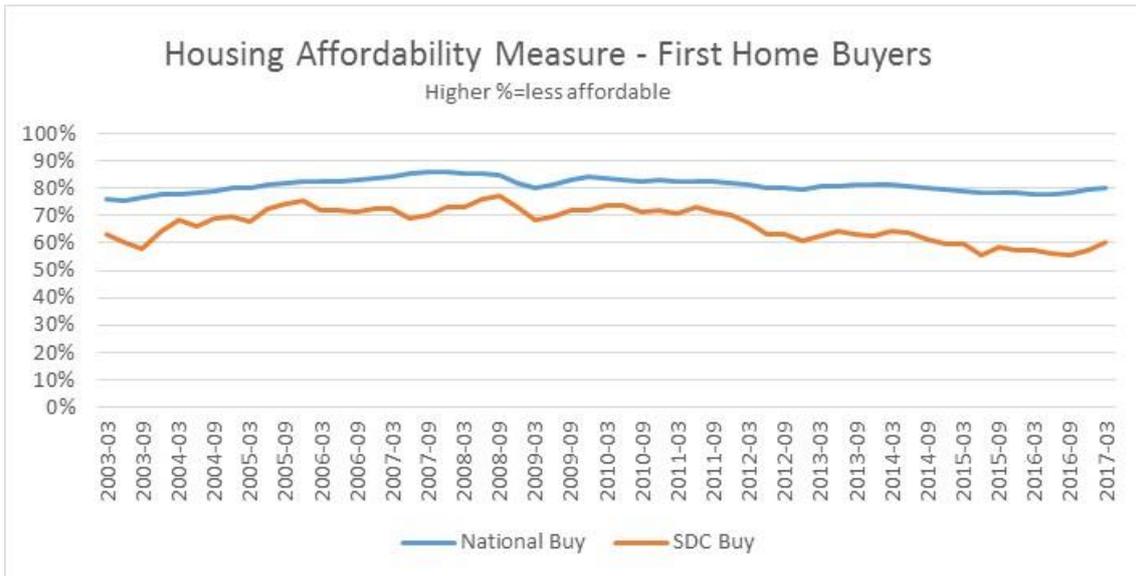
## **The Housing Situation in Selwyn District**

In assessing the overall situation for housing in Selwyn District it is useful to consider the general landscape of provision and affordability. This helps to provide a framework for gauging the need for social housing.

### ***Housing affordability***

There are a number of housing affordability measures that can be used and two of these are discussed below.

The **Housing Affordability Measure (HAM)** developed by MBIE uses household-level data to compare the income after housing costs of renters and potential first home buyers to income after housing costs for the average New Zealand household. The following two figures show the level of affordability in Selwyn compared with the national average. This indicates that the affordability for renters and first home buyers in Selwyn is better than the national average. This is probably related to relatively high household incomes and a good supply of housing at a cost (renting and buying) that is less than other main centre markets (e.g. Auckland and Wellington).



The Selwyn District Annual Economic Profile 2017 (Infometrics) estimated a housing affordability index which is the ratio of the average current house value to annual average earnings measured in the Linked Employer Employee Data. A higher ratio therefore indicates lower housing affordability. The housing affordability index in Selwyn District was 9.3 in the year to March 2017, which was lower than New Zealand's index of 10.6 meaning that housing is more affordable in Selwyn District than in New Zealand overall.

Although this information points to a higher level of affordability in the District compared with the national situation there will still be requirements for lower cost housing for certain sectors such as for key worker accommodation. These people are on lower wages and cannot afford to reside close to their employment locations.

**Private Sector Response to Housing Needs in Selwyn District**

The private sector has been active in providing a range of housing opportunities in Selwyn District over recent times and has specifically identified demand for older persons housing. This is demonstrated with the following developments that are now operating, under construction or proposed:

- Woodcroft Estate Residential Lifestyle Village, Rolleston (78 retirement villas for over 55s) provided by The Manor Group
- Mary Brittan Lifestyle Village in Lowes Rd, Rolleston (48 retirement units for over 55s) by Mike Greer Commercial
- Rolleston Boulevard Retirement Village in Dunns Crossing Rd, Rolleston (59 villas, 78 bed aged care home, 40 apartments) by The Boulevard Ltd.
- Bupa Care Services Ltd Retirement Village in Prebbleton off Tosswill Rd (to be developed)
- Barton Fields Lifestyle Villas in Lincoln (66 unit over 55s lifestyle development)
- James Street Lifestyle Village in Lincoln (41 units – older development)

There is also Westmar Senior Care Centre in Kimberley Rd, Darfield which is a rest home registered with the DHB (29 rest home care beds).

In addition there has been a number of initiatives to create more affordable housing options. More recent subdivision developments provide for pockets of medium density housing that is generally of a smaller scale and lower cost than traditional housing and may be occupied by retirees or those on fixed incomes or managed as lower cost rentals.

The Housing Accord and Special Housing Areas Act (the Act) was introduced in 2013. The purpose of the legislation is to enhance housing affordability by facilitating an increase in land and housing supply in certain regions or districts listed in Schedule 1 of the Act, that have been identified as having housing supply and affordability issues. Selwyn District was added to Schedule 1 of the Act in 2015.

Selwyn District Council signed a Housing Accord with the Government in December of 2015. The areas approved for Housing Accord developments are:

- South Faringdon
- The Dryden Trust block /Dean Geddes block (now known as Rolleston 72 or Acland Park)

The housing affordability criteria is defined in the Selwyn Housing Accord and Special Housing Areas and Qualifying Development Policy:

- 10% of the total potential yield of the Qualifying Development (QD) is affordable housing.
- If a development has stages, each stage must have 10% affordable housing.
- Affordable housing is the sale price of the allotment at the date the consent is applied for being not more than 75% of the REINZ median value for house sales within Rolleston Township of the Selwyn District for the preceding July, August, and September combined.

South Faringdon is now fully developed and development of Rolleston 72/Acland Park is in progress.

There has also been an increasing number of consents for ‘family flats’ which are smaller second dwellings on sites inhabited by a family member. Information prepared for the District Plan review indicates around 126 consents were processed for this type of development from 2013 to 2017 (refer table below). This accommodation type may be catering for the housing needs of dependent or elderly family members.

RURAL ZONE			LIVING ZONE	
Inner Plains	Outer Plains	Other (EDA or Hills)	Living 1	Living 2
51	27	2	24	12
Total Building Consents in Rural Zone – 80			Total Building Consents in Living Zone – 36	

### **Social Housing Providers in Selwyn District**

The following organizations' are understood to be registered community housing providers operating in the Canterbury Region (a total of 588 housing places at 31 March 2018): The Salvation Army, Comcare Charitable Trust, Christchurch Methodist Central Mission, Accessible Properties New Zealand Limited, Emerge Aotearoa Housing Trust, Link People Ltd, Vision West Community Trust and Otautahi Community Housing Trust. It is noted that registered community housing providers can apply for government funding to help build new housing.

One of the larger providers operating in the region is Comcare Charitable Trust which specializes in housing single people, either in group situations in 2, 3 or 4 bed-roomed homes, or in single bedroom flats in small complexes situated around Christchurch. Comcare owns a large property portfolio and leases a number of other houses and flats to complete its available housing stock. Comcare has embarked on a building programme in partnership with the Social Housing Unit of MBIE and The Canterbury Community Trust with a programme focused on single person flats,

Otautahi Community Housing Trust was established by Christchurch City Council in 2016 to take over the day-to-day management of its social housing portfolio of approximately 2,300 social housing units. The Trust has committed to deliver a minimum of 50 and up to 119 new houses a year in Christchurch, working with strategic partners to deliver new supply.

