

26 June 2014

Christchurch City Council

Submission on the Statement of Proposal that the Council Restructures its Social Housing Portfolio

By email only to: housingsubmission@ccc.govt.nz

Community Housing Aotearoa (CHA) is the peak body for the community housing sector across New Zealand, and we are happy to support the submissions of our members to this important consultation.

In principle, we support the Council's preferred Option as set out in section 3.2 of the "Reasons for the Proposal" for the following reasons:

- it appears consistent with the objective to support the growth and development of the community housing sector by opening up opportunities for management as well as redevelopment of sites currently within the Council's housing portfolio by community housing organisations.
- it facilitates equal access to the Income Related Rent subsidy for eligible Christchurch residents, regardless of whether they are living in social and affordable housing operated by a registered Community Housing Organisation, by HNZA, or by the Council
- it sets out a general direction on which further more detailed decisions can be discussed, refined, and then actioned.

We stress the importance of open and frequent engagement with residents of Council-owned housing stock to ensure their needs are addressed through what may well be a period of significant change. Providing them with on-going opportunities to discuss and understand the impact of any changes to their housing is important to their well-being.

Our own analysis tends to agree with the findings of the financial modeling that a long-term, confirmed form of income related rent support is necessary to make the portfolio

financially viable, and that community housing organisations alone cannot take on this burden without adequate financial support.

We believe that the extensive analysis of the City's housing portfolio is a model for other Council's and housing providers. The Council has presented a financially realistic assessment of the required rental income to responsibly operate and maintain housing over its lifecycle. It has also identified the minimum annual reserves for replacement that must be set-aside for stock renewal over time. It has adopted a valuation approach based on the continued use of the stock as social and affordable housing which acknowledges the discount to market required to be feasible. These are all consistent with CHAs views on the economic realities of maintaining a viable stock of decent, safe and attractive social and affordable housing over time.

Both local and central governments overseas have moved towards working in partnership with the community housing sector, rather than directly providing housing themselves, for a number of reasons. Following are a list of the benefits of doing so:

The sector can provide better value for money as it is able to leverage government funding with funding from a range of private and public resources.

Having a range of organisations rather than one monopoly provider drives greater efficiency and innovation in housing provision.

Community housing organisations have greater freedom than the public sector to be flexible and innovative in providing a range of different types of housing including shared equity and low cost home ownership. This flexibility also makes them better placed to address specialised and complex housing needs or work closely with organisations that do.

Community housing organisations know and understand their local communities and are usually an integral part of their community wellbeing. Local or regionally based organisations have the flexibility to respond to the housing needs in their local community and provide the range of services needed.

The sector is independent from government and therefore less subject to short-term political influence than public sector housing providers. They can therefore take a longer-term approach to managing their businesses to meet the housing and support needs of their communities.

Community housing can also be seen as having less stigma attached to it than other forms of social housing often giving a smoother passage of Resource Consent applications, especially when they need to be partially or fully notified.

UK and Australian research has found that community housing organisations achieve better outcomes for tenants, including better quality stock, greater

tenants involvement, more customer-focused services and strengthened communities.

Community housing organisations often provide services that go beyond housing, for example engaging in activities that generate social and economic capital. This wrap-around support service provision is a key differentiator.

The sector can also play an important role in supporting local economies through partnership with businesses such as architects, tradespeople and builders.

The money invested in community housing remains in community ownership.

Community housing organisations benefit from the goodwill and voluntary input of local professional business and community leaders.

We would be happy to be part of any further discussions if that would be of use. Please feel free to contact me on 021 061 9664.

Kind regards

A handwritten signature in blue ink, reading "Scott Figenshow". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Scott Figenshow
Director