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Kāinga Tipu

Local Government and Affordable Housing

PREPARED BY

CRESA / Public Policy & Research

FOR THE

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Aotearoa New Zealand**

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Local Government and Affordable Housing

**Prepared for
Centre for Housing Research Aotearoa New Zealand**

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EXECUTIVE SUMMARY

CHRANZ has commissioned this research to explore the current role of local government in affordable housing, the potential for optimising local government's role and activities in facilitating affordable housing, and the barriers and challenges councils face in making home ownership and rental housing more affordable in their areas.

Research approach and methods

Sections 1 and 2 respectively describe the research context, focus and methods. The research has involved a survey of local and regional authorities and a review of the critical documents promulgating local and regional authority policies and directions for a selected set of local and regional councils. The data generated through those activities have been supplemented by a brief review of international trends in relation to local authority involvement in housing, particularly affordable housing. We have also explored through targeted interviews with some local authorities ways in which councils can provide leadership and effective action to optimise access to affordable housing in their areas.

Direct provision of housing

Section 3 outlines the direct provision of housing by local government; 87 percent of councils responding to the survey have housing stock, which contributes over 14,000 stock units to the national housing stock. Section 3 presents survey findings in relation to the profile of council housing stock, targeting, adequacy of housing stock, numbers of households assisted and management and maintenance practices.

The sizes of council stocks vary considerably from council to council. What is not so variable is the targeting of that stock. Most council stock is rental and is targeted to older people. It is apparent that most councils provide housing because they acquired pensioner housing stock under a regime of highly subsidised housing funding provided by central government. Council stock is managed relatively passively with little acquisition or disposal, and is largely detached from any real analysis of affordable housing dynamics in council areas or any robust monitoring or research into the nature of housing need.

Other council actions to facilitate affordable housing

The various ways councils facilitate access to affordable housing, beyond direct provision, is discussed in section 4. Almost one half of councils are involved in retrofit activities, almost one third provide accommodation support services for older people and one quarter provide general information and advice around housing. Three quarters of councils cited some sort of relationship with other agencies regarding housing. However, fewer cited formal housing partnerships, with just over one quarter reporting a formal relationship with Housing New Zealand Corporation.

But overall, it was found that a relatively low number of councils are actively engaging with housing affordability. In areas where there is pronounced pressure on affordability and where it is not only low income groups that are vulnerable to housing problems, there are more likely to be active attempts to understand and address affordability problems. The examples of active approaches followed by seven councils show that, while they differ in their directions and activities, there are some emerging similarities in approach, including:

- Recognition of the strategic importance of housing for economic and/or social outcomes sought in the Local Government Act.

- Attempts to develop a coherent housing policy framework, and inclusion of housing in planning documents.
- Development of partnerships with the private and community sectors to promote the supply of affordable housing.
- Active investment of resources into housing initiatives including: grants, land banking, land swaps, land leases, rates rebate and lending.
- Improved management of consenting processes and the planning of infrastructure.

Regional councils appear to be least likely to allocate resources for activities relating to housing. Nevertheless, a few regional councils are actively considering housing issues in relation to regional growth strategies and regional policies.

Do councils see affordable housing as an issue for them?

Section 5 reports that there is a widespread perception among councils that both rental and home ownership affordability are significant problems within their communities. Often affordability is regarded as a more important issue than unemployment, crime or a polluted environment. Moreover, many councils believe that affordable housing issues are at least partly their responsibility. Almost a third of councils report that they see themselves as potentially having a responsibility in relation to affordable housing. A further fifth of councils consider the responsibility for addressing affordable housing to lie equally with local government and central government.

Despite acknowledgement of affordable housing issues, many councils appear to see themselves as relatively helpless in relation to doing something and have a passive approach to housing issues in their areas. Council housing provision is seen by almost two thirds of councils as having little or no impact on the availability of affordable housing. Furthermore, the majority of councils appear to believe that many of their regulatory and planning activities such as district planning, community planning, activities under the Building Act, rating policies, and their land use and transport activities have little or no impact on the availability of affordable housing. Almost half the councils expressed no view on how they might be able to encourage the supply of affordable housing in their areas.

Barriers to council action

Why do councils appear so little engaged with the issue of affordable housing, especially given that they identify affordable housing as an important and relevant issue for their area's economic and social wellbeing, and acknowledge that councils may have some responsibilities in that regard? It appears that councils consider there are a number of barriers to their involvement in increasing the supply of affordable housing, as noted in Section 5. Those barriers include:

- Restricted land supply.
- Over-heated coastal land prices.
- Lack of funding and finance.
- Ambivalence over the role of councils in housing.
- Lack of guidelines about tools and mechanisms for involvement.
- Legislative barriers.
- Low incomes among residents.
- Developers' focus on high-end of the market and large houses.
- Use of covenants to exclude people in need of affordable housing and providers targeting those populations.

Overall, councils do not appear to have the capability or the capacity to adequately assess or manage the impacts of their activities on housing affordability. Most councils have limited resources directed to addressing issues around affordable housing at the policy and planning level. They do not have the informational base to underpin debates about appropriate approaches.

Most councils collect very little information about housing affordability and have a limited understanding of the impacts of local government activities on housing affordability. Knowledge around the affordability impacts of core council activities appears to be extremely limited despite the enormous body of research and evidence-based policy debate on those issues to be found internationally. Furthermore, housing affordability is frequently conflated with social housing and there is little evidence of councils being able to articulate the connections between affordable housing and achievement of desired economic and social outcomes.

International approaches and tools

Despite many councils seeing themselves as potentially having some responsibility in housing, few councils have actively adopted any of the internationally accepted and longstanding approaches, tools and mechanisms used to address affordable housing supply. The international review (see Section 6) showed that overseas local authorities use a wide range of approaches, tools, models and mechanisms, and in different combinations, to promote affordable housing. Approaches encompass both regulatory and non-regulatory methods. The key activities cluster into four categories:

- Direct provision of housing stock.
- Using council assets to support affordable housing.
- Funding and financing affordable housing.
- Policy, planning and operations.

International evidence suggests that local political leadership on housing issues may be the most important driver of successful involvement in affordable housing. The particular legislative and regulatory environment in which local authorities operate does not appear to determine the nature and extent of their engagement in affordable housing. Leadership appears to be more crucial than any particular mechanism or tool that a local authority adopts. In summary, the international review highlighted three main characteristics that local authorities active in providing and/or facilitating affordable housing have in common. Those are:

- Political commitment and leadership.
- Local housing strategies, policies and plans that establish affordable housing goals and implementation processes.
- Awareness of the impact of their own statutory powers and processes on the availability of affordable housing and willingness to overcome regulatory and planning barriers and find enabling mechanisms.

Addressing affordable housing

Section 7 concludes that addressing affordable housing requires a multi-pronged approach. Tangible solutions will vary from area to area. Nevertheless, underpinning any approaches is the requirement for active leadership and for both local and central government to have a common understanding of their respective and shared roles in addressing housing affordability. The research findings suggest that if councils are to take a more active leadership role in addressing affordable housing a multi-pronged approach is needed that involves local and central government, and provides for flexible approaches that are responsive to the circumstances and needs of different areas.

On the basis of this research seven recommendations emerge. Those are that:

- i. Stakeholders need to come to agreement and clarification between local and central government on their respective roles, responsibilities, priorities and funding mechanisms in relation to the provision and promotion of affordable housing.
- ii. Central government needs to show commitment to supporting the sort of facilitative tools used overseas and ensuring that councils are not inhibited by legislation to take up effective and well-tested tools.
- iii. Both local and central government need to agree and develop ways to ensure funding for the range of population groups vulnerable to unaffordable housing. This means departing from the traditional cycle of funding being directed to a single housing mode and target – pensioner housing – and identifying priorities and mechanisms for funding other vulnerable groups such as people with disabilities, young people and working families.
- iv. Both central and local government need to break with the past and embed their housing responses in robust, evidence-based strategies that establish formal collaborations with community and private sector agencies and organisations.
- v. There needs to be a significant central and local government commitment to capacity and capability building with a particular emphasis on building knowledge through skilling, research and information management as well as knowledge sharing between councils. This will require funding and other support to:
 - Undertake further analysis and evaluation as required (see recommendation vii below).
 - Develop best practice examples and guidelines for local government affordable housing initiatives.
 - Funding for local or regional housing coordinators in areas under pressure from housing affordability.
- vi. All councils need to develop local housing strategies that specify and develop policies and actions for:
 - Identifying and addressing the housing needs of population groups vulnerable to unaffordable housing
 - Leveraging housing outcomes for economic and social benefits in the community
 - Linking housing outcomes to transport, environmental sustainability and infrastructure outcomes.
- vii. There needs to be further work on the impacts of local government activities on housing affordability through analysis and evaluation of the following:
 - The extent to which existing local government powers and mechanisms could be more effectively used to increase the supply of affordable housing
 - Specific actions that central government could do to facilitate and support the role of councils in the provision and promotion of affordable housing (including but not limited to social housing)
 - Detailed identification and assessment of particular effective overseas models and approaches that would be readily applicable in New Zealand, and changes needed to make effective overseas models applicable in New Zealand.
 - Other barriers to affordable housing supply such as covenanting and land banking and means of overcoming them.

1. INTRODUCTION

- 1.1 This research has involved a survey of local and regional councils about affordable housing, a review of the critical documents promulgating local and regional council policies and directions around affordable housing for a selected set of local and regional councils. The data generated through those activities have been supplemented by a brief review of international trends in relation to local authority involvement in housing, particularly in relation to affordable housing. We have also explored through targeted interviews with some New Zealand local councils ways in which local councils can provide leadership and effective action to optimise access to affordable housing in their areas.
- 1.2 This report presents the integrated findings of those research activities. It is structured as follows:
- Section 1 comments on the context and focus of this research.
 - Section 2 describes methods.
 - Section 3 describes the extent and nature of direct housing provision by local government.
 - Section 4 describes the way in which local government facilitates affordable housing through mechanisms and activities other than direct provision.
 - Section 5 comments on how housing, particularly affordable housing, is positioned within the local government agenda.
 - Section 6 reviews international trends in local government involvement in affordable housing and the factors that promote effective housing action at the local level by local government.
 - Section 7 comments on ways in which local government can be supported to make a greater contribution to the availability of affordable housing in New Zealand.

Research Context: Affordable Housing and Local Government

- 1.3 Access to affordable housing in New Zealand has emerged as a significant political issue as both house prices and rents increase and those seeking to own their own homes are faced with the prospect of significantly increased interest rates on home mortgages.
- 1.4 Limited access to affordable housing has a number of negative local and regional impacts including:
- Placing considerable pressure on social housing stock as:
 - low income and vulnerable groups become displaced from housing that has until recently been affordable at the lower end of the homeownership market and the private rental market, and
 - social housing providers find it difficult to expand (and in some cases even maintain) their stock and provide for increased demand as land, building, rates and housing prices increase.
 - Presenting a barrier to economic expansion in some local economies.
 - Generating wage and salary pressures as employees attempt to compensate for rising housing costs.
 - Creating shortages of key workers in some areas and in some industries.
 - Increased prevalence of housing conditions which impact negatively on well-being including:

- overcrowding
 - under investment in repairs and maintenance
 - insecurity as homeowners become over-gearred and landlords seek to reap opportunities for higher returns by reviewing rents and re-tenanting
 - increased residential movement associated with housing stress.¹
- 1.5 Limited availability of affordable housing affects not simply those who have traditionally been assisted through social housing. Housing affordability is becoming increasingly uncertain even among middle income groups who have traditionally not confronted persistent or widespread barriers to affordable housing. Not since post-WWII have housing problems gone so distinctly beyond the marginal, dispossessed and most vulnerable members of the community to a broader population.
- 1.6 Public concern about housing affordability is growing. The Nelson, Marlborough, Tasman housing affordability study showed that even those who had satisfactory housing themselves identified housing as the critical public issue for their regions.² Similar views are also expressed among the public in the Eastern Bay of Plenty (Kawerau District and Opotiki District) and Cannons Creek, Porirua. In all those areas, the public typically considered the response of their council to issues of affordable housing as inadequate.³
- 1.7 There is a growing concern among councils, both local and regional, about how they might best respond to housing issues. How councils should handle those roles and whether they should actively facilitate access to affordable and/or social housing, is actively being contested within councils.⁴
- 1.8 There are also significant challenges for councils in understanding, managing and balancing the effects of decisions emerging out of a concern with the bio-physical environment on the supply of affordable housing. There is, for instance, some concern that growth strategies that constrain greenfields developments may reduce the availability of affordable housing. By way of contrast, the resistance of some communities and councils to intensification and increased settlement density is also cited as a constraint on the supply of affordable housing. So too is the inadequacy or adequacy of infrastructure in some localities to support housing development.

The Research Focus

- 1.9 CHRANZ has commissioned this research to stimulate and support the current desire in New Zealand to explore the potential for optimising the provision of, and access to, affordable housing through local and regional

¹ The FRST funded Building Attachment Programme in Communities affected by Residential Movement has found that dissatisfaction with or inadequate housing is a primary driver of residential movement. It possibly has greater impacts on residential movement patterns than employment or lack of employment opportunities (Saville-Smith, K, 2006, Stable nodes: Implications for Housing Policy & Service Delivery.)

² CRESA and Public Policy & Research 2006 *Public Perspectives on Housing and Affordability in Nelson, Tasman and Marlborough*, for CHRANZ

³ The FRST funded Building Attachment Programme in Communities affected by Residential Movement.

⁴ One of the critical issues for New Zealand is developing agreed understandings of affordable housing (both rental and owner occupied) and differentiating affordable housing from social housing. The range of definitions used in relation to affordability is reviewed in Robinson *et al.*, (2006). It is not part of this research to comment on those, but, rather, it does explore whether councils differentiate between affordable and social housing and how affordability is defined and measured by councils.

government undertaking active community leadership and providing a facilitative regulatory, planning, service provision and regulatory environment.

- 1.10 CHRANZ has recognised, however, that there is a significant gap in relation to the most basic information about the activities councils undertake in relation to housing, their perspective on their role in relation to affordable housing, and the barriers to their greater involvement in the facilitation of affordable housing in their areas. There is also a lack of information about the range of ways in which local authorities overseas have addressed housing affordability.
- 1.11 There are critical questions that need to be asked in New Zealand around the current impacts and activities of local and regional government in relation to affordable housing. Many of those questions focused on local government provision of social housing, while other questions related to the planning and regulatory functions of councils, particularly in relation to land use planning, and the ability of councils to monitor and respond to dynamic local housing markets.
- 1.12 Those questions broadly fall into four clusters:
- To what extent do councils directly contribute to affordable housing through their provision of social or other housing?⁵
 - To what extent are councils addressing housing affordability in their roles as:
 - The regulating authority of land use and the built environment through the Resource Management Act 1991 (RMA), the Building Act 2003 and health regulations?
 - The civil authority with responsibilities to achieve social, cultural, economic and environmental wellbeing through local and regional planning, leadership, resource allocations, and administration as required under the Local Government Act 2002 (LGA) including in the Long-term Council Community Plans (LTCCPs)?
 - Managers on behalf of ratepayers of assets including land that might be invested in stimulating the provision of affordable housing?
 - What are the barriers to councils effectively facilitating the private, public and community sectors to deliver affordable housing?
 - What are the range of tools, mechanisms and models that local authorities use overseas to facilitate affordable housing delivery in both the home ownership and rental markets by the private sector, central government and the community sector, and how can they be implemented here?
- 1.13 Answering those questions is beyond the very limited resources that can be allocated to this research. However, this research has been commissioned to begin to fill those informational gaps. In doing so, it identifies a whole range of issues which will require focused and committed attention through further research, policy analysis and sectoral development.

⁵ Some councils may still (or could through ownership of a housing stock) provide housing or housing assistance for their own key workers and employees. For that reason we are not restricting the focus to social housing provision and have collected data on councils' housing stock and assets as a whole.

2. RESEARCH METHODS

- 2.1 The research has been designed around three descriptive and analytic components as follows:
- Council recognition, resourcing and facilitation of affordable housing.
 - Tools, mechanisms and models available to local government to facilitate access to affordable housing.
 - Barriers to local government facilitating the delivery of affordable housing.
- 2.2 These components have been approached through a survey of local and regional councils and content analysis of a selected set of regional and local council documents that has explored:
- The extent to which regional, unitary and local authorities:
 - Identify access to affordable housing as a desired regional or local outcome.
 - Actively invest in affordable housing.
 - Directly deliver social housing or other forms of affordable housing such as housing for key workers and employees.
 - Actively facilitate the delivery of private sector, community sector, iwi or HNZA provision of social housing and/or affordable housing.
 - Monitor the supply of, and demand for, affordable housing and access in their regions.
 - Systematically assess the impact of its policies, strategies, plans and activities on the supply of affordable housing including social housing.
 - Prevailing perceptions among local authorities regarding:
 - The concept of affordable housing and its relationship to social housing.
 - Changes in demand for affordable housing in their localities or regions.
 - Impacts on localities and regions of unmet demand for affordable housing either currently or in the future.
 - The roles and responsibilities of local government in relation to affordable housing.
 - Likely future directions in relation to affordable housing.

The Survey

- 2.3 The survey of local, regional and unitary authorities was undertaken using a structured questionnaire (Annex A). The questionnaire is carefully structured around the key processes and activities of councils to assist council officers to complete sections of the questionnaire that fall within their areas of responsibility. There is a mix of closed and open ended questions. The data collected in the survey includes:
- Perception of the housing needs in the region/district:
 - Nature and extent of housing affordability problems
 - Groups within the community most affected
 - Perception of council role in the provision of affordable housing:
 - Regulatory
 - Planning
 - Direct provision
 - Perception of barriers and opportunities for council to play a role in the provision of affordable housing.