In terms of social housing provision in Selwyn District the following agencies are supplying a service:

- Selwyn District Council provides a small pool of social housing with 3 older persons houses in North Terrace, Darfield. These have historically been provided at below-market rents. The Council has also provided a house in Hororata at below-market rent to a Trust that looks after disadvantaged children. All other Council supplied housing has been provided on the basis of assessed market rentals and would not meet the criteria for social housing.
- Housing New Zealand Corporation (HNZC) have a small number of rental houses for families in Lincoln, Leeston and Darfield which is more than 20 years old. The nearest HNZC office is in Hornby, Christchurch. The HNZC report '**Managed Housing New Zealand Rental Properties by Territorial Local Authority (30 June 2018)**' indicates the following housing provision in Selwyn District:

TLA	Number of Bedrooms						Total
	Bedsit	1	2	3	4	5+	
Selwyn District	-	-	3	5	1	-	9

- Haunui Trust has 14 independent living ownership units for older people in Darfield provided on a licence to occupy basis. This is a well-established local 'Not-For-Profit Trust' which fundraised to build the first units on land donated by the former Malvern County. A matron supports day to day independent living and volunteers also support residents. They operate a waiting list.

- St David’s Church parish committee manages 8 independent living units for older people in Leeston. Units remain the property of purchasers or their estate but St David’s ensures they are sold on at a not-for-profit price. There is a monthly fee for costs and telephone and electricity are additional costs. Owners are responsible for indoor maintenance.
- Abbeyfield Ellesmere recently (February 2018) opened a house in Leeston containing 14 studio units. It is available for single or widowed people over 65 years who no longer want to live on their own but are able to care for their personal needs independently. Residents pay a weekly charge that covers the room, meals and the housekeeping services. The house is currently fully occupied and has a waiting list.
- The Housing Foundation NZ (HFNZ) is a not-for-profit, charitable trust delivering affordable housing for low income households. HFNZ provides options for getting people into new homes and helping them manage their finances so that, over time, they can become independent home owners. HFNZ has provided three houses in a new subdivision in Rolleston for this purpose.
- Two Rivers Community Trust have aspirational goals around providing or managing social housing in the Malvern District and are in discussions with potential partners to purchase and manage some social housing. They provide ‘wrap around’ services for some social housing tenants.
- The St John of God Health Care, Rolleston facility supports people living with a disability to live an independent life. There are two dwellings on the site supporting a total of 12 residents.

Overall this signals that there is a relatively low level of social housing options available for District residents. It is noted that the larger Community Housing Providers (e.g. Comcare) are currently not operating in Selwyn District.

The Salvation Army investigated the potential to provide some social housing in the District via conversion of motel units but this proved to be too difficult from a consenting and cost perspective.

Staff contacted the **Ōtautahi Community Housing Trust** which is the largest provider of social housing in the region to understand their perspective on demand, delivery requirements and opportunities. From this discussion the following information is of relevance:

- Ōtautahi Community Housing Trust has an aspiration to improve the current housing stock. They have a spot contract to deliver 119 IRRS tenancies per year and are looking at a capacity contract for additional supply.
- They concurred that the Housing Register it is not an accurate estimator of demand and, the fact that Selwyn District has minimal social housing provision, means that there is no point in registering for houses that are not available. If there were houses available more would register for Selwyn District.
- They are aware of people from Selwyn District looking for community housing accommodation in Christchurch City but are uncertain of the quantum.
- From their perspective and understanding of demand in the region it is clear that in Selwyn District the primary demand will be from the elderly and this is the sector that the Council should focus on.

- They outlined the capacity and capabilities of the Ōtautahi Community Housing Trust and emphasized the need to have social housing delivered by an agency that is focused on this activity and have the expertise, knowledge and links with support services to deliver it successfully.
- Ōtautahi Community Housing Trust is very focused on removing the stigma attached to social housing and has been working from an operational and development viewpoint to achieve this objective. Measures include discreet infill of social housing (as opposed to large multi-unit complexes), ‘blind tenure’ where housing blends in with the surrounding residences, ‘placement fit’ to ensure the right people are matched with the right location, and providing exceptional tenancy management services.
- They noted that the Ōtautahi Community Housing Trust Board is very focused on development and may be open to considering opportunities outside of the Christchurch City environs.

### **Current Demand for Social Housing in Selwyn District**

As stated previously assessing the demand for social housing is complex and involves an interplay of factors and behaviours including the number at risk of homelessness or poor housing outcomes and availability/affordability of non-social housing options.

The **Housing Register** administered by the Ministry of Social Development (MSD) provides an indication of those in the community that are in need of social housing. The Housing Register includes applicants assessed as eligible for social housing who are ready to be matched to a suitable property. The register also identified priorities of need:

**Priority A** - People who are considered ‘at risk’ and includes households with a severe and persistent housing need that must be addressed immediately. The household is unable to access and/or sustain suitable, adequate and affordable alternative housing.

**Priority B** - People who have a ‘serious housing need’ and includes households with a significant and persistent need. The household is unable to access and/or sustain suitable, adequate and affordable alternative housing.

Information extracted from the **Housing Register** as at June 2018 indicates the following situation for Selwyn District (alongside comparisons with some other nearby TLAs):

#### **Housing Register, by Territorial Authority (TA) and priority - June 2018**

TA	Housing Priority		Total
	A	B	
Ashburton District	S	S	11
Christchurch City	399	180	579
Grey District	12	10	22
Hurunui District	S	S	S
Kaikoura District	S	0	S
<b>Selwyn District</b>	<b>6</b>	<b>9</b>	<b>15</b>
Timaru District	23	13	36
Waimakariri District	23	12	35
Westland District	S	S	8
<b>NZ Total</b>	<b>6,435</b>	<b>2,269</b>	<b>8,704</b>

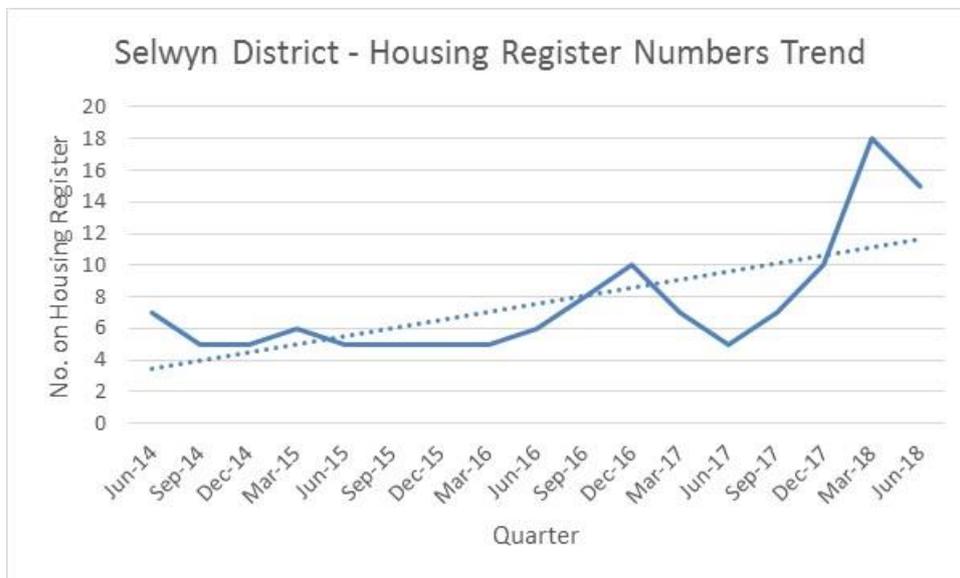
An 'S' denotes data of a small volume

## Housing Register, by Territorial Authority (TA) and bedrooms required - June 2018

TA	Bedrooms required						Total
	1	2	3	4	5+	Unknown	
Ashburton District	S	S	0	S	0	0	11
Christchurch City	375	142	40	S	S	0	579
Grey District	13	S	S	S	0	0	22
Hurunui District	S	S	0	S	0	0	S
Kaikoura District	S	0	0	0	0	0	S
<b>Selwyn District</b>	<b>7</b>	<b>6</b>	<b>S</b>	<b>S</b>	<b>0</b>	<b>0</b>	<b>15</b>
Timaru District	25	S	0	S	0	0	36
Waimakariri District	25	6	S	S	0	0	35
Westland District	S	S	S	0	0	0	8
<b>NZ Total</b>	<b>3,812</b>	<b>3,018</b>	<b>1,236</b>	<b>498</b>	<b>134</b>	<b>6</b>	<b>8,704</b>

