

Christchurch City Council

CENTRAL CITY RESIDENTIAL PROGRAMME (PROJECT 8011):

Supporting alternative housing approaches and projects

Findings report



Prepared by Infrastructure, Planning and Regulatory Services Group

Christchurch City Council

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EXECUTIVE SUMMARY

BACKGROUND

The Central City should be a place for everybody to live, work and play.

Increasing residential activity in the Central City is a priority for the Christchurch City Council (the Council); its Central City Residential Programme (or 'Project 8011') aims to achieve 8,000 households/20,000 people within 10 years (by 2028). Providing a range of affordable and well-designed homes that meet people's needs is integral to attracting a greater number and mix of residents. This is being addressed through a series of projects that address both the supply and demand side of housing within the Central City.

This project, '*Supporting Alternative Housing Approaches and Projects*', focuses on residential development that brings a diversity of housing typologies, tenures and price points (including social and affordable) to the Central City¹. The project:

1. Undertakes research, engagement and analysis to identify:
 - a. The current Central City housing, residents and deficits;
 - b. How the barriers to the provision of alternative housing have been overcome elsewhere in NZ and overseas; and
 - c. How the Council can best provide support to help overcome these barriers.
2. Supports active alternative housing providers; and
3. Promotes alternative housing within the Central City.

PURPOSE AND STRUCTURE OF THE REPORT

This report provides the findings in respect to 1c above, to respond to the Council's request for further information on the promotion and delivery of alternative development and housing tenure models.

METHODOLOGY

This report incorporates learnings and insights gained from a prerequisite literature review of relevant strategic documents and a situation analysis report and case study which identify existing housing deficits, and barriers to alternative housing provision, in the Central City. These were supplemented by more targeted engagement with, and other information from, internal and external stakeholders.

FINDINGS

Scope of support for alternative housing

Feedback from alternative housing providers suggests that the inner city (just outside the four avenues, as identified in **Appendix 4**) may be a better focus for Council support for alternative housing. This is due to the high land and development costs within the Central City, operational

¹ For the purposes of this project, an '**alternative housing provider**' delivers housing projects of the type which meet significant deficiencies and demand within the Central City via a complementary, alternative approach to the standard market-led, for profit model of housing delivery. '**Alternative housing tenures**' includes those of co-operatives, community land trusts, rent-to-own housing, shared equity schemes and unit titling of land owned in common (such as occupied by shared facilities like outdoor courtyards and laundries). Alternative methods of construction have not been considered as part of this project.

requirements of some community housing providers that favour a less intensive residential environment and existing inner city residents considering themselves contributing to and benefiting from the vibrancy of the Central City by virtue of their close proximity to it. Therefore the scope of this report includes both the Central City and the identified inner city. While information was gathered for the Central City, many of the report findings may also have relevance for other parts of the city.

Targets for Council support

There is a range of alternative housing models currently operating in NZ and overseas. Investigations have identified various deficiencies across available typologies, with certain households less well served as a result. Therefore, Council support (particularly through provision of land and/or funding) would be best targeted at alternative housing:

1. Which delivers the following typologies, tenures, price points and in the following locations:
 - a. Community housing², particularly for elderly persons, mixed tenure and in areas of the Central City other than the north-east (to avoid the concentration of community housing there).
 - b. Co-housing³.
 - c. Papakāinga/kāinga nohoanga housing, irrespective of whether it's located on Māori customary, freehold or reserved land and zoned Papakāinga/Kāinga Nohoanga.
 - d. High-density development (i.e. an average net density of at least 50hh/ha), particularly one, two and four-bedroom+ units.
 - e. In areas of the Central City which are more affordable and may provide redevelopment opportunities for housing generally (e.g. the north-east).
 - f. Longer term occupation, whether through ownership or long-term rental.
 - g. Affordable, i.e. units in the \$500,000⁴-⁵\$550,000 range (as determined by the First Home Loan settings for Christchurch).
2. And with the following characteristics:
 - a. Provision for a private outdoor living space per unit, in addition to any communal space.
 - b. Housing certified above Homestar 6.
 - c. Site design that achieves a safe and high amenity public interface and comprehensively designed buildings.
 - d. Accessibility to parking (dependent on and determined by proximity to public and active transport facilities).
 - e. Within 800 metres/10 minutes walking distance of basic amenities (with reference to the Central City neighbourhood maps).
 - f. Provision for some pet ownership.

Support for alternative housing

² Defined in Section 5.1.

³ Defined in Section 5.4.

⁴ For existing properties.

⁵ For new properties.

The Council is not currently in a position to provide support mechanisms of a transformational nature (i.e. land and/or additional or significant alternative housing-specific funding). It nevertheless already provides a number of support mechanisms from which alternative housing providers benefit. These include:

1. the following existing support mechanisms the Council could maintain:
 - a. Housing Policy 2016 and Community Housing Strategy 2021-2031.
 - b. Partnership with alternative housing providers and/or central government and other organisations.
 - c. Strategic Land Acquisitions fund.
 - d. Community Organisations Loan Scheme.
 - e. Development contributions remission.
 - f. Information provision.
 - g. Promotion of Central City living.
 - h. Provision of public facilities and public realm improvements.

2. the following existing support mechanisms the Council could continue as enhanced:
 - a. Extended notification of all alternative housing providers of Council land identified for disposal.
 - b. Partnership Approvals Service, through provision of dedicated assistance for alternative housing providers.
 - c. Extension of development contributions rebates for Central City residential development and for social housing the existing funding limit/expiry date, noting the potential to reframe the former after its expiry on 24 December 2021 to focus on increasing the diversity and/or quality of residential units (Homestar 7+ rated) in the Central City.
 - d. Better publicised partial resource consent fee refund for not-for-profit and community organisations.
 - e. Investigation into the provision of inclusionary zoning within the Christchurch District Plan.

An additional support mechanism the Council could investigate providing is:

1. Application of Remission 1 from its Rates Remission Policy to new builds by community housing providers (other than the Council).

Implementation of the identified enhancements and additional support mechanism is underway.

CONTENTS

1.	INTRODUCTION	7
2.	PURPOSE AND STRUCTURE OF REPORT	8
3.	METHODOLOGY	8
4.	CURRENT SITUATION	8
4.1	CENTRAL CITY HOUSING	8
4.2	CENTRAL CITY RESIDENTS	9
4.3	DEFICIENCIES	9
4.4	BARRIERS TO CENTRAL CITY LIVING	9
5.	ALTERNATIVE HOUSING APPROACHES	11
5.1	COMMUNITY HOUSING.....	11
5.2	STUDENT ACCOMMODATION.....	11
5.3	PAPAKĀINGA HOUSING	11
5.4	CO-OPERATIVE HOUSING AND CO-LIVING HOUSING.....	12
5.5	SELF-BUILDS.....	12
5.6	MIXED-USE HOUSING	12
5.7	ALTERNATIVE HOUSING TENURE	13
6.	BARRIERS TO ALTERNATIVE HOUSING PROVISION.....	14
6.1	BARRIERS TO HOUSING DEVELOPMENT GENERALLY	14
6.2	BARRIERS SPECIFIC TO ALTERNATIVE HOUSING DEVELOPMENT	14
6.3	BARRIERS TO RESIDENTIAL DEVELOPMENT WITHIN THE CENTRAL CITY	15
6.4	MEANS OF OVERCOMING BARRIERS	16
6.5	BARRIERS WHICH THE COUNCIL CAN INFLUENCE.....	17
7.	FINDINGS	18
7.1	SCOPE OF SUPPORT FOR ALTERNATIVE HOUSING.....	18
7.2	TARGETS FOR COUNCIL SUPPORT	18
7.3	SUPPORT FOR ALTERNATIVE HOUSING	19
7.3.1	EXISTING SUPPORT MECHANISMS THE COUNCIL COULD MAINTAIN	20
7.3.2	EXISTING SUPPORT MECHANISMS THE COUNCIL COULD CONTINUE AS ENHANCED 21	
7.3.3	ADDITIONAL SUPPORT MECHANISM THE COUNCIL COULD INVESTIGATE	22
8.	CONCLUSION.....	23
	APPENDICES	24
	APPENDIX 1: STRATEGIC CONTEXT AND DIRECTION	24

APPENDIX 2: PATHWAY AND RATIONALE FROM THE MAIN BARRIERS TO COUNCIL SUPPORT MECHANISMS.....	31
APPENDIX 3: MAPPING OF COUNCIL SUPPORT MECHANISMS TO DEVELOPMENT PROCESS DECISION POINTS.....	34
APPENDIX 4: EXTENDED ALTERNATIVE HOUSING SUPPORT AREA	37
APPENDIX 5: RATED LAND VALUE IN CENTRAL CITY COMPARED TO INNER CITY SUPPORT AREA	38
APPENDIX 6: EXISTING SUPPORT MECHANISMS THE COUNCIL COULD MAINTAIN.....	39
APPENDIX 7: EXISTNG SUPPORT MECHANISMS THE COUNCIL COULD CONTINUE AS ENHANCED	48
APPENDIX 8: ADDITIONAL SUPPORT MECHANISM THE COUNCIL COULD INVESTIGATE.....	54
APPENDIX 9: PROJECT ACKNOWLEDGEMENTS.....	56
BIBLIOGRAPHY	57

1. INTRODUCTION

Pre-earthquakes, the Central City had a residential population of approximately 8,000. Immediately post-earthquakes, this fell below 5,000 as the availability and choice of homes was significantly reduced. The last estimate from Statistics New Zealand (June 2020) has the Central City population at 7,170. This (and other indicators, e.g. Building Consent numbers) demonstrates increasing recovery and demand for Central City living, although still falls short of the critical mass of residents necessary to support private sector investment delivered to date and achieve the self-sustaining regeneration of the Central City.

Increasing residential activity in the Central City has been a consistent priority for the City and Greater Christchurch for many years (see the strategic context and direction in **Appendix 1**), most recently through the Council's Central City Residential Programme (also known as Project 8011). This programme aims to increase the residential population within the Central City to 20,000 within 10 years (by 2028) through a series of projects that address both the supply and demand side of housing within the Central City.

This project, *Supporting Alternative Housing Approaches and Projects*, supports alternative residential development projects that bring a diversity of housing typologies, tenures and price points (including social and affordable) to the Central City. For the purpose of this project, alternative housing has been defined as a typology and tenure which meets significant deficiencies and demand within the Central City via an alternative approach to the standard market-led, for profit model of housing delivery.

This project takes a simultaneous and three-pronged approach:

1. In response to a Council request for further information on the promotion and delivery of alternative development and housing tenure models⁶, undertaking research, engagement and analysis to identify:
 - a. The current Central City housing, residents and deficits;
 - b. How the barriers to the provision of alternative housing have been overcome elsewhere in NZ and overseas; and
 - c. How the Council can best provide support to help overcome them.
2. Supporting active alternative housing providers within the Council's existing policies and budgets.
3. Promoting alternative housing within the Central City.

The findings outlined in this report (comprising 1c) have been informed by a Situation Analysis Report (comprising 1a) and a case study (comprising 1b).

Alternative methods of construction have not been considered as part of this project.

⁶ https://christchurch.infocouncil.biz/Open/2018/09/CNCL_20180913_MIN_2360_AT.htm

2. PURPOSE AND STRUCTURE OF REPORT

The purpose of this report is to assist in responding to the Council's request for further information on the promotion and delivery of alternative development and housing tenure models. It documents the findings on how the Council can best provide support to help overcome the barriers to alternative housing provision within the Central City.

As such, this report includes an explanation of the methodology used; the current situation in respect to Central City housing, residents and deficiencies; alternative housing approaches; barriers to alternative housing and how the Council can help overcome them; findings, including the targets for, and means of, Council support; and next steps.

3. METHODOLOGY

This report incorporates learnings and insights gained from two key pieces of work completed as part of this project.

The first piece of work focussed on understanding the complexities of, and barriers to, alternative housing. This piece of work consisted of early engagement with alternative housing providers and a case study. The latter, which includes a summary of the housing context both nationally and within Christchurch's Central City, identifies how barriers to the provision of alternative housing in the Central City have been overcome elsewhere in NZ and overseas.

The second piece of work focused on understanding the current housing situation in the Central City. A Situation Analysis was completed to identify what currently exists in the Central City in the way of housing, residents and deficits.

These two pieces of work have been supplemented by more engagement, as appropriate, with internal stakeholders, alternative (including community) housing providers, tangata whenua, regeneration agencies, developers and potential Central City residents, and information provided by them via other means, such as existing research reports and submissions on the Council's draft Community Housing Strategy.

Along with a literature review of relevant strategic documents (see **Appendix 1**), this information then shaped and informed the findings in this report as to how the Council can best provide support to help overcome the barriers to alternative housing provision within the Central City.

4. CURRENT SITUATION

The situation analysis undertaken to determine the current Central City housing and residents has identified the following key characteristics and deficits.

4.1 CENTRAL CITY HOUSING

Within the Central City:

- There is a prevalence of two to three-level terraced housing and one and two-bedroom units.
- Post-Covid house and rental prices are unaffordable for lower income people, particularly renters, who comprise the vast majority of Central City residents.
- Housing is concentrated in the higher amenity Residential Central City Zone to the north, north-west and north-east areas of the Central City. Community housing is concentrated in the north-east.

- There is a low volume of community housing and alternative housing generally.

4.2 CENTRAL CITY RESIDENTS

Within the Central City:

- Single and two person households predominate.
- The majority of residents are renters, who favour multi-unit/higher density development.
- The majority of households will need housing under \$550,000 (for purchase) or \$227/week (to rent) for it to be affordable.
- While it has a younger population compared to wider Christchurch, there are lower percentages of the population in the under 15 and the 65+ age groups.
- The households less well served by current Central City housing are single people, retirees, families with young children and ethnicities in which extended families are more common.

4.3 DEFICIENCIES

What's required is more:

- 1 and 2 bedroom units, to meet demand arising from an aging demographic;
- 4+ bedroom units, to appeal to young and extended families.
- Affordable housing for both purchase (\$500,000⁷-\$550,000⁸, as determined by the First Home Loan settings for Christchurch) and rent (\$190 - \$227 weekly), to contribute to a diversity of people and longer term occupation.
- Mixed tenure.
- Multi-unit/high density (average net density of 50hh/ha), being the typology favoured by renters.
- Community housing.
- Alternative housing generally, as there hasn't been a lot of such development in the Central City.
- Residential development in the non-traditional residential areas to the south of the Central City.

4.4 BARRIERS TO CENTRAL CITY LIVING

Council surveys conducted in 2010⁹ and 2019¹⁰ indicate that the barriers for potential residents to Central City living have remained relatively consistent in recent years.

The former surveyed both recent purchasers (of an owner-occupier house less than \$450,000 within the previous four years, under the age of 65) and potential purchasers (of an owner-occupier house more than \$450,000, under the age of 65). While nearly one-fifth (19%) of the 382 recent purchasers had considered the Central City when looking for a new place to live, only one had bought there. A similar proportion of the potential purchasers had also considered the Central City, but the majority (83%) were looking to buy a standalone house. Around a quarter of both groups (21% and 25% respectively) could think of no advantages of Central City living. For the recent purchasers who purchased elsewhere, the price of Central City property was the most

⁷ For existing properties.

