
ORDINARY MEETING

OF

**PŪRORO RANGARANGA | SOCIAL, CULTURAL AND
ECONOMIC**

MINUTES

Time: 9:30am
Date: Thursday, 7 October 2021
Venue: Virtual Meeting

PRESENT

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

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1. Meeting Conduct

1.1 Karakia

The Chairperson declared the meeting open at 9:30pm and invited members to stand and read the following karakia to open the meeting.

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

(Councillor Calvert joined the meeting at 9:31am)

1.2 Apologies

Moved Councillor Day, seconded Councillor Young

Resolved

That the Pūroro Rangaranga | Social, Cultural and Economic Committee:

1. Accept the apologies received from Mayor Foster for early departure and Councillor O'Neill for partial absence.

Carried

1.3 Conflict of Interest Declarations

No conflicts of interest were declared.

1.4 Confirmation of Minutes

Moved Councillor Day, seconded Councillor Matthews

Resolved

That the Pūroro Rangaranga | Social, Cultural and Economic Committee:

1. Approves the minutes of the Pūroro Rangaranga | Social, Cultural and Economic Committee Meeting held on 2 September 2021, having been circulated, that they be taken as read and confirmed as an accurate record of that meeting.

Carried

1.5 Items not on the Agenda

There were no items not on the agenda.

1.6 Public Participation

1.6.1 Mary Hobbs and Ron Oliver - Wellington Housing Action Coalition

On behalf of Wellington Housing Action Coalition, Mary Hobbs and Ron Oliver addressed the meeting regarding item 2.2 City Housing sustainability: CHP design options.

1.6.2 Liya Lupala

Liya Lupala addressed the meeting regarding item 2.2 City Housing sustainability: CHP design options.

1.6.3 Yared Kebede

Yared Kebede addressed the meeting regarding item 2.2 City Housing sustainability: CHP design options.

1.6.4 Marlon Drake

Marlon Drake addressed the meeting regarding item 2.2 City Housing sustainability: CHP design options.

1.6.5 Kate Day - Anglican Diocese of Wellington

On behalf of the Anglican Diocese of Wellington, Kate Day addressed the meeting regarding item 2.2 City Housing sustainability: CHP design options.

1.6.6 David Cook - Urban Vision

On behalf of Urban Vision, David Cook addressed the meeting regarding item 2.2 City Housing sustainability: CHP design options.

1.6.7 Rosey Ngakopu and Anaru Lyall - Ē tu

On behalf of Ē tu, Rosey Ngakopu and Anaru Lyall addressed the meeting regarding item 2.2 City Housing sustainability: CHP design options.

The meeting adjourned at 10:19am and returned at 10:24am with all members present.

The meeting adjourned for morning tea at 10:39am and returned at 10:51am with all members present.

Secretarial note: In accordance with standing order 19.1, the chairperson accorded precedence to some items of business and announced that the agenda would be considered in the following order:

- Item 2.2 City Housing sustainability: CHP design options
- Item 2.3 Economic wellbeing strategy - engagement approach
- Item 2.1 Reserves Act 1977: Stormwater Attenuation Easement - 33 Ladbrooke Drive, Newlands (Waihinahina park - In Memory of Dennis Duggan)
- Item 2.4 Forward Programme
- Item 2.5 Action Tracking

2. General Business

2.2 City Housing sustainability: CHP design options

Moved Councillor Fitzsimons, seconded Councillor Day

Resolved

That Pūroro Rangaranga | Social, Cultural and Economic Committee:

- 1) Receive the information
- 2) Note, following direction by Pūroro Rangaranga in June, officers are pursuing two parallel tracks to resolve City Housing's financial sustainability challenges, including:
 - a. direct discussions with the Crown seeking opportunities to partner in new social housing supply and Crown financial support for City Housing (particularly access to the Income Related Rent Subsidy (IRRS)) to resolve City Housing's financial sustainability challenges
 - b. beginning design work to establish a new Community Housing Provider (CHP)
 - c. **Note the community requests for the Income Related Rent Subsidy (IRRS) for Wellington City Council tenants and agree to make further representations to Government to share these views.**
- 3) Note City Housing is in an unsustainable financial position, with operating and capital funding shortfalls, and cash reserves that will be depleted by 2022/23, and will be unable to meet Deed of Grant requirements beyond FY2022/23
- 4) Note, as directed by Pūroro Rangaranga in June, the Mayor wrote to the Ministers of Housing and Finance seeking to discuss resolution of City Housing's financial challenges and, following this, the Mayor, Councillor Fitzsimons, and officers met with the Minister of Housing in September
- 5) Note that following this meeting, officers are actively working with the Ministry of Housing and Urban Development (HUD) and Kāinga Ora to consider ways in which the Crown and Council may work together to resolve City Housing's financial situation (Crown Support Option)
- 6) Note that there is currently no certainty about if or when a decision on the Crown Support Option would be made by the government
- 7) Note that, given the limited time between now and 2022/23, the two workstreams (discussions with the Crown and CHP design) need to continue to progress in parallel
- 8) Agree that the following prioritised objectives will guide analysis of options, including determination of a preferred option, across the two parallel workstreams:
 - a. **Tenant wellbeing:** Improve the rental affordability and social outcomes for existing and future social housing tenants
 - b. **Financial sustainability:** Return the social housing service and portfolio to a stable, long-term financial footing, while minimising any adverse impact on the Council's financial position and/or borrowing capacity
 - c. **Increase supply:** Increase the supply of social housing in the Wellington region
 - d. **Housing upgrades:** Meet the Council's commitment under the Deed of Grant to deliver the second half of the upgrade programme and meet its \$180m share of the cost
 - e. **Partnerships:** Create opportunities for community partnership in the delivery of social housing and other services and housing development
 - f. **Feasibility:** Ensure the solution is feasible to deliver and implement in the short-term
 - g. **Flexibility:** For CHP options only, provide Council with flexibility to adjust the

