

CHRISTCHURCH CITY COUNCIL

NOTES OF A SEMINAR OF THE COUNCIL

**Held in the Council Chamber, Civic Offices
on Tuesday 3 April 2007 at 9.30am**

- PRESENT:** Councillor Norm Withers (Chair),
Councillors Helen Broughton, Sally Buck,
Graham Condon, Barry Corbett, David Cox, Pat Harrow,
Bob Parker, Bob Shearing, Gail Sheriff and Sue Wells.
- APOLOGIES:** Apologies for absence were received and accepted from
Mayor Garry Moore, Councillors Anna Crighton and
Carole Evans.
- IN ATTENDANCE:** **Community Board members:**
Brenda Lowe-Johnson (Hagley/Ferrymead Community Board),
Don Rowlands (Burwood/Pegasus Community Board),
Tony Sutcliffe (Riccarton/Wigram Community Board) and
Bob Todd (Chair, Hagley/Ferrymead Community Board).
- Representatives and interested parties:**
Margaret Ashton, Howard Booth (Habitat), Helen Gatonyi
(Tenants Protection), David Griffiths (Housing New Zealand),
Lisa Mora (Inner City Interagency Trust, ICIT, "Street 10"),
Bevan Pierce, Anna Thorpe and Valerie Quinn (Housing for
Women).
- Council officers:** Alan Bywater, Paul Cottam,
Catherine McDonald, Karen Rickerby, Anna Thorpe and
Chantelle Waters.

SOCIAL HOUSING STRATEGY

The Council was briefed on the findings from the public consultation carried out on the proposed Social Housing Strategy by Council officer Paul Cottam. A hard copy of the PowerPoint presentation is on file.

Issues covered during the presentation included:

- Today's Focus
- Strategy Aims
- Strategy Principles
- Seven Strategy Goals
- Council's Role: Building on our Strengths
- Consultation Process
- Consultation Findings

- Consultation question replies
- Submission Suggestions to Consider
- Strong Communities Portfolio Group
- Preliminary Recommendations
- Current Stock as our Base Level
- Physical Limitations and Desirability of Smaller Complexes
- Housing for Special Needs Groups
- Emphasise more types of Sustainability
- Investigating Systemic Measures
- Having a Broad Perspective
- Other Recommendations
- Summary
- Next Steps

Points and questions raised following the presentation included the following:

- Council has own **Energy Strategy** – allude to in report to Council. Also **acknowledge sustainability** implementation when reporting to Council.
- Issues surrounding the process and **anonymity of submitters** to be addressed. Clarification of Council policy was sought as the Council has had no discussion on this issue.
- The **nature of partnerships** with other providers would depend on each particular arrangement.
- Q: Are these partnerships **to maintain or grow Council's housing stock**? A: CCC will develop an implementation plan looking at growth. **Elected members requested that this aspect be made explicit.** The Council needs to look at ways of encouraging partnerships.
- Q: **Quality of life within CCC units** – does Council have minimum health standards (eg the need for **more insulation** was raised in one submission). Is there a cost, or are these standards being met at present? A: The units meet the standards which applied when they were built, and an additional assessment of all stock will be undertaken to bring complexes up to today's standards.
- Q: Should the Council look at **enhancing existing stock before looking at expansion**? A: Process is to assess individual complexes and then make decision – cost may be prohibitive to bring some of the older units up to standard. The Council's strategic direction is currently a mix of both – upgrading the standard of living in existing units, whilst looking a forming new relationships to go forward. **Elected members sought that this aspect be a priority within the strategy.** Officers explained that Brougham Village is currently a pilot to enable the best way forward to be formulated.
- Reference was made to the Council's **Asset Management Plan**: The programme is ongoing with only a minor part remaining to be completed.
- Disappointment was expressed that the submissions **had not been made in public.**
- The Council needs to **be aware of the degree of hardship being experienced in some areas.**
- Creative ways of dividing some complexes would improve housing conditions. The Gowerton project was commended.

