



COMMUNITY HOUSING AOTEAROA NGA WHARERAU O AOTEAROA ANNUAL REPORT 2016

JULY 1 2015 – JUNE 30 2016





Queenstown Lakes Community Housing Trust's new development in Shotover County.



Te Aro Pā papakāinga in Whanganui a Tara/Wellington.



Nelson Tasman Housing Trust's Keith Preston and Stevie-Lee Taylor outside her new home, part of the trust's development in St Lawrence St, Nelson.



Accessible Properties in Hamilton.



New Zealand Housing Foundation in Auckland.



He Korowai Trust's Ricky Houghton outside the new emergency housing in Kaitiāia.

About Community Housing Aotearoa

Community Housing Aotearoa, Inc. (CHA) is an incorporated society and the representative body that binds New Zealand's community housing sector together. A list of members can be found on page 15.

Established in 2004, CHA plays an important role in placing the community housing sector at the forefront of housing delivery, listening to its members and representing them as one voice.

Company details

- **Co-chairs:**
Warren Jack, Julie Nelson
- **Nature of Business:**
Advocate for community housing
- **Registered office:**
Level 1, Southmark House,
203 Willis Street, Wellington
- **Bankers:**
Kiwibank,
Private Bag 39888,
Wellington Mail Centre,
Lower Hutt 5045
- **Charities Service Number:**
CC36095
- **Council members:**
Moira Lawler, Rau Hoskins,
Julie Scott, Carrie Mozena,
Allan Pollard, Garry Moore
- **Chief Executive Officer:**
Scott Figenshow
- **Financial Reviewer:**
Ian Voisey, The Tax Lady,
Wellington
- **Incorporation Number:**
1583033
- **IRD Number:**
89-577-874

CONTENTS

Co-chairs' welcome	4
Address from the Chief Executive of Community Housing Aotearoa	6
The year in review	8
New Zealand Community Housing Funding	10
Treasurer's report	11
Summary of financial statements	12
Independent reviewer's report	14
Membership roster 2015 - 2016	15

GOAL
Provide homes
for 50,000 more
people by 2020

CO-CHAIRS' WELCOME

This year saw some real achievements and some real frustrations for our sector.

We are pleased to report to our members on Community Housing Aotearoa's (CHA) demonstrated leadership toward achieving our key goals:

- the voice of the community housing sector
- building capacity and fostering collaboration
- promoting best practice in housing policy
- championing quality and excellence

You will read about how these objectives are being achieved through out this report. A clear role for the Council is to make sure that we represent your voice: from emergency housing and housing first projects, to social and affordable housing along the housing continuum and through out the diversity of community housing in New Zealand. What strengthens our voice are the principles on which this continuum is based.

These underpinning principles of housing adequacy are how the sector will activate homes in individual communities through out New Zealand. It has become a key focus for our message on the sector's role and where we all fit. And, with your help, this message will be communicated to our stakeholders going forward to our 2017 CHA-IMPACT conference.

The successful 2015 CHA-IMPACT conference brought together key stakeholders, including the Minister of Finance, Bill English; Social Housing Minister, Paula Bennett; Māori Affairs Minister, Te Ururoa Flavell and Labour housing spokesperson, Phil Twyford.

Government officials, social and community housing providers, housing developers, and Pacific and Māori communities came together to make this a real highlight of the year for the community housing sector. It was a key forum to hear your voices and to talk to stakeholders about our sector and Our Place.

One particular impact from the conference was the keynote address by Dr Sam Tsemberis, on the Housing First approach, which has been a catalyst for further member-led work in this area in New Zealand.

CHA's role 'as the voice of the sector' makes your feedback to us invaluable. This enables us to provide information and advice to Government grounded in your experiences. We are engaged in on-going dialogue across local and national forums, through both officials and elected leaders. The ability to open doors, and to keep those doors open, is a key achievement for CHA — even when some of the messages have been difficult to relay.

The shortage of affordable housing in New Zealand is increasingly apparent to all observers. The incidence of homelessness, particularly in Auckland, and the demand for emergency housing reinforces the need for a strong housing sector in New Zealand. One where we embrace and lead innovation and support and challenge each other to change with the times.