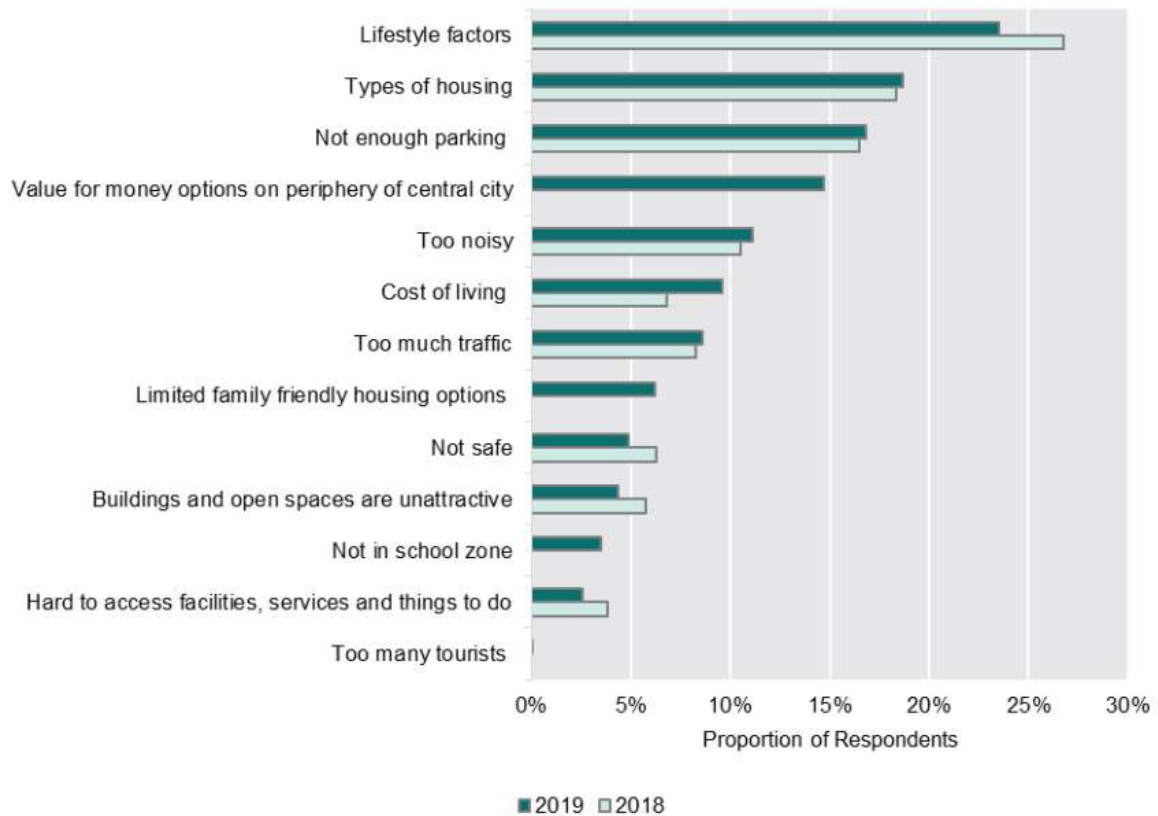
⁸ For new properties.

⁹ Christchurch City Council (January 2011) *Urban Regeneration Market Research Report*

¹⁰ Christchurch City Council (2019) *Life in Christchurch (Central City) Survey*

common barrier to over a third. Other main reasons were the lack of land/garden and the size of dwellings. Other reasons included a lack of character homes, rundown properties, difficulty having a dog and safety and crime issues. Noise was also an important barrier to potential purchasers, with a third citing traffic noise and a fifth citing people noise concerns.

Many of these are reflected in the main reasons cited by respondents to the latter survey for not moving to the Central City:



Breaking the housing-specific responses down further, in response to whether the Central City provides:

- a range of housing, only 30% agreed or strongly agreed, while 44% disagreed or strongly disagreed;
- affordable housing, only 12% agreed or strongly agreed, while 60% disagreed or strongly disagreed; and
- well-designed housing, only 28% agreed or strongly agreed, while 31% neither agreed nor disagreed.

The above perceptions concerning the diversity (including lack of family-friendly housing options) and affordability of housing are borne out by the findings of the Situation Analysis Report on the current Central City housing, residents and deficits. However, perceptions about the lack of on-site parking are contrary to findings that for the vast majority (91%) of Central City housing, parking demand does not exceed capacity, i.e. sufficient on-site parking is provided. It would nevertheless be prudent for developers to provide for on-site car parking, given that 85% of Central City residents have at least one car.

5. ALTERNATIVE HOUSING APPROACHES

The alternative housing approaches the subject of this report are:

5.1 COMMUNITY HOUSING

Community housing is a form of assisted or non-market housing working alongside private housing in the open market, meeting housing need through a range of social and affordable rental and home ownership options.

Community housing includes:

- Social housing. This is not-for-profit housing supported and/or delivered by central or local government, or community housing providers, such as Kāinga Ora and the Ōtautahi Community Housing Trust. It helps low-income households and a range of other disadvantaged groups access appropriate, secure and affordable housing.
- Affordable housing. This targets low to middle-income households (i.e. those earning up to 120% of median household income) who spend no more than 30% of their gross income on rent or mortgage costs. Providers of affordable housing include the New Zealand Housing Foundation and Habitat for Humanity.
- Emergency housing. Providers include the City Mission and Women's Refuge. This housing provides for those who are:
 - without shelter (i.e. living on the streets or in improvised dwellings, such as cars);
 - in temporary or transitional accommodation (including motels, camping grounds, boarding houses and marae); or
 - in shared accommodation (i.e. living as a temporary resident with family or friends, including in garages).

Community housing providers are the largest sub-set of alternative housing providers within the Central City.

5.2 STUDENT ACCOMMODATION

Student accommodation is generally provided by tertiary education institutes, located in close proximity to them, for the accommodation of their out-of-town students. It is hostel or apartment-style furnished accommodation with shared lounge, kitchen and ablution facilities. Preference may be given to younger students (aged 17 – 25 years). A student advisor may be available to provide support and pastoral care to residents. An existing Central City example is Ara Institute of Canterbury's Ōtautahi House at 279 St Asaph St.

5.3 PAPA KĀINGA HOUSING

The introduction to Chapter 12 of the Christchurch District Plan (CDP) states that papakāinga can be used to describe traditional forms of Māori communal living on ancestral or tribal lands. Papakāinga development usually involves housing and marae facilities, but in its true sense indicates a raft of facilities and activities associated with whānau or hapū providing for their social, cultural and economic wellbeing on tribal land. Ngāi Tahu use the term kāinga nohoanga to describe their traditional areas of communal living on tribal lands. Under the CDP, only land which has the status of Māori customary or freehold land, or Māori land reserved for communal purposes, under Te Ture Whenua Māori Act 1993 is able to be developed or used as papakāinga/kāinga nohoanga. Nevertheless, like any other developer, Ngāi Tahu can also acquire

and develop land, including for Māori communal or general living even if it's not zoned Papakāinga/Kāinga Nohoanga, subject to compliance with its zoning provisions (whether as a permitted activity or with Resource Consent).

5.4 CO-OPERATIVE HOUSING AND CO-LIVING HOUSING

Within the international and local context, co-operative housing and co-living is being explored as a means to advance social connectivity and enable affordability in housing. Both models typically include a mixture of private and communal spaces, but they differ in some respects.

Co-operative housing is often co-designed by, and to meet the needs of, their prospective occupants and usually has shared ownership. It also often has social, economic and sustainability objectives. An existing example of co-operative housing in Christchurch's Central City is the Peterborough Housing Co-operative between Peterborough and Salisbury Streets. The 14-unit development has a trust-based co-operative ownership structure with clustered housing and shared facilities, including a common courtyard, house/education centre and peripheral parking area.

Co-living housing developments are more often individually owned, up-scaled versions of the traditional boarding house, providing rooms to rent in conjunction with shared facilities. They are seen by many as a way for city dwellers to overcome expensive real estate, social isolation and environmental pressures. One such example is 'The Coh' development in Grafton, Auckland, which is marketed as 'stylish, shared living for young professionals'. The Coh offers 22 bedrooms with multiple communal areas, including a kitchen, rumpus room, movie theatre and laundry. So as to inspire a sense of community, organised events and outings are arranged throughout the year.

5.5 SELF-BUILDS

Self-builds are the creation of a home for oneself (either individually or collectively with others) through a variety of methods, often to create something tailored to the self-builder's needs not available or affordable on the open market. The self-builder's input into this process can vary, but, for the purpose of this project, includes sufficient input into the designing, project managing and/or construction to warrant them dealing directly with the Council in respect to regulatory compliance. The Buckley Road project in Southgate, Wellington, provides a NZ example of six friends who successfully designed and self-built four architecturally-designed terraced houses on a unit-titled site. The development includes individual outdoor living spaces and storage lockers for each unit, but a communal parking area, laundry and terraced garden.

5.6 MIXED-USE HOUSING

Mixed-use is development which combines, within a building or site, a range of land use activities, including, for the purpose of this project, residential activity. Large and small-scale Central City examples are Atlas Quarter at 36 Welles St (110 units) and the Orbica building at 128-130 Lichfield St (1 unit). It may be purpose-built or arise from adaptation/reuse of an existing commercial building.

5.7 ALTERNATIVE HOUSING TENURE

In the context of housing, tenure means the conditions under which a dwelling is occupied. It may be owned (outright or via a mortgage), or rented (from a public housing provider or private owner), or subject to a shared ownership agreement.

Alternative housing tenures which assist the provision of affordable home ownership and rental housing include:

- Community land trusts. These are public or private, non-profit organisations created to acquire, develop, hold and lease land to individuals who own the housing on the land, for the benefit of the community.
- Shared equity schemes. These enable low-income households to enter the property market more readily by funding a percentage of the total property cost and retaining partial ownership (with no fee or rent charged to the owner) until the owner chooses to increase their share to 100%. An example shared equity scheme is that provided by the New Zealand Housing Foundation (a not for profit charitable trust).
- Rent-to-own housing (also called rent-to-buy). This is an agreement which gives a property's tenant the right to buy the home at the end of a pre-set rental period. Rent is usually set at a rate which enables the tenant to simultaneously save a deposit.
- Unit titling of land owned in common. This form of tenure is usually the case in respect to shared facilities within co-operative housing.
- Mixed tenure housing. These developments include both owned and rented dwellings (the former often subsidising the latter), thereby integrating households with different incomes, ages, ethnicities and lifestyles. Its benefits include housing diversity, promoting social cohesion, reducing social exclusion and creating stronger communities.

In terms of their capacity for different tenure models (including those to provide security of tenure), the community housing providers engaged with advised that they deliver whatever model works for them.

- Most of the community housing providers active in Christchurch provide rental housing only. These include Abbeyfield Christchurch, Accessible Properties Ltd, Comcare Trust, Compass Housing Services Co (NZ) Ltd, Emerge Aotearoa Ltd, Kāinga Ora, Christchurch Methodist Mission, Ōtautahi Community Housing Trust, Oxford Baptist Church, Salvation Army, Stepping Stone, Te Rūnanga Nga Maata Waka and Vision West.
- Kāinga Ora and the Ōtautahi Community Housing Trust also provide mixed tenure housing, along with Te Rūnanga o Ngāi Tahu.
- Emerge Aotearoa Ltd, Habitat for Humanity and the New Zealand Housing Foundation provide shared equity and/or rent to own housing.
- The co-operative housing developers have pursued a housing model that provides for ownership and rental.

Collectively, these alternative housing providers do provide for different tenure models, including ones that provide for security of tenure, and some community housing providers are starting to broaden out from rental to affordable home ownership, including mixed tenure.

6. BARRIERS TO ALTERNATIVE HOUSING PROVISION

6.1 BARRIERS TO HOUSING DEVELOPMENT GENERALLY

Because alternative housing development faces the same barriers as any development, it's important to be cognisant of those before considering what additional barriers it needs to overcome.

Dwelling prices are ultimately determined by the total costs of a development. A project will only proceed if expected market prices for a development exceed the expected total costs. These include land-related costs, financial costs with allowance for risk, regulatory compliance costs (arising from both the regulatory requirements themselves and the regulatory practices to implement them), the costs of delay caused by any extended consent processing and uncertainty, holding and opportunity costs arising from forced changes to proposed developments, costs of providing specific infrastructure, construction labour and materials costs and marketing. The cost of land and development finance are the greatest factors in determining whether a development project progresses and are key determinates of margin, particularly for smaller developers.

Several general Central City residential developers have been interviewed in recent years, by:

- Development Christchurch Limited (Barriers to Central City Development, 2019, five developers interviewed);
- Research First (Central City Report, 2020, eight developers interviewed); and
- The Council (report on Development Contributions – Central City Rebate Schemes, 2020, 3 developers interviewed).

None of these indicated that they deliver alternative housing. Feedback included:

- These developers are interested in delivering products that meet market demand (i.e. will sell) and at a profit. Their target markets are singles, couples, first home buyers and investors.
- The high cost of land (compared to the fringe suburbs and Greenfield areas) and construction in the Central City mean that margins are tight and feasibility is the most critical aspect of development.
- Bare land funding is difficult (need pre-sales), as is the attaining of finance by new-comers.
- De-risking of development is also an important aspect. This essentially means that developers are being forced to deliver a specific product, which may not correlate to wider market demand. Some felt that the Central City housing offering did not reflect the needs of younger families.
- Some developers don't build in the Central City due to uncertainties around the vision for it.

Further, in July 2021 seven representative Central City residential developers were asked (via NPS-UD-related interviews) whether they'd considered delivering alternative housing either directly or in partnership with community housing providers. Of these, only one had considered the former and two the latter, with only one having previously been involved in community housing delivery.

6.2 BARRIERS SPECIFIC TO ALTERNATIVE HOUSING DEVELOPMENT

Barriers specific to the provision of alternative housing and the means of overcoming them elsewhere in NZ and overseas (Section 6.3) have been identified via the following. The University

of Canterbury documents engagement with NGO social housing providers not long after the earthquakes (University of Canterbury, 2012) and a case study and focus group meetings involving engagement with alternative housing providers was undertaken as part of this project.

The main barriers to the provision of alternative housing are:

- Inexperienced leadership from the alternative housing providers and conflicting goals, particularly where there are multiple parties with differing goals, roles and responsibilities;
- The lack of suitable development partners;
- Immature finance systems and the treatment of risk (particularly for architect-led self-build development, which is not well recognised, provided for or enabled by New Zealand's tax, financial, legal and other structures);
- Access to land due to high land prices (and inability to obtain finance due to the above);
- The associated lack of central and local government support for alternative housing approaches (with patient capital in particular, which is critical);
- The tension between development quality and affordability; and
- A housing culture in which everyone aspires to home ownership (which stigmatises renting) and in which investment incentives (such as negative gearing and tax-free equity gains) commodify housing.

These comprise column 1 of the more detailed table in **Appendix 2**. In moving from column 1 through columns 2 to 5, this table illustrates the pathway and rationale from the main barriers to identification of the support mechanisms assessed in Section 10.

Of the main barriers above, the primary challenges facing community housing providers (the largest subset of alternative housing providers generally) is a lack of:

- Affordable housing stock¹¹.
- Access to land (including leasehold).
- Access to funding, especially given the higher land value within the Central City and (even when owning their own land) very high building costs. The lack of funding is also a barrier to sustainability and creativity of housing design (including the provision of community enhancements). The development contribution rebates specific to Central City residential and social housing development are desperately needed and have been a meaningful way of supporting alternative housing providers.
- Recognition that alternative housing providers are not regular, seasoned developers and are not familiar with the many, often complex and expensive to address regulatory requirements that their multi-unit developments trigger.

6.3 BARRIERS TO RESIDENTIAL DEVELOPMENT WITHIN THE CENTRAL CITY

The main barriers to the provision of residential development in Christchurch's Central City are detailed in the case study. In short, these are:

- Unlike in Auckland and Wellington, the lack of a pre-earthquakes residential culture within the Central City.
- High land prices and associated land banking.
- The high cost of building construction within New Zealand, including the cost of having to address poor land conditions within the Central City (geotechnical costs discourage

¹¹ Not within the remit of this project, which is focussed on new builds.

apartment developments over four stories) and different regulatory requirements (e.g. with respect to fire-rating and insurance) for the commercial and residential components of mixed use development.

- A public perception that the Central City is still very much a work in progress, lacking some of the components that contribute towards liveability.
- There are more attractive alternatives on offer, such as suburban and rural living, which provide for greater housing diversity and affordability.
- Christchurch's physical and infrastructural attributes encourage people to live in and commute from the suburbs.
- Demographic trends, including that most people do not work in the Central City.

6.4 MEANS OF OVERCOMING BARRIERS

The main means of overcoming the barriers identified above are detailed in column 2 of the table in **Appendix 2**.

As noted in Section 6.2 above, the two critical barriers for alternative housing providers generally and community housing providers in particular are the lack of land and funding, as smaller developers without large balance sheets have less capacity to hold land, absorb costs and accept risk.

The Peterborough Housing Co-operative and Madras Square developments, both Central City alternative housing developments included in the case study, illustrate well how overcoming these two critical barriers to alternative housing delivery determine their success or failure.

