



Minutes of the Christchurch Housing Forum - April 2017

Facilitator: Lisa Coulter

Note taker Ali Brunel

Presenters: Karen Mitchell – Transition Lead -Treasury

Panel Members: Jill Hawkey, Paul Cottam, Sarah Sinclair, NaeNae Higgs

Presentations:

Welcome: Lisa, welcomed everyone – to the proposed government transfer of state housing in Christchurch. Thanks to Treasury for coming to speak to us. Thanks also to Panel Members

Lisa outlined the - Social Housing Reform Programme – a couple of years ago the Housing Restructuring and Tenancy Matters Bill was passed and some of the outcomes were rather large. Some of the impacts on the housing scene are the creation of a community housing regularity authority their place is part of the Ministry of Business Innovation & Employment (MBIE). They take registrations of Community Housing Providers (CHP) - One of the purposes of this Housing Reform Programme was to promote, advance and increase the size of the community housing sector; another big change was Income Related Rents (IRR) now available for registered social housing providers to extend to their tenants; also the old Housing NZ waiting list is now the social housing register hosted by MSD. That was a quick snapshot of some of the changes.

Definitions: CHP (Community Housing Provider); MSD (Ministry of Social Development); MBIE (Ministry of Business Innovation & Employment); RTA (Residential Tenancies Act); IRR (Income Related Rents) HNZA (Housing New Zealand Corporation) Wait List (Social Housing Registry) EOI (Expression of Interest)

Karen Mitchell - Treasury - Slides Provided: Discussed key aspects of the stock transfer.

Firstly social housing transfers only one aspect of the social housing reform – overall more social houses ensure tenants are better off, CHP's can get IRR. When talking about social housing we are talking about tenant whose rent is based on income. When Treasury talking about social housing referring to those tenants who receive IRR.

- Aspects of growing the social housing sector – more providers, diversity, fresh thinking, how tenants and properties managed long term.
- Transfer only to go ahead if the Govt. believes there will be better services for tenants.
- Tenants in social houses are there for the duration of their need – tenants do not leave – ownership changes but nothing changes for the tenants – tenants do not move.
- Make sure tenants remain in their home – Important for Treasury to reassure tenants will stay in their homes.

- Focus on Christchurch transfer in ChCh is limited to 2500 properties Shirley Bryndwr Riccarton – others remain with HNZA and other providers.

Q: If transfer goes ahead all tenants will be written to?

A: Tenants will be kept involved. HNZA lets pets obligation will pass to next provider.

- Multiple housing providers in Christchurch will encourage innovation; MSD will be able to benchmark performance
- 8 providers in Christchurch. Already tenants in those houses receiving IRR. 200 IRR tenants.
- Suburbs were chosen in consultation with HNZC; need to invest in remediating those properties and investing in more supply and working with CCC to progress regeneration. Post-earthquake focus on areas of greatest need. In Shirley Bryndwr and Riccarton still work to be done and this work will be done by the incoming provider.
- Govt. committed wants more social houses to match need HNZC still significant presence 3300 and regional Canterbury presence. All transfers social housing 2020 new houses to come on board. MSD purchasing strategy out last year. New houses already part of the pipeline
- Addition of 270 places in Christchurch if transfer goes ahead new provider deliver 150 in the short term – propose how they meet to be successful.
- 120 from HNZC or other community housing provider – new provider produce 150 – new provider expected to build and buy.
- Clearly a through process to seek right provider – CHP has to prove they can deliver something better for tenants. Improving tenant outcomes, able to demonstrate financially sustainable, committed to long term provision, identify and implement reconfiguration and development opportunity over time.
- Requirement over time shortage of 1-2 bedroom and growing demand for those properties. One person in large home wants to move. New provider recognises that and produces new stock.
- Provider must be a NZ Registered Class One Community Housing Provider. They have to meet formal standards, submit annual monitoring and meet regulatory requirement on an ongoing basis. Proactive in their concern for tenants. Working to feel settled connected and stable housing, navigating tenants to appropriate support services. They need community links, reach out to other providers, providers capable of that, need to have a relationship with community.
- They may partner with others – investors borrow money – always be responsible for tenant needs and putting tenant first.
- Govt. do expect provider to be very connected in community – partnerships with local partners and navigation to support services. IRR to new tenants moving into community housing provider.
- Govt. looked to colleagues in Australia – experience large scale providers lot of learning and do engage with them across the ditch.
- IRR paid for all social housing tenants – transfer to new provider will be provided IRR and if they come from the register they will get IRR
- Big job – hoops to go through – also strict contract between MSD and housing provider.
- 25 year minimum of provision plus renewal 25 years – houses only used for social housing. Title encumbered. Must meet tenancy and property management requirements must provide – cannot provide less. Must provide alternative housing for tenant in same area if property needs to reconfigured, or replaced. Placed in alternative social house subsidised for the time of that project.
- Provider does not deliver on contract – incentivised penalties (significant). And other penalties. Investors and banks incentivised to make sure they do that as well.