The need for a strong plan to increase the number of affordable, warm and dry homes is apparent. The release



The 2016 CHA Council from left: Julie Nelson (Co-Chair), Scott Figenshow (CEO), Warren Jack (Co-Chair), Moira Lawler, Jade Kake (Te Matapihi), Garry Moore, Julie Scott, Carrie Mozena and Allan Pollard (Treasurer)

of the draft Our Place plan, in May 2015, signalled our intent as a sector to lead by example. Our Place has progressed through the year with the sector strongly supporting the need for a comprehensive strategy to grow the supply of affordable housing across the housing continuum. And never has this plan been more needed.

We clearly hear the frustration of our members at the lack of resources available to address demand for affordable homes in their communities. They are frustrated by a lack of capital funding. While community housing organisations have the capacity and capability to provide more homes they are unable to realise their aspirations. This is despite experiencing increased demand at a rate much higher than they can deliver in their communities.

Now is the time for leadership on housing. It is a profoundly important issue and we need to see a whole-of-government approach. Community housing organisations have the willingness to develop their capability and want to be a major part in the solution to transform New Zealand's social and affordable housing.

We've been out there doing the hard yards for years, often with limited resources. We will continue to do our work by responding to local need, because we are an integral part of our communities and understand those needs well.

Yet too much of our sector capacity is being chewed up by an expensive procurement approach that doesn't always

meet peoples' housing needs. It has led to resources being expended to compete for funding rather than deliver new homes; the sector is experiencing greater uncertainty, higher costs, and less capital resourcing to respond to growing need. No longer can we just rely on a market response to housing demand for vulnerable families and individuals.

Improved family well-being, the gains that can be made through warm, safe and dry homes, represent real savings to the New Zealand tax payer. A true social investment approach is needed to bring new resources to achieve measurable improvements toward seeing all New Zealanders well-housed.

Never has there been more demand for the affordable homes that New Zealand's community housing organisations provide— and we are ready for the challenge. CHA calls upon Government and all parties to work together to heed the call for additional investment and adopt a bold plan to deliver more social and affordable homes.

Julie Nelson & Warren Jack

Co-Chairs of Community Housing Aotearoa.

GOAL
Provide homes
for 50,000 more
people by 2020

ADDRESS FROM THE CHIEF EXECUTIVE OF COMMUNITY HOUSING AOTEAROA

Looking forward - it's time for us to up our game.

We are proud to be part of a sector that is passionate about seeing all New Zealanders well-housed. Thank you for the trust and confidence that you place in CHA to support your growth and capacity development. It's time now to put forward a bold plan for growth – building blocks from local communities to meet need across the housing continuum.

CHA enters 2016/17 in a strong financial position with plans for supporting sector growth. 97 organisations choose to be members of CHA, up from 80 in the year prior, and we intend to maintain your confidence in our efforts.

Building strong relationships is key to our work here at CHA. The number of networks we support has increased to include the Te Waipounamu network in the South Island, the emergency housing provider network in Auckland, the Housing First community of practice group and the Auckland Community Housing Providers Network. In the coming year we anticipate increasing engagement with Pacific organisations pursuing their housing aspirations.

We value our close relationship with Te Matapihi and congratulate them on achieving a level of resourcing that facilitates diversity of viewpoints in policy and strategy work.

Work on **Our Place** continued over the year as a collaborative process with the sector. With your input the housing continuum has continued to evolve, yet remaining focused on the goal to have 50,000 more people housed by 2020. Our partner the New Zealand Council of Christian Social Services brings forth many voices into ensuring **Our Place** delivers for the most vulnerable.

Our work with partner organisations the New Zealand Council for Infrastructure Development, Auckland City Council, BECA, and BNZ created the website: **Making Affordable Homes Happen**. This is an important resource providing practical information and examples of affordable housing delivery in Auckland and beyond by private developers, community housing organisations and the public sector working together.