The PHC began in 1982 in the form of six detached dwellings and their shared back yards at 173 – 183 Peterborough St. Extensive earthquake damage to the dwellings allowed for a purpose-built housing co-operative to be developed under the auspices of a trust (Ōtakāro Land Trust), similar to a body corporate. The rebuild was enabled, crucially, by existing ownership of the land and insurance pay-outs on the buildings. As three of the 14 proposed units were to be occupied by residents of the original co-operative, finding other potential occupants (by word of mouth among their networks) was not too difficult.

Conversely, a proposal to develop a co-operative housing development of 150 units on a site on the corner of Madras and Gloucester Sts, opposite Latimer Square, has stalled because the proponent (Ōtautahi Urban Guild) did not own the proposed site and struggled to attract sufficient interest, and therefore funding, to buy the land and progress the development. A previous attempt to develop the same site as a 72 unit exemplar for Central City living, including shared facilities and commercial uses on the ground level frontage, also failed due to effects on its financial viability of the high land price and inability to secure sufficient finance. A contribution of central or local government money would have resolved the impasse in respect to the latter proposal in the circumstances (Roberts, 2017).

Community housing providers have told the Council, through submission on its draft Community Housing Strategy, that they'd like below market capital assistance, including below market leases on public land.

A number of the community housing providers considered the Central City a good place to utilise the mixed-tenure model, of which they consider more is needed. They also suggested regulations requiring a certain proportion of one-bedroom social housing (i.e. inclusionary zoning in the

Christchurch District Plan) as a means of increasing the diversity of housing within the Central City, size being important as well as affordability.

Another form of the clear ‘policy settings’ or ‘development parameters’ that community housing providers have requested is development contribution rebates.

As compliance and consenting are considered a barrier to the timely and cost-effective delivery of development by all developers, efficient regulatory consenting processes, along with dedicated assistance, would also make a difference to community housing providers.

Community housing providers want partnerships with the Council (and/or central government and/or Ngāi Tahu). The Council’s Airedale Place land could offer a Council/Ōtautahi Community Housing Trust partnership for co-housing, according to Cate Kearney (Chief Executive of the OCHT). Publicly-owned leasehold land would also help with affordability of a more commercial-based shared ownership model. This would benefit aspiring Central City homeowners who are unable to afford upper end prices, are competing with investors at the lower end and are outside home ownership assistance eligibility criteria. Such an approach would require sufficient demand for a Queenstown-Lakes Community Housing Trust-type leasehold ownership arrangement.

Community housing providers were also aware of housing delivery models whereby:

- (European) councils subsidise rental housing for 20-35 year old key workers and millennials who work in their city centres.
- Community housing providers work with clients aspiring to home ownership within an assisted ownership high-rise development and sell the balance privately.

The avoidance of covenants on land titles that effectively exclude community housing has also been requested by community housing providers. The Council’s influence over these is limited to its own land only, as these covenants are generally imposed by private developers on subdivision to ensure the subsequent development of each site in a specific manner.

6.5 BARRIERS WHICH THE COUNCIL CAN INFLUENCE

Except for the last main barrier (NZ’s housing culture), the Council has the ability to influence all of the barriers specific to alternative housing development to some extent either directly (e.g. via development contribution rebates) or indirectly (e.g. by partnering with alternative housing providers). The ways it can or could do so are identified in column 3 of the table in **Appendix 2**.

Of the support mechanisms which the Council can or could provide, those of most assistance to Christchurch’s alternative housing providers are access to affordable housing stock, land and funding, as shown in column 4 of the table in **Appendix 2**.

Column 5 then identifies which means the Council is already providing, already implementing as the result of earlier Project 8011-related recommendations, not already providing and not providing, having already considered and dismissed them.

Upon its adoption of Project 8011 in September 2018, the Council anticipated this project would “map potential projects to scope what support would be most appropriate.” Based on the information obtained about barriers, **Appendix 3** maps these existing and potential support mechanisms to the development process generally, which illustrates the extent to which they align with the points at which impediments occur and decisions are made to not proceed with a development. This shows that the Council already provides support mechanisms at critical junctures in the development process, particularly in respect to site selection and acquisition, up front and compliance-related funding assistance and regulatory compliance-related assistance.

7. FINDINGS

7.1 SCOPE OF SUPPORT FOR ALTERNATIVE HOUSING

Alternative housing providers are free to build anywhere (either appropriately zoned or with resource consent) within Christchurch. However, feedback from alternative housing providers suggests that the following is a deterrent to community housing providers in particular developing within the Central City:

- The high cost of land and developing it within the Central City (including mitigation of geotechnical/land stability, land contamination and flood management issues therein);
- Alternative (particularly community) housing providers' lack of Central City land and funding;
- As some community housing providers prefer to house their clients in single storey, low-density residential environments, they don't and ideally wouldn't do so in the Central City (independently or in partnership), as their clients can be sensitive to noise, etc, and the support services and appropriate employment opportunities they need are not there.

This suggests that the inner city (i.e. just outside the four avenues) may be a better focus for Council support of alternative housing approaches and projects, as it's an area where community housing providers are more active (some are in the process of building) and residents there consider themselves contributing to and benefiting from the vibrancy of the Central City by virtue of their proximity to it (Christchurch City Council, 2019). A suggested alternative housing support area has accordingly been identified in **Appendix 4**, guided by the extent of the Residential Medium Density Zone and obvious physical boundaries (in the form of roads and the railway). **Appendix 5** illustrates the difference in rated land value between the Central City and this inner city area.

Of the Council's existing support mechanisms for alternative housing (identified below), the only one that does not apply city-wide is the development contributions rebate for Central City residential development. The only implication of extending the Council's support for alternative housing from the Central City to this inner city area would be aligning the geographical extent of that rebate to this inner city area in the event it is reframed after its expiry on 24 December 2021 specific to alternative or Homestar 7+ rated housing (i.e. to increase the diversity and/or quality of residential units).

7.2 TARGETS FOR COUNCIL SUPPORT

There is a range of alternative housing models currently operating in NZ and overseas. Investigations have identified various deficiencies across available typologies, with certain households less well served as a result. Therefore, Council support (particularly through provision of land and/or funding) would be best targeted at alternative housing:

1. Which deliver the following typologies, tenures, price points and in the following locations:
 - a. Community housing, particularly:
 - i. Elderly persons' housing;
 - ii. Mixed tenure (i.e. combined market/freehold, assisted and community housing).
 - iii. Located so as to avoid its concentration, e.g. in areas other than the north-east of the Central City.
 - b. Co-housing.

- c. Papakāinga/kāinga nohoanga housing (Māori communal living), irrespective of whether it's located on Māori customary, freehold or reserved land and zoned Papakāinga/Kāinga Nohoanga.
 - d. High-density development (i.e. an average net density of at least 50hh/ha), in order to meet the target of 20,000 Central City residents by 2028, particularly:
 - i. One or two-bedroom, as these are the more affordable typology and are needed to meet demand arising from an aging demographic; and
 - ii. More 4-bedroom+, to appeal to young and extended families.
 - e. Residential development in areas of the Central City (e.g. the north-east) where land prices are likely to be more affordable and poorly maintained and derelict units may provide opportunities for redevelopment of housing generally in the absence of vacant sites.
 - f. Longer term occupation, whether through ownership or long-term rental, given the benefits security of tenure and neighbourhood coherence contribute to personal wellbeing and residential amenity.
 - g. Affordable, i.e. units in the \$500,000¹²-\$550,000¹³ range, as determined by the First Home Loan settings for Christchurch, in light of post-COVID-19 house price increases.
2. And with the following characteristics, in order to encourage high on-site amenity; warm, dry and energy-efficient homes; development quality; and desirability, particularly for potential residents who would otherwise discount Central City living:
- a. Provision for a private outdoor living space per unit, in addition to any communal space, to at least the minimum requirements of the Christchurch District Plan.
 - b. Housing certified above Homestar 6¹⁴.
 - c. Site design that achieves a safe and high amenity public interface and comprehensively designed buildings¹⁵.
 - d. Accessibility to parking (dependent on and determined by proximity to public and active transport facilities), given the high rate of car ownership (85% of Central City residents have at least 1).
 - e. Within 800 metres/10 minutes walking distance¹⁶ of basic amenities (with reference to the Central City neighbourhood maps¹⁷).
 - f. Provision for some pet ownership, whether through requiring fenced private outdoor living spaces and/or body corporate provisions for some sort of (potentially indoor only) pet.

7.3 SUPPORT FOR ALTERNATIVE HOUSING

As the barriers to alternative housing provision are numerous, diverse and complex, multiple support mechanisms are necessary. However, due to the lack of Council-owned land within the Central City that is both available and suitable for residential development, and earthquake and

¹² For existing properties.

¹³ For new properties.

¹⁴ A Homestar 6 rating only recognises a home has been built at the current standards set by the NZ Building Code.

¹⁵ An internal practice note has already been prepared by the Urban Design Team, in collaboration with the Head of Resource Consents, to help manage recurring site design issues at Council's request in response to the findings of an urban design review of medium and high density housing in Christchurch (Christchurch City Council, 2020).

¹⁶ Consistent with accessibility-related implementation of the National Policy Statement – Urban Development.

¹⁷ <https://ccc.govt.nz/culture-and-community/central-city-christchurch/live-here/our-central-neighbourhoods/>

Covid-19-related financial constraints, the Council is not currently in a position to provide support mechanisms of a transformational nature (i.e. land and/or additional or significant alternative housing-specific funding).

The Council nevertheless already provides a number of support mechanisms, most of which are applicable city-wide but some specific to the Central City, from which alternative housing providers benefit. These include existing support mechanisms which the Council could maintain (see Section 7.3.1 below). However, the delivery of some of its existing support mechanisms need to be optimised, as identified in Section 7.3.2 below, due to it becoming apparent through discussions with alternative housing providers that:

- They are not aware of these support mechanisms; and/or
- Internal procedures and practices are either not optimising the full potential of these mechanisms or their implementation is not being applied as intended.

There is also something the Council is not currently doing but could investigate, in respect to its Rates Remission Policy, to better support community housing providers (see Section 7.3.3 below).

7.3.1 EXISTING SUPPORT MECHANISMS THE COUNCIL COULD MAINTAIN

Existing support mechanisms the Council could maintain are as follows, with a detailed description of each and its advantages, disadvantages/risks, legal implications and cost provided in **Appendix 6**:

- **Housing-related strategic direction**, in the form of its Housing Policy 2016 (**HP**) and Community Housing Strategy 2021-2031 (**CHS**).
- **Partnership**, with alternative housing providers and/or central government and other organisations as and when opportunities arise in order to deliver alternative housing.
- **Strategic Land Acquisitions fund**, for the purchase land for supporting alternative housing provision upon presentation of a proposal and business case by an alternative housing provider.
- **Community Organisation Loans Scheme**, to provide a source of seed funding for alternative housing proposals upon application by an eligible alternative housing provider.
- **Development contributions remission**, which enables the Council to consider and grant a full or partial remission of development contributions in “unique and compelling” circumstances in the absence of any of the existing development contribution rebates.
- **Information provision**, in support of alternative housing providers via the Council’s Central City-related webpages and upon request from relevant Council units.
- **Promotion of Central City living**, to support increased diversity and accentuate the liveability of existing residential neighbourhoods and the positive attributes of non-traditional housing models and residential neighbourhoods found there.
- **Provision of public facilities and public realm improvements**, including metropolitan facilities such as the Canterbury Multi-use Arena and improvements to Central City streets, to help meet the needs of Central City residents.

Staff and Council consideration of applications to the Strategic Land Acquisitions fund and the Community Organisation Loans Scheme would benefit from having principles to ensure that any provision of land and/or funding targets alternative housing provision as identified in Sections 7.1 and 7.2. Such principles could also ensure that the applicant has some ‘skin in the game’, to

demonstrate their ability and commitment, maximise the likelihood of delivery and minimise the risk of Council investment. Principles could be that the proposal:

- Is by an alternative housing provider, being:
 - A community housing provider that is either registered as such a provider with the Community Housing Regulatory Authority, or a registered charitable trust which has as one of its objects the provision of social housing; or
 - Ngāi Tahu, in respect to papakāinga/kāinga nohoanga; or
 - A developer of co-operative housing comprised of shared ownership (e.g. via a trust) with communal outdoor living space and other shared facilities (e.g. laundry, kitchen/gathering space, workshop, car parking).
- Is located in the Central City/inner city (i.e. just outside the four avenues, as identified in **Appendix 4**);
- Is located in the more affordable areas of the Central City/inner city (as identified in **Appendix 5**);
- Avoids a concentration of community housing in the north-east of the Central City;
- Comprises community housing, co-housing and/or papakāinga/kāinga nohoanga (irrespective of whether it is zoned Papakāinga/Kāinga Nohoanga);
- Comprises high density (i.e. an average net density of at least 50hh/ha);
- Includes one, two and/or four-bedroom+ units;
- Includes mixed tenure (combinations of market/freehold, assisted and community housing).
- Supports longer term occupation and opportunities to move between rental and ownership structures;
- Comprises affordable housing (as determined by the First Home Loan settings for Christchurch);
- Supports households of single people, retirees, families with young children and ethnicities in which extended families are more common;
- Achieves high on-site amenity; warm, dry and energy-efficient homes; development quality; and desirability (provides for private outdoor living space, accessibility to parking, pet ownership, a safe and high amenity public interface and comprehensively designed buildings); and
- Is already funded to a specific extent by the applicant.

7.3.2 EXISTING SUPPORT MECHANISMS THE COUNCIL COULD CONTINUE AS ENHANCED

Existing support mechanisms the Council could continue as enhanced are as follows, with a detailed description of each and its advantages, disadvantages/risks, legal implications and cost provided in **Appendix 7**:

- **Extended notification of Council land identified for disposal to all community housing providers**, beyond just the OCHT and Kāinga Ora as at present.
- **Provision of dedicated assistance for alternative housing providers by the Partnership Approvals Service**, to facilitate their access to development opportunities and navigation through the regulatory process.
- **Extension of development contributions rebates beyond their existing funding limit/expiry date**, to enable continued benefit by community housing providers from the development contribution rebate for social housing and by other alternative housing

providers from the Central City residential rebate, potentially reframed after its expiry on 24 December 2021 from its focus on increasing the number of residential units in the Central City to increasing their diversity or quality (e.g. above Homestar 6).

- **Better publicised partial Resource Consent fee discount for not-for-profit and community organisations**, to increase awareness of its availability by community housing providers and more proactive application of it.
- **Investigation towards provision of inclusionary zoning in the Christchurch District Plan**, to enable provision for it via the Resource Management Act reform process.

7.3.3 ADDITIONAL SUPPORT MECHANISM THE COUNCIL COULD INVESTIGATE

An additional support mechanism the Council could investigate is as follows, with a detailed description of it and its advantages, disadvantages/risks, legal implications and cost provided in **Appendix 8**:

- **Application of Rates Remission 1 to new builds by community housing providers (other than the Council)**, subject to its consideration through the next review of the Council's Rates Remission Policy, to achieve consistency with the Community Housing Strategy's acknowledgement of the wider benefits of community housing.

8. CONCLUSION

This report's findings have identified that:

- The inner city (i.e. just outside the four avenues, as identified in **Appendix 4**) may be a better focus for Council support of alternative housing.
- Council support, either of other community housing providers or as one itself, would be best targeted at alternative housing which delivers specific identified typologies, tenures and price points and has specific identified characteristics.
- The Council is not currently in a position to provide support mechanisms of a transformational nature (i.e. land and/or additional or significant alternative housing-specific funding).
- The Council nevertheless already provides a number of support mechanisms beneficial to alternative housing providers benefit. Some could be useful to maintain as they are, while others could be continued as enhanced through adjustments made to internal procedures and practices. An additional support mechanism could be investigated via the next review of the Council's Rates Remission Policy.
- Staff and Council consideration of applications to the Strategic Land Acquisitions fund and the Community Organisation Loans Scheme would benefit from having principles to ensure that any provision of land and/or funding targets alternative housing provision in the Central City or inner city support area that addresses the identified deficiencies and by alternative housing providers with the ability and commitment to deliver.