- Long term focus on tenants – Crown does not walk away – Crown retains investment in property (equity interest) how contract performs and how maintained – want maintenance and improvement.

Q. *Around Tamaki project (not heard questions very well)*. Once the houses are sold can they be left vacant thus creating homelessness ?

A. No, breach of contract the CHP have to maintain property to relevant regulations – also various policy and procedures that HNZN are meeting. Meet minimum standards smoke alarms etc.

- Actually mean for tenants? Transfer put tenant and need first and foremost – rent does not change as result of transfer tenants' rights remain same housed for duration of need. New provider does some new things investing in fixing and maintenance and strong links with social service providers.
- Some tenants receive services specific to their needs – new provider respond to this. New landlords do thing differently communication approaches, involve tenant in decision making, more inspections, record issues with property. In Tauranga concluded successful properties has meant more tenancy managers on the ground investment in fixing defects, more involvement of tenants in decision making, linking tenants and social services. This is what we are looking for.
- Process – Late last year interest in transfer in Christchurch. Consulted with Kai Tahu – Minister made decision to proceed with next stage. 10th April EOI – formal procurement process.
- Also tenants received letters about property assessment. This is so Crown can understand condition of property defects and value the cost of property. Information for bidders. It was/is not inspection no need to move stuff around quick assessment etc.
- Once received EOI's shortlist to three – capable parties and then negotiate to provide a binding proposal evaluate and choose preferred bidder – finalise the document – period of transition work with HNZN and MSD – meet operational readiness test – settlement concluded new social landlord in place.
- **Summary** – social housing programme more houses overall; I match to need; tenant better off; understanding what it take to be social landlord; capacity and capability; fresh thinking; support and management – nothing changes for the tenants.
- Proceeds then reinvested to build more social houses locally or nationally.
- Important to dispels myths tenants will not be turned out - lot of opportunity to engage with tenants and improve thing for them in their houses.

Q: In terms of the inspections of condition of the property. Will a copy of that be given to the tenants? And should tenants find defects issue a 14 day notice remedy?

A: If there is health and safety issues then they will need to be remediated by HNZN the inspection is a property assessment nothing to do with HNZN role as a landlord.

A number of questions were hard to hear (they have been omitted from the notes – apologies)

Q. From a Real Estate perspective the properties are being offered "as-is"? Some houses devalued do I have to improve the "as is" standard? The money paid out for earthquake damage – will that be passed on?

A: HNZN remediated 5000 properties 700 new properties with insurance –Important we have snapshot up to date – not just about remediating defects today – and maintenance needed over

time. Prospective purchasers need to model all that information to give a firm price as part of the proposal.

Q: Confirm houses transferred will be available in perpetuity?

A: Title transfer only for social housing ensured by an encumbrance placed on title – transferred back to Crown if community provider fails to meet obligations and contract terminated. Contract term 25 years plus 25 year renewal – (no agreement Crown can buy back property).

Q: Why were these three particular suburbs chosen over others?