To lead as individuals we need the best possible professional development tools available. We continue to work closely with the Australasian Housing Institute's branch in New Zealand encouraging networking, training and capacity development for housing professionals.



CHA Staff, top from left: Hope, David, Scott, Angie; and front, Marc, Gunda and Chris.

HOUSING AFFORDABILITY



To deliver, we will continue to ensure we have exceptional staff expertise and capacity. A huge thank you to our hard working team of Angie Cairncross, communication, Gunda Tente, support; along with senior programme managers: David Zussman, Hope Simonsen, and Marc Slade. Together with deputy director, Chris Glauzel, you have available to you a team motivated by our passion to see all New Zealanders well-housed. Backed by extensive community development and housing experience and a desire to support our members grow as community housing organisations — **we are here for you**.

The housing crisis in this country has placed a particular strain on many of our members and their ability to respond to housing needs in their communities. We appreciate the opportunity to work with our members from all points of the housing continuum and are particularly proud to be working with emergency housing providers and the Housing First community of practice group. It's an example of innovation and best practice being led by the sector.

Innovation continued with the development of New Zealand Community Housing Funding Ltd. As described more fully on page 10, it's an example of a 'by the sector, for the sector' approach to bringing new resources,

and we encourage you to take it up and help us implement this work.

Housing is a long-term business and we know that many of you have been carrying the community housing banner for some time. We recognise this can sometimes be vexing when there seems to be so little progress and never ending challenges.

Thanks to the on-going strategic leadership of the CHA Council, we all have a tireless commitment to good governance and long-term sector leadership. They provide the foundation for us to be the voice of reason for practical solutions that grow the supply of affordable and social homes. Our partners across Government are hearing our voice and are increasingly supportive of the solutions we offer. I want to thank our colleagues for engaging in the hard conversations. We are all better for it.

Building on this momentum, the coming year is likely to test all of us to up our game. We need to grow, to have an appetite for scale, and to challenge each other to deliver more homes.

Scott Figenshow
Chief Executive



THE YEAR IN REVIEW:

Grow supply



The rebranded NZ Housing Bonds became New Zealand Community Housing Funding Ltd, saw directors appointed and staffing committed for this initiative.

Strong partnerships

Launch of www.makinghomeshappen.org.nz for affordable housing development in Auckland, a partnership between CHA, New Zealand Council for Infrastructure Development, Auckland City Council, BECA, and BNZ.



Sector expertise

19 media appearances or comments

Including articles in the Australasian Housing Institute's HousingWORKS and Boffa Miskell's Focus magazines, in addition to newspaper and radio commentary and interviews.

Entry point

27 fortnightly newsletters to over 450 recipients

Providing up-to-date information and access to events, research and policy. A favourite with our members and stakeholders.

New website

An update of the CHA website www.communityhousing.org.nz saw nearly 20,000 visits for the year.

"Your new website looks fabulous! So nice to be able to access so much great information. Congratulations to everyone who worked on it."
Fiona Fitzgerald, Manager, Community Housing Regulatory Authority, MBIE.

"Excellent looking website. Easy to read, easy to get around, direct and to the point. Well done."
Peter Jeffries, CORT Community Housing

Housing policy

Sector knowledge injected into:

- The Charities Amendment Bill
- Social Housing Reform (Transaction Mandate) Bill
- Community housing entity tax and charitable regulations
- Consultation paper: Charities raising funds through debt securities
- The Residential Tenancies Amendment (RTA) Bill
- The Healthy Homes Guarantee Bill (No 2)
- The Exposure Draft: Incorporated Societies Bill
- Auckland Unitary Plan
- Wellington City Council – social housing policy
- Christchurch City Council social housing restructuring
- Horowhenua District Council social housing restructuring
- Government's Housing Assistance and Social Housing Reform programme
- Ministry of Pacific Peoples and MBIE – Pacific Island social housing provider support
- Housing Assistance Reform Feedback Group (HARFG)
- MSD external focus group

Our Place

An action plan for housing 50,000 more people by 2020 was consulted on and advanced.