- Specific council actions and initiatives to support the delivery of affordable housing including sub-division development, partnership initiatives, zoning requirements for affordable housing provision; direct housing provision:
 - What are they?
 - How are they funded?
- Description of any planned future council housing initiatives.
- Council rental (social) housing:
 - Is management of housing stock in-house or contracted out? (if in-house, number of staff)
 - Means of funding
 - Number of units
 - Location of units
 - Value of stock
 - Type of stock (number of bedrooms)
 - Tenants selection criteria
 - Number of tenants
 - Characteristics of tenants
 - Range of rents
 - Number on waiting lists
 - Perception of extent to which council housing meets demand
 - Description of maintenance programme
- Existing partnerships (with central government, private sector, iwi or the community sector) to increase the supply of affordable housing (if any):
 - Who with?
 - Nature of housing provision/initiative
 - Nature of partnership (legal and governance structure)
- Description of any council data collection and monitoring of housing need in the region/district

2.4 The survey was implemented by a process of: direct approach by letter and telephone follow-up with a council's chief executive and mayor/chairperson engaging their cooperation; and identification of a council officer to liaise with us and co-ordinate responses to the survey from appropriate council officers. There was considerable effort put into follow-up with councils and council officers. Of the 85 councils invited to participate in the survey, 78 councils did so. This is a response rate of 91.8 percent. The councils that participated and did not participate in the survey are listed in Infobox 2.1.

The Content Analysis

- 2.5 Ten local authorities were selected using a case frame based on an assessment of:
- Rental affordability
 - Housing access limits, and
 - Council social housing stock.
- 2.6 The case frame utilised the Massey University Home Affordability Index to identify regions with a high index rating - indicating reduced affordability, and quarterly data from the Department of Building and Housing to identify regions with the highest average rentals. As a final step in selection of councils under the case frame, consideration was given to current council social housing stock levels and population growth estimates – and a proportion of councils were selected that had high levels of social housing stock and or high levels of predicted population growth.

Infobox 2.1: Respondent and Non-Respondent Councils

	Respondent Councils	Non- respondent Councils
Regional Councils	<ul style="list-style-type: none"> ▪ Auckland RC ▪ Environment BOP ▪ Environment Canterbury ▪ Environment Southland ▪ Greater Wellington RC ▪ Hawkes Bay RC ▪ Horizons - RC 	<ul style="list-style-type: none"> ▪ Environment Waikato ▪ Northland RC ▪ Otago RC ▪ Taranaki RC ▪ West Coast RC
Local Councils	<ul style="list-style-type: none"> ▪ Ashburton DC ▪ Auckland CC ▪ Buller DC ▪ Carterton DC ▪ Central Hawkes Bay DC ▪ Central Otago DC ▪ Chatham Islands ▪ Christchurch CC ▪ Clutha DC ▪ Dunedin CC ▪ Far North DC ▪ Franklin DC ▪ Gore DC ▪ Greymouth DC ▪ Hamilton City ▪ Hastings DC ▪ Hauraki DC ▪ Horowhenua DC ▪ Hurunui DC ▪ Hutt CC ▪ Invercargill CC ▪ Kaikoura DC ▪ Kaipara DC ▪ Kapiti Coast DC ▪ Kawerau DC ▪ MacKenzie DC ▪ Manawatu DC ▪ Manukau CC ▪ Masterton DC ▪ Matamata-Piako DC ▪ Napier CC ▪ New Plymouth DC ▪ North Shore CC ▪ Opotiki DC ▪ Otorohanga DC ▪ Palmerston North CC ▪ Papakura DC ▪ Porirua CC ▪ Queenstown-Lakes DC ▪ Rodney DC ▪ Rotorua DC ▪ Ruapehu DC ▪ Selwyn DC ▪ South Taranaki DC ▪ South Waikato DC ▪ South Wairarapa DC ▪ Southland DC ▪ Stratford DC ▪ Tararua DC 	<ul style="list-style-type: none"> ▪ Waitaki DC ▪ Rangitikei DC

	<ul style="list-style-type: none"> ▪ Taupo DC ▪ Tauranga CC ▪ Thames-Coromandel DC ▪ Timaru DC ▪ Upper Hutt CC ▪ Waikato DC ▪ Waimakariri DC ▪ Waimate DC ▪ Waipa DC ▪ Wairoa DC ▪ Waitakere CC ▪ Waitomo DC ▪ Wanganui DC ▪ Wellington CC ▪ Western Bay of Plenty DC ▪ Westland DC ▪ Whakatane DC ▪ Whangarei DC 	
Unitary Authorities	<ul style="list-style-type: none"> ▪ Gisborne DC ▪ Marlborough DC ▪ Nelson CC ▪ Tasman DC 	

RC= Regional Council

CC=City Council

DC=District Council

2.7 Because of the importance of Regional Councils in setting the environmental and transport policy for local authorities, relevant Regional Council documents were also identified and analysed.

2.8 The full list of councils subject to content analysis of relevant documents is as follows:

- Auckland Regional Council
- Papakura District Council
- Manukau City Council
- Auckland City Council
- Environment Bay of Plenty
- Tauranga City Council
- Environment Waikato
- Hamilton City Council
- Taupo District Council
- Greater Wellington Regional Council
- Wellington City Council
- Marlborough District Council
- Environment Canterbury
- Christchurch City Council
- Otago Regional Council
- Queenstown-Lakes District Council

2.9 The content analysis involved searching for and analysing the core planning and policy documents of local and regional councils and unitary authorities. Those being:

- Long Term Council Community Plans
- Annual Plans
- Annual Reports
- Regional Policy Statements
- Regional Plans

- District Plans.

2.10 In addition, any policy or strategy documents identified as having a particular relevance to housing and housing affordability were also reviewed. Because of the resource constraints on the project, considerable reliance was placed on accessible documentation on council websites and councils bringing such documents to our attention. Infobox 2.2 sets out the additional documents.

Infobox 2.2: Additional Documents Reviewed for Content Analysis

Council	Documents
Auckland Regional Council	<ul style="list-style-type: none"> ▪ Auckland Regional Affordable Housing Strategy ▪ Auckland Regional Growth Strategy: 2050
Manukau City Council	<ul style="list-style-type: none"> ▪ Developing Tomorrow's Manukau – A Property Strategy for MCC ▪ Community Development Framework ▪ Flat Bush Community Plan ▪ Disability Policy ▪ Flat Bush Proposed Variation #13 ▪ Health of Older Person ▪ Health Policy ▪ Auckland Regional Affordable Housing Strategy & Draft MCC Affordable Housing Action Plan
Auckland City Council	<ul style="list-style-type: none"> ▪ Policy Approaches to the Provision of Affordable Housing – Research Findings ▪ Growth Management Strategy ▪ Assisted Home Ownership ▪ Positive Ageing in Auckland
Environment BOP	<ul style="list-style-type: none"> ▪ Smart Growth – 50 Year Strategy and Implementation Plan
Hamilton City Council	<ul style="list-style-type: none"> ▪ Housing, Elderly and Disabled – Council Policy ▪ People and Well-Being, the Community Development Plan
Taupo District Council	<ul style="list-style-type: none"> ▪ Policy for the Older Person ▪ Growth Management Strategy Taupo 2050 ▪ Development Contributions Policy ▪ Economic Development Policy
Greater Wellington Regional Council	<ul style="list-style-type: none"> ▪ Wellington Regional Strategy
Wellington City Council	<ul style="list-style-type: none"> ▪ Accommodation Assistance for Community Groups ▪ Homelessness Strategy ▪ Older Persons Policy ▪ Housing Policy Effectiveness Review: Part 1 ▪ Housing Policy Effectiveness Review: Part 2 ▪ Framework for the Provision of Housing ▪ Housing Rental Policy Review ▪ Operational Policy: Provision of Community Support in Council Housing
Marlborough District Council	<ul style="list-style-type: none"> ▪ Marlborough Sounds Resource Management Plan (operative) ▪ Proposed Wairau/Awatere Resource Management Plan ▪ Transitional Regional Coastal Plan ▪ Transitional District Plan – Awatere Section ▪ Transitional District Plan – Blenheim Section ▪ Transitional District Plan – Marlborough Division Section ▪ Transitional District Plan – Wairau Plains Section

Christchurch City Council	<ul style="list-style-type: none"> ▪ Council Housing Policy ▪ Draft Social Housing Strategy ▪ Older Persons Policy ▪ Development Contributions Policy
Queenstown-Lakes District Council	<ul style="list-style-type: none"> ▪ Housing Our People in Our Environment (HOPE): Affordable Housing Strategy ▪ Plan change 24 – Community Housing Issues and Options Paper ▪ Memorandum of Understanding between HNZA and Queenstown Lakes District Council ▪ Elderly Persons Housing

2.11 Content analysis is a process by which explicit references are identified to establish the weight and orientation of a document to the area of interest. While this method can be used to underpin quantitative analysis, our concern was to acquire a systematic and comparable body of material from councils that would allow us to understand their focus in relation to housing, their range of engagement, and the extent to which resources are directed to addressing issues around housing. To facilitate that process, analysis was undertaken through the application of the template presented in Annex B.

Other Research Activities

2.12 Those primary research activities were supplemented by two other activities. Firstly, a review of international literature and commentary around local authority approaches to the facilitation of affordable housing. To optimise the resources available to the survey and content analysis components of the research, CHRANZ asked that this focus primarily on existing and recent comparative studies of local government and affordable housing. Secondly, there were additional telephone interviews with New Zealand councils using mechanisms beyond direct provision to facilitate affordable housing.

3. LOCAL GOVERNMENT AND DIRECT HOUSING PROVISION

3.1 For many years, central government provided funding support to councils targeted at the provision of pensioner housing. During the 1990s there was a pronounced view among many councils that direct housing provision was inappropriate. This section considers the extent and nature of direct housing provision by councils. It presents the survey findings in relation to:

- Numbers of councils with housing stock
- Size of council housing stocks
- The profile of council housing stocks
- Council views on the function of their housing stock
- Targeting of council housing stock
- Adequacy of the housing stock measured by waiting lists and waiting times
- Numbers of households assisted through council housing provision
- Council assessment of the quality of their housing stocks
- Council management and maintenance of their housing stock
- Acquisition and acquisition funding.

Councils with a Housing Stock

- 3.2 Eighty-seven percent of participating councils reported that they directly provided housing of some sort. If it is assumed that the seven councils that did not participate in the survey do not provide housing of any sort, this suggests that 80 percent of councils provide housing. One regional council reports providing housing. Four unitary authorities have a housing stock and 63 local authorities report having a housing stock.
- 3.3 Of the 68 councils that provide housing, their housing provision has generally been for considerable periods of time. Over three quarters (79.6 percent) of those councils have been providing housing for thirty years or more. One council has provided housing for seventy years. No council has provided housing for less than 10 years.

Size of the Council Housing Stock

- 3.4 On average, councils provide 207 dwelling units. However, the range is significant. The council providing the smallest number of units provides only six dwellings while the council that provides the highest number of units provides 2,651 stock units.
- 3.5 Collectively the councils providing housing add a total of 14,036 units to the national dwelling stock. That is, the council stock constitutes less than 1 percent of the national occupied stock.
- 3.6 Figure 3.1 indicates the distribution of stock size. Figure 3.2 shows the distribution of council stock throughout New Zealand.

Figure 3.1: Council Housing Stock

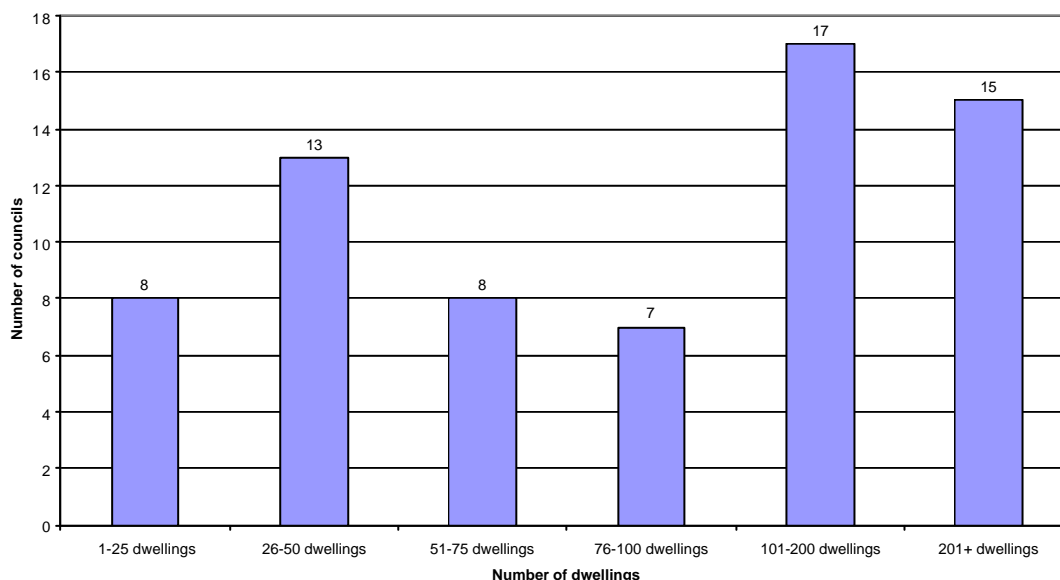
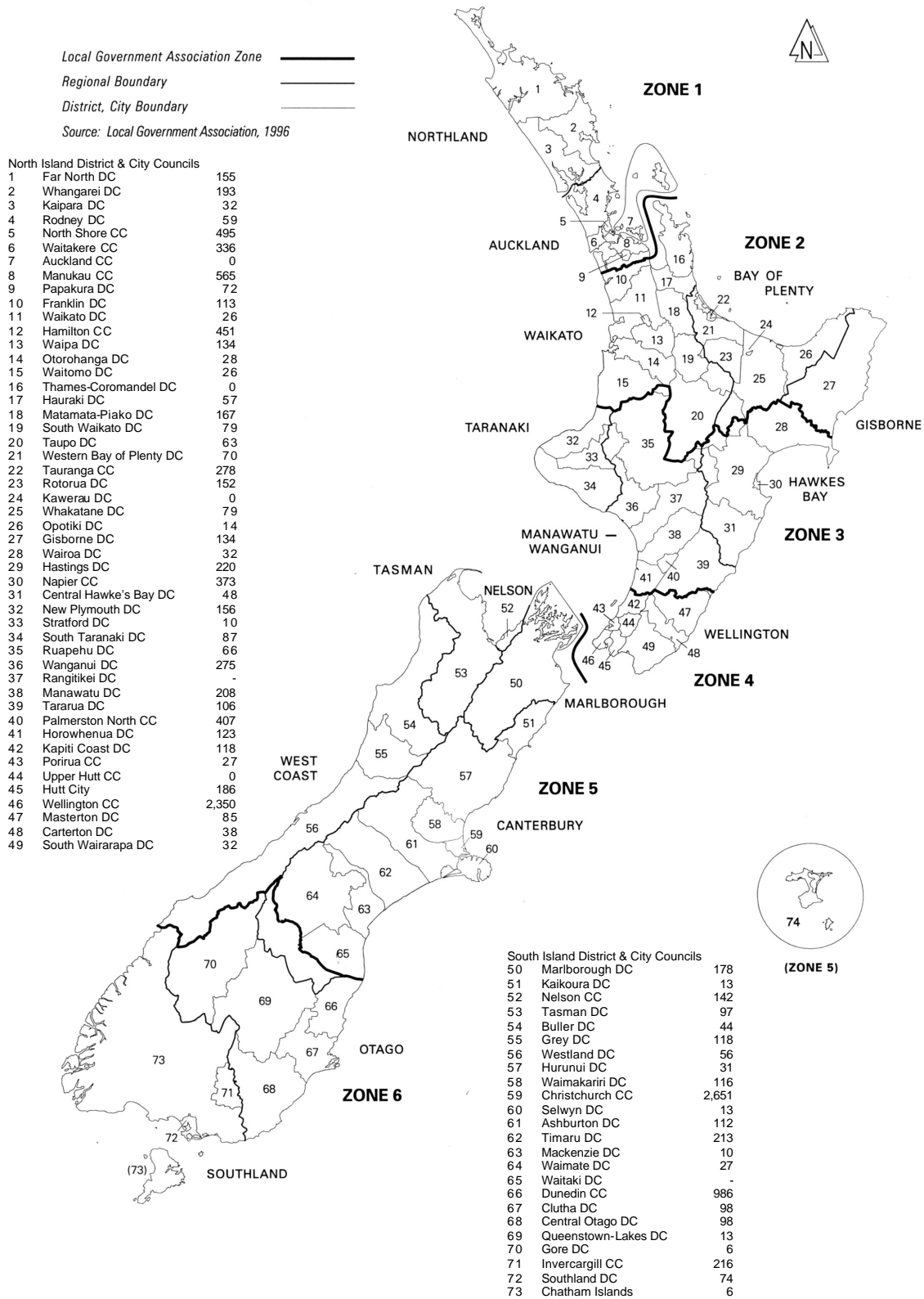


Figure 3.2: Map of Local Councils & Numbers of Council Stock*



* The majority of regional councils surveyed hold own no dwelling stock the exception was Environment Canterbury with 28 dwellings.