A: Because still work to be done to remediate properties. In other areas were high work focussed on in other areas. These areas less priority post-earthquake there is also an opportunity to reconfigure the properties.

Q: Regeneration redevelopment what would that look like?

A: There are a number of vacant sites transferred, also new provider use them to build new social housing development there; also underutilised not fit for purpose homes. Maintenance upgrade too significant too big. Some houses may be reconfigured replaced by three town houses on the larger section.

Q: Does the Community housing sector have the capacity to take up the offer transfer? – Whether they can manage the maintenance –?

A: All providers local, national, international can bid. – Still need to be a NZ Registered Community Housing Provider to meet requirement of the regulator. Entities outside NZ have become registered and providing housing. Important any new provider is to have links with local communities and local services.

Panel Discussion: Naenae Higgs HNZC Tenant; Jill Hawkey Executive Director Methodist Mission Co-Chairperson of the Te Waipounamu Community Housing Providers Network ; Paul Cottam Principal Policy Advisor Social Housing Christchurch City Council; Sarah Sinclair Principal MSD Project Manager for Transfers. Our panellists are drawn from a cross section of the community who have an interest in stock transfer. They have been invited to pass their opinion and comments they have heard today.

Naenae Higgs – Long-time HNZC tenant – working with Bryndwr Community to stop the sale of Housing New Zealand houses.

My own opinion I don't want the sales to happen – I believe we have more broken houses and what this is effectively doing is putting a whole host of houses onto a provider that need to be fixed.

We have just come through the streamline HNZC with MSD - it was arigmarole – difficulties to get things fixed 21 days to get things fixed?

I have a whole range of mental illness I feel for myself there is no box I can be put into. I feel that way and others are the same – however we are being put in a box that says we need help. Most of us don't, we just want to be treated like human beings in our own homes like anyone else.

Sarah Sinclair MSD –Team will Augment changes if they go ahead, so we are interested to be here today, to hear your concerns your opinions so if this does go ahead it can be as smooth as possible.

Jill Hawkey – Director of the Methodist Mission and Co-Chair Community Housing Providers Network with Garry Moore. We are a registered CHP 60 properties – targeted at families and older people, interestingly as a provider we are in the mid-range (not large like OCHT but also not one of the smaller ones either).

So with reference to the question of capacity – we have 60 houses and we are talking about 2.5 thousand houses being offered, is the Mission going to put in a bid? I don't think it is a difficult question to answer. I am concerned here, because we are not a disinterested party – social workers tell me the biggest issue impacting on families they are working with is housing. Housing is the biggest issues for families – quality and ability to get affordable shelter is impacting people's lives. 500 on register alone this has not changed. Is this new programme sorting this problem? Am

concerned where we are putting our time and energy – this could be a huge diversion of our time and energy.

Paul Cottam –Christchurch City Council. Similar to Jill we are not a disinterested party – not formal view or position still interested in outcome – early work in Shirley with HNZN – CCC own 50% land in area – working on early planning to redevelop community redevelopment – now on hold.

Clearly one thing we will do is look to work with new agency to achieve urban redevelopment outcomes. RMA point of view district plan adopted – plan mechanism allows redevelopment to take place.

Council housing policy – first principals are based on the human rights framework. Further underpinning that ensure people stay in place in community and assist community housing providers to build social and community housing in our communities. CCC would like to work with entity to achieve those aims.

Q: Why treasury and MSD leading this body of work?

A: Because Crown asked Treasury to lead transfer transactions (unusual role for treasury) other aspects social housing, reform programme role with MSD, MBIE, HNZN. MSD role in the transaction alongside Treasury is the transition stage - signed contract MSD takes lead of the work. Transition, implementation, regional tenants.

Q: Can you explain procurement/purchasing strategy?

A: In Christchurch what we are going to spend in related rent subsidy. In terms of your numbers 500 on the register and as Treasury mentioned 270 new supply for Christchurch. This includes the 150 as part of the transfer provided by the new CHP. Tenants access IRR, MSD pay subsidy to provider.