Building strong providers

2015 CHA- IMPACT Conference

Attended by 187 people with additional Māori and Pacific Island forums and presentation by Canadian Housing First advocate Dr. Sam Tsemberis. 86% of attendees rated this conference at 4 or 5 out of 5 for value.



Photo Ricky Houghton of He Korowai Trust and some of the workshop attendees from the Manukau Pacific Island Presbyterian Church at the CHA-Impact conference 2015

"Congratulations to you and your team — a superbly run conference delivering real value to participants. Furthermore you effectively managed to get real alignment with Ministers which will provide even better foundations on which to grow the community housing sector." Nick Collins — Beacon Pathway

"I found Dr Sam Tsemberis's talk informative, thought-provoking, exciting.....so impressive! He was the highlight of the one day I spent at the conference."
Margaret Speirs — Wellington Women's Boarding House

Housing Networks

Supported the establishment of the Te Waipounamu network of South Island providers. Continued support to the Auckland Community Housing Providers Network.

Growing sector capacity

Best Practice Standards for community housing in New Zealand completely updated and aligned with the Community Housing Regulatory Authority requirements. Many community housing groups were supported with advice and resources to grow their capacity to become community housing providers.

Events and training

Alongside the Australasian Housing Institute, numerous professional development events were held over the year including: a focus on partnering for better outcomes with presentations from local authorities and a focus on methamphetamine contamination in social housing. In conjunction with Deloitte, a webinar explaining the new community housing entity and charitable status was held with organisations across the country.

Membership

At 97, increased from 80 in the prior year.

Measuring results

Launched a new Housing Data supply survey to document the provision of community housing and changes in supply on a quarterly basis.

Address immediate shortfall

With funding from Auckland Council, began work to support and further build the Emergency Housing Provider Network in Auckland.

Support innovative approaches

Support to the Housing First community of practice network.

GOAL
Provide homes for 50,000 more people by 2020

NEW ZEALAND COMMUNITY HOUSING FUNDING

NZ Community Housing Funding (NZCHF) was announced at the CHA IMPACT conference in October 2015.

Established as a wholly-owned subsidiary of CHA, the purpose of NZCHF is to raise funds from institutional and philanthropic investors and to lend these funds to community housing providers for social and affordable housing supply. NZCHF provides finance that would allow a community housing provider to purchase land and/or fund the development of the land. Once the affordable homes are built, the provider secures a mortgage and repays the NZCHF loan.

The announcement was the culmination of a workstream that was kicked off by a CHA member's call to action at the 2013 AGM. During the intervening period support from Auckland Council resulted in a commitment to provide a partial guarantee to stimulate supply. In August 2015 CHA appointed Paul Minett (Chair), John Abel-Pattinson, Toni Kerr and Scott Figenshow as directors of the company. The constitution was adopted in December 2015 and an operations manager, Hope Simonsen, was appointed in February 2016.

Originally established as New Zealand Housing Bonds Limited, the company changed its name to New Zealand Community Housing Funding in April 2016. The new name better reflects the broader objectives of the company, beginning with a syndicated lending initiative.

In March 2016, NZCHF selected BNZ to lead a syndicated loan approach to raise funds from the banking sector, alongside funding from philanthropic foundations. Auckland Council was instrumental in supporting this approach and confirmed a \$6M partial guarantee covering 20% of the overall initiative of \$30M. While the first stage was to be focused on Auckland, it was intended that, should a similar guarantee or first loss capital pool become available from nationwide sources, then

the initiative could operate nationwide. If regional guarantees are provided then NZCHF will become active in relevant regions.

In July 2016, BNZ advised NZCHF that despite approaches to multiple institutions, the results of the fund raising effort resulted in only one commitment from The Tindall Foundation. The reasons for the lack of commitment from the banks included that NZCHF lacked sufficient equity and the guarantee offered by Auckland Council was not viewed as sufficient to cover the banks' risk of lending to an intermediary.

Through discussions with community housing providers NZCHF became aware that there is a very limited pipeline of community housing projects requiring development funding. This is not surprising given the changes in the environment since it was conceptualised. Back in 2014 the sector had access to equity from the Social Housing Fund. Debt was more expensive and harder to source on terms which worked for members. Today, interest rates are at historic lows and equity is the constraint.