These findings will be conveyed to elected members and relevant staff. Dialogue will continue with the latter to further adjust the identified internal procedures, practices and provide principles to assist consideration of applications to the Strategic Land Acquisitions fund and the Community Organisation Loans Scheme as necessary. The findings will also be shared with alternative housing providers to encourage targeted residential development that addresses the deficiencies identified. The Central City-related webpages will be updated as appropriate to advise of and promote the range of Council support mechanisms for alternative housing.

APPENDICES

APPENDIX 1: STRATEGIC CONTEXT AND DIRECTION

Increasing residential activity in the Central City has been a consistent priority for the City and Greater Christchurch for many years, as reflected in the pre-quakes *Greater Christchurch Urban Development Strategy (2007)* and *Central City Revitalisation Strategy Stages 1 (2001)* and 2 (2006).

Post-quakes, the *Christchurch Central Recovery Plan (2012)* recognises that a thriving, vibrant Central City is critical to Christchurch's recovery and regeneration, as well as to the success of the region. It sets a clear direction for the future of the Central City, proposing a target of 12,000 – 24,000 residents to support a prosperous commercial and entertainment hub. *Our Space 2018-2048 - Greater Christchurch Settlement Pattern Update (the Update)*, a review of the *Greater Christchurch Urban Development Strategy*, likewise encourages Central City living as a preferred location for housing growth and identifies the role planning can play in encouraging housing diversity.

An overview of housing demand commissioned to inform the Update notes that households with people aged 65 years+ are projected to grow from 24% in 2018 to 35% in 2048 and average household size to decrease from 2.5 to 2.4 in Christchurch. Greater Christchurch's aging population will result in significant growth in the number of one person and couple-only households, with the former increasing by 50% (compared to multi-person households by 30%). There will be a corresponding significant increase in the demand for smaller dwellings and multi-unit developments, which are expected to meet 60% of Christchurch's housing demand. Multi-unit demand is typically for units with fewer bedrooms. Home ownership rates will decrease to the point where 71% of the city's housing demand will be met by private rentals. Renters have, and will continue to have, a higher propensity to rent multi-unit dwellings relative to standalone dwellings. An estimated 66% and 56% of the total projected demand from owner-occupiers and renters respectively will be for standalone dwellings (predominantly with three or more bedrooms). 62% of all new households will need housing under \$350,000 to buy or \$200 per week to rent to be affordable.

There will be demand for 200 to 230 additional social housing dwellings per annum if the current ratio of social housing to total housing need is maintained.

Demand for social housing, and certainly lower cost housing, may be proportionally higher for some ethnicities. The 2018 Census data shows that 70% of Christchurch's Māori population does not own a dwelling, and other ethnic groups such as Pacific and Middle Eastern/Latin American/African (MELAA) are also disproportionately represented. Māori, Pacific, Asian and MELAA groups are also disproportionately represented in terms of household crowding.

Ngā Papatipu Rūnanga of Canterbury Ngāi Tahu currently have aspirations to have more members living in suitable housing on current and former Māori Reserve lands owned, or formerly owned by the members.

While residents' preference for new (i.e. greenfield) neighbourhoods over new housing within the existing urban area (i.e. through infill and intensification) has always been consistently strong in Christchurch, there is evidence that housing demand for Central City living is increasing.

However, given the pace and quantity of delivery to date, the Central City does not yet have the critical mass of residents to achieve self-sustaining regeneration. In response, the *Central City Action Plan* includes, as one of its five main priorities, more proactively attracting a greater number and

mix of residents. The resulting Central City Residential Programme (aka Project 8011) is also a key action of the Council's Strategic Priority *Accelerating the momentum the city needs* and one of the tools by which the Council will achieve the Liveable City Community Outcomes: *Vibrant and thriving city centre* and *Sufficient supply of, and access to, a range of housing*.

The documents providing strategic context and direction in support of greater residential activity within the Central City are summarised in greater detail as follows.

Christchurch Central Recovery Plan 2012 (CCRP)

The CCRP is a statutory Plan outlining the vision for the recovery of the Central City. It was developed under the direction of the Canterbury Earthquake Recovery Act 2011 and gazetted in 2012, with the Residential Chapter (a Liveable City) coming into effect in 2015.

The CCRP recognises that a vibrant and thriving Central City needs the support of people living there.

The Residential Chapter (A Liveable City) sets out a package of initiatives to provide for a range of Central City living opportunities. Included in the suite of Anchor Projects is a Residential Demonstration Project (Madras Square site). The CCRP anticipates this project being delivered with the private sector to showcase new ways of living in the Central City. The CCRP also outlines opportunities for mixed-use tenure apartments (i.e. Kāinga Ora and private developers) and medium-density developments (i.e. the Atlas Quarter). Other initiatives include the development contributions rebate scheme for residential development within the Central City.

So as to improve living environments, the CCRP outlines the need for a stronger built identity, including a lower rise, human-scaled city with safe, sustainable buildings. Urban design standards are outlined as a means to ensure that there are suitable interfaces between buildings and their surroundings. The opportunity to express the Ngāi Tahu narrative in built form is also outlined.

Housing Policy 2016 (HP)

The Council's HP has the overall aim of all people in Christchurch having access to adequate housing that is secure, safe, affordable, warm and dry. It contains guiding principles of housing adequacy, security of tenure, collaboration, quality of life, and quality of housing. Reframing housing as vital community infrastructure rather than just simply a market good is a key concept. The HP uses a 'housing continuum' framework (diagrammatically illustrated under Our Space 2018-2048 Greater Christchurch Settlement Pattern Update (the Update) below) as a systemic way to analyse housing issues and options to resolve them. The focus of this project is on the provision of housing within the Central City at the 'assisted' end of the housing continuum.

Christchurch District Plan 2017 (CDP)

In terms of relevant strategic direction, the Council's CDP anticipates the recovery and future enhancement of Christchurch as a dynamic and internationally competitive city that meets the community's immediate and longer term housing needs (Obj. 3.3.1). A well-integrated, consolidated and high quality urban environment is expected to be attractive to residents, have areas of specific character and increase housing development opportunities for residential or mixed use activity (Obj. 3.3.7). Central City revitalisation as the primary community focal point is promoted, including via enabling a range of housing opportunities to support at least 5,000 additional households between 2012 and 2028.

A range of residential activities are supported in the Central City to enhance its viability (Pol. 15.2.5). The objective in respect to permanent housing supply is an increased supply of housing types, sizes and densities, to meet the diverse needs of the community, particularly for housing affordability (Obj. 14.2.1). The Central City is expected to accommodate high-density residential development that achieves an average net density of at least 50hh/ha (Pol. 14.2.1.1). Increasing residential activity in the Central City is to be encouraged by providing flexibility for a variety of housing types suitable for a range of individual housing needs (Pol. 14.2.1.3), including the needs of Ngāi Tahu (Pol.14.2.1.5) and elderly persons (Pol. 14.2.1.8). Social housing developments (Pol. 14.2.1.6), sheltered housing and student hostels are also anticipated throughout residential zones (Pol. 14.2.1.7).

The CDP expects individual developments to contribute to high quality residential environments (Obj. 14.2.4), through design which reflects the surrounding context, contributes to the streetscape, minimises surrounding noise, provides safe, efficient and easy access and incorporates Crime Prevention through Environmental design (Pol. 14.2.4.1). The residential environment within the Central City is expected to be predominantly residential, offering a range of residential opportunities (including medium to high-density living) to support the restoration and enhancement of a vibrant city centre (Obj. 14.2.8). Different maximum building heights are provided, compatible with the existing predominant character (Pol. 14.2.8.1)¹⁸. The prescribed minimum amenity standards are consistent with higher density living and aim to protect the amenity of residents, integrate development within the adjacent and wider neighbourhood, and provide for a range of current and future residential needs (Pol. 14.2.8.2).

Central City Momentum 2018 (CCM)

The CCM is a 'Current State Assessment' that was undertaken by Regenerate Christchurch in June 2018. The CCM essentially evaluates progress and provides advice on what is required to increase momentum and support regeneration of the Central City.

Throughout the CCM, the lack of a Central City residential population is identified as having a significant bearing on achieving self-sustaining regeneration of the Central City. Given this, one of its key recommendations is to 'relentlessly pursue residents'. Initiatives to achieve this outcome include:

- Identifying and listening to 'future residents' with regards to their views on typology, location, affordability and ownership and engaging with residents to build an identity for the Central City.
- Applying stronger interventions to the residential market, potentially including public sector investment in housing development and/or support for new residential typologies (including mixed use, build-to-rent or community-led).

So as to bolster the residential population, it recommends a proactive approach which recognises existing barriers, current and future patterns of development and achieves stronger interventions in the residential market.

¹⁸ These must be reviewed for possible amendment within two years of the National Policy Statement on Urban Development coming into effect on 20 August 2020.

Central City Action Plan 2018 (CCAP)

The CCAP is a cross-agency and cross-sector response to the 'Call to Action' by the CCM and also the Quarterly Economic Update (Central City focus) issued by ChristchurchNZ in July 2018.

In keeping with the outcomes sought under the CCM, the 'people' theme has a focus on 'relentlessly pursuing residents and visitors to the Central City'. Although its own individual programme of work, Project 8011 sits within the CCAP under this theme.

The CCAP outlines opportunities for the Council to continue to provide early stage development discussions with landowners and developers to line up the right advice and support. The CCAP also includes actions around the mapping of development intentions (including residential development intentions), reviewing public land opportunities (cataloguing the locations, extent and constraints of public land resources) and identifying public land leveraging opportunities and other land assembly opportunities.

Greater Christchurch Housing Capacity Assessment: An Overview of Housing Demand 2018 (HCA)

The National Policy Statement – Urban Development Capacity (NPS-UDC) requires local authorities to, on at least a three-yearly basis, carry out a housing development capacity assessment. The NPS directs that the capacity assessment must estimate the demand for dwellings, the supply of development capacity to meet that demand, in the short, medium and long-terms and assess interactions between housing and business activities and their impacts on each other. The HCA will form the benchmark for determining if there is a sufficient feasible supply of housing, and whether this supply is of the appropriate type, at the right price point and in the most appropriate locations.

The HCA notes (in 2018) that, proportionately, Christchurch is projected to accommodate 54% of the total growth to 2048 by the assessment. Christchurch's aging population will be reflected in significant growth in the number of one person and couple-only households, resulting in a significant increase in the demand for smaller developments including multi units. Of the total projected demand from owner-occupiers, it is estimated 66% of this will be for standalone dwellings (predominantly with three or more bedrooms). Similarly, of the total renter household demand, it is estimated that 56% will be for standalone dwellings.

The capacity assessment projects that there will be demand for 200 to 230 additional social housing dwellings per annum if the current ratio of social renter dwellings to total housing need is maintained. Information gathered further indicates that demand for social housing, and lower cost housing, may be proportionally higher for some ethnicities including Maori and Pacific and Middle Eastern/Latin American/African (MELAA).

Ngā Papatipu Rūnanga of Canterbury Ngāi Tahu currently have aspirations to have more members living in suitable housing on current and former Māori Reserve lands owned, or formerly owned by the members. While there are no Papakāinga/Kāinga-Nohoanga provisions within the Central City at present, they could be extended to lands and properties purchased by the iwi then devolved to Papatipu Rūnanga.

Further in regard to residents' preference for particular locations, demand for new neighbourhoods (i.e. greenfield development) has always been consistently strong in Christchurch. Conversely, the growth and demand for new housing with the existing urban area (i.e. through infill and

intensification) faced a notable drop following the Canterbury earthquakes. Whilst the number of people living within the Central City decreased significantly after the Canterbury Earthquakes, there has been an increased interest in residents wanting to live in the Central City.

Housing and Business Development Capacity Assessment 2018 (the capacity assessment)

The capacity assessment provides information about current housing and business trends to inform future planning responses across Greater Christchurch. Such an assessment is also a requirement of the National Policy Statement on Urban Development 2020.

The overall conclusion from the 2018 capacity assessment is that at a Greater Christchurch level, there is enough zoned land in the short and possibly the medium-term to meet projected demand.

Our Space 2018-2048 Greater Christchurch Settlement Pattern Update (the Update)

The Update to the Urban Development Strategy 2007 (UDS) identifies key challenges, including: How can future housing provision be affordable, high quality and cater for an aging population?

To address these challenges, insofar as it concerns the Central City, the proposed planning framework outlined in 'the Update' specifically:

- Identifies locations for housing growth to encourage Central City living and,
- Outlines a series of implementation actions and further work required to give effect to the Update.

In a similar vein to the 2018 Greater Christchurch Housing Capacity Assessment, The Update recognises that an increasing percentage of the population will be over 65, the average household size will continue to decline and new development will need to favour smaller and more affordable housing types. Residential offerings which are smaller, take advantage of more efficient building construction techniques and provide new home ownership and rental models can aid in the provision of affordable homes. A priority of the Update is therefore ensuring that future housing provides a range of dwelling types to meet the changing demand profile. The Update anticipates that new residential developments that enable 20,000 people to live in the Central City are facilitated by a comprehensive programme of support.

The Update contains the following schematic for a housing action plan for Greater Christchurch:



Community Housing Strategy 2021 – 2031 (CHS)

To identify what strategic roles and actions the Council can take to help ensure sufficient social housing is provided for in Christchurch, the Social Housing Strategy (2007) was reviewed and replaced with the Community Housing Strategy 2021 – 2031.

The CHS reframes social housing more inclusively as community housing, so as to more directly embed and link it into the Housing Continuum approach. This means that a broader mix of housing and tenures are proposed in the future renewal and development of Council housing and its land. The CHS’s Vision is ‘Community housing as a foundation of housing and wellbeing in Ōtautahi-Christchurch’. It takes its lead from the Council’s overall HP, which prioritises housing as a human right, and frames community housing as central to the city’s fabric and wellbeing.

The CHS recognises that, ideally, additional social housing would consist of mixed-tenure communities, close to major employment centres and transport routes and with access to a range of social services. The Central City is recognised by numerous strategic documents as being a highly suitable area. The Council will have a range of roles in respect to the provision of community housing: provider, supporter, enabler, advocate and leader. The CHS anticipates partnerships with central and local government and others, especially rūnanga in the delivery of kāinga nohoanga, for the provision of community housing.

Actions in the CHS’s Implementation Plan which relate to the Central City include the following:

- Continually:

- Prioritise locating new community housing developments close to community hubs, transport and services.
- Advocate for multi-tenure outcomes in housing regeneration.
- Ensuring the utilisation of Council land and resources supports and retains a range of community housing.
- Identify partnerships and models that support delivery of community housing.
- In the next three years (from adoption in January 2021):
 - Incentivise the community housing and private sectors (in ways currently being determined, although these will include capitalising on strategic opportunities such as considering application of Remission 1 to community housing providers during review of the Council's Rates Remission Policy as identified above).
 - Work with the community housing sector to promote specialised housing models.
- In the next 12 months (from adoption in January 2021):
 - Identify consenting guidelines and checklists that encourage community housing.
 - Apply wrap-around consenting and compliance services that minimise building timeframes.
 - Develop fast-track processes to progress community housing consents to 'shovel ready' status.

