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**CONSULTATION DOCUMENT**  
**Public and Affordable Housing Asset**  
**and Tenancy Management Strategy**

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**Ruapehu.**



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## PUBLIC CONSULTATION

# Draft Public and Affordable Housing Asset and Tenancy Management Strategy.

This Consultation Document seeks feedback on Council's proposed Public and Affordable Housing Asset and Tenancy Management Strategy. The Strategy (if adopted) will replace Council's Older Persons and Social Housing Policy.

It is designed to support Council's economic and community development objectives and unlock the full potential of Government's \$778m COVID-18 recovery grant for public and affordable housing.

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## Key dates.

▪ Consultation opens.	Friday 18 September.
▪ Ohakune hui.	Thursday 24 September - 6pm, Council Chamber, Ayr St.
▪ Taumarunui hui.	Monday 5 October - 6pm, Miriama Community Centre, 10 Miriama St.
▪ Raetihi hui.	Thursday 8 October - 6pm, The Centre, 14-16 Seddon St.
▪ Consultation closes.	Friday 16 October.
▪ Hearings.	Wednesday 28 October.
▪ Deliberations and adoption.	Wednesday 18 November.

# The problem with housing in Ruapehu.

**Ruapehu is facing growing housing challenges that are impacting on all sectors of our community and across all social and income levels.**

A shortage of readily available land with infrastructure in place, a lack of scale developers, regulatory challenges, construction industry capacity issues and resulting cost escalation along with general development feasibility challenges has resulted in a constrained housing supply.

At one end this is seeing an increase in issues such as homelessness, overcrowding and rental unaffordability preventing whanau from forging a path out of poverty and gaining more financial freedom, independence, stability and security.

At the other a shortage of suitable and affordable housing to rent or buy restricts labour mobility, wealth creation and lifestyle options for our workforce, entrepreneurs, investors and others within our economy inc. key workers such as trades people, teachers, Police, health workers, etc. and others employed in critical sectors such as agriculture, manufacturing and tourism.

We need many more houses that can meet the many different needs of people at different life stages such as homes for single working people starting out, older people needing live-in carers, small families and larger whanau.

**Not only do we need more housing, but we need better quality housing, that is warm and dry, economic to run, and help keep their occupants healthy.**



# Why does this matter?

**Access to decent and affordable housing is fundamental to the underlying wellbeing of people and communities.**

The shortage of warm, dry, affordable housing limits the ability to provide better opportunities for people and with it our ambitions for economic, social and community development.

The increasing cost of housing has seen a growing number of people being unable to home themselves.

This group is not just people with mental health or social issues but includes low income households and people displaced by COVID-19.

In either case it is much easier to address difficult social issues and/or support people and their whanau into education, training and employment once they are properly housed.

For sustainable growth and development Ruapehu needs sufficient and skilled labour supply to move our businesses forward and support new ventures.

A wide variety of suitable, quality housing is a critical factor in retaining and attracting people who in turn stimulate economic and community growth.

**If we are unable to meet our housing demands it will act as a handbrake on our economic, community and social development aspirations.**





# Does Council have a role in helping to resolve our housing issues?

**Council has been working hard to unlock opportunities for Ruapehu as we have focused on developing safe, prosperous, thriving rural communities that are able to capitalise on our opportunities while sustaining our beautiful environment.**

Over the past five years with the support of the community Council has rethought our approach to development and the level of investment required to achieve the future we want for ourselves.

This has seen Council invest in economic and community development including in tourism, agriculture, core infrastructure, township revitalisation projects, WIFI/broadband and other projects.

Along this strategic development journey we have identified investment projects which would have a major boost for our development aspirations but which have not been achievable on our own resources.

With projects like this Council has worked with Government to obtain the required funding with ratepayers contributing a local share. Housing investment is an example of this.

**Housing is an opportunity for Council to partner with Government and others to build a more prosperous and resilient district with our local share being Council's land holdings.**



# COVID-19 recovery funding.

In April Government invited Council to submit 'spade ready' projects to Crown Infrastructure Partners (CIP) for funding consideration to help offset the economic and social impacts of COVID-19.