NZCHF is investigating other opportunities for addressing the financing barriers of the community housing sector. Preliminary feedback from providers indicates a need for an equity product. Work in this space would include confirming this need, developing a product and funding a project. To do this successfully it is clear NZCHF will require access to significant equity and clear commitment from community housing providers to grow the supply of affordable housing using the products. NZCHF intends to progress discussions and the development of options so long as stakeholders confirm a mandate to proceed.

TREASURER'S REPORT

Community Housing Aotearoa completed the 2015-16 financial year in a sound financial position.

A net accrual surplus of \$304,296 was achieved increasing total equity to \$379,450. Most of this accrual surplus resulted from investment activity in New Zealand Community Housing Funding Ltd (NZCHF) and in our website and other technology. These investments are recorded as assets on our balance sheet, Statement of Financial Position, rather than as expenses in our operating results, Statement of Financial Performance. The cash surplus on operations for the year is a modest \$6,565.

Our revenue increased significantly from the prior year. The new three-year agreement with MBIE for peak body services: \$572k, and a one-off contribution: \$160k, supporting NZCHF, represent the majority of this increase. Contract work remains strong at 20% of total revenue: \$188k. Expenses increased at a lower rate than revenue with additional staffing as the main component of the increase from the prior year.

The creation and investment in New Zealand Community Housing Finance Ltd (NZCHF) is the most significant change in our financial position. The CHA Council is closely monitoring its progress and carefully considers its investment in NZCHF. This wholly-owned company is CHA's response to Government's call for new forms of investment in our sector. At the end of the fiscal year, CHA's investment in the company is \$275k. Of this,

\$160k came directly from Government for the specific purpose of establishing the entity. Auckland Council also contracted with CHA to support the entity and their contribution represents \$65k of CHA's investment. It is important to note that while Government is encouraging and supporting the creation of new financial products, it is not dictating the terms nor actively steering the process. It is allowing CHA, the sector and the market to determine the outcome.

As described in the accompanying report from NZCHF the process continues to evolve. This is not surprising given the changes in the environment since it was conceptualised. CHA is committed to utilising our resources for maximum growth in the delivery of community housing. We look forward to partnering in ways that keep up with the changing housing environment we all face.

Allan Pollard

Treasurer of Community Housing Aotearoa.

COMMUNITY HOUSING STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2016

Statement of Financial Performance	2016 \$	2015 \$
Revenue		
Grants	572,124	253,876
Interest	2,028	1,141
Other income	348,551	265,898
Membership Income	25,160	20,250
Total operating revenue	947,863	541,165
Expenses		
Admin expenses	61,297	34,680
Delivery expenses	188,316	263,017
People expenses	394,537	227,429
Total operating expenses	644,149	525,126
Net surplus / deficit for the year	303,714	16,039
Statement of Movements in Equity	2016 \$	2015 \$
Net surplus / deficit for the year	303,714	16,039
Movements in equity for the year	303,714	16,039
Equity at the beginning of the year	75,737	59,698
Equity at the end of the year	379,451	75,737

Statement of Financial Positions	2016 \$	2015 \$
Assets		
Current assets	260,130	262,841
Non-current assets	334,204	6,940
Total Assets	591,334	269,781
Liabilities		
Current liabilities	211,883	194,044
Non-current liabilities		
Total liabilities	211,883	194,044
Equity	379,451	75,737
Total liabilities and equity	591,334	269,781

The full reviewed report on which the opinion letter is based is available at www.communityhousing.org.nz

We gratefully acknowledge the financial support of our public agency funders.





The Tax Lady
Accounting Services for Small Business
www.thetaxlady.co.nz

31 August 2016

To Whom It May Concern

Community Housing Aotearoa Inc

We have reviewed the accounts of Community Housing Aotearoa for the period ended 30 June 2016 (12 months).