APPENDIX 2: PATHWAY AND RATIONALE FROM THE MAIN BARRIERS TO COUNCIL SUPPORT MECHANISMS

1. Main barriers to the provision of alternative housing	2. Main means of overcoming barriers - elsewhere in NZ and overseas	3. Which means the Council can/could provide	4. Which means are of most assistance to Christchurch's alternative housing providers	5. Which means are Council: <ul style="list-style-type: none"> • Already providing. • Already implementing as the result of earlier Project 8011-related recommendations. • Not already providing. • Not providing, having already considered and dismissed them.
Poor leadership and goals, particularly where there are multiple parties.	Good leadership via an experienced development organisation.	Leadership provision.		<ul style="list-style-type: none"> • Already providing: <ul style="list-style-type: none"> ○ Housing Policy 2016 ○ Community Housing Strategy 2021 – 2031.
	A simple but powerful shared goal.			
	Clear understanding of their respective roles and responsibilities, ideally contained in a written Partnership Agreement.			
Lack of suitable development partners.	Partnering with community housing providers that are either registered with the Community Housing Regulatory Authority or have charitable status, to ensure retention and recycling of the public contribution.	Partnership with alternative housing providers.		<ul style="list-style-type: none"> • Already providing: <ul style="list-style-type: none"> ○ Partnership with central government, to jointly fund Te Whāriki tū ā Rongo/the Christchurch Housing Initiative. ○ Partnership with the Ōtautahi Community Housing Trust to deliver social housing.
	Partnering with prospective residents.			
Immature finance systems and the treatment of risk (particularly for architect-led development).	Utilising a property lawyer to navigate the system.			<ul style="list-style-type: none"> • Already providing: <ul style="list-style-type: none"> ○ Advocacy for the provision of inclusionary zoning in the Christchurch City Plan via the Resource Management Act reform process.
	Being very clear about the nature of the development.			
	Advocacy for tax, bank, legal and other structures that recognise, provide for and enable alternative housing models and ensuring those within the Council also help overcome these barriers.	Advocacy for legislative and structural change in respect to the funding and legal mechanisms, etc, relevant to, and to better recognise and enable, alternative housing models.		
Access to land due to high land prices.	Land sale below market value.	Land purchase and/or provision, subject to its availability and suitability for residential development by alternative housing providers.	Access to land.	<ul style="list-style-type: none"> • Already providing: <ul style="list-style-type: none"> ○ A Strategic Land Acquisitions fund. ○ Below market value land sale in appropriate circumstances, e.g. it sold 1.422ha of land in Goulding Ave, Hornby, at below market valuation to a consortium of community housing providers, for a social and affordable housing development. ○ Notification of Council land identified for disposal to the Ōtautahi Community Housing Trust and Kāinga Ora. This has been extended to all community housing providers.
	'Patient equity'.			
	Purchase with a pool of investors, including future residents and/or crowd-funding by ethical investors.			
Lack of central and local government support.	The provision of seed and/or other funding in various forms to developers, including land sale below market value, and to owners/occupiers, e.g. shared equity.	<ul style="list-style-type: none"> • Provide seed funding specific to alternative housing providers, including in the form of: <ul style="list-style-type: none"> ○ Site assembly/amalgamation and remediation (of Council-provided land). ○ Loans for construction, etc. • Assist reduce high development costs via: <ul style="list-style-type: none"> • Rates remissions. • Development Contributions rebates. • Consent fee discounts. 	<ul style="list-style-type: none"> • Access to funding, especially given the higher land value within the Central City and because lack of funding is a barrier to sustainability and creativity. • Development contribution rebates. 	<ul style="list-style-type: none"> • Already providing: <ul style="list-style-type: none"> ○ Funding for community housing via its \$55 million loan to the Ōtautahi Community Housing Trust (OCHT)¹⁹ to build 215 new units and develop plans for a further 54. ○ Community Organisations Loan Scheme, which the Ōtautahi Urban Guild's successful application to demonstrate can be used to seed fund alternative housing projects. ○ Development contributions remission. ○ Two development contribution (DC) rebates applicable to alternative housing projects within the Central City, which could be extended upon their respective expiry and the Central City residential rebate reframed after its expiry on 24 December 2021 to focus on increasing the diversity and/or quality of residential units (Homestar 7+ rated) in the Central City: <ul style="list-style-type: none"> ▪ Central City residential. ▪ Social housing.

¹⁹ The Council formed the OCHT as a community housing provider to lease its social housing and because it is able to access the government's Income-related Rent Subsidy (IRRS), which will gradually allow for the Council's stock replacement.

1. Main barriers to the provision of alternative housing	2. Main means of overcoming barriers - elsewhere in NZ and overseas	3. Which means the Council can/could provide	4. Which means are of most assistance to Christchurch's alternative housing providers	5. Which means are Council: <ul style="list-style-type: none"> • Already providing. • Already implementing as the result of earlier Project 8011-related recommendations. • Not already providing. • Not providing, having already considered and dismissed them.
		<ul style="list-style-type: none"> • Quick processing of consent applications. 		<ul style="list-style-type: none"> ○ A partial Resource Consent fee discount of 25% for community housing providers, which has been better publicised. ○ The Partnership Approvals Service to case manage and help developers identify and comply with the range of approvals required for development projects. • Not already providing: <ul style="list-style-type: none"> ○ A rates remission for community housing. However, as the Council's recently adopted Community Housing Strategy 2021-31 recognises the public benefit of community housing, the application of existing Remission 1: <i>Not-for-profit community-based organisations</i> to community housing providers (other than the Council) could be considered during review of the Rates Remission Policy in FY21/22. • Not providing, having already considered and dismissed them: <ul style="list-style-type: none"> ○ A rates remission for Central City housing generally²⁰.
	Partnership.	Partnership with central government.		<ul style="list-style-type: none"> • Already providing: <ul style="list-style-type: none"> ○ Partnership with central government, via joint funding of Te Whāriki-tū-a Rongo/the Christchurch Housing Initiative.
	Information provision.	Coordination and provision of regulatory compliance-related information.	A case management service to specifically assist alternative housing providers to access development opportunities and identify and comply with the range of approvals required for their projects.	<ul style="list-style-type: none"> • Already providing: <ul style="list-style-type: none"> ○ Information via various webpages, including a supporting alternative housing-specific one. ○ Information, advice and internal connections via Project 8011/this project. ○ The cost-recoverable Partnership Approvals Service, including free advice earlier in the development process and dedicated assistance for alternative housing providers in FY21/22.
	Legal mechanisms to provide for a mix of housing typologies and tenures and restrict sale to owner-occupiers.	Legal mechanisms to provide for a mix of housing typologies and tenures and restrict sale to owner-occupiers.		<ul style="list-style-type: none"> • Already providing: <ul style="list-style-type: none"> ○ Legal mechanisms when appropriate, e.g. registration of a restrictive covenant against the land in Goulding Ave, Hornby, sold at below market valuation to a consortium of community housing providers for a social and affordable housing development, requiring repayment of the discount if no longer used for that purpose. ○ Advocacy for the provision of inclusionary zoning in the Christchurch City Plan via the Resource Management Act reform process.
	Ensuring planning rules and the administration of them are focussed on good outcomes in favour of process.	<ul style="list-style-type: none"> • District Plan provisions which include: <ul style="list-style-type: none"> ○ Inclusionary zoning, i.e. district plan rules which require developers to provide a component of affordable housing in any new development, thereby ensuring that any new supply also meets the needs of low-income people (the standard market-led model of housing delivery tends to favour larger and more expensive homes). ○ Additional density or height 		<ul style="list-style-type: none"> • Already providing: <ul style="list-style-type: none"> ○ Advocacy for the provision of inclusionary zoning in the Christchurch City Plan via the Resource Management Act reform process.

²⁰ Christchurch City Council (9 October 2020), *Central City Residential Programme – supply and demand for homes in the Central City: incentives and other mechanisms*. Staff report to Council

1. Main barriers to the provision of alternative housing	2. Main means of overcoming barriers - elsewhere in NZ and overseas	3. Which means the Council can/could provide	4. Which means are of most assistance to Christchurch's alternative housing providers	5. Which means are Council: <ul style="list-style-type: none"> • Already providing. • Already implementing as the result of earlier Project 8011-related recommendations. • Not already providing. • Not providing, having already considered and dismissed them.
		allowances.		
	Promoting the positive aspects of successful residential development.			<ul style="list-style-type: none"> • Already providing: <ul style="list-style-type: none"> ○ Promotion of Central City living (including alternative housing).
	Provision of 'wrap around support' for social housing tenants.			
	Policies and practices that make a meaningful difference to the delivery of alternative housing models.	New infrastructure (e.g. transportation, community facilities) and public realm improvements.	Access to affordable housing stock ²¹ .	<ul style="list-style-type: none"> • Already providing: <ul style="list-style-type: none"> ○ Commitments to Central City public facilities and public realm improvements via An Accessible City and its associated capital works programme. ○ A 'loan' of \$50 million of its social housing assets, mostly via a \$45 million loan including 438 units, to the OCHT.
The tension between development quality and affordability.	Strategic cuts to development costs through omission and/or provision of communal facilities and/or efficient construction and/or development of a common standard for fixtures and fittings, enabling some degree of self-build.			
	Making sacrifices in terms of, or deferring the installation of some items until cash flow from rent is available.			
	Capping the profits from investment.			
A housing culture in which everyone aspires to home ownership (which stigmatises renting) and investment incentives, such as negative gearing and tax-free equity gains, commodify housing.	All of the above.			

²¹ Not within the remit of this project, which is focussed on new builds.

APPENDIX 3: MAPPING OF COUNCIL SUPPORT MECHANISMS TO DEVELOPMENT PROCESS DECISION POINTS

Development step	Potential barriers	Decision points for development abandonment	Support mechanism (existing and additional ²²)
Site selection	Lack of suitable sites (location, zoning, size, shape, ground conditions, infrastructure availability)	Unfavourable feasibility assessment of initial concept's up-front costs, expected market price of finished units, total costs and risks. This includes: <ul style="list-style-type: none"> The planning issues being such that the risk/reward equation is unbalanced/stifles development, i.e. Council-requirements (e.g. zoning, minimum floor areas) result in a significant loss to potential development capacity²³/number of units and impact per unit costs in other ways (e.g. conforming to mixed typology expectations can add over \$10,000 per unit²⁴). Issues over access to, or the cost of upgrading, infrastructure are too great (including where developers are asked to fund key community infrastructure beyond that directly related to their development). 	<ul style="list-style-type: none"> Notification of Council land identified for disposal. Information provision – Vacant Land Register. <i>(Neighbourhood planning and engagement and An Accessible City capital works programme)²⁵</i>
	Landholder price expectation	<ul style="list-style-type: none"> Escalation of land values. The asking price and/or market value of the land is too high relative to the number of units that can be developed. 	Strategic Land Acquisitions fund.
	Desirability of some areas relative to others		<i>(Neighbourhood Planning and engagement and Promoting Central City living)²⁶</i>
Feasibility appraisal	Low demand and low price expectations (existence of strong alternatives)	Market demand is insufficient to support the development.	
	High land cost/unrealistic landholder expectations relative to yield		<ul style="list-style-type: none"> Partnership. Strategic Land Acquisitions fund.

²² Subject to consideration during review of the Rates Remission Policy in FY21/22.

²³ Development capacity is the difference between the optimal market-related development capacity and the capacity after council requirements are imposed.

²⁴ Motu (2015).

²⁵ Addressing infrastructure availability via this other Project 8011 project and An Accessible City.

²⁶ Addressing desirability of the Central City via these other Project 8011 projects.

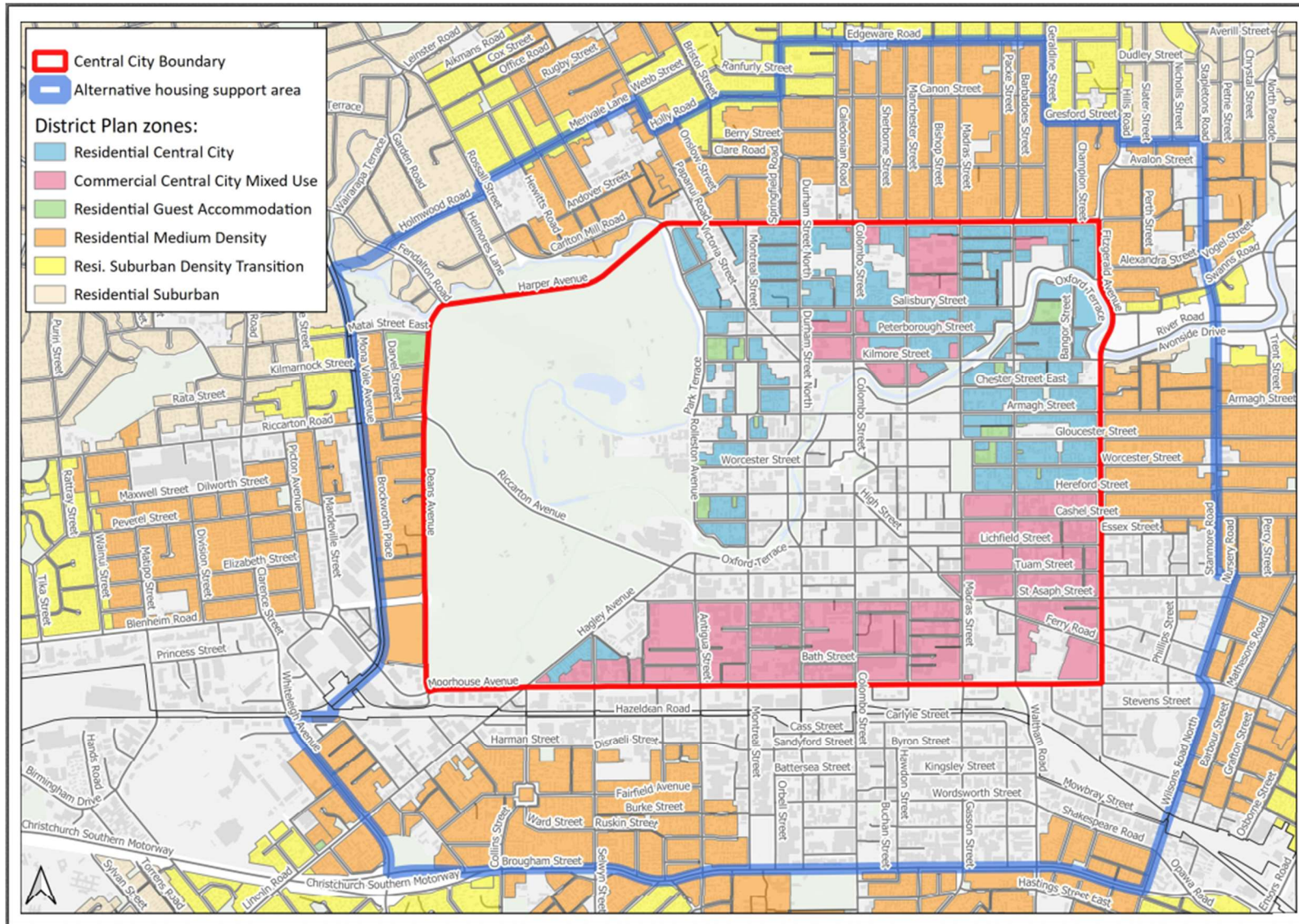
Development step	Potential barriers	Decision points for development abandonment	Support mechanism (existing and additional ²²)
			<ul style="list-style-type: none"> Community Organisations Loan Scheme.
	High material and labour costs.	Volatility of market forces increase building costs and reduce profit.	
	Development finance margin expectations. Equity finance may be required.	Greater front-end costs, including consent-related, which raise the developer's holding costs.	Community Organisations Loan Scheme.
Site purchase	Lack of sites 'for sale'.		
	Site assembly for larger sites (small sites and fragmented ownership).		
	Land conditions uncertainty and cost of investigations (i.e. determine true value of land).		Partnership Approvals Service.
Consent	Consent processing and time delays.	<ul style="list-style-type: none"> Early lock-in of consent parameters which restrict the ability to design for good outcomes or adapt final design to changing market demand. Consent application requires public notification, thereby extending project length/delay and increasing holding costs and uncertainty over achieving consent. Imposition of consent conditions. Associated costs transform a viable project into an unviable one. 	<ul style="list-style-type: none"> Partial Resource Consent fee discount.
	Complexity of consent process and information requirements.	<ul style="list-style-type: none"> Subjective urban design requirements (e.g. requiring a range from studio to three-bedroom) reduce the saleability of units within developments. Unbalanced or arbitrated contradictory demands of different Council units. Council staff change view on design and/or compliance solutions agreed earlier. 	<ul style="list-style-type: none"> Partnership Approvals Service. Information provision.
Finance	Lender's view of medium-density as a higher risk in Christchurch.		<i>(Promoting Central City living)</i> ²⁷
	High presales and stringent requirements to secure senior finance, limited % of loan.		

²⁷ Addressing desirability of medium-density via this other Project 8011 project.