Council was successful in being granted \$7.78m\* for Social and Affordable Housing.

\*Subject to contract negotiations between CIP and Council.

The \$7.78m CIP grant for Social and Affordable Housing will enable\* Council to provide housing ready sub-divisions on land it owns then work with other partners to undertake the housing build in stages over the next few years. \*Receiving the grant is subject to contract negotiations between CIP and Council. In the unlikely event that agreement cannot be reached Council will seek other funders.

The 'housing build' partners could include Government agencies such as Kainga Ora, community housing providers, iwi, local businesses, private investors or others.

As well as creating jobs during the construction phase, the project contributes toward "district building" and setting Ruapehu up for where we need to be post crisis, meeting the four wellbeing targets of local government, as well as the key priority areas of Central Government.

To encourage others to build housing in Ruapehu Council is undertaking a small 'proof of concept' development to highlight the opportunity. Besides this initial development\* Council does not intend to build houses. \*Council intends to fund the first 'proof of concept' project through borrowing \$1.4m which will be repaid from the \$7.78m grant. Council is still undertaking due diligence on the best location for the 'proof of concept' project. Options are on Council owned land in Taumarunui, Ohakune and Raetihi.

It is important to note that while the catalyst for consulting on the proposed Strategy at this time has been the \$7.78m CIP grant for Social and Affordable Housing it is not dependent on this.



The need to increase the number, quality and diversity of public and affordable housing in Ruapehu was recognised well before COVID and any subsequent recovery funding.

**The proposed Public and Affordable Housing Asset and Tenancy Management Strategy is a critical enabler for Council's investment in housing to support our economic and social development objectives.**

**In terms of this consultation it should be considered on its merits and independently of any grant funding.**

# Unlocking the opportunity.

Consultation on the draft Public and Affordable Housing Asset and Tenancy Management Strategy is the first necessary step in enabling Council's investment in housing to support our economic and social development objectives and unlocking the opportunity afforded by Government's \$7.78m housing grant.

1.

## September/October 2020

- Consultation on Public and Affordable Housing Asset and Tenancy Management Strategy.

Replace Council's 'Older Persons and Social Housing Policy' with a new expanded public and affordable housing strategy '**Public and Affordable Housing Asset and Tenancy Management Strategy**' that is designed to support our strategic objective of developing safe, prosperous, thriving rural communities and an environment which is sustainable, enhances the quality of life, and meets the needs of our present and future citizens and visitors to the Ruapehu District.

2.

## October – December 2020

- Confirm location of 'proof of concept' housing development.

Options are in Taumarunui, Raetihi and Ohakune.

3.

## March 2021

- Civil works start for proof of concept development.

4.

## June – October 2021

- First proof of concept homes built.

Sale of these first houses will highlight the opportunity to housing developers to partner with Council on other projects.

5.

## November 2021 – December 2023

- On-going development of housing ready sub-divisions for public and private developers on Council owned land.

As houses are built and sold funds recouped for the land can be re-invested to support an ongoing housing supply pipeline.

Continue implementation of '**Public and Affordable Housing Asset and Tenancy Management Strategy**' (if adopted).

# Consultation proposal.

It is proposed to replace Council's 'Older Persons and Social Housing Policy' with a 'Public and Affordable Housing Asset and Tenancy Management Strategy.'

The proposed Strategy is designed to enable Council's vision for housing investment to support community aspirations for economic and social development and build a more prosperous and resilient district.

The proposed 'Public and Affordable Housing Asset and Tenancy Management Strategy' is designed to:

- ▶ Kick-start a change in the market and encourage housing investment in support of economic growth and community wellbeing.
- ▶ Increase the number, quality and diversity of public and affordable homes built\* across the District.  
\* Council intends to develop land it owns into housing ready sub-divisions and offer it to others to build houses on in stages over the next few years. Except for an initial small 'proof of concept' project to highlight the opportunity to housing developers Council does not intend to build houses.
- ▶ Introduce 'best practice' tenancy management practices including:
  - extending eligibility criteria and
  - developing pathways to home ownership and independence.
- ▶ Set minimum standards of health, safety and energy efficiency for properties in Council's housing portfolio.

