Long Term Plan 2018-28 Service Plan for Assisted Housing

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Approvals						
Role	Name	Date of sign-off				
Activity Manager	Bruce Rendall	Willendall				
Finance Manager	David Leighton	0GD-				
General Manager(s)	Anne Columbus	Halubus				

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What does the overall Group of Activities do and why do we do it?

Housing is vital. It keeps us warm and dry, contributing to health, economic, environmental and social outcomes. Provision exists on a continuum, reflecting the community's different capacity to access adequate housing needs. Delivery is by a range of actors, each with valid, active and valuable parts to play across the public, private and community sectors.

The spread of housing activities and challenges can be portrayed as a continuum (Figure 1). At one end is social housing. This includes including emergency housing such as for the homeless and others in need as much as supported/assisted social housing rental. Social housing can be defined as not-for-profit housing programmes that are supported and/or delivered by government, or community housing providers, to help a range of disadvantaged groups to access appropriate, secure and affordable housing.



Figure 1 Housing Continuum

Low or even middle income households can find it difficult to access housing, especially close to employment opportunities. For these households governments and other actors use policy and other drivers to provide affordable housing. Affordable housing can be defined in terms of low to middle income households (i.e. those households earning up to 120% of median household income) spending no more than 30% of their gross income on rent or mortgage costs.

Market housing is private housing bought, sold or rented under prevailing open market conditions, largely without any direct assistance. In any given area there may be a mixture of housing types, as well as housing tenure groups within them across a range of household incomes.

Council, with government and other actors, has a role at assisted end of the continuum. Its role is as a provider of social housing and, an emerging role in shared equity schemes. Council is still involved at the market end of the continuum, albeit its role is more supply side focused through land use planning and infrastructure provision.

In its various roles Council focuses on trying to achieve the vision:

"That all people in Christchurch have access to housing that is secure, safe, affordable, warm and dry. We want a city where anyone who wants to be housed can be. As a basic human right, we recognise that good, adequate housing is the building block of individual wellbeing and strong communities, ensuring that all our citizens can be all that they wish to be"

Housing Policy, 2016

This service plan addresses the assisted end of the social housing continuum. The market end sits within other service plans as the activities have broader outcomes than housing alone.

Major elements of Council's "assisted" housing activities include

- Social Housing Asset Management (including managing leases with Community Housing Providers)
- Policy and Strategy development including research to support policy
- Advocacy
- Development of funding and facilitation initiatives (eg Housing First investigations)

1. What does this activity deliver?

This service provides the following sub-activities:

- Social Housing Asset Management (including managing leases with Community Housing Providers)
 - Planning for the delivery of Council's social housing goals in perpetuity including monitoring the condition of assets, devising management strategies to achieve financially sustainable outcomes, and planning for the replacement of units at the end of their useful life:
 - Managing renewal and major maintenance projects. This includes the design and physical works and managing the temporary relocation and rehousing of tenants; and
 - Undertaking legislatively required and / or policy mandated asset upgrades such as insulation installation or energy efficiency measures.
- Policy and Strategy development
 - Undertaking research to support policy;
 - Contributing to, developing and reviewing Council policy documents applicable to housing such as the Housing Policy or Social Housing Strategy
 - Providing support to the Christchurch Housing Accord Steering Group
- Advocacy
 - Advocating to central government for funding and policy outcomes
- Development of funding and facilitation initiatives
 - · e.g. Housing First investigations in the emergency housing space
 - e.g. a shared equity scheme in the affordable housing space

2. Why do we deliver this activity?

Council has a vision for housing in Christchurch:

"That all people in Christchurch have access to housing that is secure, safe, affordable, warm and dry. We want a city where anyone who wants to be housed can be. As a basic human right, we recognise that good, adequate housing is the building block of individual wellbeing and strong communities, ensuring that all our citizens can be all that they wish to be"

Housing Policy, 2016

The activity in this service plan addresses one of Council's roles – the provision of assisted housing. Plans for the delivery of Council's other roles in supporting housing activities across the district sit in other service plans.

Assisted housing can be defined as housing programmes that are supported and/or delivered by a range of agencies to help low income households and other disadvantaged groups to access appropriate, secure and affordable housing.