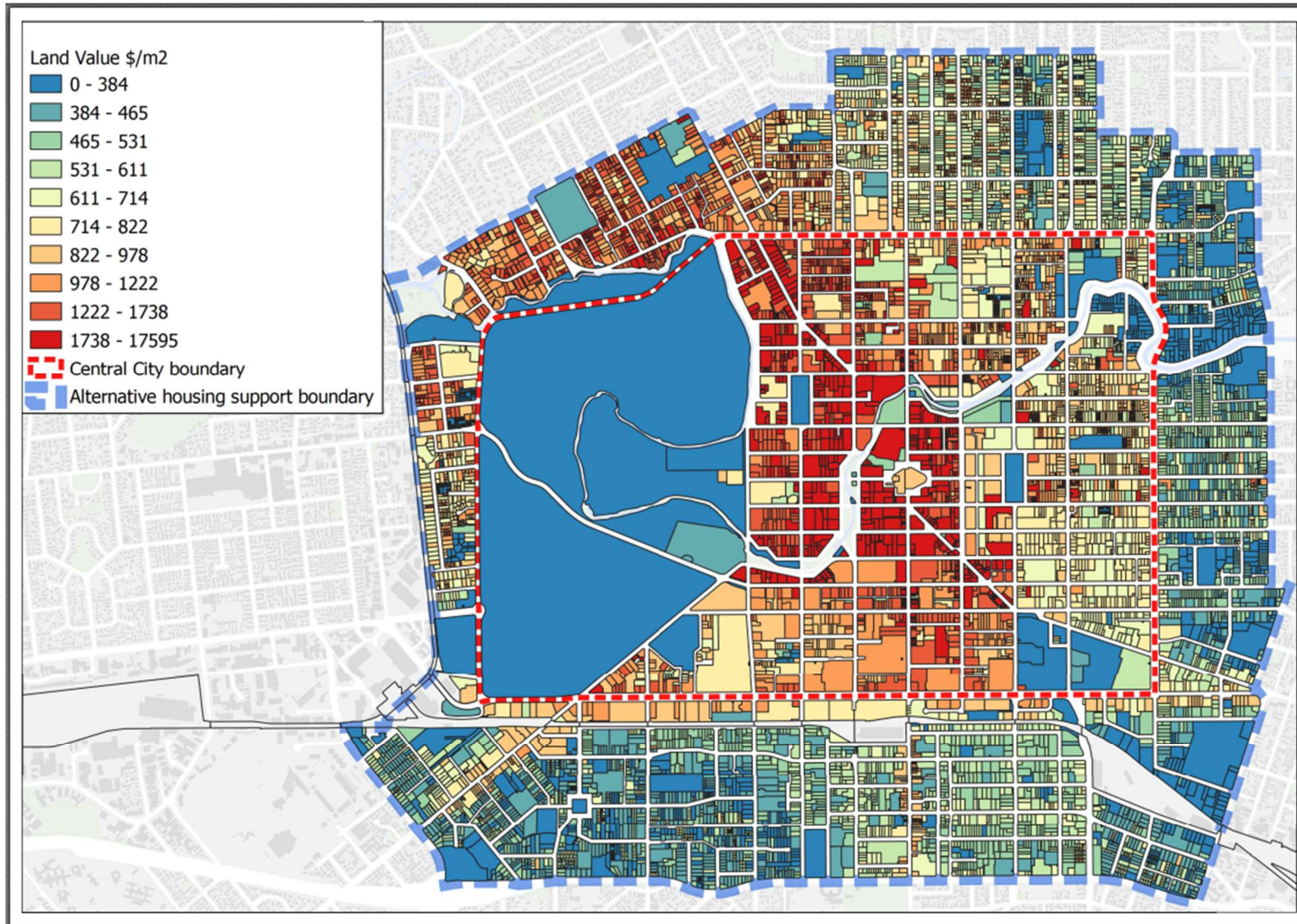
Development step	Potential barriers	Decision points for development abandonment	Support mechanism (existing and additional ²²)
	High margin/contingency expectation (costs vs. sale value unbalanced).	No development type is expected to yield a sufficient profit (i.e. make a sufficiently high risk-adjusted return on the developer's equity, after first paying debt-holders).	
	Lack of alternative finance (e.g. those accepting of lower margin), high cost equity finance.		Community Organisations Loan Scheme.
Construction	High construction costs (particularly for higher buildings).		<ul style="list-style-type: none"> • Development contributions remission. • Development contribution rebates for Central City residential development (until 24 December 2021) and social housing.
	Construction industry capacity and expertise (for higher buildings).		
	Material costs.		
Completion	Lag time for development: <ul style="list-style-type: none"> • Residential property market uncertainty (includes supply peaks from other development). • Changes of local/national/international economic situation. • Changes to internal and international migration. 		<i>(Promoting Central City living)</i> ²⁸
	Risk of un-sold homes and associated holding costs, ongoing sales and marketing costs.		
Profit and continuation	One-off project or part of an ongoing profitable development business?		
	Business continuation, profit balanced across other projects.		
	Pipeline of suitable sites for development.		<ul style="list-style-type: none"> • Strategic Land Acquisitions fund. • Community Organisations Loan Scheme.

²⁸ Addressing attraction of internal and international migrants to Central City living via this other Project 8011 project.

APPENDIX 4: EXTENDED ALTERNATIVE HOUSING SUPPORT AREA



APPENDIX 5: RATED LAND VALUE IN CENTRAL CITY COMPARED TO INNER CITY SUPPORT AREA



APPENDIX 6: EXISTING SUPPORT MECHANISMS THE COUNCIL COULD MAINTAIN

HOUSING-RELATED STRATEGIC DIRECTION

<p>Description</p> <p>The Council currently provides housing-related strategic direction in the form of its Housing Policy 2016 and Community Housing Strategy 2021-2031.</p> <p>The HP’s overall aim is that all people in Christchurch have access to adequate housing that is secure, safe, affordable, warm and dry. It contains guiding principles of housing adequacy, security of tenure, collaboration, quality of life, and quality of housing. It reframes housing as vital community infrastructure, rather than simply a market good, and uses a 'housing continuum' framework as a systematic way to analyse housing issues and options to resolve them.</p> <p>The CHS identifies strategic roles the Council can take to help ensure sufficient social housing is provided for in Christchurch: provider, supporter, enabler, advocate and leader. It reframes social housing more inclusively as community housing, so as to more directly embed and link it into the Housing Continuum approach. This means that a broader mix of housing and tenures are proposed in the future renewal and development of Council housing and its land, focused on long-term social and affordable housing outcomes. The CHS recognises that, ideally, additional social housing would be in mixed-tenure communities close to major employment centres, transport routes and with access to a range of social services (the Central City is recognised by numerous strategic documents as the principal such area). The CHS anticipates partnerships with central and local government and others, especially rūnanga in the delivery of kāinga nohoanga, for the provision of community housing.</p> <p>The actions in the CHS’s Implementation Plan that the Council can take to help ensure sufficient community housing is provided for in Christchurch are comprehensive, including the following of relevance to this project:</p> <ul style="list-style-type: none"> • Continually: <ul style="list-style-type: none"> ○ Prioritise locating new community housing developments close to community hubs, transport and services. ○ Advocate for multi-tenure outcomes in housing regeneration. ○ Ensuring the utilisation of Council land and resources supports and retains a range of community housing. ○ Identify partnerships and models that support delivery of community housing. • In the next three years (from adoption in January 2021): <ul style="list-style-type: none"> ○ Incentivise the community housing and private sectors. ○ Work with the community housing sector to promote specialised housing models. • In the next 12 months (from adoption in January 2021): <ul style="list-style-type: none"> ○ Identify consenting guidelines and checklists that encourage community housing. ○ Apply wrap-around consenting and compliance services that minimise building timeframes. ○ Develop fast-track processes to progress community housing consents to ‘shovel ready’ status. <p>Implementation of the CHS therefore represents an existing programme of Council work separate to this project that either does or will support community housing, with associated reporting to Council as and when appropriate in due course. The outcome of this project will nevertheless endorse some of these actions.</p>	
<p>Advantages</p> <ul style="list-style-type: none"> • Such documents enable the Council to provide leadership. • Such documents are reviewed as circumstances warrant, e.g. the CHS is a recent review of the Council’ Social Housing Strategy (2007). 	<p>Disadvantages/risks</p> <ul style="list-style-type: none"> • The outcomes anticipated are dependent on implementation.
<p>Legal implications</p> <p>NA, as both documents have already been developed and adopted in accordance with legal requirements.</p>	<p>Cost</p> <p>NA, as the cost of implementing these has already been considered, or will be in more detail when appropriate via LTP and Annual Plan processes.</p>

PARTNERSHIP

Description	
<p>The Council partners with alternative housing providers and/or central government and other organisations in order to deliver alternative housing. At present, the Council is in partnership with:</p> <ul style="list-style-type: none"> Central government, to jointly fund Te Whāriki tū ā Rongo/the Christchurch Housing Initiative to the tune of \$3 million each. This assisted ownership model scheme bridges the gap between social housing and lower-end market housing. It has provided families who can afford regular mortgage payments but whose modest income is considered too high for certain subsidies, yet doesn't allow them to save enough for a deposit, the extra money they need to bridge the gap between their savings and the deposit threshold required by banks and other mortgage lenders. The Initiative is expected to support approximately fifty Christchurch families over the next three years and is administered by the Christchurch affiliate of Habitat for Humanity. To be eligible, applicants must have at least one household member in fulltime employment and not own or rent out a home. There is also a maximum household income threshold for applicants, who must be either NZ citizens or permanent residents. Priority is given to applicants with household income at or below the Christchurch median of \$83,000, with children and who would otherwise be unable to enter the housing market. Unlike many other shared equity schemes, successful applicants may buy existing homes rather than having to buy newly built homes, giving them the option of remaining in the communities they're already settled in. No interest is charged and they have up to 15 years to repay the loan. The Ōtāutahi Community Housing Trust (OCHT), which was formed in 2016 to enable the Council to improve the quality of its existing social housing portfolio of approximately 2,300 units and increase Christchurch's supply of community rental housing for those most in need by way of a financially sustainable model. OCHT leases the Council's social housing portfolio and operates housing owned by the Trust, providing tenancy management and minor maintenance services, while the Council retains responsibility for major maintenance, insurance and capital works. <p>Future partnerships could be possible upon presentation of a proposal to the Council (see below).</p>	
Advantages	Disadvantages/risks
<ul style="list-style-type: none"> Combining the strengths and resources of multiple parties can more effectively and efficiently deliver alternative housing than working separately, e.g. Council's past partnering with, and providing land to, a consortium of community housing providers enabled delivery of social and affordable housing in Goulding Ave, Hornby. Shared risk, responsibility and accountability. Creation of more value than the Council could have achieved on its own. 	<ul style="list-style-type: none"> Requires good leadership within the partnership, a clear understanding of each partners' respective roles and responsibilities and a simple but powerful shared goal.
Legal implications	Cost
<ul style="list-style-type: none"> Ideally requires a written Partnership Agreement. 	<ul style="list-style-type: none"> Legal costs associated with the creation of a Partnership Agreement.

STRATEGIC LAND ACQUISITIONS FUND

Description	
<p>There is a limited supply of Council-owned land within the Central City, all of which is currently in use at present for public facilities, e.g. Christchurch Bus Exchange and parks. There is no Council-owned land within the Central City available and suitable for residential development, other than the part of the Airedale Courts site on the northern side of Salisbury St, which the Council may redevelop in the future, and the areas already with ChristchurchNZ. Nor does the Council have any existing funding budgeted for the purchase of land for the support of alternative housing. However, a strategic land acquisitions fund in the 2021-31 LTP provides for a total of \$9,978,055 over 10 years as follows²⁹:</p>	
FY22	0
FY23	0
FY24	1,047,552
FY25	1,073,741
FY26	0
FY27	1,129,200
FY28	0
FY29	2,384,318
FY30	2,453,464
FY31	1,899,780
<p>This funding is not committed to anything in particular other than for strategic land acquisitions as and when opportunities arise, so it could potentially be used to purchase land for supporting alternative housing provision. This would require a proposal and business case by an alternative housing provider and an associated report to the Council.</p> <p>The Council could consider concessions for provision of any land to alternative housing providers, such as a discounted sale price, patient equity enabling gradual purchase or long term lease (on a 99-year basis) from the Council (similar model to a community land trust). Use of the Strategic Land Acquisitions fund could be subject to a restrictive covenant registered against the land requiring payment of any discount if it were no longer used for alternative housing (e.g. an approach used in respect to the Council's sale of land in Goulding Ave, Hornby, at below market value for social housing) and/or be made conditional upon supporting the housing typologies and characteristics of which more are required. Conditions attached to its development could also help address the main barriers for potential Central City residents, being:</p> <ul style="list-style-type: none"> • Price (for over 30% of people); • Housing type (lack of family-friendly in particular); • Poor quality design (interior and exterior); • Lack of on-site car parking; and • Noise and other amenity issues. 	
Advantages	Disadvantages/risks
<ul style="list-style-type: none"> • Enables greater feasibility of alternative housing developments, as money that would otherwise be spent on land can be re-directed to pay for construction, etc. • Land purchase would extend the potential for housing development. • Land: <ul style="list-style-type: none"> ○ Is central to generating development opportunities. ○ Reduces up front funding requirements and debt loads. ○ Is a critical means of improving project viability. • Options include outright provision, patient equity or lease. • Enables direct targeting of alternative housing providers. • The land's location and conditions attached to its development could assist in achieving Project 8011 objectives and address issues of typology, location, quality of design and amenity and price. • \$9,978,055 available and uncommitted. 	<ul style="list-style-type: none"> • Dependent on the presentation of a proposal and business case to the Council by an alternative housing provider. • Would require land to be available and suitable for residential development. • Council does not currently buy land on behalf of others (although it can – see legal implications). • Affordability. • Given the high cost of land within the Central City, use of this fund to purchase even a single site within the Central City: <ul style="list-style-type: none"> ○ Could use up a significant proportion of it, thereby constraining use of the balance. ○ May require the bringing forward of amounts in the latter years, requiring a review of projected spending during the Annual Plan process. • If leased, lack of land ownership by alternative housing providers is likely to compromise access to development financing from banks.

²⁹ CPMS 67.

<ul style="list-style-type: none"> • Presents an existing receptacle into which further funding could be added in future for the purposes of supporting community housing, rather than establishing a separate fund specific to that purpose. 	<p>Utilisation as an existing receptacle into which further funding could be added for the purposes of supporting community housing, rather than establishing a separate fund specific to that purpose, would require ring-fencing of the additional amount – something the Council has not done to date for fear of constraining the balance.</p>
<p>Legal implications</p>	<p>Cost</p>
<ul style="list-style-type: none"> • Dependent on the legal ability of the Council to purchase land on behalf of others. The Council can provide or dispose of land to alternative housing providers on whatever terms it considers appropriate, provided that it first complies with its LGA decision-making requirements when making the decision, i.e. Sections 77 (considering options), 78 (considering views and preferences of interested or effected parties and considering options) and 138 (consulting if the land is a “park” for the purposes of that section), etc. Any decision would need to be made by the Council. • Utilising the existing fund would not require further consultation, although the actual proposal for which land is purchased may. 	<ul style="list-style-type: none"> • Funded by rates. • Actual cost unknown until/unless an appropriate site for purchase is identified, but it would be no greater than the existing \$9,978,055 already budgeted in this fund, assuming sufficient funding remains at the time the opportunity arises.