Q:/Statement: Paul? Keep our Assets – cut to the basics –If the purpose is to increase the quantum and improve the quality would it not have been simpler to tell the government don't skimp all the money off HNZN, but reinvest it and spend the money first?

Second if private providers going to be given or quote for the management rights – NGO organisation (difficulty raising money) what is left but private companies – motivation to maximise profits – from tenants or government.

Q: Jennifer Janson – Tamaki Housing Group Auckland – Auckland experience of houses transferred over to a company and their tenancies are currently on sale. Question is about current contracts. What will happened to their current contracts? Will they be made null and void? And their new contracts – will they be the same as what has happened in Tamaki and be 3 year contracts?

A: Tenancy agreement transfers to new provider – same agreement stays with tenants. No time limit on the tenancy agreement itself – extent the tenants remains eligible for social housing and receive IRR there is no end to their tenancy - Tenants have all their rights projected under the RTA – but also obligations of Social Landlord through RTA and Community House Regulations. Not sure about the Auckland example – MSD does have a policy to review tenancies every three years – this applies across the country to ensure that people are still entitled to tenancy.

Q: Glen Livingston City Councillor comments on overheads. - Social housing provider – state summary points weaken - Demonstrating what it takes to be a social landlord – tenant's security of tenure.

Ownership change nothing changes for the tenant – tenants do see that it is a change?

A: Perspective of the tenants remains the same covered by the RTA, regardless of the owner.

Q: In relation to Tauranga and the advantages to Tauranga tenants– why could have those improvements not have happened within HNZN?

A: HNZN no comment to add.

Naenae eloquently outlined the difficulties in the previous shift from HNZN/MSD. Similar to like navigating a new landlord – assured neighbours have same problems but can only speak for self.

First HNZN as Landlord great, – when started going to MSD response was to call HNZN call HNZN response was call MSD. All lunchtimes when working trying to get between both providers – supposed to be streamlined – did not do anything us for us. 6 months for oven to be fixed, 21 days for people to look at oven – no oven for Xmas dinner. Who is going to police these new providers? can't speak for HNZN – so how are you going to police the ones going forward?

Q: John Minto: Treasury with its desperate housing shortage in Christchurch why is it that the government has given no cost benefits analysis of the government providing the houses And improving social services through HNZN?

A: My role to implement the transfer's process – Govt. Role to make decisions on transfers and where they will happen – unknown if there has been some work done, Can't comment if it has been asked.

In 2010 advisory group established by Govt., group interested parties NGO advisors etc. – came up with 19 recommendations. One of which was the need to be diversity of ownership more providers doing things differently / Different approach – then we can measure that.

<https://www.beehive.govt.nz/release/housing-advisory-group-members-named>

<http://www.treasury.govt.nz/statesector/socialhousing/pdfs/sh-1830212.pdf>

Alan from Salvation Army Policy Unit presented on the economics of social housing – thorough research on that economics of social housing. ATTACH LINK TO DOCUMENT LISA HAS

Q: Lianne electorate agent for Poto Williams. Sarah, as part of the stock transfer and ongoing monitoring what things are you intending to put in place to get people the help they need. I spend a lot of time currently getting shunted between the two organisations as well. Had to circumvent and go to management – what are you actually looking to implement to streamline – for tenants

A: stream-lining the bounce between HNZN and MSD?

Working with HNZN recognise there have been issues. Implementing new training processes between staff - working to improve it. Individual situations/problems I encourage you to raise with regional reps and we can look at improvements. Feedback to regional reps so we can improve services

A: Karen about monitoring of contract: Quite a stringent contract in place number of performance requirements and availability requirements maintenance etc. Stringent report requirement failure - financial penalties – MSD monitoring agencies does need to monitor performance. All the mechanisms are in place and the CHP to publish its performance publically. This information will be used to benchmark providers eventually.

NaeNae Higgs: Already had all this rigmarole – Comcare put into my home under new scheme – already fights between who is responsible for what I am stuck in the middle. Tenants put behind everything else how long tenants have to suffer before an even keel.