Profile of the Council Housing Stock

- 3.7 The council housing stock has a different profile to that prevailing in the national stock. The 2006 census shows that the largest single category of housing stock consists of 3-bedroom dwellings. As Table 3.1 shows, the council stock is dominated by one-bedroom dwellings. The council stock also has a very high proportion of 'bedsits'. It is estimated that 15.3 percent of the council stock is made up of the latter.

Table 3.1: Comparison of Council Owned Dwelling Stock Profile with Total NZ Dwelling Stock

Number of bedrooms	Council Owned Dwellings		NZ Dwelling Stock	
	Dwellings	% Stock	Dwellings	% Stock
1-bedroom*	12,426	88.5	81,246	5.78
2-bedrooms	1,125	8.0	278,145	19.78
3-bedrooms	345	2.5	651,066	46.30
4 or more bedrooms	140	1.0	395,706	28.14
<i>Total</i>	<i>14,036</i>	<i>100</i>	<i>1,406,163</i>	<i>100</i>

*1-bedroom dwellings for council stock includes dwellings identified in the survey as bed-sit and studio dwellings

Functions of the Council Housing Stock

- 3.8 The council stock is primarily directed to long-term rental accommodation, usually pensioner accommodation. Ninety-seven percent of councils use their stock for that purpose. A small proportion of councils direct some of their stock to other purposes:

- 8.8 percent of councils with housing stock reported providing some staff housing
- 5.9 percent of councils with housing stock reported providing some transitional rental housing
- 2.9 percent of councils reported involvement in shared ownership
- One council reported providing housing for a local doctor.

A few councils also reported that they owned some housing stock as a consequence of acquiring land for roading or other infrastructure development.

Targeting the Council Housing Stock

- 3.9 Most councils (82.4 percent) target, nominally at least, their housing stock. Table 3.2 sets out the target groups reported by councils.

Table 3.2 Targeting of Council Owned Housing (n=64)

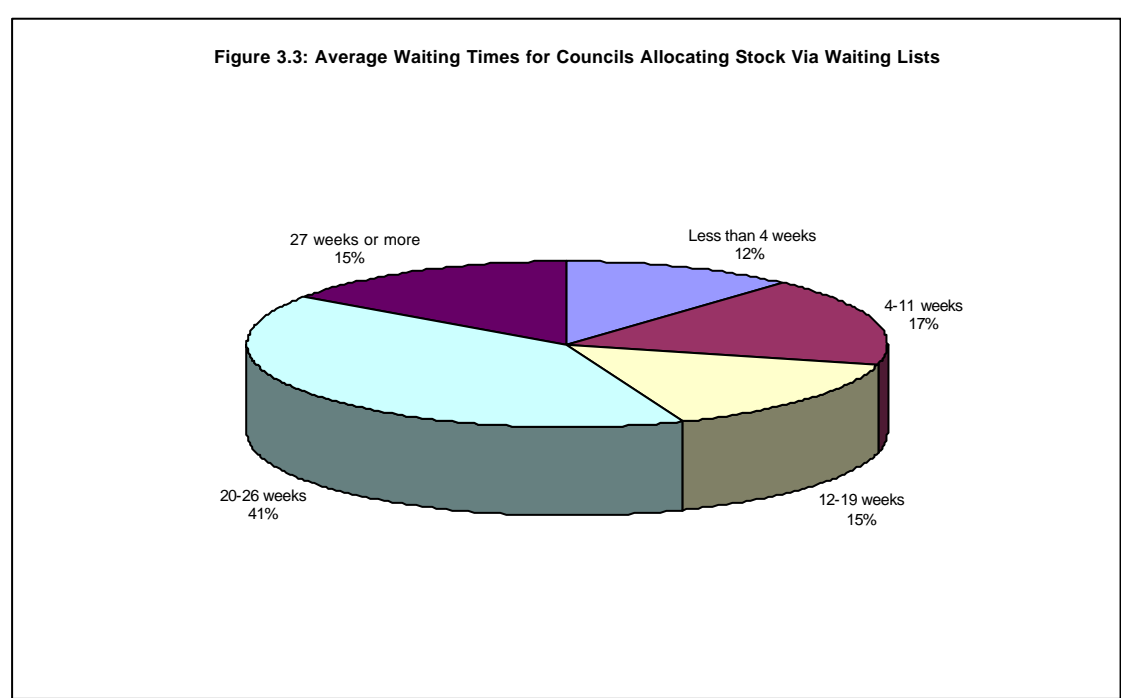
Target group	Councils	% Councils
Older people	61	95.3
People with disabilities	19	29.7
Low income single people	12	18.8
Other	12	18.8
No targeting for a portion of housing	8	12.5
Low income families	4	6.3
Refugees	3	4.7
New immigrants	3	4.7

* Multiple response

- 3.10 It is clear that stock is primarily targeted to older people. Eighty-eight percent of councils providing houses, targeted older people. The next most common target group for council housing, disabled people, only had 27.9 percent of councils targeting them. No council reported targeting the housing needs of young people.
- 3.11 In relation to older people, the specification of the target age varied. Almost half (47.5 percent) of the councils report that they restrict their pensioner cottages to people 60 years and more. A quarter of councils (26.2 percent) restricted access to those 65 years or more. Twenty percent of councils targeting older people allowed younger groups into pensioner housing, usually placing entry eligibility around 55 years of age.

Waiting for Council Housing Stock

- 3.12 Almost 84 percent of councils with housing stock report that they maintained a waiting list process. Two councils reported that at the time of surveying that they did not actually have anyone on the waiting list. Indeed, around a third of councils report ten or fewer people on their waiting list. However, the number of people on the waiting list varied considerably. One council report 320 people on their waiting list at the time of surveying. It is estimated that collectively the numbers waiting for houses is 2,023 households. That constitutes 14.4 percent of the current council housing stock.
- 3.13 The time that people spent on waiting lists also varies considerably. Over half of the councils (55.9 percent) report that average waiting times are 20 weeks or more. Among the eight councils with high average waiting times of more than six months, average waiting times can be very long. One council reports that their average waiting time is 208 weeks.
- 3.14 Figure 3.3 shows the distribution of waiting times among the 52 councils that use a waiting list process to allocate council stock.



3.15 Longer waiting times for stock are reflected in council views about supply and demand.

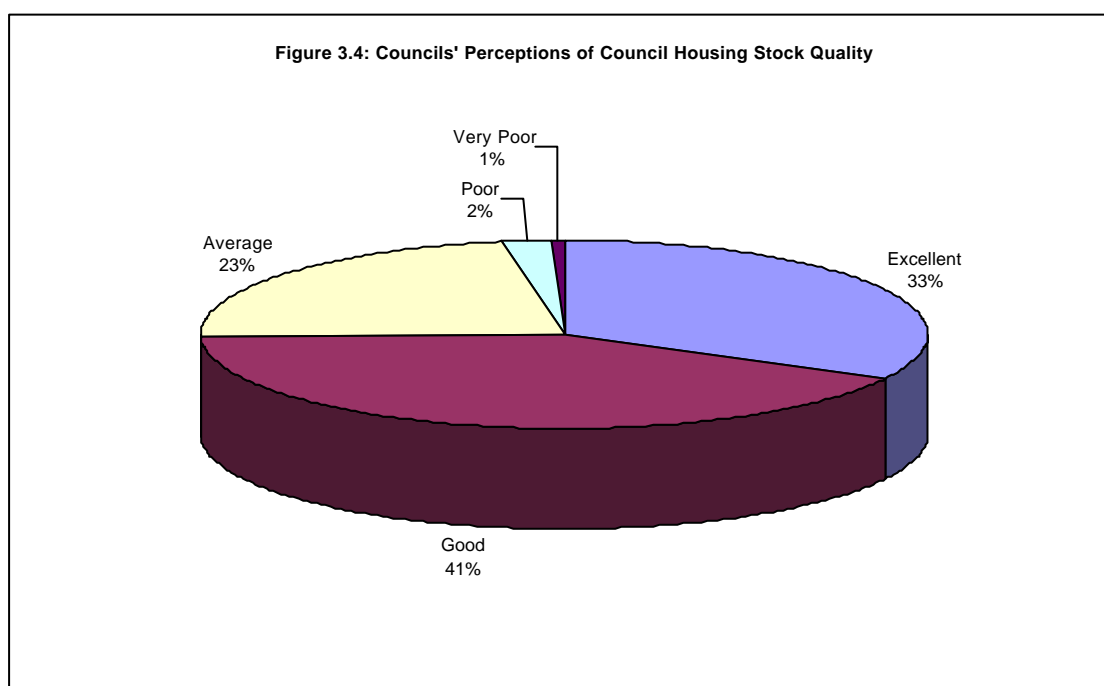
Households Assisted by Council Housing Stock

3.16 There is very low churn among the council housing stock of about 8 percent. Nevertheless, over the period of a year, more households are assisted through direct council provision than the stock numbers. The total number of households assisted through housing provision for the year ending 31 March 2006 is 15,163 households.

3.17 Councils report that at least some of their stock is provided at less than what they perceive to be a market rate. Of the total stock of around 14,036, it is estimated from council reports that around 8 percent are rented at market rates and the remainder are subject to some form of discounted rent to assist affordability.

Quality and Maintenance of Council Housing Stock

3.18 Councils were asked to estimate the proportions of their stock that they consider to be in 'excellent', 'very good', 'good', 'average', 'poor' or very poor' condition. Figure 3.4 sets out the proportions of the total council stock that are reported to fall in each of those categories.



3.19 As Table 3.3 shows, most councils have a planned schedule of maintenance and repairs. However, 30.9 percent of councils report that they do not use a planned maintenance schedule and work is undertaken on an 'as needed' basis. This presumably is triggered by occupant requests or complaints. A few councils also report that they have a scheduled refurbishment programme, typically on a seven year cycle.

Table 3.3: Maintenance Scheduling for Council Stock

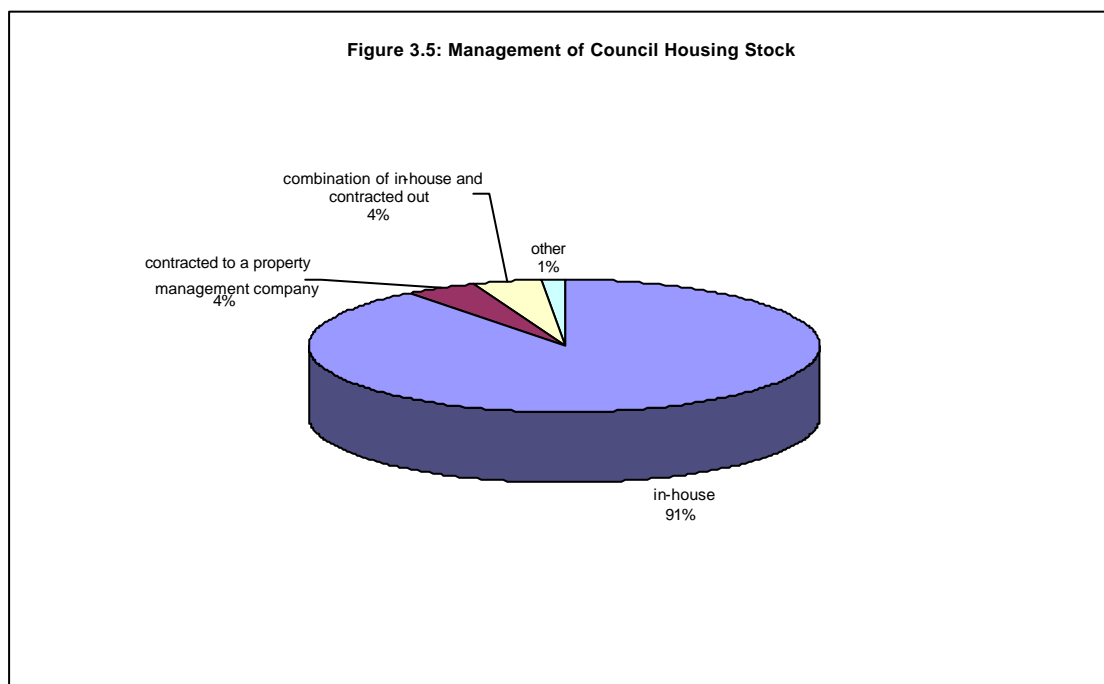
Maintenance Schedule Regime	Councils	% Councils
Monthly	8	11.8
Six-monthly	2	2.9
Annually	12	17.6
No schedule – work done as needed	21	30.9
Combination scheduled and reactive	25	36.8
Total	68	100

Funding Maintenance

3.20 Maintenance is most commonly funded by way of the income generated through rents from the stock itself. This source of maintenance funding is cited by 94.1 percent of councils with stock. Indeed, 72.1 percent of the councils with stock reported that rental revenue is the only source used for funding stock maintenance. Only a quarter of councils identify funding for maintenance as being derived from rates revenue. Only three councils report that they only use income from rates to fund maintenance, while 13 councils use a combination of income from rental revenue and rates.

Management of Council Housing Stock

3.21 Most councils manage their housing stocks in-house. In some cases, as Figure 3.5 shows a few councils use a combination of in-house and contracted out services or completely contract out the management of their stock.



Acquisition

3.22 Councils were asked whether they have recently or were likely to acquire stock. Only councils that already have housing stocks responded to that question. Among those 68 councils there is a relatively even split. Just over half (51.5 percent) report no intention to acquire and/or no recent acquisition.

However, 48.5 percent report recent acquisition and/or an intention to acquire more stock.

- 3.23 As Table 3.4 shows, 22.1 percent of councils report that demand for council housing always exceeds supply. A further 41.2 percent of councils reports that demand sometimes exceeds supply.

Table 3.4: Council Perception of the Extent to Which Existing Council Housing Stock Meets Demand

Council Views on Demand for Council Owned Housing	Councils	% Councils
Demand sometimes exceeds supply	28	41.2
Demand always exceeds supply	15	22.1
Supply sometimes exceeds demand	13	19.1
Supply always exceeds demand	5	7.4
Other	7	10.3
Total	68	100.0

Funding Acquisition

- 3.24 The thirty-three councils that indicated recent or intended acquisitions report a variety of funding sources for stock acquisition. Twenty-four of those 33 councils identify central government funding as a source for funding stock acquisition. However, central government funding is not seen as the only source. Over half (18 councils) of the 'acquiring' councils use borrowing as a source of funds. Ten councils identify the income from rental revenues as the funding source for acquisitions. Six councils identify rates revenue as the source of funding for acquisition.

4. LOCAL GOVERNMENT FACILITATING AFFORDABLE HOUSING

- 4.1 There are a variety of ways in which local and regional government can facilitate access to affordable housing beyond the provision of social housing stock. This section presents the research findings relating to the:
- Range of housing activities in which councils are involved
 - Extent and nature of engagement with other stakeholders with an interest in affordable housing supply and access
 - Structures, resourcing and processes through which councils engage with their communities around housing
 - Types of support councils provide to facilitate affordable housing.
 - It also provides brief vignettes on the approaches taken by seven councils that are actively addressing issues of housing affordability in their areas.

Housing-related Activities

- 4.2 Table 4.1 sets out a wide range of activities that councils report as housing-related. A significant number of councils are currently involved in retrofit activities (41 percent) and around a further fifth (19.2 percent) are planning to be involved in retrofit programmes in the future. In addition, 25.6 percent of councils report providing general information and advice around housing with a higher proportion (32.1 percent) reporting providing accommodation support services for older people.

Table 4.1: Range of Council Housing Related Activities (n=78)

Housing Related Activity	Councils	% Councils
Retrofit	32	41.0
Accommodation support services for older people	25	32.1
General housing advice/information	20	25.6
Housing advocacy	11	14.1
Accommodation support services for people with disabilities	7	9.0

* Multiple response

Working with Others

- 4.3 Although a quarter of councils report that they have no partners in facilitating or promoting affordable housing, most councils cite a wide variety of stakeholders with whom they see themselves as having some relationship in relation to housing (Table 4.2). Housing New Zealand Corporation is most commonly cited followed by the Department of Building and Housing. The latter relationship is presumably in reference to the statutory responsibilities that councils have in relation to the building regulations and consenting. District Health Boards are also prominent among the stakeholders councils cite as housing-related partners.
- 4.4 What is notable, however, is that while relationships around housing with other stakeholders are cited, councils typically do not have formal mechanisms for housing partnerships. Thus while 60.3 percent of councils cite Housing New Zealand Corporation as an important local partner in housing, only 28.2 percent have a formal relationship (Table 4.2).

Table 4.2: Council Relationships for Affordable Housing (n=78)

Organisation/Sector	Cited Relationship	Formal Relationship
	% Councils	% Councils
Housing New Zealand Corporation	60.3	28.2
Community Social Service Agencies	44.9	7.7
Other Councils	41.0	1.3
Department of Building and Housing	30.8	5.1
District Health Boards	30.8	1.3
Trusts	21.8	7.7
Other Central Government Agencies	20.5	5.1
Iwi, Runanga, Other Maori Organisations	20.5	2.6
Credit Unions, Banks	12.8	2.6
Private Rental Providers	11.5	-
Pacific Organisations	9.0	-

* Multiple response

- 4.5 There are some clear collaborations being made, however, in relation to retrofit which involve other stakeholders; in particular with community retrofit providers, Energy Efficiency and Conservation Authority (EECA), Housing New Zealand Corporation and District Health Boards (Table 4.3). It should be noted that 32 councils are involved in retrofit activities.