Council has been providing affordable accommodation to low-income residents of Christchurch for almost 80 years, being a pioneer of social housing in New Zealand. The first units were built in 1938 – 16 pensioner units in Sydenham. Today it owns 2478 units, located across the city and on Banks Peninsula, which makes it one of New Zealand's largest owners of social housing.

While there is no legislative requirements for providing assisted housing, Council's role in provision is justified as it enables community outcomes, is consistent with its strategic directions, and is supported by appropriate policy validation.

Table 1 shows the community outcomes enabled by social housing. Table 2 shows how social housing supports Council's emerging strategic directions.

Community Outcome		Justification			
	Strong sense of community	Having access to housing is a major key to a sense of community as it enables people to take part in the community and access services and facilities.			
Strong Communities	Active participation in civic life	Not having a home inhibits participation in civic life. Not having a home address can make it difficult to take part in or use basic services in the community such as enrolling to vote, getting a bank account or even a libra card.			
	Safe and healthy communities	Having a home is the first step to keeping a person safe and healthy. Providing homes to those in need helps keep both them and the public feeling safe.			
Liveable City	Sufficient supply of, and access to, a range of housing	By providing social housing, Council contributes to the supply of housing for those in need and those who would otherwise find it hard to access housing.			
Healthy Environment	Sustainable use of resources	Council's social housing is built, maintained and renewed in a way which promotes sustainability and energy efficiency.			
Prosperous Economy	An inclusive, equitable economy with broad-based prosperity for all	Housing is a key area through which social and economic well-being is influenced. Adequate housing is strongly linked to economic performance.			

Table 1 Community Outcomes enabled by Social Housing

Strategic Direction	Justification
Enabling active citizenship and connected communities	Providing housing to those in need enables them to access essential services such as enrolling to vote. Having a home is also a corner stone of participation in the community as
	a person usually would need to feel safe, secure and healthy in order to do so.
Maximising opportunities to develop a vibrant,	Mixed tenure and typology ventures are being explored as opportunities arise. The energy
prosperous and sustainable 21st Century city	efficiency and accessibility of a unit or complex also underpins this strategic direction.
Informed and proactive approaches to natural	The location and maintenance of social housing is being considered in regards to flooding
hazard and risks	and other natural hazards.
Increasing active, public and shared transport	Locating new social housing units in close proximity to public transport links enables the
opportunities and use	use of these by the tenants.

Table 2 Strategic Directions enabled by Social Housing

Council's broader direction for housing, including assisted housing, is set out in the Housing Policy 2016. Other direction setting documents including the amended Christchurch Housing Accord 2017 and the Council's Social Housing Strategy 2007.

The Housing Policy 2016 contains several goals that impact on the delivery of Council's social housing portfolio. Pertinent goals include:

- Retaining affordable housing Develop a range of creative, collaborative and innovative ways to ensure the co-ordinated long term
 promotion, provision and retention of both social and affordable housing.
- Housing quality Improve the standards, regulations and monitoring on housing design and quality to achieve healthier housing for households irrespective of their income.

The Accord's ongoing goal is to support a well-functioning, private-sector led housing market in Christchurch, including sufficient supply at the lower end of the market to ensure adequate access to housing for those with lower incomes. Initiatives relevant to Council's social housing portfolio include:

- Establish a housing entity or entities capable of meeting the requirements of being registered as a Community Housing Provider, to redevelop Council owned social housing assets and to develop social and/or affordable housing to better meet future housing needs of the city.
- Crown to fund the Council to purchase 42 units at Linwood Village and undertake future remediation. Council to use units for earthquake-related temporary social and affordable housing and ultimately transfer units to the Otautahi Community Housing Trust for relocation and reuse.

The current Accord is amended to reflect current circumstances. The original Accord, ratified in 2014, set targets related to additional social housing units. Specifically it contained a target to add 700 net additional social housing units to the total housing stock by December 2016. This target is no longer in the amended Accord because at December 2016, it had been successfully achieved with 854 units completed.

The Social Housing Strategy recognises that the Council has a leadership role in the provision and facilitation of social housing in Christchurch and contains seven goals (Table 3).