An 'S' denotes data of a small volume

The following graph (using data extracted from MSD Quarterly Reports) indicates the trend in relation to people in Selwyn District on the Housing Register from June 2014 to June 2018:



In viewing the information on the Housing Register for Selwyn District the following can be inferred:

- There is a relatively low number of people identified as eligible for social housing but this has increased over the last 4 years;
- The numbers on the register may not indicate demand partly because it is known that there are few social housing options available in the district;
- The demand for one or two bedroom accommodation suggests that these are more likely to be single or couples or singles with one or two dependents. The demographic information available shows that, nationally, the most common age group of Register applicants is 25–39 years old followed by 40–54 years old.

The proportion of residents receiving a benefit may also be an indicator for social housing demand. The information below sourced from Infometrics (2017 Report) shows that there is a relatively low number of people needing benefit support (819 or around 1.4% of the population).

Benefit type	Selwyn District		New Zealand	
	beneficiaries	% of total	beneficiaries	% of total
Jobseeker Support	297	36%	120,989	43%
Supported Living	313	38%	93,256	33%
Sole Parent Support	208	25%	64,179	23%
Total	819	100%	278,424	100%

The table below is taken from *'Taking Stock - The Demand for Social Housing in New Zealand (2017)'* prepared by the Salvation Army and attempts to provide relative indicators for social housing demand by region. It is noted that the assessment for Canterbury based on the factors does not signal a high demand compared with other parts of the country.

	Size of at risk population	Availability of other housing options	Affordability of other options for at risk population
Northland	very high	modest	modest
Auckland	average	very poor	very poor
Waikato	average	poor	modest
Bay of Plenty	high	average	average
Gisborne	very high	good	good
Hawkes Bay	high	very good	modest
Taranaki	average	very good	good
Manawatu-Wanganui	high	good	very good
Wellington	low	average	poor
Tasman	average	modest	good
Nelson	average	modest	good
Marlborough	average	modest	good
West Coast	high	very good	very good
Canterbury	low	good	average
Otago	low	good	good
Southland	low	very good	very good

There is no specific assessment for Selwyn District but the following general comments can be made:

- The size of the at-risk population is low (but increasing);
- There are a variety of non-social housing options available (as noted above in terms of private sector life style developments, lower cost housing and more affordable options);
- The current options for social or community housing are limited;
- The affordability for renters and first home buyers in Selwyn is generally better than the national average (based on HAM assessment).

### ***Local Social Service Providers Views on Housing Needs in Selwyn District***

A number of social service providers in the District were contacted to ascertain their views on the need for social housing in the district. The findings are discussed below.

The **Central Selwyn Community Care Trust** who provide support services for the elderly stated that most of the elderly people live in their own homes (prior to moving into rest home care) and there did not appear to be an issue with affordable housing availability for them.

**Lincoln Community Care** have a Partnership Community Worker (PCW) who works with disadvantaged people in the community. The PCW noted that there was a shortage of cheaper housing units to rent in the district for single people (one bedroom units). Typically these people often did not want to leave their communities but were forced to because of a lack of suitable affordable housing. The Lincoln Community Care regularly have people contacting them looking for housing and have three people at the moment looking for cheaper rental accommodation as the current situation was unaffordable.

The **Malvern Community Hub** (part of the Two Rivers Community Trust) provides support services to people in need in the Malvern area. They note the following main areas of need in terms of housing:

- Emergency housing for people that are in desperate need of housing (often single people who cannot find accommodation).
- Families under significant financial pressure who, for one reason or another, have been “tipped over the edge”. These people often present with food requests because they do not have enough income to cover everything and are looking for more affordable accommodation.
- Elderly single people (often women) who cannot look after or afford a three bedroom home and need smaller and less costly accommodation. Darfield has a larger proportion of older people than the rest of Selwyn District and the problem there is more pronounced. These people want to stay in their communities but there are currently few options for them in terms of one or two bedroom houses.

In terms of solutions they would like to see the Council become more proactive in helping with social housing provision. This particularly relates to bringing various interested groups together to discuss and work through issues. They would also like to see a relaxation of rules to enable infill housing and family flats. They noted that the Catholic Church has land next to the church in Darfield that was earmarked for social housing but this has not progressed at this point. This could be a future option for a collaborative development.

The Officer in Charge of the **Salvation Army in Rolleston** has provided an interesting insight into the housing needs in the District. The Salvation Army works closely with the various social service providers in the District and has a good understanding of housing issues particularly through their contact with the Malvern Hub/Two Rivers Trust. Comments and insights were as follows:

- The housing landscape in the district is interesting and somewhat unique in that there are few options for people wanting smaller and cheaper homes (a proliferation of 3 to 4 plus bedroom homes is the norm in towns). There is a need for single and two bedroom accommodation to fill this housing gap.

- It is very difficult to quantify the need for social housing in the district as it is a very complex area. They refer people in need to the Housing Register but there are barriers to this in terms of needing to go to Hornby to register and meeting requirements for the register. This means it does not present an accurate picture of demand and it is mostly a guess in Selwyn District.
- Anecdotally they are aware of situations where people are living in difficult housing circumstances such as multiple families squeezing into a single home, and where sheds/garages have been converted into bedrooms. They also believe that some of the people seeking assistance for food may be doing so because they have little income left after paying housing costs.

In terms of solutions to housing needs the Officer in Charge of the Salvation Army in Rolleston made the following observations/suggestions:

- Data on the quantum of social housing need is required to fully understand the demand situation and to support business cases for provision. This includes identifying how much is needed and where. Proposed well-being surveys for each ward could include questions on housing needs to capture this information.
- Social housing is very hard to deliver and needs the support services to be effective and Councils are not equipped as providers.
- There needs to be incentives for developers to provide the smaller (one/two bedroom) houses in residential developments.
- Handing out grants or subsidies is not the answer but facilitation through other means is of more long term benefit.
- The Council should focus on making it as easy as possible for Community Housing Providers, Trusts, developers and other agencies to establish social housing services in the district.
- A joint forum/working party with Council and social service agencies, community housing providers' representation should be established to identify issues and work collaboratively on solutions.

### ***Future Demand for Social Housing in Selwyn District***

In assessing the future demand for social housing in the District it is useful to consider and make assumptions in relation to key influencing factors:

- The size of the at-risk population is likely to remain low but will increase as a proportion of the total population as a result of the aging population and falling home ownership rates.
- There will continue to be a healthy supply of housing to meet population growth needs (the Draft Greater Christchurch Settlement Pattern Update – Our Place 2018 -2048 provides for an additional 17,290 dwellings over the 30 year period in Selwyn District) and a portion of this will be at an affordable level (via government supported programmes e.g. KiwiBuild, private sector initiatives e.g. Lifestyle Villages and medium density housing developments).
- Community housing providers will continue to operate in the District and may increase their housing stock in response to demand.
- The District will continue to grow in terms of population and economy and the level of people requiring income support will remain relatively low.