COMMUNITY ORGANISATION LOANS SCHEME

<p>Description</p> <p>The Council doesn't have a specific funding source to support alternative housing providers. However, the Ōtautahi Urban Guild's successful application to the Community Organisation Loans Scheme for its Madras Square co-operative housing proposal demonstrated that the Council can provide a source of seed funding for alternative housing proposals that are appropriately structured to qualify for the Scheme. In that case, the loan provided funding towards concept and preliminary design, amongst other things (although the development proposal did not progress to implementation).</p> <p>The Community Organisation Loans Scheme is designed to help not-for-profit organisations (whose activities provide community, social, recreation, sports, arts, environment or heritage opportunities to the wider community or to specially defined communities of interest) to develop or improve new or existing facilities and other major projects. Application to the scheme by alternative housing providers is supported by the acknowledgement of the wider benefits of community housing in the Council's Community Housing Strategy 2021-2031 and associated policy advice provided to the Council on LTP submissions on social housing. To be eligible, organisations must be incorporated under the Incorporated Societies Act 1908 or Charitable Trusts Act 1957 and have provision in their constitution to borrow money. Applications can be made at any time during the year, subject to available funds. Loans are for a maximum of ten years (normally five years) at 2% interest per annum. There are no restrictions on the use of the money loaned, i.e. it can be used to buy land or to fund consultants. Organisations with the ability to repay loans are encouraged to apply for this form of assistance for major capital projects.</p>	
<p>Advantages</p> <ul style="list-style-type: none"> • An existing funding source, avoiding creation of a specific funding source to support alternative housing providers. • Its eligibility criteria are broad enough to provide for applications by alternative housing providers, e.g. the completed Peterborough Housing Co-operative's community outreach, education and promotion of co-operative housing benefit the wider community. The Scheme is therefore consistent with the Community Housing Strategy 2021-2031 and associated policy advice provided to the Council as noted above. • Consideration on a case-by-case basis and individual merits. • No restrictions on use of the money loaned, i.e. it could enable land purchase, which could help unlock other funding from banks. <p>Conditions attached to loans for alternative housing could assist in achieving Project 8011 objectives and address issues of typology, location, quality of design and amenity and price.</p>	<p>Disadvantages/risks</p> <ul style="list-style-type: none"> • Not specifically designed to fund alternative housing providers. • May require incorporation and constitutional amendments to meet the eligibility criteria. • Exposure of Council to financial loss if loans are defaulted on.
<p>Legal implications</p> <ul style="list-style-type: none"> • Consideration within the existing provisions of the fund. 	<p>Cost</p> <ul style="list-style-type: none"> • The Ōtautahi Urban Guild's loan application suggest a minimum of \$500,000 is necessary to have an impact. • No budget exists to fund this scheme; rather the Council currently has an ability to borrow up to \$3.2 million at any one time to provide loans through it. As at mid-May 2021, \$2,001,600 was borrowed and \$1,209,112 was available for new loans.

DEVELOPMENT CONTRIBUTIONS REMISSION

Description	
Where development contribution rebates apply (see Appendix 7 below), alternative housing providers may seek a development contribution remission instead. Section 4.2.1 of the Council’s Development Contributions Policy 2021 enables the Council, at its discretion, to consider and grant a full or partial remission of development contributions in “unique and compelling circumstances” via a report and recommendation to it as to whether a remission should be granted or not.	
Advantages	Disadvantages/risks
<ul style="list-style-type: none"> • Although no criteria exists within or behind the Development Contributions Policy as to what comprises “unique and compelling circumstances”, successful applications for a remission and for extension of the Central City residential development contribution rebate³⁰ suggest that any approval would be incumbent upon the proposed alternative housing being: <ul style="list-style-type: none"> ○ An agreed or acknowledged exemplar/demonstrator of good practice and/or innovative approaches; ○ A multi-agency collaborative project; and ○ Of value to the wider community as a pilot of an alternative housing typology and ownership model which, if successful, could be used to promote alternative housing and/or be replicated. • Improves the feasibility of Central City residential development. • Consideration on a case-by-case basis and individual merits. 	<ul style="list-style-type: none"> • No criteria exists within or behind the Development Contributions Policy as to what comprises “unique and compelling circumstances”, other than literal interpretation of the explicit nature of the wording in the Policy, i.e. unique = having no like or equal, being remarkable or unusual; and compelling = not able to be refuted, convincing or persuasive. • Lack of criteria as to what comprises “unique and compelling circumstances” may result in inconsistent application. • A less certain way of meaningfully supporting alternative housing providers. • Loss of revenue for Council to fund facilities and infrastructure for increased growth. • Developers not passing the ‘cost saving’ onto eventual owners (although this is less likely with alternative housing providers).
Legal implications	Cost
<ul style="list-style-type: none"> • Approval of a development contribution remission will require a Council resolution. 	<ul style="list-style-type: none"> • There is no budget to cover these remissions – the cost is absorbed into the Resource Consent Unit’s revenue budget as lost revenue.

³⁰ In respect to conversion of Spreydon Lodge into a café/community hub as part of the Halswell Commons exemplar medium density housing subdivision in 2016 and the Breathe New Urban Village proposal in 2014 respectively.

INFORMATION PROVISION

Description	
<p>The Council currently provides information of relevance to, and in support of, alternative housing providers via the Council's Central City-related webpages and upon request. Relevant information is also provided elsewhere within the Council (e.g. Eco Design Advice services).</p> <p>The Monitoring and Research Team maintain a register of vacant residentially, commercially and industrially-zoned land owned privately or by other agencies. While this Vacant Land Register is not publicly available for various reasons and does not include the landowner's name and contact details, a request to provide details of vacant residentially-zoned land in a particular area (e.g. Addington) can be made by an alternative housing provider to help them identify vacant sites that may be available and suitable for residential development. A location map of vacant land/sites in that area, along with its addresses and area (and whatever disclaimers on that information are necessary) can be provided. It would then be for the requestor, after visiting each site to identify any they might be interested in following up on, to request the landowner's name and contact details of a specific site from frontline staff. This information can then be supplied if the property owner has not explicitly asked for name suppression. The public can otherwise access the rating details on any property of the Council's 'Rates and valuation search' webpage, but this also doesn't contain the landowner's name or contact details.</p>	
Advantages	Disadvantages/risks
<ul style="list-style-type: none"> • Easy to access and free information for alternative housing providers to utilise in planning and scoping alternative housing opportunities. 	<ul style="list-style-type: none"> • On-going need to update and add information to ensure that the webpages are up to date and relevant.
Legal implications	Cost
<ul style="list-style-type: none"> • The onus remains on alternative housing providers to undertake their own research and due diligence when pursuing alternative housing proposals. 	<ul style="list-style-type: none"> • Deliverable within operational expenditure.

PROMOTION OF CENTRAL CITY LIVING

Description	
<p>The Council's Central City Residential Programme (also known as Project 8011) includes a project <i>Promoting Central City living</i>. This project focuses on promoting the Central City as a diverse, convenient and attractive place to live, in support of the Project 8011's goals and other projects (and has been informed by those, e.g. it recognises that the Central City's housing stock is currently limited and less appealing to some households). One of these goals aspires to housing choice that meets the diverse needs of a wide range of households. Associated outputs from this <i>Promoting Central City living</i> project support increased diversity and accentuate the liveability of existing residential neighbourhoods and the positive attributes of non-traditional housing models and residential neighbourhoods found in the Central City. These outputs have included media releases and promotional material about alternative housing within the Central City; co-operative housing as demonstrated by the Peterborough Housing Co-operative in particular.</p>	
Advantages	Disadvantages/risks
<ul style="list-style-type: none"> • An existing, complementary Council-endorsed project that addresses the demand side of housing within the Central City. • The Central City has been well promoted as a destination for people to work and play in, but not as a destination for people to live in. 	<ul style="list-style-type: none"> • Includes, but is not specific to, promoting alternative housing provision or living. • Provisional project end date of October 2021.
Legal implications	Cost
<ul style="list-style-type: none"> • The project does not seek to promote or support specific developments other than as an existing example of the alternative housing and lifestyle available within the Central City. 	<ul style="list-style-type: none"> • Deliverable within operational expenditure.

PROVISION OF PUBLIC FACILITIES AND PUBLIC REALM IMPROVEMENTS

Description

The Council currently has a programme of work for improving Central City Streets, and hence the quality of the environment for residents, known as An Accessible City (AAC).

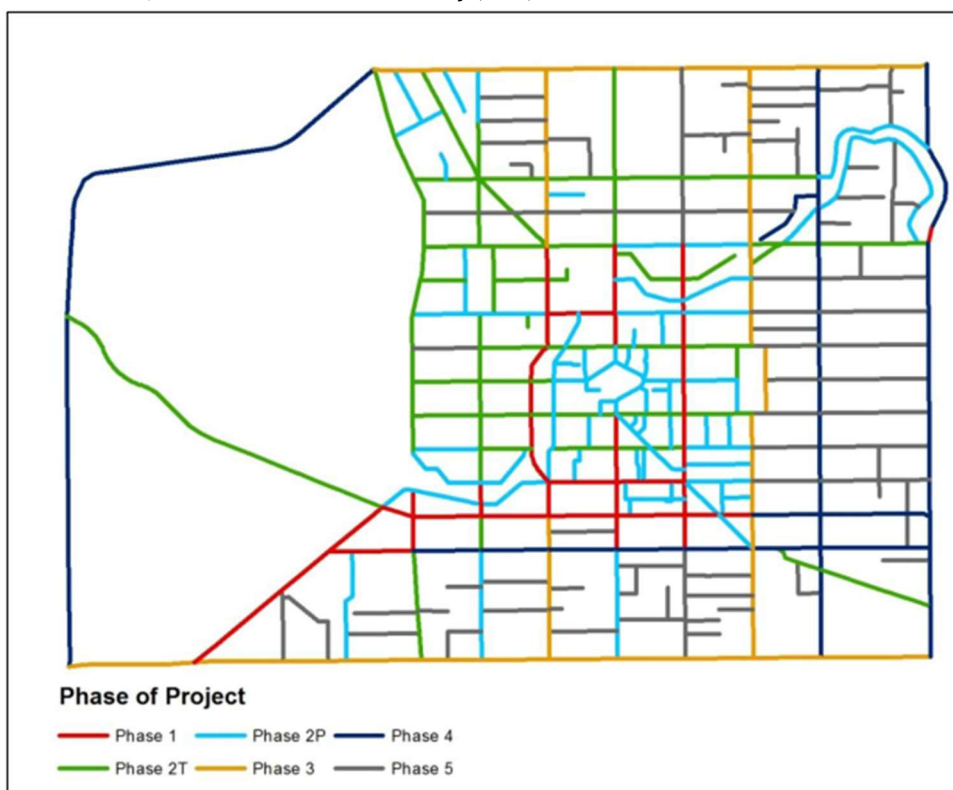


Figure 1: AAC phases.³¹

Work to date has focussed on delivery of Phases 1, 2T and 2P projects (supporting Anchor Projects, transport mode choice and efficiency improvements, and restoring the public realm within the Central City’s core respectively), although implementation of some Phase 3 and 4 projects has started. Residential development is permitted throughout the Central City. The Core neighbourhood is a more commercial and mixed-use focussed area in which improvements to street amenity will help increase residential development; other similar neighbourhoods being Latimer, Inner City East, South East, Central City South and Hagley. Thirty-one AAC projects are funded across the 10-years of the LTP 2021-2031 (although mostly in the FY25/26 – FY29/30 period). The Council is also committed to delivering public facilities, such as the Performing Arts Precinct, Metro Sports Facility and the Canterbury Multi-use Arena. These will help activate the Central City, meet the needs of its residents and raise aggregate demand for housing in the Central City, improving development project feasibility.

Advantages	Disadvantages/risks
<ul style="list-style-type: none"> • One of the indirect ways in which the Council can influence both the supply of and demand for housing, particularly in emerging neighbourhoods with high potential for more residential development. 	<ul style="list-style-type: none"> • Most street improvements are scheduled for implementation over ten years from now. While this may not support catalysing residential growth nor align with planned private sector developments, bringing these forward must be balanced against the Council’s overall financial constraints.
Legal implications	Cost
<ul style="list-style-type: none"> • Consulted on via the LTP and AP processes and project-specific consultation. 	<ul style="list-style-type: none"> • Funded via rates and other sources, e.g. cost-sharing with central government.

³¹ CERA (January 2016), *An Accessible City Programme Business Case*

APPENDIX 7: EXISTING SUPPORT MECHANISMS THE COUNCIL COULD CONTINUE AS ENHANCED

EXTENDED NOTIFICATION OF COUNCIL LAND IDENTIFIED FOR DISPOSAL TO ALL COMMUNITY HOUSING PROVIDERS

Description	
<p>The Council currently has a process for the disposal of land it owns but considers operationally redundant and no longer required to deliver the original activity or service for which it was purchased. It provides for the review of the Council's (unit-specific) property portfolios during Annual and Long Term Plan development, to ensure they are fit for purpose, effective and efficient. There are five criteria asked of unit heads during this review to identify properties for disposal and associated public consultation:</p> <ol style="list-style-type: none"> 1. Is the full property still required for the purpose for which it was originally acquired? 2. Does the property have special cultural, heritage or environmental values that can only be protected through public ownership? 3. Is there an immediate identified alternative public use/work/activity/ in a policy, plan or strategy? 4. Are there any strategic, non-service delivery needs that the property meets and that can only be met through public ownership? 5. Are there any identified unmet needs, which the Council might normally address, that the property could be used to solve? And is there a reasonable pathway to funding the unmet need? <p>The process allows for relevant staff within the Council's Facilities, Property and Planning Unit to identify surplus land suitable for community housing development by the Council. Where the answer to all five questions is 'no', the property will be identified for disposal and associated public consultation.</p> <p>To date, only the OCHT and Kāinga Ora have been notified of Council land identified for disposal. The other community housing providers have asked that they also be notified. This has been agreed to by the relevant group and unit managers and contact details of the other community housing providers have been provided to the latter.</p> <p>As for the Strategic Land Acquisitions fund above, there may be opportunities to consider concessions for the sale of any land to alternative housing providers, such as a discounted sale price or patient equity enabling gradual purchase. Land sold could be subject to a restrictive covenant registered against the land requiring payment of any discount if it were no longer used for alternative housing (e.g. an approach used in respect to the Council's sale of land in Goulding Ave, Hornby, at below market value for social housing) and/or be made conditional upon supporting those housing typologies and characteristics of which more are required.</p>	
Advantages	Disadvantages/risks
<ul style="list-style-type: none"> • A process exists into which the routine notification of all community housing providers could be added. • Would give community housing providers an opportunity to register an interest/start discussions about how they could acquire the property for disposal/present a proposal and business case to the Council for the acquisition of a specific site. • Could help the Council identify a potential purchaser (or leaser). • Doesn't require the Council to purchase land to support alternative housing. 	<ul style="list-style-type: none"> • Adding notification of community housing providers to the process may raise an expectation that the Council will 'cut them a deal' of some sort. • If any community housing provider wanted to buy the surplus land it is notified of, it would only have limited time to do so and would need to present the Council with a proposal and request the Council deal with it unilaterally under a separate process.
Legal implications	Cost
<ul style="list-style-type: none"> • Those normally associated with the sale of Council land, unless the Council decides to enter into other arrangements with an alternative housing provider. 	<ul style="list-style-type: none"> • Deliverable within operational expenditure.

PROVISION OF DEDICATED ASSISTANCE FOR ALTERNATIVE HOUSING PROVIDERS BY THE PARTNERSHIP APPROVALS SERVICE

Description	
<p>Many alternative housing providers are not regular, seasoned developers and are not familiar with the many, often complex and expensive-to address regulatory requirements their multi-unit developments trigger. The need to assist co-housing groups to bridge the gap between their aspirations and realising them is growing as the demand for co-housing grows in New Zealand, as a means of providing affordable, high quality houses for middle-income earners.</p> <p>The Council currently provides the Partnership Approvals Service (PAS) to help identify, coordinate technical advice on and navigate the range of regulatory approvals required across the Council for development projects within the city. A Central City-specific case manager currently acts as a single point of contact and works with the developer and their team from the initial concept stage through to project completion. To date, it has been a largely user-pays service, with the PAS’s main focus being well into the development process, when development projects are about to be or have been lodged. It provides for limited free formal pre-application meetings, which typically also occur when a development project is significantly advanced and generally focus on specific consenting matters in anticipation of an application being lodged.</p> <p>Additional resource (likely to be in the form of additional staff) has been agreed to for FY21/22. This will enable an enhanced service for residential development in the Central City, including the provision of free advice earlier in the development process than currently provided. Further dedicated assistance for alternative housing providers (via case management) would facilitate their access to development opportunities (i.e. connect/partner them with owners of available and suitable land) and navigation through the regulatory process.</p>	
Advantages	Disadvantages/risks
<ul style="list-style-type: none"> • The additional resource enables free advice very early in the development process, at the time when project initiation, development feasibility and concept development occurs. This encourages development that might otherwise not occur and smooths the detailed design and consenting processes. • Reduces soft development costs such as consent processing costs. • Would better meet the needs of alternative housing providers (who contribute towards Council goals of providing housing choice and more people choosing to live in the Central City). Would also achieve the Council’s anticipated provision of “an advisory and coordinator role to help curate and support delivery of these types of homes in partnership with developers (public or private).” • Builds the confidence of, and good relationships with, developers. • Can make it easier for projects that are complex or innovative in nature, have issues to address and where the developer lacks technical knowledge and experience in resolving them. 	<ul style="list-style-type: none"> • The PAS does not currently provide any dedicated assistance for alternative housing providers, whose contribution towards achieving Project 8011’s goals of providing housing choice and more people choosing to live in the Central City has been acknowledged by virtue of this project. • The additional resource is for a 1-year trial only at present and, if successful, would need extending beyond FY21/22.
Legal implications	Cost
<ul style="list-style-type: none"> • Compliance with how this service is to be funded as set out in the Council’s Revenue and Financing Policy under S.102 of the LGA 2002 and Fees and Charges Schedule. • May require amendment to and associated consultation on the Council’s Activity Plan for Building Regulation. 	<ul style="list-style-type: none"> • Internal opex for the service is funded via user-pays. • The additional resource will be funded by re-orientating existing Council operational expenditure (FY21/22 only). • Depending on trial outcome, would require additional resource beyond FY21/22.