Strategic Principle	Goal	Key Objectives	Delivery Agency
Partnership	Developing and sustaining partnerships and relationships which contribute to social housing provision in Christchurch, fostering	To continue to develop increased understanding of the roles and responsibilities of other housing services providers.	Council / Community Housing Providers
	opportunities for tenant well-being and community integration.	Foster sustainable tenancies and tenant well-being by linking tenants with community support services.	Community Housing Providers
		Further develop partnerships around appropriate housing for people with disabilities and emergency housing.	Council / Community Housing Providers
		Enter into funding partnerships with other providers, including central government, NGOs and private sector.	Council
		Identify and address gaps and trends in housing by working with key stakeholders.	Council
Managing Demand	Identifying and managing the demand for social housing in	To forecast the likely demand and geographic locations for social housing in the Christchurch area for the next 20 years.	Council
	Christchurch.	Increase understanding of where housing needs are likely to occur.	Council
		Council will maintain, upgrade and where appropriate increase its supply of social housing.	Council / Community Housing Providers
		Collaboratively develop policies and plans to manage housing demand in Christchurch.	Council
Location	Locate provision near community hubs and social services, such	To locate social housing developments, where practical, close to community hubs.	Council

Strategic Principle	Goal	Key Objectives	Delivery Agency
	as community centres, shopping centres, transport links and health services where	Support the location of emergency and transitional housing near community services.	Council
	possible so as to foster community connections and tenancy stability.	Seek to provide social housing where the need is recognised.	Council
Brokerage and Advocacy	Council acts as a broker and advocate for the availability of	Advocating to government, charitable trusts, non-profit organisations and private sector for the provision of social housing.	Council
	social housing	Develop processes to measure and quantify the demand for social housing.	Council
		Investigate the benefits of developing, implementing and maintaining a central register of social housing agencies in Christchurch.	Council
Compatibility and Integration	Giving priority to the compatibility and	To continue to develop and implement processes which assess tenant needs and provide healthy living environments for tenants.	Community Housing Providers
	safety of Council tenants both within housing complexes and the community.	Continue to identify and facilitate links to support services to enhance tenant well-being.	Community Housing Providers
		Make available housing placements appropriate to need.	Community Housing Providers
		Work with others to promote shared responsibility for harmonious community relationships.	Community Housing Providers
Facilitation and Resourcing	Council promotes and facilitates the provision	To encourage developers to provide affordable and/or social housing in residential and mixed use developments.	Council / Community Housing Providers
	of social housing that is recognised as a	Promote good urban design of social housing, including universal design principles that maximise physical accessibility, mobility and	Council / Community Housing Providers

Strategic Principle	Goal	Key Objectives	Delivery Agency
	high quality service	independence.	
	environmentally	Support best practice for warm, dry and safe housing.	Council / Community Housing Providers
	sustainable.	Continue to ensure appropriate resources are available to manage complex tenancy needs and partnerships.	Council / Community Housing Providers
		Be the leader in quality social housing service provision.	Council / Community Housing Providers
Service Sustainability	Council operates a social housing service	To set rentals that provide for the sustainable operation of, and investment in, Council's social housing portfolio.	Council / Community Housing Providers
	that is both financially sustainable for Council and financially affordable for tenants.	Rents are set at affordable levels for tenants ³ .	Community Housing Providers
		The Council's social housing operation is rates neutral ¹² .	Council / Community Housing Providers

Table 3 Housing Responsibility Matrix

3. Specify Levels of Service

The Levels of Service, Performance Measures and Performance Targets for Assisted Housing activity are provided below. Shaded rows are the levels of service and performance measures to be included in the Long Term Plan. Non-shaded rows are non-LTP management level measures.