- Trends such as the declining real value of the Accommodation Supplement and associated housing-related hardship payments is likely to continue with recipients facing increased pressure to afford suitable housing. On average, Accommodation Supplement recipients are now spending 50% of their income on housing.

In terms of who is likely to need social housing the following points are relevant to Selwyn District:

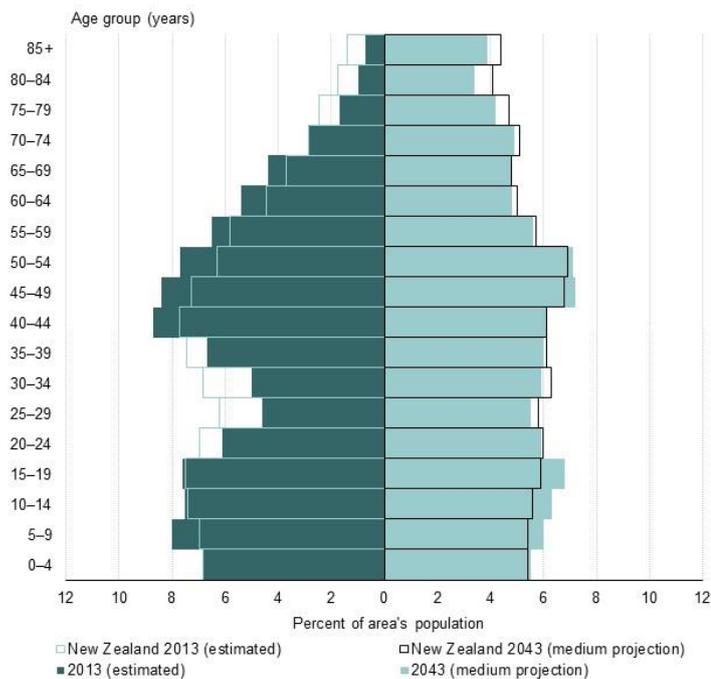
- The number of at risk and vulnerable young people is likely to increase as urban populations expand. These people require active management and support from a range of education, health, welfare and justice services. Most service providers point to housing problems for these young people where the main barriers are affordability, lack of knowledge about accommodation options and they are viewed as a poor risk by landlords.
- There will be an on-going need for accessible, safe, warm housing that works well for all life stages for people with impaired mobility or living with disabilities.
- The majority of social housing provided in New Zealand is for older people and with an ageing population that will increase. In greater Christchurch the share of households with 65 plus age group will increase from 24% to 35% by 2048.
- Currently Selwyn District has a slightly higher proportion (22.0%) of young people (0-14) than the country as a whole (19.5%) and a significantly lower proportion (11.6%) of people 65 years and older compared with New Zealand (15.1%). This is shown in the figure below taken from the Infometrics Report (June 2017).



- Overall the dependency ratio in Selwyn District (50.5%) is lower than in the national economy (52.8%). The dependency ratio expresses the number of persons outside of the working age as a proportion of the number of persons of working age (15 to 64 years).
- The share of affordable housing will need to increase as shown below in the extract from the Draft Greater Christchurch Settlement Pattern Update – Our Space 2018 -2048.

**Share of all new households that will need housing under \$350,000 to buy or \$200/week to rent to be affordable**  
62% of new housing in the City, 35% in Selwyn and 58% in Waimakariri

- It is likely that the numbers of older people renting will increase significantly over time as a result of lower levels of home ownership and an aging population. The graph below depicting the age pyramid for Selwyn District (from Statistics NZ Local Population Trends) shows a significant increase over time of those in the 65 plus age group – from 11% of the population to 21% by 2043.



In reflecting on this information it is likely that the primary demand for social housing in the district will come from the older persons sector and that this demand will increase over time. There is also likely to be some demand from other sectors in the community including people with disabilities and families under financial pressure.

The Draft Greater Christchurch Settlement Pattern Update – Our Space 2018 -2048 notes in relation to meeting housing needs and preferences for current and future residents: *‘In comparison to other New Zealand cities, the cost of housing in Greater Christchurch is relatively affordable, however the provision of social and affordable housing will become an increasingly critical issue. Enabling higher density housing developments at different price points will be vital to meeting the projected increase in demand for smaller, more affordable dwellings. District plan provisions play an important role in helping to deliver a broad range of housing types, while other targeted programmes by constituent partner councils aim to support the development sector in delivering higher density housing to the market. Public sector investment can also play a role in boosting the attraction of areas for such developments, especially in the Central City, key activity centres and district town centres.’*

The report to the District Plan Review Committee related to the topic on ‘Alternative Housing’ noted that: *‘The housing needs of the District’s communities are changing in accordance with changing demographic profiles and household structures, as well as economic capacity. There is a need for the District’s housing stock to be more responsive to changing household formation and to offer more choice. In particular, population projections provide strong signals that the District’s currently aging population will continue to expand relative to other age groups over the coming 30 years and as such the District will contain a large retired sector and planning for housing needs to recognise this. This includes housing which is adaptable to the needs of residents as they change over time, as well as the location of such housing, such that this segment of the population remain connected to the communities in which they may have spent most of their lives.’*

### ***Housing NZs View on Demand for Social Housing in Selwyn District***

Information provided by Housing NZ noted the following points in regard to provision and planning for Selwyn District.

The Ministry of Social Development (MSD) dictates the plan for public housing. MSDs Public Housing Plan 2018 calls for growth of 10 homes in Selwyn district over the next 4 years. Growth in public housing supply beyond those levels will need to be considered on a case-by-case basis.

MSD are constantly monitoring the social housing register (17 applicants in Selwyn at August 2018, out of 8,704 nationally) and will adjust their Public Housing Plan & priorities should demand drivers change. The MSD housing register is the baseline data used to determine demand but, in the case of Selwyn District, it is likely that, because there is only a limited supply of social housing available, potential applicants may not register. Therefore the level of demand may be higher than formally recorded.

Housing NZ does view Rolleston as an important growth satellite for Christchurch. However at this point in time, and until MSD confirms the timing of procurement for public housing in the District, there are no specific programmes that Council can assist with.

### **Selwyn District Council's Role in Social Housing**

The following section sets out to define the role Council could play in provision of social housing.

#### ***Local Government Sector's Typical Approach to Social Housing***

New Zealand's local government sector has traditionally taken the stance that core social assistance spending is a responsibility of the taxpayer, not the ratepayer. This has meant that local government has typically not viewed social housing as a local authority function.

In contrast, local government has seen its primary role as that of providing services to property, including services which can be seen as locality based – such as sports, recreation and cultural facilities – and local public or merit goods.

This has not stopped local government from acting as advocate on behalf of its communities, or entering into partnership with central government or other agencies to deal with particularly pressing problems of housing need.

Even those local authorities which have had a relatively substantial involvement in housing provision, have traditionally done so on the basis that their housing activities should, as a minimum, be at no cost to the ratepayer.

Selwyn District Council's historical position on social housing reflects the broader view of the Local Government sector whereby it is not considered to be a core service and Council has had no desire to invest in this activity beyond the legacy housing units transferred from the former Malvern County at the time of amalgamation in 1989.

#### ***LGA Context***

LGA reform saw references to the broad role around social, economic, cultural and environmental well-being replaced by councils' role being defined as the provision of 'good quality local infrastructure, public services and regulatory functions at the least possible cost to households and business'. Important words in the new purpose statement are 'local' to differentiate from services better provided by central government and 'public' to clarify that councils should not try to replace services provided by the private sector.