Table 4.3: Council Retrofit Collaborations (n=32)

Organisation/Sector	Councils	% Councils
EECA	19	59.4
Housing New Zealand Corporation	14	43.8
Community Organisations	9	28.1
Local Energy Trust	6	18.8
District Health Boards	6	18.8
Other Councils	2	6.3
Iwi, Runanga, Other Maori Organisations	2	6.3
Community Housing Provider	1	3.1

* Multiple response

Resources, Structures and Processes

- 4.6 Most councils have some resourcing associated with housing activities. Where councils have a housing stock there is frequently a property or asset manager. Almost three-quarters (74.4 percent) of the councils have a position associated with property management. That role, however, typically goes beyond housing issues. Only 60.3 percent of councils report that they have a staff position with some responsibility to deal with housing issues.
- 4.7 Few councils have established a formal internal mechanism to deal with housing issues. Seventeen councils (22.1 percent) report that they have an established working party, taskforce or sub-committee. Ten councils have advisory groups on housing issues and eight councils report being part of a wider housing forum involving a range of community stakeholders.

Supporting Others to Facilitate Access to Affordable Housing

- 4.8 Only 23 councils (29.5 percent) report that they provide funding or other forms of support to external parties to facilitate housing or housing services. Where support is provided it usually involves low level commitment (Table 4.4).

Table 4.4: Councils Support for External Parties addressing Affordable Housing

Type of Council Support	Councils	% Councils (n=78)
Project grants	12	15.4
Secretarial support and/or provision of meeting space	10	12.8
Rates rebates	8	10.3
Policy and advice	8	10.3
Contribution of council owned land	6	7.7
Subsidies	3	3.8
Land banking/land swaps	1	1.3
Development contribution funds	1	1.3
Financial contributions collected under RMA/District Plan	1	1.3
Rates holidays	-	-
Loan guarantees	-	-

* Multiple response

- 4.9 Only twelve councils report providing project grants or funding through grants schemes. Eight councils provide some sort of rates rebate to affordable housing providers or service providers. Smaller numbers of councils are involved in land-related contributions. Ten councils did, however, provide external groups involved in housing with access to council meeting spaces.

Examples of Councils with an Active Approach to Housing Affordability

- 4.10 Among the small number of councils taking what might be seen as active and innovative approaches to housing in their areas beyond the traditional involvement in direct provision of social housing are:
- North Shore City Council
 - Auckland City Council
 - Thames Coromandel District Council
 - Porirua City Council
 - Tasman District Council
 - Christchurch City Council
 - Queenstown Lakes District Council.
- 4.11 Infobox 4.1 provides a brief vignette of the approaches, activities and tools being used by those councils.
- 4.12 Those councils vary significantly in their populations, the size and nature of their local economies, their rating base and nature of the housing stock in their area as well as their involvement in direct social housing provision. Christchurch City Council, for instance, has had a long history of involvement in older people's housing and maintained a significant housing stock even when other councils were seeking to divest themselves of stock. In contrast, Thames-Coromandel District Council, a much smaller council, has sought to divest itself of its rental housing stock through development of new community-based partnerships.
- 4.13 There are differences between the councils who are presented in the vignettes in relation to their housing directions and activities. But the vignettes presented above show that, despite their differences, there are also some emerging similarities in approach. In particular:
- Recognition of the strategic importance of housing for the economic and/or social outcomes sought in the Local Government Act.
 - Attempts to develop a coherent policy framework for housing, affordable housing and social housing to guide council activities.
 - Development of new partnerships with both the private and the community sectors to promote affordable housing supply or deliver housing to vulnerable groups including collaborating with them to seek central government funding.
 - Incorporation of housing into both RMA and LGA planning documents.
 - Active investment of resources into housing initiatives including:
 - Grants
 - Land banking
 - Land swaps
 - Land leases using peppercorn leases
 - Rates rebates
 - Lending.
 - Improved management of consenting processes and the planning of infrastructure.

Infobox 4.1: Going Beyond Direct Provision: Examples of New Zealand Councils

North Shore City Council uses several approaches to support the development of affordable housing including rates rebates, contracting services, providing access to community facilities, and a partnership for community renewal. Rates rebates are given to charitable organisations involved in either directly providing housing or delivering essential housing support services – e.g. Awataha Marae which has kaumatua and kuia flats, and the Torbay Housing Trust.

Housing support services such as beneficiary advocates, tenant groups and Citizens Advice are given access to community facilities and rates rebates. The Council also has a contract with Age Concern for services related to finding emergency housing for older people.

The Northcote Central Project is a partnership between North Shore City Council, Northcote Central Development Group Trust and the HNZN Community Renewal programme. The Northcote Central Development Group charitable trust was set up in 2003 to represent local people and advise Council and HNZN on renewal in Northcote Central. Fourteen local residents, business owners and representatives of local groups and organisations are trustees. The project involves major investment in new housing around the town centre, particularly on HNZN owned land. HNZN owns many of the houses in the area, and higher density housing and a mix of housing styles are likely to be introduced, including apartments and terraced houses. Guided by an urban design concept plan, Council contributions will be made to physical infrastructure/capital works to support the renewal plan jointly developed by the partners. There is a collaborative approach to planning and design, with partners workshopping regularly to advance urban, open space and housing design. Northcote Central Project related initiatives are included in the LTCCP, together with allocation of Council budget to meet major works such as storm water upgrade for the area.

Auckland City Council supports affordable housing through partnerships. Currently its main focus is on developing a partnership project for assisted home ownership. The Council sees its role as facilitator and funder, rather than developer. Partners will actively identify and pursue development opportunities and negotiate the support they need from the council.

In 2005 the council started considering mechanisms through which it could support the provision of more affordable housing. Reasons for becoming involved included: a desire to off-set effects of former council housing stock being sold; rapidly emerging housing affordability issues in Auckland; the importance of housing issues for long term community well-being. Council made a decision to focus on housing provision through brokering partnerships and offering some direct form of support. The target group was determined as low to modest income working households. It was considered that medium density development should occur in optimal locations with good access to transport, services and community facilities.

The project was initially known as the Affordable Housing Demonstration Project, and included both rental and homeownership. However, when council considered the nature of long term involvement in rental housing, and as partner organisations favouring homeownership came on board, the focus has settled solely on homeownership. It is known as the Assisted Homeownership Programme. The homeownership focus met several criteria important to council in terms of overall outcomes and differentiated their initiatives from HNZN rental activities.

As Auckland City Council did not want to be the developer or long-term owner or manager of housing stock, or manager their occupiers, locating suitable partner organisations was a key early focus. The process to attract partners was run as a public expression of interest. Widely advertised through the GETS website, in print and other media and circulated through community and professional networks, the process resulted in 28 formal expressions. A wide range of responses were received from architectural practices, project management companies, property developers, third sector organisations, and building component suppliers with unique building systems or products. Despite that, no suitable land or housing development was offered that the council could use.

Further discussions were held with a small group of short listed proposals and a memorandum of understanding formed with a consortium led by McConnell Property Limited that includes the New Zealand Housing Foundation (NZHF), which is a charitable trust. Under the agreements as they currently stand at this stage of the process, it is anticipated that McConnell Property will take responsibility for larger development (say 40 or more dwellings), while smaller developments will be undertaken by NZHF directly. A percentage of dwellings in larger developments will be able to go straight to the open market, with the rest retained for affordable housing. The NZHF will manage the affordable housing, including selection of potential buyers of these dwellings. Beacon Pathway Ltd is also a part of this consortium and will assist in ensuring that the project meets council's wider objectives, including demonstrating high quality urban design and sustainability.

Council's contributions are not finally decided but are likely to be land and some form of financial contribution, possibly grants. To fund future grant capacity Council set in 2005 a new targeted community development and housing rate of 0.0002 in the dollar levied over residential and non-residential properties for 15 years. Of the \$1.5m per year generated each year, \$1m will be allocated to affordable housing, with the balance going to other community infrastructure and projects. The funds are separately accounted for and are not considered general Council revenue and available for other purposes. It is also possible land will be contributed.

The development of an affordable housing programme has presented challenges for the council. It has found community housing organisations in Auckland to be small scale and local, or to focus on a particular group of people such as those with mental health issues. Community organisations face substantive issues if they are to up scale operations and broaden their focus to become providers of more than a few properties.

Thames Coromandel District Council focus is on supporting the development of affordable housing in its district through facilitating other organisations to become providers. Council's involvement is through land leases and sale of pensioner housing to community trusts. The council does not provide suspensory or other loans, but do reserve to at any time for the right project.

In the mid 1990's the Council resolved to divest its pensioner housing, largely because of concern about the affordability of maintaining the stock. With a small ratepayer base, other projects, for example sewage treatment systems in the district's small towns, were a priority at the time. The council sold two former complexes of pensioner housing to volunteer based community trusts in Whitianga (4 units) and the Thames Pensioner Housing Trust (55 units). The units were sold at market valuation, minus some depreciation value. Sale of the Council's remaining 7 units is currently being negotiated with another local trust.

Council policy is to dispose of any land at market rates, but it is willing to enter into lease arrangements in order to facilitate pensioner housing. The Council leases the land on which the units stand to trusts at discounted rentals, set according to Council policy.

The council is discussing further projects on council land in Thames and Whitianga, with a view to leasing this land to the pensioner housing trusts if the development feasibility studies being carried out by them stack up financially.

The Council also operates a Treasure Chest Fund. Each community board has a discretionary fund to disperse on a case by case basis. Housing and other charitable trusts are eligible to apply.

Porirua City Council has used land banking to influence integrated comprehensive developments and land swaps to promote affordable housing. Partnerships with private developers, HNZA and third sector housing organisations are also featured.

Land banking was used to secure the Aotea Block, 246 hectares of former Crown land, which was bought by the council in 2000. The council saw Aotea as strategic block needing a comprehensive development approach to ensure mixed land use and a range of housing types, including affordable housing. The council put a proposal out to range of developers, which included requirements to protect landscape and land values, a range of housing types, and mixed land use including providing for business and employment opportunities. The land was sold to a developer at market value, pre rezoning. The council signed a comprehensive development plan agreement with the developer, including covenants on some titles. The council subsequently amended the District Plan to allow for mixed development, design guides, business park and medium housing.

There are challenges for the Aotea development to achieve affordable housing outcomes. The developed cost of sections has meant that these are now not affordable for either HNZA or to meet the Pacific community's needs. The high cost of earthworks on steep land has pushed up price, and values have escalated on sections with good views. However, the developer is still required to meet the objective of mixed housing. A range of section values will be achieved with south facing and medium density areas having lower values. While Aotea will not be for most first home buyers, the council believes it will relieve pressure on the lower end of the home ownership market by providing a next step for people progressing through the property owning cycle. The council aims to provide choice of housing overall, from rural to medium density, and to provide opportunity for movement within the Porirua area by providing more choice between the lowest end of the homeownership market, and the highest end of affordable.

The council has also partnered with HNZA on land swaps to create viable land blocks for state rental housing. Swaps are negotiated on a case by case basis as the opportunity arises, for example where the council owns a playground that would be better used if located in a different place, or by using a land locked reserve. There is ongoing cooperation between the council and HNZA on securing land.

Council's support for third sector housing organisations includes providing some sections, such as land locked reserves and back sections to Habitat for Humanity. These were sold at book value and the development levy waived.

Tasman District Council supports a local community housing trust.

Although the Council's policy is that any housing project has to be fiscally neutral, it has been able to support Abbeyfield to build two housing complexes for older people, one in Motueka and one in Takaka over the past five years. Each Abbeyfield complex houses ten older people. The Council provided a \$400,000 loan to Abbeyfield in each case. The loans are made at a discounted interest rate of 1% below market and are fixed for a longer period of time than commercial banks can provide, being repayable over twenty years. The Council uses the ability of local government to borrow finance at below market rates and has passed this saving on to Abbeyfield. The Council also supports Abbeyfield in its applications to other funding sources.

The partnership with Abbeyfield has benefited the Council. It was concerned about its waiting list for pensioner flats in some areas and saw that by supporting Abbeyfield, some of the pressure on Council resources would be relieved.

The Council is also looking to increase its own pensioner housing stock through an application to the Housing Innovation Fund (HIF) for the 2007/2008 funding round. The Council is seeking to build a further 9/10 pensioner units on a 0.8 hectare block located close to existing pensioner housing and an Abbeyfield house in central Motueka, and within easy walk of transport and shops. The Council has been recently approached by another local housing trust, which is interested in acquiring some of the sections in the block.

Christchurch City Council supports affordable housing through its Housing Strategy, partnerships, rates remissions, peppercorn rents, and land banking.

A Social Housing Strategy has recently been adopted and will provide for Council the policy framework and ability to explore a wider range of mechanisms. The Housing Strategy is an important step in setting up an enabling environment. Council is also exploring the possibility of using development levies for affordable housing.

Partnerships with other organisations include a partnership between the Council and Beckenham Housing Trust. The Trust provided the land and the Council built ten units on it to house people with mental health needs. The Trust manages the property and tenants, with a portion of the rents paid by tenants going back to the Council. A partnership project with HNZC consists of the council providing a 2,500 sq m block of land and 50% of construction costs for 20 units at a cost to the council of \$2.4m. HNZC has provided a matching 20 year suspensory loan from the Housing Innovation Fund. A mix of 1 and 2 bed units are currently under construction. The Council will own and manage the complex. The Council is also looking at the potential for another partnership, this time with two community trusts to develop a project of 20+ rental and homeownership dwellings. The council has a block of several hectares available that could possibly be contributed. Target groups for rental accommodation would be older people, those with disabilities, and affordable first home ownership.

The council helps many community organisations by providing properties and facilities at reduced (peppercorn) rents. Examples include groups offering supported accommodation such as the YWCA Night Shelter, Home and Family Trust, and Women's Refuge. Council also has a policy to provide a remission of rates on properties which are owned and used by not-for-profit community organisations, including those providing social housing.

The Council is considering buying its first block for land banking in a few months' time. The land block is located in an area that Council research shows there will be a future high demand for housing and pressure on land supply. The Council is open to how the block will be developed in the future and who will be involved. The council also expects to do more land banking in the future.

Queenstown Lakes District Council has developed a strategy, policy and planning framework to promote affordable housing, and also supports a local housing trust.

The Council's housing strategy sets out actions that the Council can take in the next 35 years to increase the supply of affordable housing. There is evidence of the need for seasonal worker housing, and key worker rental and homeownership. Around 2,300 households have been identified as needing affordable housing. The strategy's focus is on Council initiated actions aimed at specific groups with unmet housing need. The strategy sets goals for rental housing for seasonal workers, key worker rental and home ownership, increased HNZC housing, and establishment of a Community Housing Trust.

The strategy's key principles are that: affordable housing must meet size and layout needs of households; be located close to transport, facilities and employment; be energy efficient; pepper potted through the suburbs and settlements rather than concentrated in one area. The strategy commits Council land and funds to affordable housing, and includes changes to policy, planning mechanisms and financial incentives. It also includes support to establish the Community Housing Trust and transfer of land and capital to it. Voluntary agreements with developers are also encouraged through Stakeholder Deeds. As of March 2007, 72 sections have been committed through Stakeholder Deeds.

Proposed changes to the District Plan allow for a range of activities to increase the supply of affordable housing. Under consideration are zoning to allow greater density, financial incentives for developers (including density bonuses), and linkage zoning requirements. Linkage zoning would require 10-30% of affordable dwellings in any development requiring a change to the District Plan. The plan change references Applicant Eligibility Criteria, Guidance for Developers, and provides for the permanent retention of affordability. Proposed Plan Change 24 defines community housing and sets forth objectives and policies for its achievement. It sets out minimum requirements such as minimum space standards, dwellings sprinkled through a development, mix of unit size and type, sustainability/energy efficiency, design standards, and sets a goal for universal design. Sustainability includes the affordable running of a house, not just purchase price.

The Council has supported the establishment of a Community Housing Trust, which was set up in December 2006, with an establishment grant. The trust has 6 trustees with skills including marketing, finance, real estate, accounting, legal, social housing and sustainability. The trust is currently setting up policy, procedures, strategic and business plans. Its first task is to become a sustainable economic organisation. The aim is to generate 2,500 units over 20 years with a mix of rental and homeownership. The trust intends to explore a range of models including shared ownership, leasehold and rental programmes. The first transfer of capital from the council to the trust is to be in July 2007. The council will oversee capital transfers to the trust as these accumulate from Stakeholder Deeds committing a percentage of development to community housing.

Summary and Conclusions

- 4.14 It is clear from the survey, content analysis and additional interviewing with a selection of councils actively pursuing affordable housing outcomes in their communities, that council activities around housing are dominated by the management of housing property acquired a considerable number of years ago. While councils claim that they work in partnership with the organisations to address housing issues, a minority of councils have actually established formal relationships with other organisations with an interest in housing. Similarly, it must be concluded that most councils have not established structures, processes and mechanisms that allow them or prompt them to focus on affordable housing as an aspect of their communities' social, economic or environmental well-being. Clearly, however, that focus can be established if desired.
- 4.15 The active involvement of 32 councils in retrofit activities is indicative of the way in which councils, if they choose, can actively engage in ensuring that the short-run (as well as the long-run) affordability and performance of the housing stocks in these council areas can be optimised. Similarly, the examples of councils that actively seek to increase the availability of an affordable housing stock in their areas demonstrates that councils in New Zealand do have real opportunities to address affordable housing irrespective of the statutory framework within which they operate.⁶
- 4.16 It is also clear that active facilitation of affordable housing by councils is more than simply delivering council housing stock. Rather, the New Zealand councils that are actively addressing affordable housing treat affordable housing as a strategic issue. They have or are establishing a variety of operational responses which may include, but are not restricted to, direct provision, a variety of resource investments, and the development of plans, policies, and processes that promote rather than impede affordable housing.