Perform		P		Current Benchmarks Performance	Benchmarks	Future Perfo	gets)	Future	
of Servi	ds Levels ce	(Activities will contribute to these	Measurement (We will know we			Year 1	Year 2	Year 3	Performance (targets) by
(we provide)		results, strategies are meeting the level of service if)				2018/19	2019/20	2020/21	Year 10 2028/29
18.0.1			18.0.1	18.0.1		18.0.1	18.0.1	18.0.1	18.0.1
1.0.1	Council makes a contribution to the social housing supply in Christchurch	Council contributes to housing supply for those in need and who would otherwise find it hard to access housing.	Number of social housing units in Council's portfolio	2,478 units	Wellington City Council has 2,184 rental units (note not all are social housing units) Dunedin City Council has 941 rental units	2,052 units.	2,052 units	2,052 units	2,052 units
18.0.4			18.0.4	18.0.4		18.0.4	18.0.4	18.0.4	18.0.4
1.0.2	Council makes a contribution to the social housing supply in Christchurch	Council owned units are available for use	Number of operable Council-owned social housing units that are available for lease.	2,306 units 93% utilisation rate	Not assessed	1,972 units 96% utilisation rate	1,972 units	1,972 units	1,972 units

LOS 1.01.1 shows a reduction in the number of social units in Council's portfolio between the current performance and the proposed targets. Table 4 indicates the reasons for reduced numbers of units. The majority of units contributing to this change will still be available for social housing purposes albeit through a new owner, the Otautahi Community Housing Trust.

Table 4 Reasons for Reduced Numbers of Social Housing Units

Number of Units Calculation	
Current number	2,478
Less demolitions	-81
Add new builds	5
Less units transferred as part of the \$50M capitalization of the Otautahi Community Housing Trust	-350
Number of units in portfolio	2,052

Council established the Ōtautahi Community Housing Trust in 2016 to manage its social housing tenancies. The Council owns its social housing buildings and land but leases these assets to the Trust. The Trust is responsible for tenancy management, rent-setting and the day-to-day maintenance of units (from 1 July 2017), while major repairs and renewals remain the Council's responsibility. Over time, Council's expectations are that the Trust will also develop its own social housing for Christchurch.

During the setup phase, Council approved the use of \$50m of social housing assets to capitalise the Trust. Capitalisation will take place through the gifting or "loan" of land, buildings and other social housing assets. While only \$5m of the total \$50 m is gifted, the remaining \$45m worth of properties (350 units) is effectively no longer controlled by Council, leading to its removal from the level of service.

The units identified for demolition were damaged during the 2010 / 2011 Canterbury earthquake sequence and deemed uneconomic to repair.

No change is forecast to the LOS across the life of the LTP due to existing policy settings and funding constraints. Council's policy prioritises operations and maintenance over new builds, and requires that social housing be rates neutral. Council has established a Social Housing Fund to guarantee rates neutrality. At present the fund does not contain sufficient cash to fund new or to replace demolished social housing units.

In LOS 1.0.2 "operable units" are defined as those that are capable of being utilised for the purposes of housing tenants. This includes property that is not currently tenanted, but could be tenanted in the future (eg minor maintenance, vacancy). Council aims to have 96% of units let or available for letting at any time. The remaining 4% are considered "unavailable" due to major repairs (eg methamphetamine or asbestos decontamination, fire damage - up to 30 units), proactive renewals. (eg internal redecorations - up to 25 units) and 25 "motel" units to house tenants while their "normal" units are unavailable because of works.

In addition to the Long Term Plan measures above, there are several internal management measures used by Council to assess performance against its policy objectives. These are shown in the tables below.

Performance Standards Levels		evels Measurement Performance		Benchmarks	Future Performance (targets)			Future Performance	
of Serv	vice	(Activities will contribute to	(We will know we			Year 1	Year 2	Year 3	(targets) by
(we prov	ide)	these results, strategies and legislation)	are meeting the level of service if)			2018/19	2019/20	2020/21	Year 10 2028/29
Social	Housing Asset	Management		•			·	•	•
18.0.7			18.0.7	18.0.7		18.0.7	18.0.7	18.0.7	18.0.7
2.0.1	Council maintains Social Housing as a rates-neutral service A principle of its Social Housing Strategy 2007 is that Council's social housing provision is self- funding. This is further reinforced in the goals, where provision is to be "rates neutral".	No rates subsidy is required to provide and maintain Council's social housing portfolio	The Social Housing fund is solvent (ie >\$0 and able to meet all budgeted costs on an annual basis) The Social Housing fund is solvent (i.e. >\$0 and able to meet all budgeted costs over the life of the Long Term Plan (10 years)) including allowances for future renewal needs.		Deloitte Model June 2016 Yr1 – 18/19 - \$8.1M Yr2 – 19/20 - \$0.34M Yr3 – 20/21 - \$0.72M Yr10- 28/29 - \$32.3M Following review of the Deloitte model the expenditure profile has been changed to avoid the predicted high risk period in 19/20 and 20/21. These changes are reflected in the future performance targets	\$9.3M	\$5.3M	\$2.8M	\$24.8M