Section 11A of the LGA defines the core services that a local authority must have particular regard to in performing its role. These are:

- network infrastructure;
- public transport service;
- solid waste collection and disposal;
- the avoidance or mitigation of natural hazards;
- libraries, museums, reserves, and other recreational facilities and community amenities.

Provision of social housing is not identified as a core service for local authorities but this does not preclude involvement in this activity.

Section 14 – Principles relating to local authorities and specifically clause (1) (h) states that: *in taking a sustainable development approach, a local authority should take into account the social, economic, and cultural interests of people and communities.*

This clause emphasises the need for local authorities to take account of the community’s social interests that could include social housing.

Under section 93 of the LGA a purpose of the Long Term Plan is to describe the activities of the local authority and describe the community outcomes of the local authority’s district or region. If Council was to play an active part in provision of social housing it would be expected that this would be identified in the community outcomes section of the Long Term Plan.

The Council’s Community Outcomes as described in the Long Term Plan 2018-2028 records, under the ‘Social’ area, the outcome ‘a healthy community’. (Refer extract below). This indicates that Council sees it itself as having an **advocacy** role in ensuring social services are accessible to residents (rather than a direct provider).

Key community outcomes	The Council will <i>(the Council's role is in bold)</i>
<b>Social</b>	
<b>A healthy community</b>	
We have appropriate health, social and community services & they are accessible to all residents of the district.	<b>Advocate</b> to ensure appropriate health and social services are accessible to Selwyn residents.

### ***Selwyn District Plan Review***

The Council has regulatory responsibilities under the RMA as expressed through the Selwyn District Plan. The review process for the District Plan provides an opportunity to examine the regulatory framework relevant to social housing provision and affordable housing outcomes. In the work undertaken to date the issues around housing in the district have been comprehensively investigated as part of the topics on Residential Housing and Alternative Housing. These have been reported to the District Plan Review Committee and have recently been consulted on. Of particular note in relation to social housing are the following:

- Comprehensive medium density development (especially semi-detached dwellings) has not been delivered as envisaged and preferred options for this topic include provisions aimed at incentivising increases in density in existing townships and encouraging a range of housing typologies.
- Alternative housing (retirement villages, supported accommodation, boarding houses) have not had been effectively catered for in the current plan. It is proposed to have new provisions with objectives encourage housing choice at the same time as maintaining the character and visual amenity of the District, but also to clearly recognise and provide for the accommodation and care needs of both the growing aging population and persons requiring support to live independently. The recommendation is for amendments to the District Plan to provide a context for the consideration of issues associated with the provision of alternative housing and provide specific guidance in relation to the form that this housing may take.
- It is proposed to take a more permissive approach to family flats (minor residential units) whereby occupation restrictions will be removed and provisions amended to improve clarity.

### ***Key Findings Influencing Social Housing Provision in Selwyn District***

In considering Council's role (if any) in the provision of social housing the following observations are helpful to note and provide context to the discussion on this matter.

- The Government has given some indication that they may consider supporting delivery of social housing by the local government sector but the form of this, should it eventuate, is unknown at this point.
- The Government has put in place a range of measures to address housing issues and provide housing assistance which is targeted to high needs regions as outlined in the '**2018 Public Housing Plan**'.
- Local government social housing tenants are currently not eligible for the IRRS.
- There are currently ten additional public houses included in the '**2018 Public Housing Plan**' to be located in Selwyn District for the period 2018-2022. These are in the committed pipeline for Housing NZ (but could be subject to change).
- The number of Housing Register applicants in Selwyn District is relatively low (15 in the June 2018 quarter) but has been increasing over the last four years. The primary demand for these applicants is for one or two bedroom accommodation.
- The number of applicants on the Housing Register is not necessarily an accurate indicator of demand for social housing in the district and other factors come into play. Discussions with those agencies working at the coal face with social services in the community suggest that there is a larger but unquantified need.

- It is likely that the current limited supply of social housing means that people do not register for housing that is not available and this may create 'social housing refugees' who are forced to seek housing outside the District.
- There appears to be a shortage of cheaper single bedroom housing for people living alone that cannot afford rents for larger homes and also for smaller two bedroom homes.
- The primary demand for social housing in the district will come from the older persons sector but also from others with physical or mental health disabilities.
- The size of the at-risk population is likely to remain relatively low but will increase as a proportion of the total population as a result of the aging population and falling home ownership rates. However, as Selwyn District has a generally younger population and a lower proportion of over 65 year olds compared to the national average, the increase in at-risk people will take effect over a longer time period. However this will not occur uniformly across the District as there are some localities (e.g. Darfield, Leeston) that already have an older demographic).
- Alongside Housing NZ there are a number of Community Housing Providers (CHPs) operating in the District but, overall, this does not provide a significant capacity and will most likely need to be supplemented over time to meet demand from the predicted increase in the at-risk population.
- Housing affordability is not a direct determinant of social housing but is linked to creating a more problematic housing environment which leads to an increase in those seeking accommodation support including a need for social housing.
- The affordability for renters and first home buyers in Selwyn is better than the national average (based on HAM assessment).
- There is continued active growth in the housing supply market in Selwyn District and this is being provided for under the National Policy Statement – Urban Development Capacity work. A portion of housing provided will be aimed at the affordable level through Housing Accord developments, KiwiBuild and medium density housing developments.
- Availability of land in suitable locations (close to business and service centres) is a pre-requisite to ensuring optimal social housing opportunities are provided and outcomes achieved.
- A strong message from social service providers was for Council to focus on making it easier to achieve social housing provision in the District.
- There is an expectation from the Greater Christchurch Partnership that Selwyn District Council will do its part in ensuring the social housing needs of the District are met.
- The Council is in an advantageous position to consider future social housing requirements from a regulatory perspective with the review of the District Plan in progress as well as other means available to support or incentivize social housing provision.

### ***Council's Position on Social Housing (earlier - 2012)***

The Council has previously signalled that direct provision of social housing is not a core service and its position on this matter was formed as a result of work carried out between 2010 and 2012 when considering the acceptance of a grant from the Canterbury Community Trust (now Rātā Foundation) for development of community housing in the district.

A Social/Community Housing Sub-Committee was formed to consider the best use of the grant and to establish a position on social housing in the district. In undertaking this work the following was noted:

- The Council has no policy around its involvement, or otherwise, in social housing, although there has been an ‘unwritten’ approach to having only a very limited involvement and, in essence, a moving away from direct any management and ownership of social housing units.
- A fundamental issue for Selwyn District is that it is assumed that central government and community sector services exist in the district but this is frequently not the case in Selwyn, and particularly in terms of affordable housing provision for older people. This was the primary reason for accepting the offer from the Canterbury Community Trust as it represented an opportunity to assist in providing some much needed housing for a growing demographic.
- The acceptance of the offer from Canterbury Community Trust and the decision to apply the funding to an Abbeyfields Housing development in Leeston did not necessarily signal that Council will be in ‘the business’ of social housing provision.
- In order to understand the community’s view on provision of social housing the 2010 Residents Survey asked residents what role, if any, the Council should play in providing affordable rental housing. The results are set out below and indicate that the majority of respondents felt that the Council should play a role, either directly or indirectly in this service.