EXTENSION OF DEVELOPMENT CONTRIBUTIONS REBATES BEYOND THEIR EXISTING FUNDING LIMIT/EXPIRY DATE

Description	
<p>The Council uses development contributions as the primary method of funding growth-related infrastructure. Its Development Contributions Policy reduces the funding required from existing residents via rates for infrastructure that primarily benefits the owners or occupiers of new (growth) development. However, the Council's Development Contributions Rebates Policy also recognises that, in some situations, there is a significant benefit to the wider community and that it can be appropriate for it to fund some or all of the development contribution required from that type of development. The rebates policy enables the Council, at any time, to establish development contributions rebate schemes as a way to help achieve strategic goals that benefit the wider community. The Council currently provides two development contribution rebates applicable to alternative housing provision in the Central City³²:</p> <ol style="list-style-type: none"> 1. Central City residential – 100% (maximum \$1 million per development) until the funding available (\$20 million since 2014) is fully allocated or the Council decides to close it, subject to registration of a covenant against the titles restricting use of them to residential only, not short term guest accommodation (i.e. Airbnb). The Council has decided that this rebate scheme will close at 5.00pm on 24 December 2021 (see below). 2. Social housing – 100% (maximum \$500,000 per development) until 5.00pm on the last working day of 2022, or the available \$2.5million funding is fully allocated, or when the Council decides to close it (whichever occurs first), subject to the developer being a community housing provider registered with the Community Housing Regulatory Authority or a registered charitable trust, having as an objective the provision of social housing, and the registration of a covenant against the titles requiring the development contribution rebate to be paid if they are no longer used for social housing. <p>Their full allocation of funding or expiry date provides an opportunity to review the Council's commitment to the rebates. The options would be to extend them as per the existing settings, extend them with reframed settings or discontinue them. Although the Council has decided to discontinue the Central City residential rebate as noted above, it has asked staff for advice on possible new development contributions rebate options that would promote the goals of relevant Council policies and strategies (this information will be provided in early 2022). These options include an alternative housing development contribution rebate to promote the diversity and/or quality (above Homestar 6³³), rather than quantity, of residential units in the Central City, for example.</p>	
Advantages	Disadvantages/risks
<ul style="list-style-type: none"> • A meaningful way of supporting alternative housing providers. • Improves the feasibility (and, if reframed, the diversity and quality) of Central City residential development. 	<ul style="list-style-type: none"> • Loss of revenue for Council to fund facilities and infrastructure for increased growth. • Developers not passing the 'cost saving' onto eventual owners (although there was no expectation by the Council at the time of establishment that the Central City residential rebate would lower costs to purchasers of homes receiving it, as Central City residential developers were the target of the rebate). Not passing the 'cost saving' on is also less likely done by alternative housing providers.
Legal implications	Cost
<ul style="list-style-type: none"> • Rebates may require owners to register a restrictive covenant on the title of the development to qualify for them. • Extension beyond the existing funding limit/expiry date requires a Council resolution. 	<ul style="list-style-type: none"> • Forgone revenue funded by debt and repaid from rates over the funding period of relevant assets. • Since its inception in 2014, the current Central City residential rebate scheme has a \$20 million

³² A third development contributions rebate is only applicable to development on Papakāinga/Kāinga Nohoanga zoned Māori freehold and Māori-owned general land, none of which exists in the Central City.

³³ A Homestar 6 rating recognises that a home has been built at or above the current standards set by the NZ building code in respect to its health, efficiency and sustainability.

	<p>limit on funding. As of October 2021 there was approximately \$4.6m remaining.</p> <ul style="list-style-type: none">• The social housing rebate has a funding limit of \$2.5m and the scheme will expire 5.00pm on the last working day of 2022 (or before if the fund runs out).• Extension beyond the existing funding limit/expiry date will require further funding via the LTP.
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BETTER PUBLICISED PARTIAL RESOURCE CONSENT FEE DISCOUNT FOR NOT-FOR-PROFIT AND COMMUNITY ORGANISATIONS

Description	
<p>The Council currently provides a partial Resource Consenting fee discount for not-for-profit and community organisations. This includes a discount of 25% (to a maximum amount of \$5,000 per application) for social and community housing providers.</p> <p>However, this is not automatically offered/proactively applied at present (Resource Consent applicants have to ask for the discount at the end of the process) and, as the discount's availability is not overtly publicised, alternative housing providers are not aware of it and are not asking for it.</p> <p>This issue has been discussed with and agreed to by Resource Consents management and staff, as the result of which:</p> <ul style="list-style-type: none"> • The Council's webpage on Resource Management fees and the fees schedule has been updated to better publicise the discount's availability and how to obtain it. • A list of community housing providers (the largest and known subset of alternative housing providers) has been given to relevant staff (including the PAS), to enable the following proposed changes to existing practices: <ul style="list-style-type: none"> ○ Proactive identification of community housing providers at the start of the resource consent processing (in the absence of them describing their proposals as social housing complexes and/or community housing units, as per Christchurch District Plan definitions). ○ Advice to the alternative housing provider of the resource consent fee discount. 	
Advantages	Disadvantages/risks
<ul style="list-style-type: none"> • Supports the delivery of social and community housing in the Central City, in turn helping to bring more diversity to the Central City housing stock. • Enables community housing providers to re-allocate funding/budget to other aspects of their project. 	<ul style="list-style-type: none"> • A relatively small cost saving in the wider scheme of development costs. The discount is a nice benefit but not a driver for community housing providers to deliver more housing.
Legal implications	Cost
<ul style="list-style-type: none"> • Compliance with how resource consent processing is funded (including discounted) as set out in the Council's Revenue and Financing Policy under S.102 of the LGA 2002 and Fees and Charges Schedule. 	<ul style="list-style-type: none"> • Partial discounts awarded since 2018 (not just to community housing providers) total as follows: <ul style="list-style-type: none"> ○ 2018 - \$17,805.87 ○ 2019 - \$9,554.82 ○ 2020 - \$15,981.76 • There is no budget to cover these partial discounts – the cost is absorbed into the Resource Consent Unit's revenue budget as lost revenue.

INVESTIGATION TOWARDS PROVISION OF INCLUSIONARY ZONING IN THE CHRISTCHURCH DISTRICT PLAN

Description	
<p>Inclusionary zoning is a planning tool that requires a share of dwellings in new developments to be affordable to people on low to medium incomes. Inclusionary zoning approaches can be either mandatory or voluntary. Mandatory inclusionary zoning defines thresholds and percentage requirements for a certain amount of housing to be sold below a specific price point, which may relate to specific locations or wider areas. Voluntary inclusionary zoning schemes are often accompanied by an incentive for additional or bonus density, site coverage or height; or fast-track consent processing and support; or fee waivers.</p> <p>In terms of the form of affordable housing, there is a difference between retained affordable housing (whereby the house remains affordable in perpetuity) and relative affordable housing (whereby the house is only required to be affordable when sold to the first owner).</p> <p>The Council is currently investigating the provision of inclusionary zoning within the Christchurch District Plan, through advocating (in conjunction with Local Government New Zealand and other territorial authorities) for it to be provided for via the Resource Management Act reform process. As experiences in Auckland³⁴ and Queenstown³⁵ have shown, provision for inclusionary zoning is too difficult to implement under current legislation, this advocacy for a changed approach is beneficial.</p>	
Advantages	Disadvantages/risks
<ul style="list-style-type: none"> • Requires or encourages the creation of affordable housing units when market-rate housing is developed, providing opportunities for lower income households. • The benefits of residential growth (i.e. up-zoning) are shared among the community and low-income earners. • An opportunity for developers to make a social contribution in exchange for value uplift (re-zoning). • Creation of mixed-income communities (preventing concentrations of poverty). 	<ul style="list-style-type: none"> • Inclusionary zoning has been perceived as a tax on the supply of dwellings, potentially reducing the efficiency of the housing market and impeding rather than assisting an increase in supply.
Legal implications	Cost
<ul style="list-style-type: none"> • Would require a change to the Christchurch District Plan under the RMA or its replacement. 	<ul style="list-style-type: none"> • Of a plan change, being approximately \$100,000+. However, if implemented as part of a plan change that covers other matters as well, the relative cost of this specific element may be lower.

³⁴ An unsuccessful attempt to provide for inclusionary zoning in the Proposed Auckland Unitary Plan in 2013.

³⁵ An ineffectual attempt to provide for inclusionary zoning via Plan Change 24 from 2007 – 2013. The QLDC is now considering a further plan change alongside advocating to Central Government for improved legislative pathways for inclusionary zoning.

APPENDIX 8: ADDITIONAL SUPPORT MECHANISM THE COUNCIL COULD INVESTIGATE

APPLICATION OF RATES REMISSION 1 TO NEW BUILDS BY COMMUNITY HOUSING PROVIDERS (OTHER THAN THE COUNCIL)³⁶

<p>Description</p> <p>The Council’s Rates Remission Policy currently contains two rates remissions of relevance to alternative housing – one for which community housing provided by the Council is eligible for and one for which community housing provided by other community housing providers is not currently eligible for but should/could be.</p> <p>The objective of <i>Remission 2: Land owned or used by the Council for community benefit</i> is to support facilities providing benefit to the community. The Council may, under this remission, remit all rates (other than targeted rates for excess water supply and water supply fire connection) for “Rental housing provided within the Council’s Social Housing activity” (i.e. community housing provided by the Council) on land owned or used by the Council.</p> <p>The objective of <i>Remission 1: Not for profit community-based organisations</i> is to provide rates relief to Christchurch community-based organisations to support the benefit they provide to the wellbeing of the Christchurch District. Where the organisation occupies:</p> <ul style="list-style-type: none"> • Council land under lease, up to 100% of all rates (except targeted rates for excess water and waste minimisation) may be remitted. • other land: <ul style="list-style-type: none"> ○ Up to 100% on general rates (including the uniform annual general charge) may be remitted. ○ Up to 50% (of the rates that would be payable if they were fully rateable) on targeted rates for standard water supply, sewerage and land drainage may be remitted. <p>It applies to any community-based, not-for-profit organisation whose activities, in the opinion of the Council, provide significant public good as a result of its occupation of the property. The remission is not available to property owned or used by any entity where the benefits are restricted to a class or group of persons and not to the public generally.</p> <p>Community housing providers have not to date been considered eligible for Remission 1 on the basis of the current Revenue, Financing and Rating Policy settings, which view community housing as delivering individual rather than community benefits or ‘public good’. However, both the Council’s Community Housing Strategy 2021-2031 and policy advice provided to the Council on LTP submissions on social housing represent a shift acknowledging the wider benefits of community housing. The wider community benefits from community housing in which people are adequately and affordably housed, as:</p> <ul style="list-style-type: none"> • People are in a better position to participate in and be a part of their communities (i.e. strengthened and healthier communities); and • Less occurrence of overcrowding, homelessness and rough sleeping in the Central City improves the city’s social and economic wellbeing. <p>The Rates Remission Policy is being reviewed in FY21/22. Should the Rates Remissions Policy be amended to achieve consistency with the Strategy, this rates remission could be applicable to non-Council provided community housing within the Central City. However, it would be advisable to limit its application to new builds only and define community housing providers in the same way as for the development contribution rebate for social housing³⁷, to limit the financial impact on the Council and ratepayers.</p>	
<p>Advantages</p> <ul style="list-style-type: none"> • Would align the Rates Remission Policy with current thinking in respect to the wider benefits of community housing and clarify its applicability to community housing. 	<p>Disadvantages/risks</p> <ul style="list-style-type: none"> • Requires amendment to the Rates Remission Policy.

³⁶ The Council has previously considered provision of a rates remission for the buyers of newly developed homes in the Central City but discounted it due to evidence of it not being a strong incentive relative to other issues influencing buyer decisions, resulting in low uptake, elsewhere. Christchurch City Council (9 October 2020), *Central City Residential Programme – supply and demand for homes in the Central City: incentives and other mechanisms*. Staff report to Council

³⁷ A community housing provider that is either registered as such a provider with the Community Housing Regulatory Authority or is a registered charitable trust which has as one of its objects the provision of social housing.

<ul style="list-style-type: none"> Community housing on non-Council-owned land within the Central City would be eligible for rates Remission 1 as specified. 	
<p>Legal implications</p>	<p>Cost</p>
<ul style="list-style-type: none"> Requires amendment to the Rates Remission Policy in respect to Remission 1. 	<ul style="list-style-type: none"> Amendment to the Rates Remission Policy deliverable within operational expenditure. Loss of (yet to be determined) rates revenue per annum.

APPENDIX 9: PROJECT ACKNOWLEDGEMENTS

Community housing providers

Te Waipounamu Community Housing Providers' Network (including the following community housing providers active in Christchurch):

Abbeyfield Christchurch	Habitat for Humanity	Salvation Army
Accessible Properties Ltd	Kāinga Ora	South West Baptist Church
Christchurch Methodist Mission	Link People	Stepping Stone Trust
Comcare Trust	NZ Housing Foundation	Te Runanga o Nga Maata Waka
Community Housing Aotearoa	Ōtautahi Community Housing	Te Rūnanga o Ngāi Tahu
Compass Housing Services Co (NZ)	Trust	Vision West Community Trust
Ltd	Oxford Terrace Baptist Church	Wise Group
Emerge Aotearoa Ltd	Pathway	

Elena Adankina (Kāinga Ora – Homes and Communities)

Leanne Bayler (Community and Public Health)

Nathan Beale (Vision West Community Trust)

Chris Chamberlain (Oxford Terrace Baptist Church)

Andrew Conlon (Kāinga Ora – Homes and Communities)

Amanda Foo (Comcare Trust)

Jill Hawkey (Christchurch Methodist Mission)

Cate Kearney (Ōtautahi Community Housing Trust)

Bill King (New Zealand Housing Foundation)

Carmen Lynskey (Christchurch City Council)

Gary Moore (Christchurch Housing Trust)

Greer O'Donnell (Society for Alternative Housing Development/The Urban Advisory)

Bruce Rendall (Christchurch City Council)

Gurv Singh (Kāinga Ora – Homes and Communities)

Papakāinga housing provider

Tania Wati (Te Rūnanga o Ngāi Tahu - Ngāi Tūāhuriri, via Shayne Te Aika, Christchurch City Council)

Co-operative housing and co-living housing providers

Gitanjali Bedi (Urban Coup)

Martin Kozinsky and fellow residents (Windrose House)

Jasmine Palmer (Urban Coup)

Steph Pole (Peterborough Housing Cooperative)

Jane Quigley (Whitmore Co-housing Village)

Jim Small (Peterborough Housing Cooperative)

Craig South (Peterborough Housing Cooperative)

Ben Spence (The Coh)

James Stewart (Ōtautahi Urban Guild)

Jason Twill (Urban Apostles)

David Welch (Cohaus)

Self-builders

Nicole McCrossin (Buckley Road Project)

Regeneration agencies

Tania Croucher (Ōtākaro)

Cath Carter (ChristchurchNZ)

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