

Information pack

**Establishing an
affordable
housing trust
for Kāpiti**



**Kāpiti Coast District Council
is looking for trustees
with experience in the
social and affordable
housing sector to establish
and run a new charitable
trust focused on
delivering housing
options for Kāpiti.**

“Up until last year our family had five generations living here, and that is what community is. We grew up here, our children grew up here, and now the grandchildren are one phone call away from being pushed out to go live in Levin, away from their family support.”

Community kōrero participant



Our role in affordable housing

Housing is a complex issue, and it's not solely the responsibility of one organisation or sector.

At Council, we know we don't hold all the solutions to the housing crisis, but we want to play our part and help others do the same.

In 2021, we undertook a comprehensive housing needs assessment. This formed the basis of our 2022 Housing Strategy, which has the vision of **all Kāpiti residents having access to suitable housing in Kāpiti so they can live and thrive.** Housing stability and security has been linked to improved health, educational attainment and employment.

A key action in the strategy is improving our partnerships to help more people

access affordable housing in our district. Setting up an independent 'affordable housing trust' is one of our councillors' priorities for the first year of the term.

The trust could also become an option for managing our older persons' housing portfolio, if it was decided that the portfolio should be transferred to a community housing provider.

“Whānau are getting pushed out of the area because there is no affordable housing available locally and they are having to leave their support networks.”

Community kōrero participant

Affordable housing in Kāpiti

Kāpiti Coast District faces significant and growing housing access and affordability issues.

These are creating stress right across the housing continuum and for some, the lack of secure housing is having a domino effect, negatively affecting many or all aspects of a person's life.

As our population grows, we expect this to put pressure on existing housing and housing stress to grow too. It is estimated there will be 22,000 more people living in Kāpiti in the next 30 years and we will need 10,000+ additional dwellings to house them.

Source: Population forecast 2021 to 2054, demographics.sensepartners.nz/population

Affordability mismatch

The quantitative data assessment revealed the lack of choice by charting the affordability mismatch between housing (both rental and ownership) and incomes.

Between 2001 and 2021 there has been a:



435% increase
in lower quartile house sale prices
(\$130,000–\$696,000), and a



155% increase
in median rent (\$198 – \$505).



But only a **112% increase**
in median household income (\$33,600–\$71,100)

As a result:

- Only 1% of dwellings could be affordably purchased by a household earning 120% of Kāpiti Coast's median household income
- 68% of Kāpiti Coast renters can no longer affordably pay the median market rent
- Between 2001 and 2018 the proportion of stressed renters increased from:
 - 84% to 91% for those with household incomes below \$30,000
 - 15% to 82% for those with household incomes between \$30,000 and \$50,000
 - 2% to 49% for those with household incomes between \$50,000 and \$70,000.
- Over 88% of renters are unable to affordably purchase a dwelling at the lower quartile house price of \$696,000, and only 5% could affordably service a mortgage associated with buying a dwelling at the median market sale price in 2021 – down from 21% in 2001.

There is no data available to uncover the proportion of stressed owner households or the percentage who are unable to move, even if they wanted to. E.g., a family with three children living in a two-bedroom home and wishing to upsize.

Source: Mitchell, I. and Glaudel, C. 2021. *Research Report: Housing Demand and Need in Kāpiti District.*

Spotlight on Ōtaki

Not all issues are experienced in the same way across the district. For example, Ōtaki stands out as experiencing the highest housing need overall and ranks highest in nearly every individual measure of housing need.

Source: Mitchell, I. and Glaudel, C. 2021. *Research Report: Housing Demand and Need in Kāpiti District.*

Mortgage cost

As percentage of income

79%
Ōtaki

69%
Kāpiti

Rental to ownership

Percentage of renters able to service a mortgage at median market value

2%
Ōtaki

5%
Kāpiti

Rental cost

As percentage of income

47%
Ōtaki

37%
Kāpiti

Rental affordability

Percentage of renter households able to afford the median market rent

20%
Ōtaki

32%
Kāpiti

Renter stress

Percentage of renters considered 'Extremely stressed'

28%
Ōtaki

25%
Kāpiti



Proposed trust

Trust purpose

The trust will support a range of local affordable housing options for the community i.e. assisting those who need support to get into affordable rental housing or affordable home ownership. It could also work in partnership right across the housing continuum.

The trust is established to benefit the people of the Kāpiti Coast District by providing community housing, social housing, public housing, older persons' housing, affordable housing or any other similar housing in the Kāpiti Coast District.

This includes (but is not limited to) the following activities:

- providing associated housing services;
 - carrying out any other activities that may assist or support community housing, social housing, public housing, affordable housing, older persons' housing or any other similar housing schemes;
 - engaging with local, and central government authorities and other social agencies to assist with the provision of housing in the Kāpiti Coast District;
 - engaging and working with existing Community Housing Providers, iwi and other housing providers in the Kāpiti Coast District;
 - advising, educating and supporting households facing housing stress through hosting seminars, workshops and any other means deemed appropriate by the Trustees that help households with their housing needs;
 - becoming a Registered Community Housing Provider.
- acquiring, developing and leasing community housing, social housing, public housing, affordable housing, older persons' housing or any other similar housing;



Trust objectives

The following objectives have been developed for the trust:

- It is established and able to be operated in partnership with iwi and other partners
- It is able to qualify for government funding and support
- It is able to operate with a degree of independence and has access

to necessary specialist skills and experience

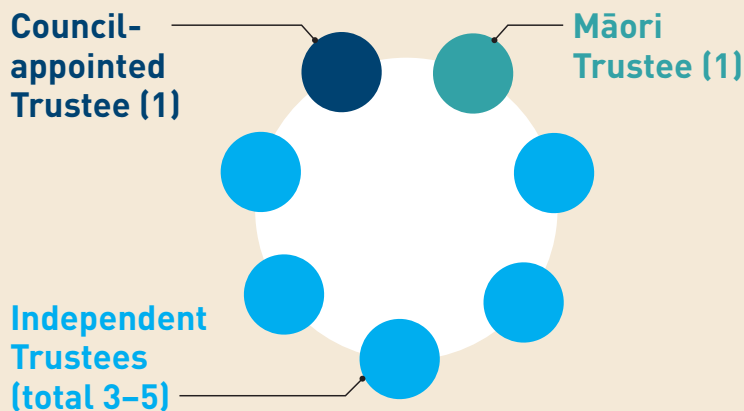
- It can provide affordable rentals and affordable housing ownership options (e.g., a range of alternative tenure options) to the local community
- It is able to operate with financial sustainability over the long term
- Any returns are to be reinvested into affordable housing.

Council has approved in principle a Trust Deed and a Relationship Framework Agreement that describes how Council and the trust will work together.

These are modelled on affordable housing entities established by councils in Queenstown, Wellington and Christchurch.

Governance structure

Board composition



Key relationships/stakeholders

- Kāpiti Coast District Council
- Ngā Hapū o Ōtaki (Ngāti Raukawa ki Te Tonga)
- Te Ātiawa ki Whakarongotai
- Ngāti Toa Rangatira
- Regional Community Housing Providers (CHPs)
- Service providers
- Housing developers
- Ministry of Housing and Urban Development
- Community Housing Regulatory Authority
- Kāinga Ora
- Ministry of Social Development

Opportunities

- Help shape and set up the Kāpiti affordable housing trust
- Support an innovative approach in enabling housing products and services to be developed
- Help ensure land development opportunities are utilised effectively
- Maintain a high level of sector support and grab the potential to develop innovative partnerships for housing delivery
- Build strong community support for trust activities.

Challenges

- Work needed to ensure long-term financial sustainability which will include negotiation with central government on funding
- Potential to apply to become a registered Community Housing Provider
- Need to transition administrative services out of Kāpiti Coast District Council and establish independence.



Skills we are looking for

The successful candidates will have a strong track record in governance, including ideally leading organisations successfully through establishment or transitions.

The priority matrix of skills sought includes (some or all of):

- Experience in community, social or affordable housing
- Social tenancy management
- Knowledge and understanding of Te Tiriti o Waitangi, Te ao Māori, mātauranga Māori, and tikanga Māori
- Empathy with the communities in the locations where the Trust will provide community, social and/or affordable housing
- Strategy development, business planning, policy development and organisational change
- Property development
- Financial management and literacy
- Asset management
- Legal and risk management.



Review of older persons' housing

Alongside work to establish an Affordable Housing Trust, Council is also undertaking a review of its Older Persons' Housing portfolio – 118 one-bedroom units in 10 locations throughout Kāpiti. The review is aimed at finding a model that is financially sustainable to support growth of the portfolio.

The review has been conducted independently of the potential establishment of the trust to ensure the outcome of the review was not predetermined. As both projects progress, particularly following the outcome of formal consultation as part of the development of the Long-Term Plan 2024–34, there may be

advantages in the projects combining. That is, pending the outcome of the LTP consultation on the review of older persons' housing, the Trust Deed would allow Council the option to transfer ownership and management of portfolio to the Trust, should this be the preferred approach.

Key documents that provide background information on housing need in Kāpiti and other initiatives planned or underway:

- ▶ **Kāpiti Coast District Council Housing Strategy May 2022**
kapiticoast.govt.nz/HousingRole#Housing
- ▶ **Not just a house, a life – Understanding Real Housing Need in the Kāpiti Coast (Urban Advisory, May 2022).**
kapiticoast.govt.nz/housing-needs-assessment



Key milestones

Q3 2023/24 Jan-Mar

- Trust Deed and Relationship Framework Agreement (RFA) approved by Council (in principle)
- Scope requirements for work on financing, accounting, tax and legal arrangements.

Q4 2023/24 Apr-Jun

- Recruitment of trustees commences
- Council appointee confirmed
- Māori appointee confirmed
- Convene Board Appointments Panel for independent trustees.

Q1 2024/25 Jul-Sep

- Council to decide on seed assets it wishes to transfer to the Trust
- Trustee appointments confirmed
- First Board meeting. Board elects Chair.
- Trust Deed executed
- Finalise and enter into RFA
- Prepare paperwork for incorporation and registration with Charities Service.

Q2 2024/25 Oct-Dec

- Incorporate trust board under Charitable Trusts Act 1957
- Register as charity under Charities Act 2005
- Complete set-up of finance, accounting, tax and legal arrangements.

**Ka hinga kāinga tahi,
ka tū kāinga rua**

**When one house falls,
another is stood to
take its place**

**Kāpiti Coast District Council will
be supported by Sheffield Search for
the Trustee appointment process.**

For further discussion, please contact either
Katy or Nick at Sheffield Search:

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