Fix HNZN, first fix houses; then after that move them onto to another provider – fix your own first. People on backburner for everything else for way too long.

Fay Birch – ChCh City Council Tenant now OCHT tenant (*unfortunately difficult hear*). Treasury role in terms advice to government – any advice on reforming and relooking at the RTA, very complicated to transfer complicated to tenants – without all the intrusion – Treasury recommended to Govt. to open up RTA and maybe put a category in for social housing providers like boarding house tenants?

A: Treasury not agency responsible for that legislation MBIE responsible – people looking at the Act and amendments proposed but not our agency and Minister. Don't know what advice Treasury have provided in relation to that.

Lisa TPA: RTA applied to residential tenancies – covers social housing tenants – when large landlord like HNZN you may end up with a 0800 number - call centre/email etc. It is however up to how we use it (The RTA) and not what's in it. Remember social housing tenant can just fill in a 14 day notice and just pop it into the office like anyone else. And there is a difference between the landlord's policy and the law and I advise you to find out which is which.

Q: Disability training – will the new housing providers have training across disability areas?

A: Very good suggestion looking for providers who can bring more to looking after different needs for different tenants.

Q: Will a mechanism like the state house appeals authority be available for tenants. MSD has their own review process, reviews now through MSD and through RTA. Separation in 2014. **MSD TO PROVIDE INFORMATION FOR NOTES**

Q: Nathan If transferred to an Australian provider – how does the provider prove they have a long standing relationship with various agencies in the room?

A: Opportunity opened to everyone NZ, Australian but there is a lot they need to go through to provide they can deliver on the services. Capability is around community links – providers to establish community links. One of the criteria in EOI and proposals how and what links the new provider intends to establish and build on.

Comment Bryndwr community (Homeowner): Involved in this issue two years ago - seeking major intensification to support housing recovery after the earthquake. We were advised by HNZA that the major intensification was not possible because the wastewater infrastructure was not sufficient. We have heard nothing to say what has changed. Yet you are coming up with proposals saying that intensification is?

Touted making it better for tenants, not once have I heard one thing that says how that will be measured and who is going to measure it? Housed for duration of need – every human needs a house and that is a lifetime need. Proposal to institutionalise dependency. With the 25 year contracts, what has been taken off the table is people living in these areas, is the right to buy and right to permanent housing. –People don't move on from the houses the providers do. House them once and house them right.

As representative of the community at a meeting held a couple of weeks ago, I ask you put this on hold. We are not involved in it, we want to have intensification densification it needs to be done as part of a masterplan with the people of the area.

Community governance strengthened and implemented we want to develop a charter of rights for tenants in State and Social houses. Not the houses, but the tenants are turned to the products and sold, they are being captured type of feudalism – we don't want it in our back yard. Tenants receiving end of the services –If they were in the health sector they would have a code of patient rights – informed consent – right to information nothing like that is going on here.

Treasury led by capacity – reducing the capability of community and tenants which is fundamentally that is what this option does; it does not increase options for tenant's community and society.

Request of Bryndwr Community is to put this on hold go back to the drawing board and go back to how a progressive and principled society can house everybody.

Comments: ChCh City Council – point's infrastructure issues – modelling Shirley and other areas – potential purchasers of the stock can seek that information. Master planning hand in hand with community governance – could not see how you could not see it that way.

In relation to right to buy new areas of exploration – often does not replace what has been bought. ChCh City Council has just announced funding for affordable home ownership today.

<https://ccc.govt.nz/the-council/newsline/show/1606>

Lisa wound up the meeting with a special thanks to NaeNae and all the other panellists and to Treasury for their presentation

Other material of interest:

<http://www.salvationarmy.org.nz/sites/default/files/uploads/20140723SPPUAlanJohnsonspeechMar14.pdf>

<http://www.socialhousing.govt.nz/#TheSocialHousingReformProgramme>

Next housing forum 17th May. Topic to be advised