In our opinion:

- Proper accounting records have been kept by the organisation as far as appears from our examination of those records, and the organisations 2016 Financial Statements.
- The accounts comply with generally accepted accounting practice, and give a true and fair view of the financial position as at 30 June 2016 and financial performance and cash flows for the year ended on this date of the organisation.

Our review was completed on the 31st August 2016 and our unqualified opinion is expressed at this date.

THE TAX LADY WELLINGTON LIMITED.

Kind Regards,

Ian Voisey
Director
The Tax Lady

MEMBERSHIP ROSTER 2015-2016

FULL MEMBERS

Abbeyfield NZ Inc
Accessible Properties Ltd
Affinity Services
Aorangi Māori Trust Board
ATAMU Porirua EFKS Inc
Bays Community Housing Trust
Better Communities Limited
Christchurch Methodist Mission
Cobham Street Trust
Comcare Trust
Community Care Trust
Community Housing Trust
Community of Refuge Trust
Compass Housing Services NZ Ltd
Compassion Housing Ltd
Coromandel Independent Living Trust
De Paul House
Downtown Community Ministry Inc
Dwell Housing Trust
Emerge Aotearoa
Golden Bay Housing Trust
Habitat for Humanity Auckland
Habitat for Humanity New Zealand
He Korowai Trust
Homes of Choice Limited
Houhanga Rongo Trust Board
Housing Plus Charitable Foundation
HRT Property Holding Trust
Hutt Valley Disabled Resources Trust
Island Child Charitable Trust
Just Housing Otepoti Dunedin
Keys Social Housing
Latimer Community Housing Trust
Lifewise Trust

Māhitahi Kāinga Trust
Manaia Health PHO
Manawatu Community Housing Trust
Maniapoto Maori Trust Board
Marlborough Sustainable Housing Trust
Mercy Villas
Monte Cecilia Housing Trust
Nelson Tasman Housing Trust
New Zealand Housing Foundation
Nga Hau E Whā National Marae
Nga Pōtiki a Tamapahore Trust
Papakāinga Solutions
Pathway Charitable Group
Percy Hamilton Home Trust
Port Nicholson Block Settlement Trust
Presbyterian Support New Zealand
Presbyterian Support Southland
Queenstown Lakes Community
Housing Trust
Stepping Stone Trust
Tauranga Community Housing Trust
Te Hau Ora o Ngāpuhi
Te Kāinga Oranga Trust
Te Rūnanga o Ngāti Awa
Te Rūnanga o Ngāti Porou
Te Rūnanga o Whāingaroa
Te Taiwhenua o Heretaunga
Te Tomika Trust
Te Tumu Kāinga
Tenants Protection Association Chch Inc
The Porirua Whanau Centre Trust
The Salvation Army
The Selwyn Foundation
Trust House Limited
VisionWest Community Trust

Waiheke Hope Centre
Waiohiki Community Charitable Trust
Wellington Homeless Women's Trust
Wellington Women's Boarding House
Wesley Community Action
Whangārei Accessible Housing Trust
Whatever It Takes Trust Inc.

PARTNER MEMBERS

Auckland Council
Beacon Pathway Incorporated
Boffa Miskell Limited
City Housing, Christchurch City Council
Chow Hill Architects Ltd
CRESA
Dunedin City Council
Elevator Group Inc
Grey Power
Housing Action Network
Anonymous
Koromiko Group Limited
Lifetime Design
Mike Greer Homes NZ Ltd
Napier City Council
New Zealand Council of Christian Social
Services
Navigator Limited
Paget Capital
Tamaki Redevelopment Company Ltd
Tauranga City Council
The Property Group
Wellington City Council

Community housing has a vision of all New Zealanders well-housed, where choices are available across the 'housing continuum' that meet the varied needs of any household, at a price they can truly afford, today and tomorrow.

We see a future where mixed-income, mixed-tenure communities are the norm, with high quality homes that are warm, dry, easy to take care of, and inexpensive to run and maintain.

These are homes that enhance health and well-being, homes we can be proud of, in communities that people feel part of, and where every person can have a stake in their future, whether they rent or own their home.

Visit www.communityhousing.org.nz to find out how we plan to make this vision a reality!