- design of the CHP in the future, subject to the CHP's performance, or to take advantage of future opportunities
- 9) Note that, in designing a CHP, the Council needs to make five key decisions:
- i. **What kind of legal entity should the CHP be** – this determines its ownership and governance arrangements, and the Council's role in governance
 - ii. **Should the Council transfer housing assets to the CHP** – this determines the extent to which the CHP can pursue new supply and redevelopment objectives and the Council's ownership of the portfolio
 - iii. **Aside from housing assets, should the Council provide the CHP with an upfront capital injection** – this determines the pace at which it can advance the upgrade work and pursue new supply and redevelopment objectives
 - iv. **What services should the CHP provide** – this determines whether the CHP only provides tenancy services and manages minor/reactive repairs or whether it also manages major property maintenance and upgrades. A CHP could also offer an expanded range of support services by tendering for government social service contracts
 - v. **How will the CHP finance the housing upgrade programme** – this determines whether the CHP finances the upgrades directly using its own balance sheet, or whether it uses the Council's balance sheet, or finances the programme via an alternative off-balance sheet financial arrangement
- 10) Note that this paper seeks decisions on questions i-iv. and that question v. will be brought back to the Committee for consideration, along with further advice, in May 2022
- 11) Note officers have developed three shortlisted CHP options and assessed these against the objectives in Recommendation 8:
- a. **Option 1 ("Maximum" CHP):** Independent community-owned trust (or limited partnership or company), with full asset transfer, no additional capital injection, and a full-service offering (not officer preferred)
 - b. **Option 2 ("Intermediate" CHP):** Independent community-owned trust (or limited partnership or company), with leasehold assets, "medium" capital injection, and a transition to a full-service offering (with Option 2 – independent community-owned trust (Option 2 – ICT) as officer preferred)
 - c. **Option 3 ("Minimum" CHP):** Independent community-owned trust (or limited partnership or company), with leasehold assets, "low" capital injection, and limited service offering (not officer preferred)
- 12) Agree that Option 2 – ICT is the Council's preferred CHP option, on the basis that it best meets the prioritised objectives set out in Recommendation 8
- 13) Agree to consult through a Special Consultative Procedure (with a consultation document and corresponding LTP amendment) as part of next year's Annual Plan, on the reasonably practicable options to address City Housing's financial sustainability, being:
- a. Three shortlisted CHP options set out in Recommendation 11 above (with Council preference indicated for Option 2 – ICT)
 - b. Fully funding the operating deficit through rates and debt funding the capital programme
- 14) Note the proposals for consultation will note that:
- a. Feedback is being sought on the public's preferred way forward if the Crown does not provide support or if the Crown Support Option is insufficient to return the portfolio to a financially sustainable footing
 - b. If, following completion of the consultation process, the Crown does provide support, then further consultation may occur, if required, in relation to the Crown Support Option

- 15) Note that all options, including options under discussion with the Crown, are likely to require either amendment to the Deed of Grant or approval under the Deed of Grant
- 16) Direct officers to report back to the AP/LTP Committee by March 2022 with the following:
 - a. Consultation document, Statement of Proposal (and corresponding LTP amendment) and engagement programme for review, prior to audit of the consultation material
- 17) Direct officers to report back to Pūroro Rangaranga by May 2022 with further detailed CHP design advice on:
 - a. CHP governance arrangements, including partnership opportunities (further detail on question i)
 - b. Source, form and timing of CHP capitalisation (further detail on question iii)
 - c. Design of a ring-fenced major maintenance fund (further detail on question iv)
 - d. Options to finance the upgrade programme (question v)
 - e. CHP registration process and requirements
 - f. A CHP transitional support package that will meet the Council's financial commitments under the Deed of Grant and provide early support for the CHP while the IRRS revenue stream increases over time.
- 18) Note officers are currently undertaking work on mixed tenure development modelling to determine how these kinds of developments could support the financial sustainability of City Housing.
- 19) Agree that Council officers will report back to Planning and Environment committee in late November with this advice as part of the package of papers updating on the Housing Action Plan and the Proactive development priority.