5. HOUSING AND THE LOCAL GOVERNMENT AGENDA

- 5.1 The data from the council survey and the content analysis suggest that councils have choices about whether, and how, they address issues around affordable housing. This raises the question of what factors influence active council engagement with the issue of affordable housing.
- 5.2 This section focuses on three factors that may affect council policies, activities and approaches to affordable housing in their areas. Those factors are:
- Council perceptions regarding their responsibilities in relation to affordable housing.
 - Council views as to the extent of and impact of affordability problems in their areas.
 - Council views on the barriers to (and pathways to) addressing affordable housing.

⁶ This is consistent with the findings of comparative studies of local authority and affordable housing described in Section 6.

Council Perceptions of Affordable Housing Responsibilities

- 5.3 As Table 5.1 shows, almost a third of councils report that they see councils as potentially having a responsibility in relation to affordable housing. This is slightly higher than the number of councils who see central government as having the responsibility for addressing affordable housing.

Table 5.1: Council Views on Responsibilities for Affordable Housing

Responsibility for Affordable Housing	Councils	% Councils
Councils may have some responsibility	24	32.4
Central government	21	28.4
Central and local government shared equally	15	20.3
Council responsibilities are unclear	9	12.2
Private market	3	4.1
Other	2	2.7
Total	74	100

4 missing cases

- 5.4 The content analysis of selected councils' documents, as well as the survey show that district and city councils rather than regional councils are more likely to see themselves as having some role and/or impact on affordable housing. Regional councils were least likely to participate in the survey. Regional councils too are least likely to allocate resources for activities related to housing. Nevertheless, the content analysis shows that affordable housing is at least cited by regional councils as a desired outcome.⁷
- 5.5 In the content analysis, the regional council most clearly active in relation to attempting to understand the dynamics of affordable housing is the Auckland Regional Council (Infobox 5.1). The Auckland Regional Council's Affordable Housing Strategy is directly addressing those issues and looks to integrate them within the region's broader Growth Strategy. Auckland Regional Council has reported to us, however, that there has been difficulty in achieving a mutual understanding around affordability housing and marshalling resources necessary to addressing the issues. The Greater Wellington Regional Council has also incorporated provisions around housing choice and affordable housing in its review of the draft regional policy statement.

Council Perceptions of Affordability Problems in their Areas

- 5.6 There is widespread perception among councils that affordability is a significant problem within their communities. Notably, more councils see a lack of affordable housing as a bigger problem in their area than job layoffs/unemployment, crime or a polluted environment (Table 5.2).⁸

⁷ The Department of Internal Affairs notes that its analysis of community outcomes in Draft Long Term Council Community plans suggest: 1 set mention housing for seasonal workers; 43 sets mention access/quality issues related to housing; 4 sets mention the need for housing choice; 1 set mentioned affordability and 1 set mentioned Maori housing need.

⁸ This is consistent with the survey of attitudes to housing in Tasman, Nelson and Marlborough (CRESA and Public Policy & Research, 2006).

Table 5.2: Council Perceptions of Problems Facing their Areas

Problem	Big Problem		Moderate Problem		No/Slight Problem	
	n	%	n	%	n	%
Lack of Affordable Rental (n=68)	31	45.6	24	35.3	13	19.1
Lack of Affordable House to Buy (n=67)	32	47.8	19	28.4	16	23.9
Job Lay offs/Unemployment (n=65)	9	13.8	6	9.2	50	76.9
Crime (n=63)	5	7.9	18	28.6	40	63.5
Pollution (n=65)	2	3.1	6	9.2	57	87.7

5.7 As Table 5.3 shows, less than a fifth of councils typified supply in their area as above average. Instead 52.2 percent of councils report supply as being average and 29 percent report that supply is below average. Over a third of councils (33.4 percent) typify the availability of reasonable quality affordable housing for owner occupation as below average (Table 5.3).

Table 5.3: Council Perceptions of Housing Availability in their Areas

Perceived Housing Availability	Above Average		Average		Below Average	
	n	%	n	%	n	%
Reasonable Quality & Affordable Rental (n=69)	13	18.8	36	52.2	20	29.0
Reasonable Quality & Affordable to Own (n=66)	12	18.2	32	48.5	22	33.4
Quality Rental (n=66)	6	9.1	51	77.3	9	13.6
Affordable Rental (n=65)	8	12.3	43	66.2	14	21.6

5.8 This data does, of course, have to be treated with caution. It is difficult to know what councils define as reasonable quality and affordable housing. Only around a fifth of councils (21.2 percent) have a definition of affordable housing. Those definitions vary considerably in relation to both content and specificity.

5.9 It is notable that where there is very pronounced pressure on affordability, where housing access is presenting a problem not only for very low income and groups traditionally vulnerable to housing need, there are more likely to be active attempts to improve capacity to understand and address affordability issues. This is particularly the case where there is strong regional council leadership and where councils are able to attract skills and knowledge from overseas jurisdictions. The content analysis of council documents shows, however, that the level of activity is highly variable. In many cases, council documents indicate that councils are at a very preliminary stage of reflecting on and analysing the dynamics of housing affordability in their areas and regions.

5.10 Overall, the survey suggests that there is a relatively small number of councils actively engaging with issues around affordable housing. Most councils simply provide a housing stock of limited range, target and size. There is little intention of acquiring more stock and the range of involvement in other housing related activities is low. Despite this low level of activity, most councils report that availability of affordable housing in their areas is a more pressing problem than crime, job and employment availability or pollution. Similarly, most councils do see themselves as having some role in addressing issues around affordable housing.

5.11 Those circumstances raise real issues about why councils in New Zealand appear hesitant to be actively involved in addressing issues around affordability.

- 5.12 Councils have their own views on this issue. The barriers they cite are as follows:
- Restricted land supply exacerbated by land banking and proliferation of holiday homes
 - Over-heated coastal land prices
 - Lack of funding and finance
 - Ambivalence over the role of council in housing
 - Lack of guidelines about tools and mechanisms for involvement
 - Legislative barriers to inclusionary zoning and urban renewal
 - Low incomes among the resident population
 - Focus of developers on high-end of the market and large houses
 - The use of covenants to exclude people in need of affordable housing and providers that target those populations.
- 5.13 Many councils appear to see themselves as relatively helpless and have a passive approach to housing and housing issues. Thirty-two councils expressed no view about how they might be able to encourage the supply of affordable housing. Three councils suggest that the major contribution that they could make to improve the availability of affordable housing is to encourage central government to take responsibility. Another set of around eight councils report that they can only maintain business as usual and provide their current or possibly a slightly increased council stock. One council sees the pathway as being a matter of encouraging economic development and raising local incomes.
- 5.14 Of the remaining 34 councils, the main pathways identified by councils to facilitate affordable housing are:
- Facilitating private, public and community sector partnerships through relationship building and policy leadership.
 - Providing council land to stimulate community based, private or central government provision.
 - Enter into public, private and community investment partnerships.
 - Establish urban redevelopment agencies.
 - Adjust planning and zoning to promote affordable housing including applying inclusionary zoning.
- 5.15 The apparent helplessness that many councils feel in relation to affordable housing is matched by an equally overwhelming perception among councils that their activities have little impact on the availability of affordable housing.
- 5.16 As Table 5.4 shows even the provision of housing by council is seen as having no impact or little impact on the availability of affordable housing. That, and the provision of land by councils, may be interpreted in one of two ways. Firstly, councils may see their current levels of provision as having little impact. This is probably realistic given the relatively low levels of activity. Or they may simply perceive that activity as inherently having little or no impact regardless of the quantum of council stock.

Table 5.4: Council Perceptions of Impacts of their Activities on Affordable Housing

Council Activity	No/Unknown Impact		Little Impact		Medium Impact		High Impact	
	n	%	n	%	n	%	n	%
Direct housing provision (n=72)	23	31.9	22	30.6	17	23.6	11	15.3
Provision of land by council (n=71)	33	46.5	21	29.6	11	15.5	6	8.5
District Planning (n=71)	25	35.2	20	28.2	17	23.9	7	9.9
Land use and transport policies (n=63)	28	44.4	17	27.0	15	23.8	6	9.5
LTCCP and LGA activities (n=72)	20	27.8	30	41.7	17	23.6	5	6.9
Environmental health activities (n=69)	26	37.7	31	44.9	11	15.9	1	1.4
Building Act 2004 and consent activities (n=70)	23	32.9	24	34.3	13	18.6	10	14.3
Rating policies (n=70)	24	34.3	26	37.1	15	21.4	5	7.1

5.17 The majority of councils appear to believe that their district planning activities, their community planning activities, their activities under the Building Act 2004 (Building Act), rating policies, and their land use and transport activities have no or little impact on the availability of affordable housing. In addition, only 24 of the 78 councils participating in the survey monitor or collect data on housing need in their areas.

Summary and Conclusions

5.18 The low prevalence of resource support for, and council engagement with, housing issues other than direct provision would be more easily explicable if councils saw themselves as having no responsibilities in relation to affordable housing. This, however, is not the case.

5.19 Over half the councils responding to the survey saw themselves as having some sort of responsibility, albeit shared with other stakeholders. Certainly, about 12 percent of councils declared that their responsibilities were unclear, but only a little more than a third of councils considered that affordable housing was an area in which they had no role. In addition, the majority of councils consistently identified the lack of affordable rental, and affordable homeownership as being problematic in their areas.

5.20 Clearly, then, the lack of engagement in affordable housing was not prompted by a sense that it is irrelevant to councils and the social, economic and environmental wellbeing of their areas. Councils cite a multitude of factors that drive problems of housing affordability. However, less than a third of the councils participating in the survey report that they monitor housing affordability or housing need in their areas. Indeed, only a fifth of councils have some sort of definition of what they mean by affordable housing. Moreover, almost half the councils participating in the survey expressed no view about how they might be able to encourage the supply of affordable housing in their areas.

5.21 The latter is hardly surprising given that the majority of councils appear to believe that council activities which overseas have been long acknowledged as impacting on affordable housing supply (either negatively or positively) appear to be seen as having no significant impact on housing or affordability in New Zealand:

- 71.4 percent of councils report that land use and transport policies has no known or little impact on affordable housing.
- 71.4 percent of councils report that rating policies have no known or little impact on affordable housing.

- 64.2 percent of councils report that Building Act and consent activities have no known or little impact on affordable housing.
- 63.4 percent of councils report that district planning has no known or little impact on affordable housing.

5.22 It must be concluded that there is a critical deficit of information, knowledge and capacity to address affordable housing issues by councils. It is not surprising that councils' housing activities have largely been restricted to managing direct provision of rental stock using targeting regimes, policies and stock set and funded by the investment of central government in local authority housing up until the 1990s.

6. HOUSING AND COUNCILS: INTERNATIONAL EXPERIENCE

6.1 This section considers a set of key comparative studies and research that has explored local government and affordability in different jurisdictions.⁹ The discussion provides:

- An overview of the broad directions in local government's engagement with affordable housing.
- Local government and affordable housing in relation to:
 - Direct provision.
 - Promoting affordable housing through:
 - Funding and investing in affordable housing providers and developers directly and through leveraging council assets.
 - Leadership and facilitation, strategic leadership and planning.
 - Improving local authority processes.
 - Land use planning, zoning and associated regulatory activities including the use of incentives and disincentives.

6.2 In comparing the practices and policies of local authorities internationally, it must be recognised that local authorities act within different statutory and funding regimes, market conditions, and diverse social, economic and environmental contexts. Even so, the various comparative studies reviewed in the context of this research show that there are some clear trends in the way in which local government engages with issues of housing affordability irrespective the statutory frameworks within which they operate. Moreover, comparative reviews of local authority involvement in affordable housing provide an insight into the factors that promote or prevent councils effectively addressing affordability issues.

6.3 Consideration of the evolving role of local government in housing internationally and the various practices employed by local authorities to promote affordable housing provides some opportunities for New Zealand councils, central government agencies, and others who have an interest in housing and housing outcomes to reflect on the potentialities of local government for the facilitation of affordable housing in their areas. This section outlines the broad direction of local government activities related to affordable housing in the countries reviewed. It then reviews the key ways in which local authorities seek to promote affordable housing. It also comments on the conditions that prompt local authorities to take an active responsibility in relation to affordable housing.

⁹ Canada, United States, Australia, Germany, France, Spain, Italy, Portugal, Norway, Denmark, Australia, Sweden, Netherlands, Finland, and the United Kingdom.

Scope of Comparative Studies

- 6.4 The comparative studies and research reviewed tended to focus on local authorities in the following countries: Canada, United States, Australia, Germany, France, Spain, Italy, Portugal, Norway, Denmark, Austria, Sweden, Netherlands, Finland and the United Kingdom. Those countries are the focus of comparative studies for two reasons.
- 6.5 First, comparative reviews tend to be restricted to those countries with similar democratic and economic traditions. All the countries reviewed in comparative studies tend fall within the category of western industrial and post-industrial countries. Typically, New Zealand public policy analysis tends to refer to jurisdictions in those countries because of the relative transferability of their public policy to the New Zealand situation. Indeed in relation to both housing policy and in relation to local government, New Zealand's policy directions as well as its statutory framework have been strongly influenced by the experiences of the United Kingdom, North America, Australia and Europe.¹⁰
- 6.6 Secondly, the comparative reviews and research which provide the basis for this analysis have focused on those countries because they are confronting two key dynamics that are also evident in New Zealand. One dynamic is the issue of the appropriate role of local government in relation to housing. That role is contested overseas, as it is here. The role has been the centre of considerable debate with regard to local government responsibilities, the appropriate targeting of local government's housing activities, the impact of local government on housing markets, and the most effective mechanisms and tools to use in the promotion of housing affordability. The other dynamic is the emergence of affordability and access to affordable housing as a pressing economic and environmental issue as well as social concern.

Broad Directions in Local Government and Affordable Housing

- 6.7 Comparative studies show that internationally there is a move away from local government focusing primarily on the provision of council housing. In the 1980s and into the 1990s, rethinking of local authority involvement in direct housing provision was part of a wider debate about whether local authorities have any role in addressing housing need. Latterly, however, it has become accepted that local authorities are inherently involved in the dynamics of the housing market. The real debate around local authorities and housing in overseas jurisdictions has turned away from the issue of whether local authorities have any responsibility in relation to housing, but rather to consideration of the most effective means of local authorities promoting affordable housing in their areas.

¹⁰ This is not to suggest that certain practices, processes and tools can be lifted out of their home jurisdictions and implemented in New Zealand. Rather, an understanding of the practices, policies and tools used elsewhere provides an insight into the potentialities and pre-conditions for effective local authority involvement in encouraging affordable housing.

- 6.8 The comparative studies reviewed in the course of this research showed that while direct provision of social housing is less attractive to local government, local authorities have extended their activities to include a wide variety of affordable housing initiatives. Those initiatives are both highly context-specific and diverse. Local authorities use a wide range of approaches, tools, models and mechanisms, and in different combinations, to implement affordable housing policies. Some of the mechanisms used are very complex, involving various funding sources, incentives, regulatory tools, and compliance mechanisms.
- 6.9 The comparative studies show that local authorities are increasingly building relationships with central and state government, with private housing providers and with community housing providers to ensure that the housing needs of the people living within their localities are appropriately addressed. This reflects a significant shift in perceptions around the drivers and impacts of housing need.
- 6.10 The comparative studies also showed that problems of housing affordability are no longer seen as restricted to the welfare dependent poor. Instead, problems of affordable housing are increasingly seen as affecting middle income households and constituting a necessary component of achieving social, environment and economic outcomes.
- 6.11 Many local authorities in the United States, United Kingdom and Europe,¹¹ have, consequently, assumed considerable responsibility for ensuring an adequate and protected supply of affordable housing irrespective of any statutory obligations placed on them.
- 6.12 In European cities, council involvement in affordable housing has been prompted by:
- New housing demand associated with population diversification
 - A need to attract key workers
 - A desire to prevent out-migration of skilled human resources
 - Meeting population and household growth
 - Real estate inflation
 - Preventing the decline of existing residential areas
 - Reducing the pressure and environmental impacts on greenfield sites
 - Increasing the quality, amenity and sustainability of the housing stock, particularly poorly performing ageing stock (City of Amsterdam, 2006).
- 6.13 It must also be acknowledged that in some countries, such as Australia, local authorities have become more involved in housing as central or state government housing programmes have been reduced. This has not, however, been a universal response to changing central/state government commitment to housing assistance. Indeed, some local authorities have themselves reduced their engagement with housing rather than increased it when confronted with those conditions (Capital Strategy *et al.*, 2006). Overall, there is a tendency for local authorities to increasingly see housing affordability as a strategic issue for local government while at the same moment seeing housing assistance as a responsibility for central or state government to address through tax, social security benefits or social housing policies and mechanisms (AHURI, 2004).

¹¹ Based on comparison of 17 cities in eleven countries in continental Europe and one city in England (City of Amsterdam Development Corporation 2006).

- 6.14 It is on that basis that there is an evolving trend for local authorities to attempt to rework and clarify respective roles with central and state governments while recognising mutual interests in ensuring access to affordable housing. In some jurisdictions, legislation is used to define respective roles and responsibilities. In others, central government uses policy, contractual and funding frameworks to define the roles of local authorities. In still other jurisdictions, the legislative framework may be permissive rather than prescriptive in relation to the role of local authorities in housing.

Promoting Affordable Housing

- 6.15 Comparative studies show that local authorities adopt housing affordability solutions ranging from directly providing housing or retaining ownership of a significant proportion of housing stock, through to providing low cost loans, developer incentives and planning regulations that ensure a diversity of housing is built. Controls vary from incentives and negotiated agreements with individual developers, through to strict planning regulations and mandatory requirement for a proportion of affordable housing to be included in any new development.
- 6.16 The comparative studies show that the ways that the local authorities influence the supply of affordable housing are:
- Direct provision of housing stock
 - Using council assets to support affordable housing
 - Funding affordable housing
 - Policy, planning and operational activities.