<b>Council Role in Affordable Rental Housing</b>	<b>Frequency</b>	<b>Percent</b>	<b>Cum. Percent</b>
No role at all	95	9.5%	9.5%
An indirect role	427	42.7%	52.2%
A direct role	447	44.7%	96.9%
NA / DK	31	3.1%	100%

The Social/Community Housing Sub-Committee commissioned a discussion paper to guide future decision making on social housing to determine possible approaches Council might take with a social housing policy. On a spectrum from a ‘hands off’ approach to social housing to full involvement, the Sub-Committee seemed most comfortable with taking a middle ground and informally endorsed the following statements:

1. Housing is not the core business of Selwyn District Council.
2. The Council believes that it is the responsibility of central government or the private sector or the third sector to provide social housing.
3. The Council will take an advocacy/leadership role and work with community providers, government agencies and the private sector to ensure social housing needs are met, particularly for accommodation and associated services for older age groups.
4. Council will not provide housing but may consider contributing through long-term loans, land leases and/or swaps and/or release of land at current market value.
5. Any community housing must be self-funding although Council may assist with grants.
6. Private developers will be encouraged to pepper pot smaller ownership units suitable for older people or people with disabilities located close to amenities in development blocks.

7. Planning will take into account needs of social housing residence in design and maintenance of neighbourhoods and the built environment.
8. SDC will continue to assess needs and share information with potential providers, government agencies and service providers.

The above was not formally agreed by Council and work at this time did not result in the completion of a Social Housing Policy but it did signal the desired level of involvement for Council in this service at that time. It confirms that Council did not view direct provision as an option but considered that an **'enabler'** or **'advocator'** role was possible.

### ***Council's Position on Social Housing (Current)***

In defining Council's current position on social housing it is useful to consider more recent context to this matter.

The involvement with the Abbeyfields House project indicates that Council has been willing in the past to fulfil the enabler/advocator role in encouraging external providers to deliver social housing in the district. Similarly by making a decision to offer, in the first instance, the houses in Ritso Street, Darfield to local community housing providers, Council indicated a desire to enable social housing provision.

This is consistent with the community outcomes statement in the 2018-2028 Long Term Plan where Council sees itself as having an advocacy role in delivery of social outcomes.

Council received submissions on the 2018-2028 LTP proposing that it should invest in social housing. In deliberating on this matter the overall discussion did not support involvement in this activity and Council decided not to allocate any budget for social housing through this process. It did, however, consider that further information was required in order to substantiate a definitive position.

**The Greater Christchurch Settlement Pattern Update – Our Space 2018-2048 (Draft)** notes that the Partnership is committed to working collaboratively to develop an action plan and establish partnerships to enable social and affordable housing provision across Greater Christchurch. The message Selwyn District Council staff have promoted through the Greater Christchurch Partnership is that, we are not a provider of social housing as a Council, however we are an enabler through our District Plan and other mechanisms. This approach can be investigated further as per Action 2 of the document (p.33) which states:

*“Work with Government and social and affordable housing providers to better address current and future housing needs across Greater Christchurch, developing an action plan to increase provision and investigate the most suitable locations and opportunities for new housing ownerships models (such as shared ownership, co-housing, etc.). Linked processes: Next Capacity Assessment, Selwyn and Waimakariri District Plan Reviews and Council's Long Term Plans”*

It should be noted that the 'social housing service' is not just about providing the physical assets in terms of houses. It also involves managing the tenancies of higher needs people and providing or linking the tenants with the necessary support services. Selwyn District Council is not resourced to provide the range of services to deliver social housing and, has not been particularly effective in managing the small number of rental houses that it has provided. Councils are generally not equipped for delivery of social housing and it is an area better left to those agencies where it is core to their business.

In evaluating this information, Council's stance on social housing provision can be solidified and formally expressed in a 'Policy Statement on Social Housing'. Staff are of the opinion that such a statement should be confirmed and adopted by Council. This would confirm Council's role as an enabler/advocator (not a direct provider) and set out the mechanisms Council can utilize to successfully effect its role.

A current anomaly is that Council is, through the legacy of ownership with the three Darfield elderly persons housing units, a direct provider of social housing albeit in a very limited capacity. Council could consider whether there is a better model for delivering this service given that it does not have the necessary support services to deliver all the requirements for social housing provision. Currently the Malvern Hub provides wrap around services for two of the tenants. Staff believe that there is an opportunity to explore alternative delivery models for this service with providers that have the resources and capabilities to successfully deliver social housing.

### ***What Could Council do towards Social Housing Provision?***

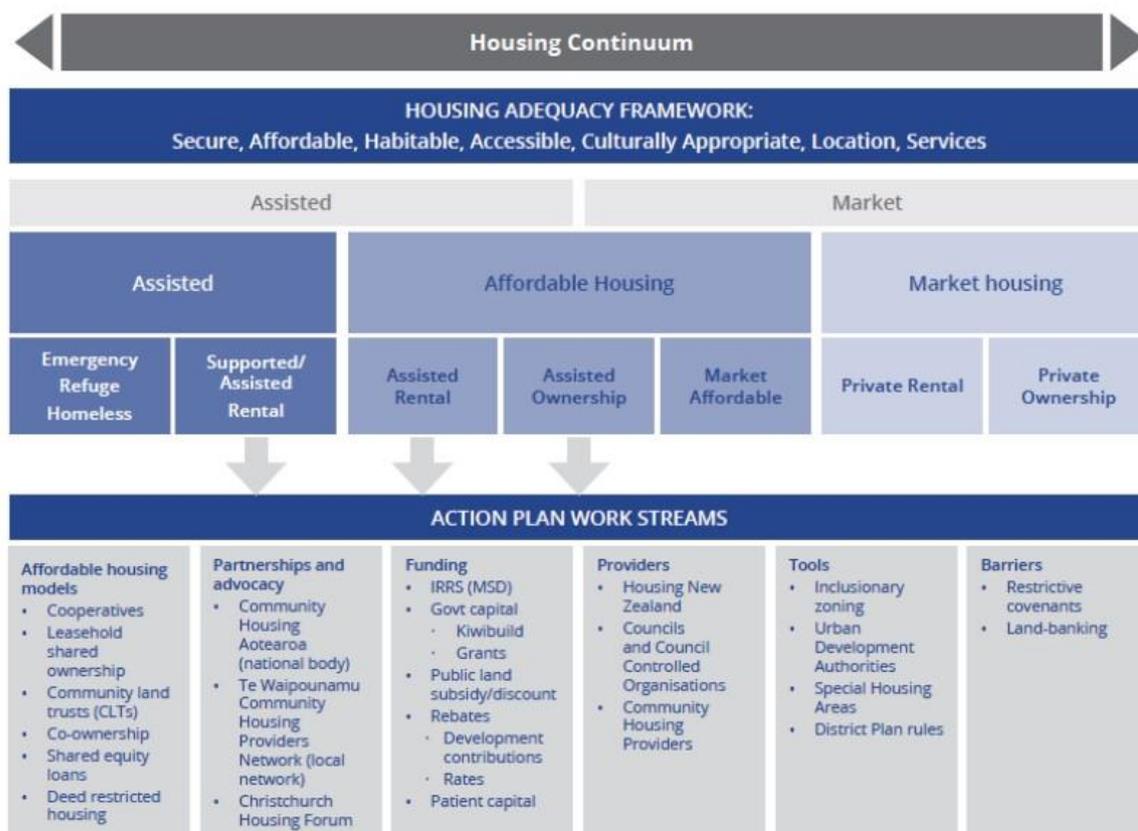
There are a variety of options and levels for involvement in social housing provision. Some different examples of how community housing provider arrangements operate in parts of New Zealand follow.

Compassion Housing Limited is a registered community housing provider and an experienced provider of elderly housing. Sisters of Compassion founded this order and service in 1892. Recently this company went in to business with a Wellington property developer, Willis Bond and last year purchased 115 housing units and 5 hectares of land from Horowhenua District Council. This Company will continue to manage the 115 units as social housing, and may look to build further units on the purchased land in the future.