## Key points.

### Best practice tenancy management.

- The Strategy will introduce a new tenancy eligibility policy that allows a greater diversity of tenants.

#### The new policy setting will:

- Select tenants on their ability to sustain a tenancy e.g. property care, personal care, sociability, financial, etc.
- Increase access to wrap around services\* through partnering with others. \*Ensuring that tenants with health and social welfare needs can access the appropriate agency/support services they need. This could include mental health and addiction support, financial support/budgeting advice, life skills, education and training and other pathways to health and independence.
- As growth in the property portfolio allows it provides for a professional tenancy manager.

### Impact on current tenants.

- There is no change for existing tenants as Council's first step is to use vacant land for new homes. When any of Council's existing homes are to be upgraded, Council will work with existing tenants to have local alternative accommodation while new and better homes are built.

### Impact on rates.

- The proposed Strategy aims to maintain rates neutrality. New housing stock allows the Council to earn rent or income so more homes can be built without increasing rates (i.e. it stays rates neutral).



## Managing the financial risk to Council.

- It is not Council's policy to undertake speculative development or housing risk.
- The Strategy sets financial rules that will determine whether projects proceed and protect ratepayers from undue financial risk.
- Activating and unlocking the residual value of Council land holdings involves working with other organisations and collaborative delivery. This approach limits Council's exposure to risk.
- Using Government funding Council will provide housing ready sub-divisions on which others will build.
- As houses are built and sold funds recouped for the land can be re-invested to support an ongoing or rolling programme, or a Housing Supply Pipeline. Council also has increased rate revenue via new houses.

## Increasing range and availability of housing and diversity of community.

- Ruapehu's housing stock is dominated by older family homes with a general lack of affordable new homes and homes fit for purpose outside the traditional family unit.
- The Strategy is designed to add greater diversity to the current housing stock over time and to better respond to the needs of our diverse communities.
- It ensures adherence to best practice urban design principles so that buildings are good neighbours to one another, and contribute to safe, integrated living environments with a sense of identity and community.

## Future proofing homes.

The Strategy aims to utilise innovation and technology to make provision for:

- Safer homes (home monitoring for the elderly)
- Better connected homes enabling learn from home or work from home.
- Meet or exceed current standards of health, safety, and energy efficiency.
- Environmentally responsive and safe homes.

## Supporting homeownership.

- By leveraging Council owned land and in partnership with central Government and others a range of transitional ownership models e.g. rent to buy, land lease/rent models, right to occupy models, etc. are possible that could support key workers in transitioning into home ownership and independence.



# Other options.

The adoption of the proposed Public and Affordable Housing Asset and Tenancy Management Strategy is not predetermined.

Based on consultation feedback Council may vary the proposed Strategy or look at alternative options.

This could include (but not limited to);

- Keeping things as they are,
- Council being a developer of housing as well as land,
- Focusing only on Public Housing (social/community housing), or
- Any other ideas people may suggest.

## Keeping things as they are.

- In keeping things as they are we are not addressing our housing needs and foregoing the opportunities and downstream benefits the adoption of the proposed Strategy is targeting. We would still be incurring increasing costs associated with managing existing tenants and property without increasing revenue.
- Maintaining our current Older Person and Social Housing Policy would limit the range of residents served and able to benefit from ratepayer housing expenditure.
- Council would be leaving the stimulation of the housing market and provision of housing for key workers and others to the market to solve. This is likely to mean no affordable housing is built as there is no incentive to do so and we would not see any housing development of any scale.
- Demand for older person and social housing is growing and already outstrips our ability to meet the need. With our current resources and other pressures Council is unlikely to be able to respond to this need without a new strategic approach.
- The benefit of this keeping things as they are would be to negate any risks associated with adopting the proposed Strategy and subsequent land development. It should be noted however that the proposed Strategy does include a framework for managing the associated risk.