Direct provision

- 6.17 Comparative studies show that although there has been a trend for local authorities to move away from direct housing provision, many local authorities are still very active in direct provision and some are increasing their housing stocks. Some metropolitan local authorities own a significant proportion of all housing stock in their areas, as in Amsterdam (60%), Stockholm (26%), Vienna (25%) or Birmingham (19.5%) (City of Amsterdam, 2006). European cities currently increasing their public housing stock include Barcelona, Porto, Bologna, Nantes and Paris (City of Amsterdam, 2006). In Australia, the Port Phillip Council has recently built several hundred new units (McKinlay Douglas Ltd, 2004; Lubell, 2006; Gurrin, 2003).
- 6.18 How local authorities that directly provide stock manage the provider role varies greatly. Local authorities with a large amount of housing stock tend to directly manage their stock. Local authorities with smaller stocks have a mix of self-management and contracted out management. Most stock owned by local authorities is rented. However, the targeting regimes for council rental housing can vary significantly.
- 6.19 In Australia, as in New Zealand, there has been a strong focus on pensioner housing. In Europe, council housing is variously targeted to low to middle income households (e.g. Seville, Barcelona, Copenhagen, Amsterdam, Paris, Florence), young people (e.g. Seville), older people (e.g. Seville, Barcelona), and working households (City of Amsterdam, 2006). In the United Kingdom and North American tourism resort communities, the provision of rental housing for key workers is a major issue (Hill *et al.*, 2006).

- 6.20 Many local authorities in the United Kingdom, Europe, Australia, United States and Canada have adopted a partnership model for the direct delivery of housing. They form partnerships with third sector organisations in particular, but also with private sector developers, central government agencies and other local authorities. Typically a partnership could involve the local authority providing existing housing stock, land, loan or grant financing, loan guarantees, land, or specialist housing or business services.
- 6.21 Through a partnership arrangement the local authority is still involved in direct provision, but with reduced risk and at reduced cost through the sharing of responsibility and resources. It is widely believed partnerships give better and more cost effective housing outcomes. The rationale is that a local authority cannot manage social housing as well as third sector organisations in particular, which are seen to offer added value through a comprehensive approach to supporting tenants and the ability to call on community resources (Motu, 2006; Hill *et al.*, 2004).

Using Council Assets to Support Affordable Housing

- 6.22 In addition to local authorities directly delivering rental housing as social housing, comparative studies show that local authorities are also engaged in the provision of other assets in a way designed to promote the supply of affordable housing. That provision includes:
- Development of housing for sale as affordable housing
 - Provision of land
 - Transfer of local authority owned housing stock to tenants
 - Donation, lease or sale of council stock to affordable housing providers or developers.
- 6.23 All of those strategies are increasingly carried out within a framework of local authority and private sector and/or community sector partnerships and are, in turn, associated with the development of intermediate housing markets. Local authorities have been active in establishing or supporting community housing trusts in some jurisdictions. In the United Kingdom, housing associations have taken over a significant amount of former council housing. In Australia council housing portfolios have been transferred to trusts, as with the Brisbane Housing Company or Port Phillip Housing Authority. Local authorities commonly support community housing trusts through development partnerships, grants and loans, land, acting as guarantor, housing stock transfers, facilitation of planning and consent processes, research and information or capacity building.
- 6.24 The provision of local authority assets for affordable housing purposes reflects the significant quantum and value of assets held by many local authorities. A recent City of Amsterdam (2006) report on 17 European cities and one English city shows that in half of those, more than fifty percent of all land in the metropolitan area is in public ownership. The percentage of public land tends to be lower in Spain, Portugal, Italy and the United Kingdom, but even in Birmingham 40 percent of all land is in public ownership (City of Amsterdam, 2006).

- 6.25 Land ownership gives local authorities the potential to have a considerable impact on land prices and housing affordability. In the past land ownership has been important to the direct provision of rental housing. Currently, land ownership is more likely to be used by local authorities to: expand the land supply and mitigate land inflation and support community and private sector developers.
- 6.26 Where local authorities own land they can make the choice to use that land to build social housing or other directly provided affordable housing. Land ownership also gives local authorities the opportunity to leverage affordable housing through other means. The use of local authority land to undertake local authority developed affordable housing for sale is evident in the United States. Instances include the City of Albany, New York for low-moderate income families and Aspen-Pitkin County for working families (Jones *et al.*, 1997). More commonly, local authorities tend to use land to support community or private sector developers of affordable housing. The donation, lease or sale of local authority-owned land to developers and social housing organisations appears to be widespread in the United States and Europe. In the United States examples include Boston, Albany City and County, Charleston, Detroit and Chicago.
- 6.27 Some local authorities acquire and amalgamate small parcels of land and then on-sell or donate the land to affordable housing developers or non-profit housing organisations (Jones *et al.*, 1997). In European cities, local authority land is used in a variety of ways to leverage affordable housing. Some local authorities lease local authority land to developers. Copenhagen, Oslo, Berlin, Frankfurt and Vienna sell land to developers and/or social housing organisations. Seville and Barcelona donate land for building 'protected housing' which is then sold or rented to low-income families or the elderly (City of Amsterdam, 2006). In addition, the transfer of local authority stock to tenants and/or affordable housing providers has been a feature of the European experience in places such as Amsterdam and Florence as well as in the United Kingdom.
- 6.28 The provision of land and/or housing stock by local authorities to promote affordable housing has been associated with some local authorities undertaking a systematic policy of land banking. Land banking is directed to protecting the status of already owned land and dedicating that to leveraging affordable housing and/or strategically acquiring new land. Land banking can also involve the consolidation of small land parcels to achieve economies of scale for future development, and negotiated land swaps.
- 6.29 The comparative studies also show that some local authorities engage in 'house banking' to mitigate the effects of over-heated housing markets. This is a particular feature of European local authorities (City of Amsterdam, 2006).
- 6.30 House banking can involve several mechanisms: the buying up of affordable housing in areas that are forecast to grow in the future and become unaffordable to low-middle income households; through controlling by regulation who can buy an existing affordable house, and at what price; or by purchasing occupied buildings to block speculative activities that would lead to the lower and middle income resident households being squeezed out. Local authorities also make opportunistic housing purchases when they need

land for another purpose, and find land that already has housing on it. That housing can then be relocated for affordable housing.

- 6.31 Banked land and houses are typically on-sold at below market rates, gifted or leased to non-profit organisations, or sold at concessionary rates to private sector developers who have some kind of affordable housing agreement in place with the local authority. Land and house banking is often funded through a special rate or local tax, or through development mitigation fees. Land banking is also often associated with active policies of land consolidation and amalgamation.¹²
- 6.32 Non-profit housing providers in the United States strongly support land banking as a strategy. It gives them greater access to affordable land, a longer time frame in which to make development decisions and marshal resources than in the open market and reduces land holding costs, which are a barrier for non-profits (Myerson, 2005). Land banking can also be used to capture the betterment value of land purchased in areas forecast to grow in the future, and released when values have risen. Local authorities can then direct that capital gain to affordable housing (Capital Strategy *et al.*, 2006).

Financing and Funding Affordable Housing

- 6.33 Comparative studies show that when local authorities use assets to increase the stock of affordable housing, this tends to be in the context of a transfer between councils and providers or developers of affordable housing. The provision of financial assistance in the form of loans, subsidies or grants can also be used to promote affordable housing supply. However, loans and subsidies can also be directed to private households. When they are, loans and subsidies are being used as a tool on the demand-side of the housing market. When loans and subsidies are directed to providers and developers of affordable housing stock, they are being used as tool on the supply-side of the housing market.
- 6.34 Comparative studies show that the types of financial assistance provided by local authorities tend to be: direct financing through loans, grants and subsidies or underwriting loans, and involvement in shared equity, sweat equity and self-build schemes.
- 6.35 Some local authorities provide low interest loans or grants for affordable housing. These are made to private developers, social housing organisations, and private households. For instance, Amsterdam has a scheme for interest-free mortgages for middle income people facing affordability problems (City of Amsterdam, 2006). Financial assistance for low income residents is also common in parts of the United States and Canada. Often local authority financial assistance is done in conjunction with a state lender.
- 6.36 Local authority financial assistance to developers engaged in the provision of rental or home-ownership affordable housing is common in the United States, and often partnerships are with a range of stakeholders including non-profit, private developers and other local authorities. Examples of local authorities

¹² Land consolidation and amalgamation is not, however, restricted to local authority land activities but can also be part of the local authorities' wider planning and land use policies and regulation and is discussed further in that context.

providing loans or grants to developers include San Francisco City and County, Sonoma County, New Haven, Yonkers, Oakland and Chicago (Jones *et al.*, 1997).

- 6.37 Social housing organisations also receive financial assistance from local authorities to help them build or buy affordable housing. Some local authorities also provide financing for community-based, not-for-profit housing organisations for their pre-development costs (Lubell, 2006). This is common in the United States, Canada, United Kingdom and Australia.
- 6.38 Another form of financial assistance is found in equity initiatives. Shared equity type arrangements with house owners operate widely in Scandinavia, Canada and the United States. For example, in Norway 15% of all housing (and up to 40% in the city of Oslo), is owned or managed under limited-equity, co-operative models. In Canada there are 2,100 cooperatives housing a total of 250,000 people, while in Sweden 500,000 people live in dwellings managed by the Riksbyggen co-operative (Griffiths, 2006). In Brooklyn, New York, a sweat equity scheme involved the city granting squatter title to 25 vacant city-owned buildings, and through a revolving loan fund, enabling them to finance rehabilitation work on the buildings (Jones *et al.*, 1997). Shared equity, sweat equity and self-build schemes are all examples of the way in which intermediate housing markets are an increasingly prominent mechanism in Europe, the United Kingdom and North America for people to access affordable housing.
- 6.39 Of course, financing affordable housing requires local authorities to generate funds for that purpose. Comparative studies show that this is done in a variety of different ways. Those include:
- Developer contributions
 - Development mitigation payments
 - Special taxes
 - Rates or other fees
 - Rate increment financing which diverts rates generated by growth areas
 - Planning gain taxes which recover a proportion of the increased value that results in land being developed
 - Real estate transfer (capital gain) tax which recovers a percentage of the sale price (Motu, 2006).
- 6.40 Rate increment financing is used Europe and the United Kingdom as are development mitigation payments. Development mitigation payments may be in the form of a fee. It may also involve replacing or generating affordable housing stock on another site. Development mitigation fees are not only associated with affordable housing funding. In the United States and United Kingdom they are used mainly to fund affordable housing, but in other jurisdictions development mitigation payments are frequently used to fund infrastructure (Motu 2006).

Policy, Planning and Operations

- 6.41 The comparative studies show that while direct provision of affordable housing by local authorities is less prominent their involvement in supporting affordable housing through other means is greater.

- 6.42 The comparative studies show that there is an increasing recognition that, irrespective of local government's statutory responsibilities in relation to affordable housing, local government's roles in settlement and environment planning and regulation, local policy and strategic development, and the provision of services can all impact significantly on housing affordability and access to affordable housing.
- 6.43 The international experience shows that a number of local authorities are explicitly promoting affordable housing through the exercise of their responsibilities in one or more on the following areas:
- Providing strategic leadership, particularly through the development of local housing strategies.
 - Improving the range, efficiency and effectiveness of local government services and delivery.
 - Ensuring that council regulatory and planning policies promote affordable housing.

Strategic Leadership and Local Housing Strategies

- 6.44 The comparative studies of local government show a significant shift to local authorities taking a strategic and facilitative role within their areas that is directed towards achieving sustained economic, social and environmental outcomes. That shift is not restricted to housing, but there is no doubt that many local authorities see housing as a critical driver of social, environmental and economic well-being. This is manifest in the increasingly widespread engagement with local communities, developers, community providers and central/state governments in developing local housing strategies.
- 6.45 Local housing strategies provide a process by which local housing supply and demand is analysed, future demographic and housing market trends are mapped, and strategic investments and policy directions are established for an area (AHURI, 2004). Evidence from the United Kingdom, United States and Australia shows a clear link between local housing strategies and increased activity by the local authority, as well as other housing providers, around housing issues (Hill *et al.*, 2006). Indeed, in the United Kingdom, central government places a requirement on local authorities to develop local housing strategies.
- 6.46 The use of strategic planning processes around housing needs which engage the public, private and community sectors have been show to bring important information to light that might not otherwise be known by planning officials. Strategic planning processes raise awareness amongst politicians, officials, developers and social organisations about local housing needs and opportunities. Inclusive planning activities help stakeholders recognise the inter-relationships between housing, jobs, transport and services, the need for diverse housing types, size and location in a community, and the role of affordable housing in social and economic sustainability (City of Amsterdam, 2006; AHURI, 2004).
- 6.47 Local housing strategies require local authorities to go beyond strategic planning for their own housing stock or even planning for their own activities. Local housing strategies address the roles, responsibilities and interests in affordable housing across all stakeholders within local government areas.

- 6.48 Local housing strategies are common in the United States, the United Kingdom and Europe. As in the United Kingdom, in the United States there are frequently legislative requirements on local authorities to develop affordable housing policies and programmes. Most states require localities to adopt some form of housing policy that identifies affordable housing needs and indicates how their fair share of those housing needs will be met (Jones *et al.*, 1997).
- 6.49 Local housing strategies are less common in Australia, but where these have been developed, there is more activity around affordable housing. AHURI (2004) found that metropolitan councils in Australia with comprehensive housing strategies are also the most active in pursuing a range of affordable housing initiatives over five key areas including:
- Establishing the council planning framework
 - Facilitation of social housing through partnerships/joint ventures
 - Facilitating a wider range of government and community sector services in relation to housing including advocacy and information
 - Improving co-ordination between services
 - More effective use of housing as a pathway for:
 - community development
 - improved environmental outcomes
 - economic development and employment.

Local Government Services

- 6.50 Comparative studies show a growing awareness of the ways that local authorities can facilitate affordable housing through improving local government's own delivery of services and the processes associated with regulation and planning. Better co-ordination between services has been evident among local authorities concerned with affordable housing. But of particular importance are attempts to reduce development and building costs to housing developers and providers by improving the efficiency and timeliness of planning and building consent processes.
- 6.51 Overloaded, delayed, inflexible or inefficient administration of consent processes add to the cost of each dwelling. Delayed, inefficient or inequitable provision of infrastructure has a similar impact. Increasingly, local authorities are recognising that many developers place premiums on development and housing prices in response to commercial risks and costs arising from uncertainty around the outcomes and timing of consents (Capital Strategy *et al.*, 2006).
- 6.52 One of the most ambitious and comprehensive attempts at increasing the efficiency and effectiveness of local authority processes from Europe is Amsterdam's 'Big Simplification', a strategy aimed at simplifying the planning process. The strategy includes clarifying the relationship between developers, the municipality and city districts, and setting up a new way of managing development projects to make developers' relationships with local government easier. The 'Big Simplification' is expected to have a positive impact on the stimulation of housing production.
- 6.53 Other local authorities are also actively monitoring processes to improve affordability. For instance, Copenhagen is also working on streamlining its planning process, including clarifying opportunities for municipal involvement in affordable housing and clarifying the respective roles of stakeholders. In

Oslo, quarterly meetings are held between the local authority and big developers to discuss common issues and particular projects (City of Amsterdam, 2006) with the aim of resolving procedural problems that might place at risk affordable housing supply.

Regulation and Planning

- 6.54 Land use planning and urban design play crucial roles in facilitating affordable housing. This is a complex area of activity in which environmental, social, and economic outcomes need to be balanced when prescribing planning and regulating settlement patterns, infrastructure and land use. The dynamics of planning and housing affordability are recognised as a critical issue for local authorities internationally. This is particularly the case where solutions to environmental pressures appear to generate affordability challenges. Local authorities often face conflicting priorities and contradictory objectives for land use.
- 6.55 The impact of planning and regulations on affordability is by no means straightforward. Many local authorities actively manage that dynamic. In consequence, land use regulations are widely used in the United States, Canada, in Europe and the United Kingdom to increase the supply of affordable housing (Hill *et al.*, 2006; Motu, 2006; Wellington Civic Trust, 2006; Capital Strategy *et al.*, 2006; AHURI, 2006).
- 6.56 Some of the regimes appear very complex. However, essentially all of them regulate and protect the supply of affordable rented and owned housing for lower and middle income households using mandatory requirements or incentives (City of Amsterdam 2006).
- 6.57 In Australia the use of planning mechanisms to secure affordable housing is particularly apparent in New South Wales and South Australia. These states have specific policies, explicit recognition in planning legislation, and sanctioned implementation mechanisms to secure affordable housing stock. Elsewhere in Australia, while there are declared state policies to promote and secure affordable stock, there is only implicit recognition in planning legislation, untested mechanisms to secure stock, and no implementation timetables (Capital Strategy *et al.*, 2006).
- 6.58 The comparative studies show that the main regulatory and planning mechanisms are:
- Development incentives and payments
 - Zoning
 - Mandatory requirements for affordable housing in new developments.
- 6.59 Providing incentives to housing developers in exchange for providing a percentage of affordable units in a development is one of the most common strategies that local authorities adopt to encourage a supply of affordable housing. Motu (2006) identify a number of development incentive types including: reduced rates; reduced planning consent fees; reduced or waived development levies; planning gain payments, and mitigation payment regimes.
- 6.60 Planning gain is one of the most common tools through which incentives are provided. Planning gains include: higher density allowances; allowances for

building affordable housing close to public transport and utilities, and providing allowances to build minor dwellings or larger dwellings.