Perforr Standa	nance irds Levels	Measurement Performance	Benchmarks	Future Per	Future Performance (targets)				
of Service		(Activities will contribute to	(We will know we			Year 1	Year 2	Year 3	Performance (targets) by
(we provi	de)	these results, strategies and legislation)	are meeting the level of service if)			2018/19	2019/20	2020/21	Year 10 2028/29
18.0.5.1			18.0.5.1	18.0.5.1		18.0.5.1	18.0.5.1	18.0.5.1	18.0.5.1
2.0.2	Tenants of Council owned housing complexes are well housed	Tenant wellbeing and effective management of Council owned assets	Proportion of tenants satisfied or very satisfied with condition of unit This Method of Measurement will change from the CCC tenant survey to the CHP tenant survey to account for the transition of tenancy and minor maintenance responsibilities to CHP.	64%	Wellington City has a target of 85 %	≥65%	≥65%	≥70%	≥85%
18.0.5.3			18.0.5.3	18.0.5.3		18.0.5.3	18.0.5.3	18.0.5.3	18.0.5.3
2.0.3	Tenants of Council owned housing complexes are well housed	Tenant wellbeing and effective management of Council owned assets	Proportion of units with interior condition of ≤4 The scale is 1: Very High condition to 5: Very Low condition	83%	Due to the disparity in method and scales of condition assessments there are no benchmarks for this performance measure	85%	90%	90%	90%

Perforn Standa	nance irds Levels	Results	Method of Measurement	Current Performance	Benchmarks Future Performance (targets)		rgets)	Future Performance	
of Service		(Activities will contribute to	(We will know we			Year 1	Year 2 Year 3		(targets) by
(we provid	de)	these results, strategies and legislation)	are meeting the level of service if)			2018/19	2019/20	2020/21	Year 10 2028/29
18.0.5.4			18.0.5.4	18.0.5.4		18.0.5.4	18.0.5.4	18.0.5.4	18.0.5.4
2.0.4	Tenants of Council owned housing complexes are well housed	Tenant wellbeing and effective management of Council owned assets	Proportion of building exteriors with a condition of ≤4 The scale is 1: Very High condition to 5: Very Low condition	74%	Due to the disparity in method and scales of condition assessments there are no benchmarks for this performance measure	80%	80%	85%	90%
18.0.5.5			18.0.5.5	18.0.5.5		18.0.5.5	18.0.5.5	18.0.5.5	18.0.5.5
2.0.5	Tenants of Council owned housing complexes are well housed	Tenant wellbeing and effective management of Council owned assets	Proportion of units, where it is practically possible, that have had physical insulation installed. Property assessed against minimum insulation requirements.	57%	Requirements under sections 45 and 138B of the RTA. This requires landlords to install insulation in all units that are practically possible to do so by July 2019. Where the tenant receives IRRS, this timeframe is reduced to 90 days from the date the Tenancy Agreement is signed.	100% Applicable Units	100%	100%	100%

To achieve its policy and measure 2.01, Council maintains a social housing fund. All social housing lease payments (base rents) are paid into, and all costs are met from, the fund. Financial modelling shows that over the long term, Council's goal, and the level of services derived from this, can be met if the Social Housing Fund is only used for operations, maintenance, renewals and upgrades. The fund currently contains insurance claim proceeds, which distort the underlying position. These proceeds will be spent after the planned completion of earthquake repairs,

and this is reflected in measure 2.0.1. The underlying position would have the target at risk, however external modelling shows an improvement from year 3 onwards as the impacts of the change in delivery model (tenancy management by a community housing provider) take effect.