Carried

Secretarial Note: Councillor Fitzsimons moved the motion with changes (marked in red) from the recommendations in the officers report, the changes were supported by officers.

Secretarial Note: Clause 2c was added to the motion with the leave of the meeting.

Secretarial Note: Voting was taken in parts with clauses 12, 13, and 17 voted on separately and carried.

The meeting adjourned at 12:35pm and resumed at 1:06pm with the following members present: Councillor Calvert, Councillor Condie, Councillor Day, Councillor Fitzsimons, Councillor Foon, Mayor Foster, Deputy Mayor Free, Liz Kelly, Councillor Matthews, Councillor Pannett, Councillor Paul, Councillor Rush, Councillor Sparrow, Councillor Woolf and Councillor Young.

(Councillor O'Neill returned to the meeting at 1:13pm)

The meeting adjourned at 1:53pm and resumed at 2:06pm with all members present.

The meeting adjourned at 2:32pm and resumed at 2:40pm with the following members present: Councillor Calvert, Councillor Condie, Councillor Day, Councillor Fitzsimons, Councillor Foon, Mayor Foster, Deputy Mayor Free, Liz Kelly, Councillor Matthews, Councillor O'Neill, Councillor Pannett, Councillor Paul, Councillor Sparrow, Councillor Woolf and Councillor Young.

2.3 Economic wellbeing strategy - engagement approach

Moved Councillor Day, seconded Councillor Young

Resolved

That the Pūroro Rangaranga | Social, Cultural and Economic Committee:

- 1) Receive the information.
- 2) Note the sector feedback received to date on the city's economic challenges as outlined in this report.
- 3) Agree to **Option 2: Co-creation of draft strategy** – the co-creation approach of developing the draft Economic Wellbeing Strategy as outlined in the report.
- 4) Note that officers will bring a co-created draft Economic Wellbeing Strategy to the December committee meeting.

Carried

(Councillor Rush returned to the meeting at 2:45pm)

2.1 Reserves Act 1977: Stormwater Attenuation Easement - 33 Ladbroke Drive, Newlands (Waihinahina park - In Memory of Dennis Duggan)

Moved Councillor Day, seconded Councillor Rush

Resolved

That Pūroro Rangaranga | Social, Cultural and Economic Committee:

- 1) Receive the information
- 2) Agree to grant an easement in perpetuity over land at Waihinahina Park - in Memory of Dennis Duggan, being *part of* Lot 2 DP 303502 (ROT 14039), pursuant to s48 of the Reserves Act 1977.
- 3) Delegate to the Chief Executive Officer all necessary powers to negotiate and finalise the terms of the easement, including compensation.
- 4) Note that any betterment compensation would be applied to enhancing other reserve areas in the Northern Suburbs.
- 5) Note that the works within the easement area will be subject to the relevant bylaw, building and/or resource consent requirements.
- 6) Note that the works to install the stormwater attenuation ponds will proceed in accordance with final Parks, Sport and Recreation agreement to all park management, work access, reinstatement plans, establishment, and maintenance periods.
- 7) Note that the above approval is conditional on:
 - a. public notification under sections 119 and 120 of the Reserves Act 1977; and
 - b. no sustained objections resulting from the above consultation and notification; and
 - c. approval of final design and ongoing management requirements and responsibilities by the Chief Infrastructure Officer; and
 - d. all related costs being met by Woodridge Homes Ltd.

- 8) Note that a further report will be submitted (if necessary) to summarise submissions and recommend whether to uphold objections.
- 9) Note that Parks, Sport and Recreation will work with the Dog Working Group to discuss how the stormwater attenuation ponds affect the use of the park by dogs.
- 10) Note that Parks, Sport and Recreation will discuss the natural environment with community planting groups that have worked in the park (for example Woodridge planters)

Carried

Secretarial Note: Councillor Day moved the motion with changes (marked in red) from the recommendations in the officers report, the changes were supported by officers.

(Councillor Sparrow left the meeting at 3:19pm)

(Mayor Foster left the meeting at 3:24pm)

2.4 Forward Programme

Moved Councillor Day, seconded Deputy Mayor Free

Resolved

That the Pūroro Rangaranga | Social, Cultural and Economic Committee:

1. Receive the information.

Carried

2.5 Actions Tracking

Moved Councillor Day, seconded Councillor Matthews

Resolved

That the Pūroro Rangaranga | Social, Cultural and Economic Committee:

1. Receive the information.

Carried

The meeting concluded at 3:30pm with the reading of the following karakia:

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

Authenticated: _____
Chair