- 6.61 Planning gain incentives can be linked to inclusionary zoning, as in the United Kingdom under what are known as Section 106 Agreements. In other jurisdictions negotiated agreements are used to secure affordable housing in development. These are negotiated case by case, with individual developers. However, some local authorities are concerned about negotiation times associated with negotiated agreements (Capital Strategy *et al.*, 2006).
- 6.62 Many jurisdictions provide density bonuses to allow economising on infrastructure cost and reductions in unit cost. Higher density housing also encourages nearby retail development, reducing transport costs. In the United States transport connections only become cost-effective at densities of over 8-10 units per acre (California Planning Roundtable, 2002). Increased density can be achieved through in-fill housing, replacing single dwellings with duplexes and through conversion of commercial buildings.
- 6.63 As well as incentives, disincentive payments or increased rates can be used to discourage developers from withholding land ready or 'in sequence' for development and transparently identified in local housing plans. Increased urban rates are imposed by some local authorities on broad hectare green or brown field sites after a certain amount of time. Development contributions can also be imposed on developments that are 'out of sequence' and require infrastructure earlier than planned. In this case the developer would pay the marginal cost of servicing the land earlier (Capital Strategy *et al.*, 2006).
- 6.64 England, Canada and the United States (Capital Strategy *et al.*, 2006) use mitigation payment regimes. Mitigation payment regimes involve developers paying to mitigate the impact of their development. The impact can be for example the loss of formerly affordable housing through redevelopment of low rent units or boarding houses, or increased demand for infrastructure. Mitigation payments can also be used as demolition controls to protect certain types of housing, for example boarding houses in some areas of Sydney. The mitigation may be a fee or can require the replacement of lost affordable housing stock on another site. Typically mitigation payments are reinvested in the United States and United Kingdom to fund affordable housing. In other jurisdictions fees fund physical infrastructure.
- 6.65 Comparative studies show that local authorities are increasingly concerned with using zoning to positively influence the supply of affordable housing. Typical zoning changes relate to increasing the allowable density of residential developments, establishing of inclusionary zoning, or using linkage zoning.
- 6.66 The benefits of increasing density have already been discussed. It is widespread among local authorities. So too is inclusionary zoning. Many zoning, subdivision and building regulations effectively exclude lower cost housing developments, for example through minimum lot size, house design covenants, strategies to limit urban growth driving up land values, or restrictions on infill and other forms of increasing residential housing density. One form of an inclusionary zoning response is to address where zoning acts in a way to exclude affordable housing.

- 6.67 Another form of inclusionary zoning is used to require developers to have a higher density of dwellings, a mix of allotment size, including smaller, cheaper allotments, and a number of dwellings retained as affordable housing for a set period, or in perpetuity, either on or off the site being developed (Capital Strategy *et al.*, 2006). That form of inclusionary zoning is widely used in the United Kingdom, United States and Canada, where it is explicitly used as a mechanism to achieve social objectives within local authority planning frameworks (Motu, 2006; Hill *et al.*, 2006; City of Los Angeles, 2006).
- 6.68 In that context, inclusionary zoning is most commonly used to require a proportion of dwellings or building sites in a new development be set aside for affordable housing. These sites are often bought by a not-for-profit housing provider at a lower than market price, or the completed affordable units are purchased directly from the developer by other providers. In the United States, planned unit development zoning was widely adopted in the 1960s, which allowed for higher densities and other changes to location regulations in exchange for better overall design. In the 1980s, beginning in New Jersey and Southern California, pressures for affordable housing led to the adoption of inclusionary zoning that required a certain percentage of all new units to be affordable. This was most successful in areas that were undergoing strong market-rate growth pressures (Jones *et al.*, 1997). There is evidence that the reform of exclusionary zoning in the United States has been effective in encouraging affordable housing (Katz *et al.*, 2003).
- 6.69 In the United Kingdom inclusionary zoning is central to the planning system. It is used to allow local authorities to negotiate agreements with developers that require up to a 50 percent contribution of affordable housing (Section 106 Agreements) in a variety of tenures from rental, to shared equity and home ownership. In return, developers receive planning gains of some kind. Inclusionary zoning is also used to limit the sale of housing in national parks and rural areas to local people and key workers (Hill *et al.*, 2006).
- 6.70 In Australia inclusionary zoning for affordable housing is less widespread. In New South Wales and South Australia, where affordable housing is an explicit state wide planning objective, inclusionary zoning is more common. New South Wales has used inclusionary for affordable housing since the 1970's, and linked it to social sustainability outcomes. By way of contrast, the Brisbane City Council was successfully challenged in lower courts when it tried to apply inclusionary zoning. The Queensland Government subsequently declined to amend the legislation to address the constraint (Capital Strategy *et al.*, 2006; AHURI, 2004).
- 6.71 Some local authorities have a mandatory requirement for a proportion of affordable housing to be included in any new development. The proportion can be high - up to 70 percent in high pressure metropolitan areas or tourism resort towns, and a range between 20-40 percent is quite common (Hill *et al.*, 2006; Motu, 2006; Wellington Civic Trust, 2006; Capital Strategy *et al.*, 2006; AHURI, 2006; City of Amsterdam, 2006).
- 6.72 Inclusionary zoning, unlike developer incentives, is mandatory and all developments face the same assessment process. There is a high degree of certainty about how much affordable housing will be developed. It gives certainty to developers and can reduce commercial risk and cost. Inclusionary zoning regimes can be designed to be flexible or rigidly defined. Various mechanisms are used to protect the affordable housing and prevent a windfall

gain for the first generation of owners when they sell. These include vesting properties in social housing providers, or controlling who the property can be sold to, and/or the sale price (City of Amsterdam, 2006). The fee is redirected to affordable housing. The latter system has been successfully applied in the Ultimo/Pymont area of Sydney for many years (Capital Strategy *et al.*, 2006).

Key Determinants of Effective Local Government Involvement

- 6.73 International experience suggests local political leadership on housing issues may be more crucial than any particular mechanism or tool a local authority adopts. The way in which a local authority interprets their responsibility and mandate is important.
- 6.74 The City of Amsterdam (2006) study of 17 European cities across 11 different countries and one English city concluded that leadership, the policy framework and management of the planning process had the greatest impacts on affordable housing availability, despite considerable differences between jurisdictions in the political, land tenure and legislative environment. The cities with a specific local housing strategy or plan were found to be more active in housing initiatives than cities that did not have a housing strategy. Furthermore, the awareness of elected and paid officials about affordable housing issues was higher. This increased awareness was found to be instrumental in whether the resources of the local authority were subsequently directed to developing specific policies and implementation mechanisms around housing affordability solutions.
- 6.75 AHURI (2004) report similar factors influencing the achievement of affordable housing. They report that Australian local authorities that are most successful in implementing effective housing strategies have strong local leadership, are able to leverage funds from internal and external sources, and develop effective partnerships with other housing providers.¹³
- 6.76 In the United States, the Centre for Housing Policy offers six 'high-impact' solutions, drawn from research across the country (Lubell, 2006). The solutions clearly focus on the strong leadership role of local authorities in making things happen and include:
- Reducing local government red tape and other regulatory barriers
 - Expanding the availability of sites for affordable homes
 - Harnessing the power of strong housing markets
 - Generating additional capital for affordable homes
 - Protecting and recycling affordable homes, and
 - Empowering residents with adequate income to buy and retain market rate homes.

Summary and Conclusion

- 6.77 Nowhere is it entirely straightforward for local authorities to be engaged in affordable housing. However, this review has found that, despite significant differences in land tenure, legislative provisions and the regulatory environments in which they operate, some local authorities are very active. They make a political choice that affordable housing is their concern and acknowledge the impact of their activities on the housing market.

¹³ The AHURI case studies covered six metropolitan councils in NSW, Victoria and Queensland, in areas where there is housing affordability pressure.

- 6.78 Typically, a local authority active in supporting the development of affordable housing:
- Interprets legislation permissively,
 - Develops implementation plans; amends restrictive provisions,
 - Finds ways around planning and regulatory barriers,
 - Invents or adapts a range of mechanisms that will achieve the housing goal,
 - Tests enabling mechanisms to ensure these are legally and fiscally robust.
 - Regulates to the degree required and possible to achieve the desired housing outcome.
 - Employs both incentives and regulations to encourage affordable housing.
- Such local authorities are also notable for engaging with a range of partners in central or state government, the private sector, community sector and with other local authorities.
- 6.79 All local authorities committed to providing affordable housing find that legislation can facilitate them to be effective. Between strategic policy and practical implementation lie complex planning legislation and mechanisms that have to be worked through. Local authorities everywhere want clarity, nationally consistent approaches and tools they can pick up and use, confident that these are legally and fiscally robust (Capital Strategy *et al.*, 2006; Hill *et al.*, 2007; Property Council of Australia, 2007; Motu, 2006).
- 6.80 However, one of the most important points that emerges from the comparative studies is that the statutory framework within which the local authority operates does not determine whether a local authority effectively facilitates affordable housing. Rather, the three characteristics that local authorities active in providing and/or facilitating affordable housing have in common are:
- Political commitment and leadership.
 - Local housing strategies, policies and plans that establish affordable housing goals and implementation processes.
 - Awareness of the impact of their own statutory powers and processes on the availability of affordable housing and willingness to overcome regulatory and planning barriers and find enabling mechanisms.
- 6.81 The particular models used, mix of funding, management and ownership options, or set of mechanisms adopted are less important determinants of effective facilitation of affordable housing. However, it must be acknowledged that mandatory requirements for a proportion of affordable housing to be provided in any new development is emerging as a relatively quicker route to affordable housing than incentive regimes.

7. WAYS FORWARD

- 7.1 This research has highlighted the crucial role that local government can play in improving the supply of affordable housing in their communities, regardless of the statutory framework in which they operate. The international review showed that while the main trend is for a move away from local authorities' direct provision of housing, nevertheless, many local authorities remain active in the provision of social housing to various sectors of the population, and in some areas where key workers cannot afford housing, or there are other

affordability issues, local authorities are increasing their investment in and facilitation of affordable housing. A major trend is for local authorities to engage in partnerships with other central and local government agencies, the non-profit sector and private sector in the provision of affordable housing (both rental and home ownership). Internationally, local authorities use a wide range of approaches, tools, models and mechanisms, and in different combinations, to promote affordable housing. Approaches encompass both regulatory and non-regulatory methods.

- 7.2 In New Zealand, councils have been and continue to be important players in the provision of affordable housing. Despite the impression that New Zealand's councils have largely divested themselves of housing stock, they still contribute over 14,000 stock units to the national housing stock. However, the extent of involvement in direct housing provision, their awareness of affordable housing as an issue, and the ability to develop responses to improving the supply of affordable housing stock in their areas are very different.

Current Situation in New Zealand

- 7.3 Across the country, the sizes of council stocks vary considerably from council to council. However, the targeting of that stock is similar and relatively narrow. Most council stock is rental and is targeted at older people. Currently, most councils provide housing because they acquired pensioner housing stock under a former regime of highly subsidised housing funding provided by central government.
- 7.4 Many councils maintain an approach to housing that is based on past policy and practice. Generally, council stock is managed relatively passively with little acquisition or disposal. The management of council stock is largely detached from any real analysis of affordable housing dynamics in council areas or any robust monitoring or research into the nature of housing need.
- 7.5 Most councils have limited resources directed to addressing issues around affordable housing at the policy and planning level. They collect very little information about housing affordability and have a limited understanding of the impacts of core local government activities (consenting, planning and regulatory activities) on housing affordability. Indeed, housing affordability is frequently conflated with social housing and there is little evidence of councils being able to articulate the connections between affordable housing and achievement of desired economic and social outcomes.
- 7.6 This is not to suggest that councils deny the importance or challenge of housing affordability. This research found a widespread perception among councils that affordability is a significant problem within their communities. More councils see a lack of affordable housing as a bigger problem in their area than job layoffs and unemployment, crime or a polluted environment. Less than a fifth of councils typified supply in their area of affordable, reasonable quality rental housing as above average and 29 percent report that supply is below average. A third of councils typified the availability of reasonable quality affordable housing for owner occupation as below average.
- 7.7 Our research shows that councils do not necessarily believe that affordable housing issues are simply a responsibility of either central government or the

market. Almost a third of councils report that councils potentially have a responsibility in relation to affordable housing. A further fifth of councils see the responsibility for addressing affordable housing lies equally with local government and central government.

- 7.8 However, while most councils acknowledge affordable housing as an issue and that they may have a role in relation to addressing that issue, many appear to be unaware of or unsure of how to position themselves to improve the supply of affordable housing in their areas. Few councils have actively adopted any of the internationally accepted and longstanding approaches, tools and mechanisms used to address affordable housing supply.

Barriers and Challenges Faced by Councils

- 7.9 Councils have identified a number of barriers to increasing the supply of affordable housing. These include:
- Restricted land supply exacerbated by land banking and proliferation of holiday homes.
 - Over-heated coastal land prices.
 - Lack of funding and finance.
 - Ambivalence over the role of council in housing.
 - Lack of guidelines about tools and mechanisms for involvement.
 - Legislative barriers to inclusionary zoning and urban renewal.
 - Low incomes among the resident population.
 - Focus of developers on high-end of the market and large houses.
 - The use of covenants to exclude people in need of affordable housing and providers that target those populations.
- 7.10 A major barrier appears to be lack of knowledge and information to act. Out of the research there emerges a strong sense that many councils see themselves as relatively powerless in addressing affordable housing. Thirty-two councils expressed no view about how they might be able to encourage the supply of affordable housing. Three councils suggest that the major contribution that they could make to improve the availability of affordable housing is to encourage central government to take responsibility. Eight councils report that they can only maintain business as usual and provide their current or possibly a slightly increased council stock. One council sees the pathway as being a matter of encouraging economic development and raising local incomes.
- 7.11 Of the remaining 34 councils, the main pathways identified by councils to facilitate affordable housing are:
- Facilitating private, public and community sector partnerships through relationship building and policy leadership.
 - Providing council land to stimulate community based, private or central government provision.
 - Enter into public, private and community investment partnerships.
 - Establish urban redevelopment agencies.
 - Adjust planning and zoning to promote affordable housing including applying inclusionary zoning.
- Those approaches are consistent with international trends.

- 7.12 Our research suggests that capacity building is needed to support councils to more actively engage with affordable housing in their areas. Overall, councils simply do not appear to have the capability or the capacity to adequately assess or manage the impacts of their activities on housing affordability. They do not have the informational base to underpin debates about appropriate approaches to improving the supply of affordable housing. Knowledge around the affordability impacts of core council activities appears to be extremely limited despite the enormous body of research and evidence-based policy debate on those issues to be found internationally. Under those circumstances, councils are likely to find that:
- Debates around housing and housing related activities become reduced to ideological positioning.
 - The ability of councils to facilitate and lead the development and implementation of a coherent response within their areas to housing and address the economic development and social outcome constraints which unaffordable housing places on the local economy is clearly very limited.
 - Councils simply carry on ‘business as usual’ in relation to housing irrespective of the efficacy of their current policy and operational settings.

Leadership is Critical to Addressing Affordable Housing Provision

- 7.13 International evidence suggests that local political leadership on housing issues may be the most important driver of successful involvement in affordable housing. The particular legislative and regulatory environment in which local authorities operate does not appear to determine the nature and extent of their engagement in affordable housing. Leadership appears to be more crucial than any particular mechanism or tool that a local authority adopts.
- 7.14 In New Zealand, some councils are actively leading their local and regional responses to the need for affordable housing by:
- Developing housing strategies and policies.
 - Attempting to assess the impacts of their activities on affordable housing.
 - Attempting to be more effective in their direct provision of housing.
 - Developing a wider range of supports for community and private sector providers of affordable housing.
 - Attempting to identify ways of improving their own processes in relation to resource management and building consents respectively.

Suggested Ways Forward

- 7.15 The research findings suggest that if councils are to take a more active leadership role in addressing affordable housing a multi-pronged approach is needed that involves local and central government, and provides for flexible approaches that are responsive to the circumstances and needs of different areas.
- 7.16 On the basis of this research seven recommendations emerge. Those are that:
- i. Stakeholders need to come to agreement and clarification between local and central government on their respective roles, responsibilities, priorities and funding mechanisms in relation to the provision and promotion of affordable housing.

- ii. Central government needs to show commitment to supporting the sort of facilitative tools used overseas and ensuring that councils are not inhibited by legislation to take up effective and well-tested tools.
- iii. Both local and central government need to agree and develop ways to ensure funding for the range of population groups vulnerable to unaffordable housing. This means departing from the traditional cycle of funding being directed to a single housing mode and target – pensioner housing – and identifying priorities and mechanisms for funding other vulnerable groups such as people with disabilities, young people and working families.
- iv. Both central and local government need to break with the past and embed their housing responses in robust, evidence-based strategies that establish formal collaborations with community and private sector agencies and organisations.
- v. There needs to be a significant central and local government commitment to capacity and capability building with a particular emphasis on building knowledge through skilling, research and information management as well as knowledge sharing between councils. This will require funding and other support to:
 - Undertake further analysis and evaluation as required (see recommendation vii below).
 - Develop best practice examples and guidelines for local government affordable housing initiatives.
 - Funding for local or regional housing coordinators in areas under pressure from housing affordability.
- vi. All councils need to develop local housing strategies that specify and develop policies and actions for:
 - Identifying and addressing the housing needs of population groups vulnerable to unaffordable housing
 - Leveraging housing outcomes for economic and social benefits in the community
 - Linking housing outcomes to transport, environmental sustainability and infrastructure outcomes.
- vii. There needs to be further work on the impacts of local government activities on housing affordability through analysis and evaluation of the following:
 - The extent to which existing local government powers and mechanisms could be more effectively used to increase the supply of affordable housing
 - Specific actions that central government could do to facilitate and support the role of councils in the provision and promotion of affordable housing (including but not limited to social housing)
 - Detailed identification and assessment of particular effective overseas models and approaches that would be readily applicable in New Zealand, and changes needed to make effective overseas models applicable in New Zealand.
 - Other barriers to affordable housing supply such as covenanting and land banking and means of overcoming them.