## Council being a developer of housing as well as land.

- Council is currently planning to use the \$7.78m grant to develop land it owns so it is 'housing ready' for others to build on.
- Except for an initial small scale 'proof of concept' housing project to highlight the opportunity Council does not intend to be a long term developer of houses.
- Under this alternative option Council could undertake more speculative development and fund housing construction with ratepayer money.
- This provides the opportunity for higher financial reward and likewise losses if things go wrong.
- Council undertaking more of the long term housing development would not negate our ability to work with partners. Our involvement in development would also speed up the supply of new housing.

## Focus only on Public (social/community) housing.

- The \$7.78m Government grant is for 'Social and Affordable Housing'
- We could lobby Government to still give us the \$7.78m grant (or a portion of) but to focus solely on 'social housing' and leave the provision of 'affordable housing' to the market.
- If successful the expenditure associated with this project would still generate increased activity including direct and indirect employment and contribute to the local and regional economy.
- We would however miss out on the key public benefit associated with retaining and attracting people to Ruapehu through the provision of affordable housing.
- Increasing Council's social housing portfolio brings increased and on-going costs for repairs, maintenance, tenancy management, etc.
- Foregoing affordable housing cuts off a potentially significant revenue stream for Council with the addition of new homes on vacant land providing an ongoing increase in rates revenue. The sale of housing ready land also provides a revenue stream.