Ōtautahi Community Housing Trust manages all of Christchurch City Council's social housing tenancies. Council owns the land and the buildings but leases these to the independent charitable trust to manage.

Community Housing Aotearoa, Nga Wharerau o Aotearoa, is the over-arching body for New Zealand's community housing providers. This national body exists with the purpose of demonstrating that community provided housing is a critical element to housing provision alongside private and central government owned housing.

The Housing Continuum described below (extracted from The Greater Christchurch Settlement Pattern Update – Our Space 2018-2048 - Draft) indicates a variety of intervention and support approaches available especially in the 'Assisted' housing area.



In the practical application of Council’s role as an enabler/advocate for social housing provision in the district there are a number of potential examples for involvement that could be considered. These are discussed below:

- Explore options with Housing NZ in the delivery of the ten additional housing units identified in the **‘2018 Public Housing Plan’** to be provided in the district from 2018-2022 (subject to this being confirmed). This could be by way of providing a suitable site for the housing (lease or sale).
- Explore options with one of the Community Housing Providers (currently operating in the Canterbury Region) to facilitate provision of a suitable social housing development. Again the Council could offer land for this purpose (lease or sale).
- Council could actively promote and advocate for social housing development in the District via a CHP whereby this is fully developed and funded by the CHP.
- Beyond an enabler/advocacy role Council could work in partnership with a Community Housing Provider (CHP) similar to the Christchurch City model whereby Council owns the land and buildings and leases it to the CHP. This would only be a viable option for Council if there was central government assistance or subsidisation of the development costs.

Each of these examples would require detailed investigation if they were to be contemplated for further consideration.

The Council performs a regulatory role under the RMA and, via the District Plan, can influence provision of social housing. Selwyn District is currently undertaking a review of the District Plan. In terms of housing, the review will assess additional provisions to encourage and enable redevelopment within existing urban areas and close to town centres. This is in response to the projected changes in housing demand over the next thirty years, and the role that redevelopment plays to deliver smaller, more affordable housing types that will increasingly be needed to meet future demand.

In undertaking this review consideration will be given to including policies, objectives and rules that enable provision of a range of housing typologies to reflect the changing needs of the community including social and affordable housing requirements.

The Council could also consider providing incentives or other mechanisms to make it easier for Community Housing Providers or the private sector to establish housing in the District to meet social housing or requirements for smaller housing units. For example the Development Contributions Policy could be reviewed to reduce Housing Unit Equivalent (HUE) factors for smaller housing units or community housing developments. Similarly the Council could consider reviewing the rating structure to provide a more financially favourable position for social/community housing.

Council has confirmed via the LTP process that it is not interested in directly investing in social housing, however if it is to act in an enabling role, it may wish to identify and protect existing land holdings that could be suitable sites for social housing. Suitable criteria for evaluating sites are suggested as follows:

1. Proximity to shopping/business centres
2. Proximity to health and social service providers
3. Is of sufficient area to accommodate a multi-unit development
4. Land zoned for residential use and preferably medium density development
5. Utility services and road infrastructure availability
6. Land is not ear-marked for an alternative purpose and is surplus to Council requirements

In applying this criteria to current Council land holdings there are a number of sites that could potentially be used for this purpose:

1. The Breach Block land between Markham Way and Rolleston Drive, Rolleston;
2. The former Helpet Sewerage Plant land between Lincoln-Rolleston Rd and Springston-Rolleston Rd, Rolleston;
3. The 'Vege Block' land in Meijer Dr., Lincoln opposite the Lincoln Events Centre;
4. The two residential sections in West Belt and possibly the adjoining Business Zone section, Lincoln adjacent to The Laboratory and the Lincoln Community Care building;
5. The four residential sections on the corner of Othello Drive and Rolleston Drive, Rolleston adjacent to the Rolleston Community Centre.

Subject to the outcome of this report, it is suggested that the Property Committee gives consideration to the retention of any Council land holdings for the purpose of social housing location. It is noted that Council would expect an acceptable financial return from any arrangements where land was leased or sold for this purpose.

#### **4. PROPOSAL**

The following points summarise the social housing situation for Selwyn District:

- The level of demand for social housing provision in the district is difficult to quantify but it is evident and growing.
- The growth in demand for social housing will be for the plus 65 age group and this demand will accelerate over time.

- The current demand is for smaller size housing units (one to two bedrooms) and there is generally a gap in provision for this type of accommodation.
- There is currently a limited number of options available in the district for those needing social housing.
- The private sector has filled a gap in provision for smaller housing units for elderly people in some parts of the district in recent times but this may not help those that have affordability issues.
- There is a small amount of additional public housing provision (identified by MSD with delivery via Housing NZ) earmarked for the district over the next few years but it is unclear when and where this will occur and the position is subject to change.
- Community Housing Providers may have an interest in developing additional social housing opportunities in the District.
- The affordability for renters and first home buyers in Selwyn is better than the national average.
- There is continued active growth in the housing supply market in Selwyn District with over 17,000 additional houses planned for over the next 30 years.
- Availability of land in suitable locations (close to business and service centres) is needed to provide the best outcomes for social housing.
- The Greater Christchurch Partnership has identified the need to provide for different types of housing to meet changing needs including social and affordable housing and Selwyn District Council is expected to contribute to this need.
- One of the main barriers to provision of social housing in the district has been the difficulty and cost of establishing it under the current regulatory framework.
- The District Plan Review process provides an opportunity to consider future housing options. The work to date has identified the need to cater for housing to meet the needs of an aging population and to provide for a range of housing forms within residential areas.
- The preferred role for Council in provision of social housing is as an enabler/advocate.
- The Council has a range of mechanisms at its disposal to give effect to this role.

In weighing up the information on social housing presented in this report the actions outlined below are recommended.

A Policy Statement confirming Council's position on social housing is formally adopted by Council. This being:

1. The Selwyn District Council does not view social housing as a core activity and will not be a direct provider or investor in this activity.
2. The Council believes that the primary responsibility for direct delivery of social housing lies with central government, community housing providers or the private sector where these agencies are equipped to provide a full social housing service.
3. The Council will take an advocacy/enabler role and work with community housing providers, government agencies and the private sector to support social housing needs in the district.

4. As part of the Greater Christchurch Partnership, the Council is committed to working collaboratively to develop an action plan and establish partnerships to enable social and affordable housing provision across Greater Christchurch
5. The Council will divest any existing interest in direct provision of social housing to a suitable alternative provider.
6. Council may consider contributing to social housing provision through land leases and/or swaps and/or release of land.
7. Any agreement entered into by Council to provide land for social housing will be on the basis of an acceptable financial return that takes account of the social benefit of the proposal.
8. The Selwyn District Plan will allow for the provision of a range of housing typologies and forms to reflect the needs of communities, changing demographics and social structure.
9. Planning will take into account needs of social housing accommodation in design and maintenance of neighborhoods and the built environment.
10. The Council will continue to review and develop incentives for Community Housing Providers to establish services in the district and for developers to provide smaller and lower cost housing units within residential developments.
11. The Council will work with community and government agencies to monitor the demand for social housing in the district and assist with appropriate responses as needs change over time.

Council will co-ordinate establishment of a social housing forum comprised of agencies with an interest in social housing provision in the district to focus on capturing data on needs, identifying issues and working collaboratively on solutions.

Council will work collaboratively and proactively with MSD, Housing NZ and Community Housing Providers to enable delivery of social housing that meets the identified needs of the community and considers opportunities as they arise.