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ANNEX A
LOCAL GOVERNMENT SURVEY

Local Government & Affordable Housing Survey

The Centre for Research, Evaluation and Social Assessment (CRESA) has been contracted by The Centre for Housing Research (CHRANZ) to undertake research about local government and affordable housing. Understanding the activities and perceptions of local authorities in relation to housing is an important part of the research.

Some local authorities directly provide housing, but even where local authorities are not involved in direct provision they can still have an impact on housing by way of their responsibilities in relation to the LTCCP, development contributions, building consents, the RMA and their district planning processes. Because of local government's crucial position in relation to the social and economic well-being of their communities, they may also be facilitating other agencies and organisations to provide affordable housing.

*Please return the survey in the pre-paid return
address envelope enclosed
by **15 March 2007***

If you have any queries about the research or completing the survey please contact Kay Saville-Smith (Project leader), Margie Scotts or Ruth Fraser at CRESA on free phone

0508 4CRESA (0508 427372)

or

kay@cresa.co.nz, margie@cresa.co.nz, or ruth@cresa.co.nz

SECTION A: DELIVERING HOUSING

1. **Does your Council directly provide any housing or accommodation?** *(Please tick one box only)*

- ₁ Yes → go to question 2
- ₂ No → go to question 18

2. **How long has your Council been providing housing?**

_____ years

3. **What types of housing does your Council directly deliver?**

(Please tick all boxes that apply)

- ₁ Long-term rental accommodation
- ₂ Transitional rental housing
- ₃ Emergency housing
- ₄ Night Shelters
- ₅ Shared-ownership housing
- ₆ Staff housing
- ₇ Other housing *(please describe)*

4. **How many dwellings/units does the Council have?**

Number of units: _____

4a. **Of those dwelling/units what proportion are 1, 2, 3, 4 or more bedrooms?**

- ₁ 1 bedroom dwellings/units _____%
- ₂ 2 bedroom dwellings/units _____%
- ₃ 3 bedroom dwellings/units _____%
- ₄ 4+ bedrooms dwellings/units _____%
- ₅ Other *(please specify below)* _____%

5. **Which of the following groups is your Council housing targeted to?** (Please tick all boxes that apply)

- ₁ Not applicable – no targeting
- ₂ Low income single people
- ₃ Refugees
- ₄ New immigrants
- ₅ Maori
- ₆ Pacific peoples
- ₇ Youth (please state age) _____
- ₈ Women
- ₉ Ex-prisoners
- ₁₀ Older people (please state age) _____
- ₁₁ People with disabilities
- ₁₂ Low income families
- ₁₃ Key workers (please describe) _____
- ₁₄ Other (please describe) _____

6. **How does your Council manage its housing/accommodation?** (Please tick one box only)

- ₁ In-house
- ₂ Contracted to a property management company
- ₃ Combination of in-house and contracted out
- ₄ Other

Please detail _____

7. **How many Council staff are involved in management of Council housing/accommodation?**

Number of staff (FTEs): _____

8. **Is there a waiting list for Council housing stock?** (Please tick one box only)

- ₁ Yes → go to question 9
- ₂ No → go to question 11

9. **How many currently on the waiting list?**

Number : _____

10. **What is the average waiting time for someone seeking a dwelling/unit?**

_____ weeks

11. **In the financial year ended 31 March 2006, how many households did Council assist with housing?** (Please provide an estimate if exact numbers are unknown)

Number of households: _____

12. **What proportion of your rents are:** (Please indicate percentage)

- ₁ Set at market rate _____%
- ₂ Discounted to assist affordability _____%

13. **What proportion of Council stock would fall into each condition category?** (Please indicate percentage for each condition category)

- (a) Excellent – No immediate repair and maintenance needed _____%
- (b) Good – minor maintenance needed _____%
- (c) Average – Some repair and maintenance needed _____%
- (d) Poor – Immediate repairs and maintenance needed _____%
- (e) Very poor – Extensive and immediate repair and maintenance needed _____%

(f) Don't know

_____ %

14. **On average, how frequently do you undertake repairs and maintenance on Council housing stock?** *(Please tick one box only)*

- ₁ No planned maintenance schedule, work done as needed
- ₂ Monthly
- ₃ Six-monthly
- ₄ Yearly
- ₅ Biannually
- ₆ Other (please specify) _____

15. **What is the source of your funding for repairs and maintenance?** *(Please tick all boxes that apply)*

- ₁ Income from rental revenue
- ₂ Rates revenue
- ₃ Other (please describe) _____

16. **If you acquire new housing stock how do you fund that acquisition?** *(Please tick all boxes that apply)*

- ₁ Income from rental revenue
- ₂ Through borrowing
- ₃ Central government funding
- ₄ Rates revenue
- ₅ Other (please describe) _____

17. **Generally to what extent does existing Council housing stock meet current demand?** *(Please tick one box only)*

- ₁ Supply sometimes exceeds demand
- ₂ Supply always exceeds demand
- ₃ Demand sometimes exceeds supply

- ₄ Demand always exceeds supply
- ₅ Other (please describe) _____

- ₆ Other (please describe)
- _____
- _____
- _____
- _____

SECTION B: OTHER HOUSING SERVICES

18. **Is the Council involved in any retrofit activities in your area?** (Please tick one box only)

- ₁ Yes → go to question 18a
- ₂ Not currently, we have planned activities → go to question 19
- ₃ No → go to question 19
- ₄ Not sure → go to question 19

18a. **If yes, do partner any other organisations?** (Please tick all boxes that apply)

- ₁ No – we’re doing it on our own
- ₂ Other council(s)
- ₃ EECA
- ₄ HNZC
- ₅ Community housing organisation
- ₆ Maori/iwi provider
- ₇ Other community organisation
- ₉ Local energy trust
- ₁₀ Other (please specify) _____

19. **Does the Council provide any of the housing-related services listed below?** (Please tick all boxes that apply)

- ₁ General housing advice/information
- ₃ Housing advocacy
- ₄ Accommodation support services for people with disabilities
- ₅ Accommodation support services for older people

SECTION C: WORKING WITH OTHERS

20. **Does your Council work with any of the following on housing matters?** (Please tick all boxes that apply)

- ₁ Other councils
- ₂ HNZC
- ₃ Department of Building and Housing
- ₄ Other central government
- ₅ Trusts (Charitable and other)
- ₆ DHBs
- ₇ Iwi authority, runanga, Maori organisation
- ₈ Pacific organisation
- ₉ Community social service agencies
- ₁₀ Private businesses
- ₁₁ Banks
- ₁₂ Credit Unions
- ₁₃ Private rental providers
- ₁₄ Other (please describe) _____
- ₁₅ No → go to question 22

21. **Which organisations do you work with in a formal housing partnership?** (Please tick all boxes that apply)

- ₁ Other councils
- ₂ HNZC
- ₃ Department of Building and Housing

- ₄ Other central government
- ₅ Trusts (Charitable and other)
- ₆ DHBs
- ₇ Iwi authority, runanga, Maori organisation
- ₈ Pacific organisation
- ₉ Community social service agencies
- ₁₀ Private businesses
- ₁₁ Banks
- ₁₂ Credit Unions
- ₁₃ Private rental providers
- ₁₄ Other (please describe) _____

22. **Does Council provide funding or other support to external bodies/organisations to facilitate housing delivery or housing services?** (Please tick one box only)

- ₁ Yes → go to question 23
- ₂ No → go to question 24

23. **What support do you provide?** (Please tick all boxes that apply)

- ₁ Rates holiday
- ₂ Rates rebate
- ₃ Subsidies
- ₄ Project grants/grants scheme
- ₅ Secretarial support
- ₆ Use of council meeting spaces
- ₇ Guarantees for loans to not-for-profit housing trusts
- ₈ Land banking/land swaps
- ₉ Development contribution funds collected under the LGA/LTCCP of land/sections

- ₁₀ Financial contributions funds collected under the RMA/District Plan
- ₁₁ Contribution of Council owned lands/sections
- ₁₂ Policy and other advice
- ₁₃ Other (please describe) _____

SECTION D: COUNCIL STRUCTURES AND PROCESSES

24. **Has your Council established any formal structures in relation to housing activities, needs or issues?** Please tick (✓) 'Yes' or 'No' for EACH of the following.

- | | YES | NO |
|---|---------------------------------------|---------------------------------------|
| (a) Staff position with responsibility for housing issues | <input type="checkbox"/> ₁ | <input type="checkbox"/> ₂ |
| (b) Property/asset manager | <input type="checkbox"/> ₁ | <input type="checkbox"/> ₂ |
| (c) Taskforce/working party/sub-committee | <input type="checkbox"/> ₁ | <input type="checkbox"/> ₂ |
| (d) Advisory groups on housing issues | <input type="checkbox"/> ₁ | <input type="checkbox"/> ₂ |
| (e) Housing forum | <input type="checkbox"/> ₁ | <input type="checkbox"/> ₂ |
| (f) Other (please detail) _____ | <input type="checkbox"/> ₁ | <input type="checkbox"/> ₂ |

25. **In relation to affordable housing, which of the following statements would BEST reflect your Council's view on the responsibilities of local government?** Please tick (✓) ONE statement only.

- ₁ Addressing affordable housing issues is a central government responsibility
- ₂ Affordable housing issues are a responsibility shared equally by both central and local government
- ₃ Councils may have some responsibilities for affordable housing.
- ₄ Council's housing responsibilities are currently unclear.
- ₅ Affordable housing should be left entirely to the private market.

26. **How much impact do the following Council activities have on the availability of affordable housing in your District?** Please tick (✓) one box for each line.

	No impact	Little impact	Medium impact	High impact	Don't know
(a) Direct provision of housing by council	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5
(b) District planning activities under the RMA	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5
(c) Council community plan activities under the LTCCP/LGA	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5
(d) Environmental health activities	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5
(e) Building Act and consent activities	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5
(f) Rating policies	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5
(g) Provision of land by council for housing	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5
(h) Land use and transport policies	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5
(i) other* _____	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5
(j) other* _____	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5
(k) other* _____	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5

***Please list in space provided**

27. What does your Council see as its role in promoting affordable housing in your District?

28. Please list current plans, policies or strategies related to the availability of affordable housing in your District. (attach relevant excerpts if desired)

29. Does your Council monitor/collect data on housing need within its territory? [e.g. monitoring waiting lists, undertaking housing needs assessments etc] Please tick (✓) ONE only.

- ₁ Yes → go to question 30
₂ No → go to question 31

30. What type of data is collected/monitored? How frequently do you collect it? [e.g. one-off assessment, monthly reporting, annual reporting etc]

Type of Data	How often collected

SECTION E: KEY ISSUES IN YOUR AREA

31. To what extent are any of the following a problem for people in your District? Please tick (✓) one box for each line.

	A very big problem	A fairly big problem	A moderate problem	A slight problem	Not a problem
(a) Lack of suitable housing that is affordable to rent	<input type="checkbox"/> ₁	<input type="checkbox"/> ₂	<input type="checkbox"/> ₃	<input type="checkbox"/> ₄	<input type="checkbox"/> ₅
(b) Lack of suitable housing that is affordable to buy	<input type="checkbox"/> ₁	<input type="checkbox"/> ₂	<input type="checkbox"/> ₃	<input type="checkbox"/> ₄	<input type="checkbox"/> ₅
(c) Job layoffs and unemployment	<input type="checkbox"/> ₁	<input type="checkbox"/> ₂	<input type="checkbox"/> ₃	<input type="checkbox"/> ₄	<input type="checkbox"/> ₅
(d) Unaffordable interest rates	<input type="checkbox"/> ₁	<input type="checkbox"/> ₂	<input type="checkbox"/> ₃	<input type="checkbox"/> ₄	<input type="checkbox"/> ₅
(e) Crime	<input type="checkbox"/> ₁	<input type="checkbox"/> ₂	<input type="checkbox"/> ₃	<input type="checkbox"/> ₄	<input type="checkbox"/> ₅
(f) A polluted environment	<input type="checkbox"/> ₁	<input type="checkbox"/> ₂	<input type="checkbox"/> ₃	<input type="checkbox"/> ₄	<input type="checkbox"/> ₅

32. **How would you grade your District in relation to affordable housing?** Please tick (✓) one box for each line.

	Well above average	Above average	Average	Below average	Well below average
(a) The availability of reasonable quality and affordable <u>rental</u> housing	<input type="checkbox"/> ₁	<input type="checkbox"/> ₂	<input type="checkbox"/> ₃	<input type="checkbox"/> ₄	<input type="checkbox"/> ₅
(b) The availability of reasonable quality and affordable housing for people to <u>buy and own</u>	<input type="checkbox"/> ₁	<input type="checkbox"/> ₂	<input type="checkbox"/> ₃	<input type="checkbox"/> ₄	<input type="checkbox"/> ₅
(c) The <u>quality</u> of rental housing in your District	<input type="checkbox"/> ₁	<input type="checkbox"/> ₂	<input type="checkbox"/> ₃	<input type="checkbox"/> ₄	<input type="checkbox"/> ₅
(d) The <u>affordability</u> of rental housing in your District?	<input type="checkbox"/> ₁	<input type="checkbox"/> ₂	<input type="checkbox"/> ₃	<input type="checkbox"/> ₄	<input type="checkbox"/> ₅
(e) Proximity of <u>affordable</u> housing to essential services in your District?	<input type="checkbox"/> ₁	<input type="checkbox"/> ₂	<input type="checkbox"/> ₃	<input type="checkbox"/> ₄	<input type="checkbox"/> ₅

33. **Thinking about the overall condition of non-Council dwelling stock in your District (including privately owned or rental stock and any other dwellings), what proportion would falls into the following categories?** (Please indicate percentage for each condition category)

- (a) Excellent – No immediate repair and maintenance needed _____%
- (b) Good – minor maintenance needed _____%
- (c) Average – Some repair and maintenance needed _____%
- (d) Poor – Immediate repairs and maintenance needed _____%
- (e) Very poor – Extensive and immediate repair and maintenance needed _____%
- (f) Don't Know _____%

34. **What are the major barriers to increasing the availability of affordable housing in your District?**

35. **What could your Council do to make the greatest contribution to improving the availability of affordable housing?**

36. **If your Council has a definition of 'affordable housing' please state it here:**

Affordable housing is defined as _____

37. **Would your Council like to receive copies of reports on the results of this research?** ₁ Yes ₂ No

THANKYOU FOR YOUR CO-OPERATION

**PLEASE RETURN THIS QUESTIONNAIRE USING
THE REPLY PAID ENVELOPE
BY 15 MARCH 2007**

ANNEX B
CONTENT ANALYSIS TEMPLATE

CONTENT ANALYSIS TEMPLATE

We're looking for mentions of the following key works: unit(s); accommodation; house(s); housing; affordability; property.
Record references for all statements noted – page, section numbers etc as relevant.
If a written policy has an impact on housing but this is not explicitly noted in the policy document then it is not included in the analysis.

Council:	
<input type="checkbox"/> Auckland Regional Council <input type="checkbox"/> Papakura <input type="checkbox"/> Manukau <input type="checkbox"/> Auckland City <input type="checkbox"/> Environment Bay of Plenty <input type="checkbox"/> Tauranga <input type="checkbox"/> Environment Waikato <input type="checkbox"/> Hamilton City	<input type="checkbox"/> Taupo <input type="checkbox"/> Greater Wellington Region <input type="checkbox"/> Wellington <input type="checkbox"/> Marlborough <input type="checkbox"/> Environment Canterbury <input type="checkbox"/> Christchurch City Council <input type="checkbox"/> Otago Regional Council <input type="checkbox"/> Queenstown-Lakes
Document Type:	
<input type="checkbox"/> LTCCP <input type="checkbox"/> Annual Report <input type="checkbox"/> Annual Plan/Business Plan <input type="checkbox"/> District Plan <input type="checkbox"/> Other (please specify) _____	
Year/Period covered by document (eg. annual plan for 06/07 or LTCCP 2006-2016) or date written (e.g for other strategy documents or policies):	

Direct Provision: (any mention of housing assets owned by council; key words may include: 'house', units, pensioner, elderly, property management; make sure to note who the target groups are)	

Indirect Impacts through Exercise of Responsibilities: *(includes any council activity (except direct provision) with an explicit intention to facilitate affordable housing in some way. Activities that might be included are planning/land use, rent/rates rebates, subsidies to community groups for housing provision, investment in or selling of property/land).*

Facilitation of Affordable Housing Outcomes through other players: *(for instance any partnerships or relationships council has with social housing providers e.g. HNzc, iwi providers, community organisations etc)*

General: (other mentions of housing/affordable housing for instance scoping and monitoring documents that include housing or affordable housing as an issue. Housing Needs Assessment would be noted here. Also note if council collects any housing related data – what and how often?)



Centre for Housing Research

AOTEAROA NEW ZEALAND

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