	mance ards Levels	Results (Activities will	Method of Measurement	Current Performance	Benchmarks	Future Performance (targets)			Future Performance
of Service (we provide)		contribute to these results, strategies and legislation)	(We will know we are meeting the level of service if)			Year 1		Year 3 2020/21	(targets) by Year 10 2028/29
						2018/19			
Development of funding and facilitation initiatives									
18.0.6			18.0.6	18.0.6		18.0.6	18.0.6	18.0.6	18.0.6
3.0.0	Generate housing options for vulnerable sectors of community through partnerships	Implement initiatives as they are approved	Successful implementation of approved initiatives. Success is defined on a case by case basis in the specific project plan.	NA	NA	Successful implementation of approved initiatives. Success is defined on a case by case basis in the specific project plan.	Successful implementation of approved initiatives. Success is defined on a case by case basis in the specific project plan.	Successful implementation of approved initiatives. Success is defined on a case by case basis in the specific project plan.	Successful implementation of approved initiatives. Success is defined on a case by case basis in the specific project plan.

The major initiative being considered at the time of writing (February 2018) is the possibility of delivering a Housing First program in Christchurch. Housing First aims to quickly move people into appropriate housing and then immediately provide wrap-around services to support their success. The goal of Housing First is to end homelessness - not to manage it.

4. What levels of service do we propose to change from the current LTP and why?

To review changes to levels of service between those adopted for the Amended Long Term Plan 2016-25 (Annual Plan 2017/18) and the draft Long Term Plan 2018-28, refer to section 4 of the draft Service Plan.

5. How will the assets be managed to deliver the services?

The maintenance and renewal of the social housing portfolio is guided by the 2018 Social Housing Asset Management Plan. Key policy and management settings, and assumptions that underpin this plan include:

- Council wishes to provide a social housing service in perpetuity;
- The provision of social housing provision is self-funding.
- Buildings have a "useful life" of 90 years, and are subject to major "mid-life" spend at 30 to 50 year intervals;
- Council must met its legislative requirements
- Council must capitalise the Otautahi Community Housing Trust to the value of \$50 million. This will require the transfer of up to 350 units to the Trust, reducing the value and size of Council's social housing portfolio.

Four major activities are used to manage social housing assets:

- Monitoring and planning (including lease management)
- Minor Maintenance
- Major maintenance and renewals (including EQ repairs and end of life replacement)
- New Builds (Growth and EQ Replacement)

Monitoring and planning is undertake in house. Key activities include condition monitoring, Asset management planning and lease management.

No new (growth or EQ replacement) housing stock has been planned to be built over the next 10 years. The social housing fund is self-funded from tenant rent and does not contain sufficient fund to allow for maintenance, renewals and growth. An additional funding source would be required to grow or replace lost units.

6. What financial resources are needed?

Refer to the Activities and Services section in the most recently adopted Long Term Plan / Annual Plan.

7. How much capital expenditure will be spent, on what category of asset, and what are the key capital projects for this activity?

Refer to the Capital Programme section in the most recently adopted Long Term Plan / Annual Plan.

8. Are there any significant negative effects that this activity will create?

The significant negative effects of this activity are presented in the table below.

Effect	Mitigation		
Potential neighbourhood discomfort with proposed changes to housing type, density and community mix	Complete effective consultative processes with neighbourhoods and key stakeholders		
Neighbouring properties house values may be negatively affected	Blind mixed tenure, where the housing type is not obvious		
Anti-social behaviour	Small complex sizes or mixed tenure sites would mitigate some of the issues		

9. Does this Service Plan need to change as a result of a service delivery review?

In recent years there has been a significant amount of analysis undertaken investigating different options and their implications for Council's social housing portfolio. 20 options were presented in a consultation document which also outlined the preferred option which was the recent creation of a Community Housing Provider to take over the tenancy services, with Council remaining as the asset owner. This was also the option that went ahead after the consultation and is the way the service is currently being provided. There is therefore no need for a new section 17A review. The full consultation document 'Statement Proposal that the Council Restructures its Social Housing Portfolio' is located on the public website www.ccc.govt.nz