In undertaking the above Council will assist with site identification and may offer its own land holdings for this purpose subject to the suitability of the land and an acceptable financial outcome balanced against the social benefits of the transaction.

Council owned land parcels that have a strategic advantage for location of social housing developments are identified and reported to the Property Committee for further consideration. Noting that once land is used for another purpose the opportunity is lost.

In undertaking the review of The Selwyn District Plan consideration will be given to including policies, objectives and rules that enable provision of a range of housing forms that will meet the changing needs of the district community and may include:

- Comprehensive medium density development lots to accommodate smaller housing units located close to amenities;
- Provision for Alternative Housing – retirement villages, supported housing, boarding houses;
- Provision for Minor Residential Units (Family flats) with occupancy restrictions removed.

Council will consider options for the best future model to deliver the existing social housing portfolio (three units in Darfield). This work would be undertaken in consultation with the Malvern Community Board.

Council maintains a 'watching brief' on central government initiatives on social housing and is flexible in responding to changes that will potentially have a positive impact on social housing provision for the district.

## 5. OPTIONS

There are various options that Council could consider in relation to involvement in social housing from no involvement at one end of the spectrum to a direct provider at the other end. Where Council sits on the spectrum helps to determine the role that it will play in this activity.

### **Discussion on options**

Set out below is discussion on the possible options Council could take in the delivery of social housing for the district.

#### ***No Involvement***

Council could decide to have no involvement in social housing provision and simply leave it to other providers and agencies to deliver this service.

The risks/costs associated with this option are:

- Other agencies cannot operate effectively in the district
- Provision is undertaken in an ad hoc and disconnected manner
- As the issue escalates overtime the ability to respond appropriately is diminished
- Dissatisfaction by other providers and neighbouring authorities that Selwyn is not doing its part in addressing this issue
- Opportunities for good social outcomes are not realised and issues become more acute

The benefits with this options are:

- No financial cost to Council/ratepayers

#### ***Advocacy***

Council can advocate for provision of social housing in the district by encouraging CHPs, Housing NZ and other agencies/providers to deliver services in the district.

The risks associated with this option are:

- The providers won't come and the required services are not supplied
- It is too difficult or costly to establish services in the district
- There is no cohesive approach to provision
- The Council may not be doing enough to ensure the right levels of service are provided and may draw criticism from social agencies and neighbouring authorities.

The benefits of this option are:

- Minimal direct financial costs to Council/ratepayers
- May help to establish providers in the district

### ***Enabler***

Council can work proactively to enable the provision of social housing in the district via a range of mechanisms (regulatory, site provision, collaboration, incentivising). These mechanisms are designed to make it easier for social housing providers to deliver services in the district.

The risks/costs associated with this option are:

- The delivery of services may not keep pace with demand

The benefits of this option are:

- Minimal or modest direct financial costs to Council/ratepayers
- Providers find it easier to establish services in the district
- Opportunities for good social and town environment outcomes can be optimised
- Private suppliers are more likely to offer a wider range of house options

### ***Partner***

Council could opt to partner with a social housing provider to deliver the service. The partnership could take a number of forms but would most likely require a level of investment by Council. For example, Council could develop the assets and the partner operate these under a lease agreement.

The risks associated with this are:

- Requires a financial investment by Council
- May require on-going financial input (asset maintenance)

The benefits of this option are:

- More likely to engender provision of social housing as required (timing and type)
- Opportunities for good social and town environment outcomes can be optimised

### ***Provider***

Council could consider direct provision of social housing whereby it develops and operates social housing facilities.

The risks associated with this option are:

- Capital and on-going financial investment required
- No access to IRRS for tenants means that rents will need to be higher or subsidised
- Council has no expertise or resources to deliver the full social housing service and would need to build this capacity and cover the cost
- Competing with other providers in the sector

The benefits of this option are:

- May fill a gap in social housing provision that may not be met by other providers e.g. one bedroom units

The preferred option, recommended by staff, is for Council to adopt an **advocacy/enabler** role. This approach means that Council can promote provision of social housing in the district while putting in place a series of mechanisms that will assist in making it easier to achieve for providers. The means to accomplish this role are set out in the 'Proposal' in section 4 of this report.

## **6. VIEWS OF THOSE AFFECTED / CONSULTATION**

### **(a) Views of those affected**

In compiling this report a number of agencies have been contacted and discussion held. Information gathered through that process has been incorporated into the report as appropriate. This includes:

- Housing NZ
- Salvation Army – Rolleston
- Central Selwyn Community Care
- Lincoln Community Care
- Malvern Hub
- Abbeyfield Ellesmere

### **(b) Consultation**

This report is effectively an investigation of social housing needs and, as such, has not been consulted on. However some of the recommended actions, if they are accepted, may require consultation. In addition, all actions related to the District Plan Review are subject to the public consultation process undertaken for that project.

### **(c) Māori implications**

The question of social housing provision in the district is likely to have an interest from Te Taumutu Rūnanga and particularly those matters related to the District Plan Review (DPR). Te Taumutu Rūnanga are a partner in the DPR and have representation on the Committee.

## **7. FUNDING IMPLICATIONS**

No funding implications have been identified in regard to the decisions outlined in this report. Any budget or funding requirements related to social housing would be considered as part of the Long Term Plan or Annual Plan processes.

## **8. INPUT FROM OTHER DEPARTMENTS**

In developing information for this report the following departments/staff have provided input:

- The Community Relations Manager in regard to social housing background information.
- The Environmental Services Manager and Planning Manager in relation to the Future Development Strategy work and District Plan review.
- The Property and Commercial Manager in regard to property matters.
- The Corporate Services Manager in regard to financial implications.

Documents used for reference in the preparation for this report are listed in Appendix 1 attached to this report.

Mark Rykers

**ASSET MANAGER OPEN SPACE AND PROPERTY**

*Endorsed For Agenda*

Douglas Marshall

**PROPERTY AND COMMERCIAL MANAGER**

## **APPENDIX 1 – SCHEDULE OF REFERENCE DOCUMENTS**

*Taking Stock -The Demand for Social Housing in New Zealand - The Salvation Army Social Policy & Parliamentary Unit - August 2017*

*Trending Topics – Housing – Statistics NZ – June 2017*

*A Stocktake of New Zealand Housing – MBIE, NZ Government – February 2018*

*Report on Social and Community Housing for Selwyn District Council – Nona Milburn - March 2009*

*Selwyn District Annual Economic Profile - Infometrics – 2017*

*Quarterly Economic Monitor Selwyn District – Infometrics - June 2018*

*Latest Results for the Housing Affordability Measure (HAM) – Table 2 – MBIE – March 2017*

*Housing Register – MSD, NZ Government – June 2017*

*The Role of Local Government in the Provision of Affordable Housing - LGNZ - 2004*

*Public Housing Plan 2018-22 – MSD, NZ Government – 2018*

*Home Affordability Report – Quarterly Survey September 2018, Vol. 28, No. 3 – Massey University*

*The Greater Christchurch Settlement Pattern Update – Our Space 2018-2048 (Draft) – Greater Christchurch Partnership – November 2018*

*Preferred Options Report to District Plan Committee – Alternative Housing RE016 – June 2018*

*Preferred Options Report to District Plan Committee – Family Flats RE014 – June 2018*

*Preferred Options Report to District Plan Committee – Comprehensive Medium Density Development – June 2018*

*Preferred Options Report to District Plan Committee – Residential Character, Amenity, Density and Housing Typologies – June 2018*

*Public Housing in Canterbury Region – MSD, NZ Government – March 2018*

*Managed Housing New Zealand Rental Properties by Territorial Local Authority 30 June 2018 – Housing NZ*