- **Governance:** Q: Why no question in questionnaire to cover this to provide transparency for public's sake. Partnerships hugely important – proposed that a board or trust be established to manage city housing. A: The draft strategy is to provide the “What” and “How” for service delivery, rather than details on implementation.
- Q: Should officers **consider existing models** which extend to governance and corporate framework? A: This draft strategy was never raised in that way, and officers considered it was not part of the mandate to raise this issue as part of consultation. It was suggested that once the strategy is adopted, the governance issue could be revisited at that time.
- Q: Concern at **allocating costs** of housing - is there another step? Clarity was sought on whether to grow stock or upgrade existing, or some combination, and **report back identifying implications**. A: Agreed by consensus this request be considered further **once the strategy is in place**, recognising a considerable amount of work will be involved.
- Q: **Concern was expressed over any further “big” Council development proposals**. A: Explained only a proposal at this time – would contain several components, so not “big” as some existing complexes.
- Q: Any thoughts “outside the square” as to what the Council is going to do with the existing “big” complexes? A: Balance/mix is desired outcome. The strategy can only set a high level of direction – each situation will need to be assessed individually, but within a general strategic direction.
- Q: **Financing:** How - from rates? Will rentals be increased? A: Rentals are assessed yearly; currently 53 % of market rental.
- Q: If rent is funding maintenance of current buildings – how will the Council fund new buildings? A: Will be “rates neutral”. Partnership funding one way forward. Also some of the housing stock does not meet customer demand and could be sold.
- **Elected members requested a clear definition of “affordable/social” housing**. It was explained that Council provision of social housing is for those on lower incomes: definition is included in the draft document, and the Council's Housing Strategy sits over this. Pg 32 of Strategy referred. Rental accommodation at one level, and low incomes at another: In today's market **needs further clarification**.
- **Council policy** states rates should be set at 80% of market rent – the Council is not achieving this currently. Q: Does the strategy reflect Council not meeting the **80% of market rate objective**? A: The strategy notes this.
- Q: Is the Council signalling it intends to keep the 80% objective, or is it moving away from this? A: No intention to move away from target figure, but when it is considered necessary to make a case for a rent increase beyond CPI/Capital Goods Price Index this aspect will have to come before the Council.
- Q: Does the Council need a fundamental shift? What is the difference between the Housing New Zealand rental and the Council rental? Is the Council's ongoing strategy to provide rental property at lower rental – does the strategy address this? Where should this sit in relation to the market rental? Should it be pegged at the Housing New Zealand rate? Does the Council have to tie its rentals to the market rate – this may not be an appropriate benchmark for the Council. A: Different funding mechanisms between HNZ and CCC. **Elected members sought further discussion on this topic**.
- Need to recognise and **anticipate** there could be **consumer resistance** to perceived changes in rentals.

Councillor Withers then invited those interested parties present in attendance to present their views.

Dave Griffiths, Housing New Zealand (HNZ):

Mr Griffiths explained that HNZ has different funding mechanisms from the Council. HNZ receives market rent from all its properties – 50-50 split between rent with a “top-up” from treasury. Rent based on income as opposed to market rate. Fundamentally 25% of income.

(The point was raised at this time that Wellington City Council had recently received \$220m to upgrade its existing stock. It was explained that the WCC had been working towards this for five years, with the aim to implement the required level of seismic strengthening. Elected members requested staff to **ensure the strategy includes a move to resolve some inequities.**)

HNZ has a similar criteria to the CCC re the allocation of properties. The difference is that the CCC does not “do families” at present, whereas HNZ caters for these. HNZ is currently looking at ways to meet all the local housing demands.

Q: Would a CCC/HNZ partnership attract central govt funding? A: No, HNZ would stand alone, but other forms of funding available - eg Gowerton.

Mr Griffiths commended and supported the Council’s draft strategy and commitment to social housing. HNZ supported the strategy, and happy to work alongside the CCC to consider available options, and keen to grow and develop new partnerships.

Helen Gatonyi (Tenants Protection):

Commended the draft strategy – definitions are “all-important” as they keep moving and shifting in today’s climate. The CCC needs to be very clear on what the Council means, and not get confused with the social housing component.

Existing or new stock – which focus? Need to ensure existing stock is amenable to needs of tenants: no point in enhancing further if not meeting standard. Commends the Council for looking at ways of raising the standard above what is required. Recognise not always possible to meet the needs of everyone – put hand up for what the Council can do well, and pull in other members of the community to assist.

Howard Booth – (Habitat):

8-9 years of involvement in city building – has never seen the need for housing as per the current situation. Need to get back to previous situation. Way forward seen as working in partnerships with councils. **Lack of available land at realistic prices cause for concern. Council should look seriously at rezoning.** Cited how other cities world-wide cope with infrastructure challenges etc. Councils nationwide are gifting land to Habitat. Quoted example of providing rent-to-buy social housing – had built house for \$12,500, although this could be considered an exceptional example. Habitat supportive of draft strategy.

Bevan Pierce – Private developer/Council partner (to provide social housing):

In position to provide land to the Council. Sought clarification as to **what is a “small development”**, as referred to in the strategy? Officer response: Depends on housing type – eg EPH would have different criteria from other sectors of society. No more big Council complexes of 100 or so units proposed. Gowerton Place (20-21 units) would be an example of the maximum size of complexes from now on.

Summary:

Elected members proposed that the Council promote the good works the Council is doing (submission No 39 was quoted) eg snapshots of point of views. Refer to the **communication team for action.**

Councillors requested they be able to view the original submissions including identification details of submitters, and sought further discussion on the processing of submissions.

OUTCOME:

There was support for the draft Social Housing Strategy, provided some of the concerns raised during the seminar were addressed.

The seminar concluded at 11.47 am.