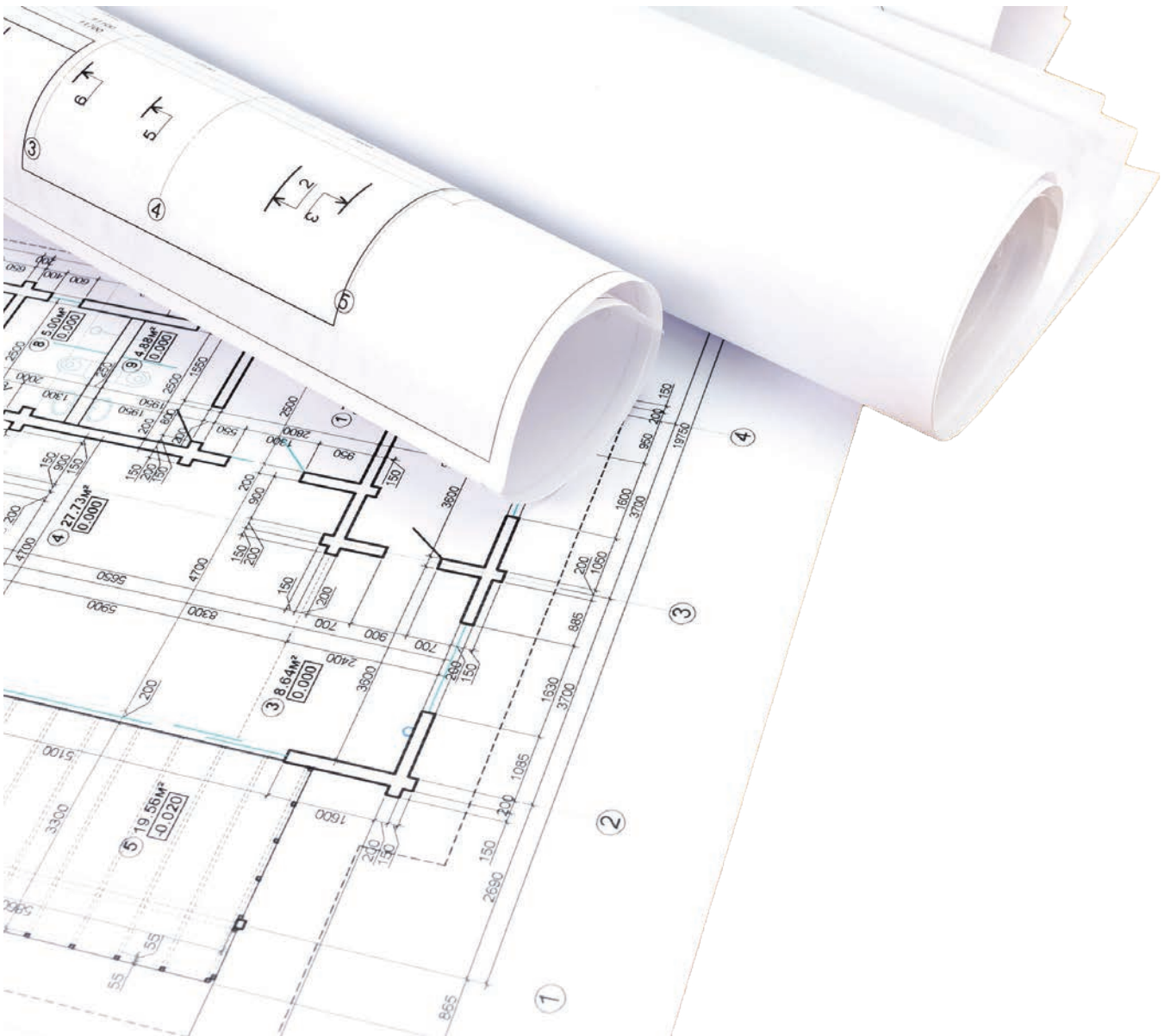




## Any other ideas or thinking...

- As part of this consultation Council welcomes any constructive ideas or thinking on the proposed Public and Affordable Housing Asset and Tenancy Management Strategy.
- We also welcome any new ideas or thinking on how Council could play an achievable role in addressing Ruapehu housing issues.

**Constructive thinking on how Council can play an achievable role in helping to address Ruapehu housing issues is welcomed.**







SUBMISSION FORM

Date Stamp

# Public and Affordable Housing Asset and Tenancy Management Strategy

For Council Use:

Sub No

File:

Doc No:

DB No:

This submission form can be sent to Council using the Free Post address on the back page or dropped in at your local Council office. Feedback can also be made via: [www.ruapehudc.govt.nz](http://www.ruapehudc.govt.nz), email to: [consultation@ruapehudc.govt.nz](mailto:consultation@ruapehudc.govt.nz) or Facebook: [facebook.com/ruapehudc](https://facebook.com/ruapehudc)

## The following information is required to enable us to contact you and advise you of Council's decision

Name

Postal Address

Postcode

Best daytime Phone

Email

Representing (Organisation if valid)

Do you wish to speak at a Hearing in support of your submission?

Yes

No

If YES, number of speakers (max 2)

Hearings are scheduled for Wednesday 14 October. If you want to speak at the Hearing we will contact you to make arrangements.

## Options and comment

### Consultation proposal

Do you support the adoption of the draft 'Public and Affordable Housing Asset and Tenancy Management Strategy' in place of Council's current 'Older Persons and Social Housing Policy'?

Yes

No

The 'Public and Affordable Housing Asset and Tenancy Management Strategy' enables Council's vision for housing investment to support community aspirations for economic and social development and building a more prosperous and resilient district. It aims to stimulate the housing market and encourage investment for public/social housing, affordable homes for key workers and retaining and attracting people to the Ruapehu District.

### Possible alternative options

Alternative options to adopting the proposed Strategy could include keeping things as they are, focusing only on Public Housing (social/community housing), or any other ideas people may suggest.

If you support an alternative approach to the proposed Strategy we would welcome some comment on your thinking. This can be added in the space provided on the back page. Thank you.

Would you rather Council keep things as they are and not take up the \$7.78m grant as offered and continue with our current 'Older Persons and Social Housing Policy'?

Yes

No

Would you rather Council focused solely on Public housing (social/community housing) and leave affordable housing to the private sector and market to supply?

Yes

No

Except for an initial small scale 'proof of concept' project Council is planning to provide housing ready land for others to build on and not be a long term housing developer. Do you think this is wrong and should Council take on greater risk and also develop housing to increase supply faster?

Yes

No

Do you have any other ideas or thinking on the proposed Strategy or on how Council can play an achievable role in helping to address Ruapehu housing issues? If so we would like to hear them. Please add on the following page.

**PLEASE ADD ANY COMMENT OR THOUGHTS ON THESE OPTIONS OR OTHER THINKING YOU HAVE ON THE FOLLOWING PAGE**

