



Cabinet Economic Policy Committee

Minute of Decision

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Reducing Barriers for Community Housing Providers


Portfolio Housing

On 20 November 2024, the Cabinet Economic Policy Committee:

Background

- 1 **noted** that the paper under ECO-24-SUB-0277 and its recommendations fit into the Government's wider work programme on improving both the social housing system and housing support tools;
- 2 **noted** that the strategic direction for the social housing system is focused on levelling the playing field between Community Housing Providers and Kāinga Ora;
- 3 **noted** that as part of the ongoing work programme, the Minister of Finance and Minister of Housing agreed to progress operational changes to social housing Income Related Rent Subsidy contracts and the use of leasing;
- 4 **noted** that access to equity and suitable debt are key barriers for Community Housing Providers;

New proposal 1: Front-loading existing social housing operating supplement to help CHPs raise equity

- 5 **agreed in principle** to make \$70 million upfront operating supplement available to Community Housing Providers that will be contracted to deliver the 1,500 homes announced in Budget 2024 where they face challenges accessing equity, subject to this having no adverse impact on the fiscal indicators;
- 6 s 9(2)(f)(iv) 
- 7 **authorised** the Minister of Finance and the Minister of Housing jointly to agree any decisions reasonably necessary to give effect to paragraph 5 above, including any required changes to appropriations, subject to those decisions not resulting in a deterioration of the operating balance and net debt across the forecast period;

New proposal 2: Developing a proposal to improve access to suitable debt for Community Housing Providers

- 8 **noted** that the Minister of Housing will consider options for a financing intervention that aims to support Community Housing Providers to access debt at a cost and on terms that are reflective of their real risk profile and circumstance;
- 9 **noted** that the Minister of Housing has requested that the Treasury, in consultation with the Ministry of Housing and Urban Development, report back in 2025 with a fulsome proposal for consideration as part of Budget 2025;
- 10 **invited** the Minister for Housing to report back to Cabinet in 2025 on the progress of developing options for this financing intervention;

Announcing progress at the Community Housing Aotearoa Conference 2024

- 11 **noted** that the Minister of Housing intends to announce the above decisions, alongside an update on the ongoing work programme, at the Community Housing Aotearoa Conference on 26 November 2024.

Rachel Clarke
Committee Secretary

Present:

Rt Hon Christopher Luxon
Rt Hon Winston Peters
Hon David Seymour
Hon Brooke van Velden
Hon Chris Bishop (Chair)
Hon Paul Goldsmith
Hon Louise Upston
Hon Mark Mitchell
Hon Matt Doocey
Hon Melissa Lee
Hon Penny Simmonds
Hon Chris Penk
Hon Nicola Grigg
Hon Mark Patterson
Simon Court MP

Officials present from:

Office of the Prime Minister
Office of Hon Chris Bishop
Officials Committee for ECO