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| Corporate Plan Output: Information and advice to Council | |

The purpose of this report is to:

- (a) Articulate learning points from the Australian visit of Councillor Carole Anderton, the Reverend Canon David Morrell and the Council's Property Manager, Rob Dally.
- (b) Put in place initiatives as a result of the learning points.
- (c) Consider options and make recommendations for management of the Gloucester Courts Housing Complex.

INTRODUCTION

The Christchurch City Council is the largest New Zealand local authority provider of social housing with a portfolio of 2,563 units. It is also the longest serving provider, establishing the service in 1938.

Its housing vision statement is:

“To contribute to the community’s social wellbeing by ensuring accessible and affordable housing is available to people on low incomes including elderly persons and people with disabilities.”

The generic tenancy objectives for Council housing are to provide:

- Safe accommodation
- Accommodation which is accessible (in the broadest sense)
- Accommodation that is affordable to people on low incomes.
- Accommodation that is available to all age groups including people with disabilities.
- Security of tenure.

The Council has some significant housing development projects underway and will shortly open a 37-bed, inner city, affordable housing complex to be named Gloucester Courts.

This complex has been built to help meet a number of Council policy goals, which include:

- *“the provision of additional accommodation for single men or women with one child.”*
- *“the provision of inner city accommodation for mature single men or women displaced from boarding house accommodation.”*
- *“the provision or facilitation of accommodation for those deinstitutionalised or otherwise affected by changes in the health system.”*

An outline of the development, which consists of three separate three storey modules on 1,864m² of land, is as follows:

Ten x one bedroom units.
Four x two bedroom units.
One x one bedroom unit for disabled.
One x two bedroom unit for disabled.
Four x four bedroom units (rooming house arrangement).

There will be garaging for 20 cars and “on the hard” parking for a further two. Each unit will be provided with floor coverings, washing machines, refrigerator and electric range.

The Council resolution with regard to management of this new facility is “*to call for proposals to manage the inner city housing complex on its completion*”. The key objective of the delegation visiting Australia was to discuss management options for social housing with providers in New South Wales, Australian Capital Territory, Victoria and South Australia.

What the delegation visiting Australia was wishing to achieve was:

- An understanding from both contractor and owner perspectives of what works and what does not work when contracting out the management of social housing.
- Discussion on management contracts / models for the delivery of social housing meeting special needs eg drug rehabilitation, deinstitutionalisation, disabilities in a broad context.
- Discussion on the pros and cons of asset management regimes where the Council retains ownership of the assets, would possibly contract out (to a complex manager), reactive maintenance and would probably manage scheduled maintenance in-house in accordance with asset management plans.
- An understanding of what works and what does not work with regard to the inner city tenancy mix.
- An understanding of what levels of “welfare” assistance or “social support” should be provided, by whom and at what level.
- An understanding of what works and what does not work with regard to what the contract manager should report to the Council and conversely how best the Council can “monitor” the achievement or otherwise of its housing objectives. What is reported and how often?
- Realistic expectations and achievable goals when housing people when there is a mixture of psychiatric and behaviour management problems.

SCHEDULE OF AUSTRALIAN CONTACTS

Contact was established with a wide cross section of groups with an interest in social housing comprising City Councils, Housing Associations, Policy Analysts, Department of Housing (State), as follows:

Sydney

City West Housing. A state government owned registered company reporting to the Minister of Housing.

Mercy Arms – Supported Housing run by the Sister of Mercy Nuns.

Waverly Municipal Council.

Churches Community Housing Incorporated – facilitate partnerships between churches and State Government.

Department of Housing (State equivalent to Housing New Zealand) – meeting with strategic planner.

Local Government Shires Associations (similar to New Zealand Local Government Association) – meeting with Housing Policy Officer.

Home Purchase Authority – discussion with Liquidator of State Home Purchase Scheme.

Centacare Glebe Alive Project – Catholic Church housing project for young people leaving juvenile detention centres.

Australian Capital Territory

ACT Shelter – policy advocacy group.

Havelock House – community accommodation network.

Community Housing, Department of Urban Services – ACT equivalent of Housing New Zealand.

Community Housing (Canberra) Limited – not-for-profit company at arm's length from territory government.

Melbourne

City of Darebin.

Salvation Army Social Housing Services.

Ecumenical Housing Incorporated – broker social housing between State and church groups.

Yarra Community Housing Group Limited – provider of social housing.

Hanover Housing Services – not for profit company providing social housing.

St Kilda Housing Association – provider of social housing.

City of Port Phillip.

Melaleuca Lodge – 51 bed hostel for the elderly.

Adelaide

Adelaide City Council.

South Australian Housing Trust – State equivalent to Housing New Zealand.

Multi-Agency Community Housing Association – social housing provider.

South Australian Community Housing – the social housing wing of the South Australian Housing Trust.

LEARNING POINTS

Whilst the purpose of the Australian visit was primarily to review models for the provision of housing with a higher level of social support, it is helpful to review the generic learning points prior to considering options for the management of Gloucester Courts.

The learning points have been grouped into five categories as follows:

Tenancy Issues

- Single mothers an important group.
- Bond four weeks in advance plus two weeks rent in advance (not generic).
- Formal tenancy agreements.
- Automatic termination after four weeks rent arrears – a tough rent collection regime was evident in all areas.
- Tenant participation policy – regular newsletter – focus group surveys.
- Rents for bedrooms in “rooming houses” include electricity.
- Some “rooming houses” are furnished with basic needs.
- “Rooming houses” have public pay phones.
- “Rooming houses” have refrigerators in bedrooms plus food lockers.
- Shared bathroom facilities okay with same sex.
- Seen to be a conflict of interest with one provider of tenancy services (rent) and social support – these services are separated in Australia.
- Residential Tenancies Act.
- 20% maximum disadvantaged in complexes.
- A\$250 per bed per annum property management fee.
- No restrictions on children – social mix seen as appropriate.
- A\$40,000 asset limit in Canberra – A\$30,000 in Melbourne.

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- The housing “need” groups: crisis, transitional, long-term.
- Some housing had geographic criteria for tenants (must have lived / worked in the area for two years).
- Priority waiting list to homeless / psychiatric / substandard accommodation.

Social Support / Welfare Service Issues

- No social / welfare support provided by housing managers who concentrated on core tenancy / asset management.
- Specialist social worker to support client service (tenancy) teams (Sydney).
- Annual assessment of tenants ability to cope.

Rental Issues

- Rental generally 25% of gross household income. One special model ranging from 25% / 27.5% / 30% of gross household income with thresholds of A\$21,500, A\$35,000, A\$52,000 respectively.
- Rent review generally on a six monthly basis each tenant written to and asked to provide proof of household income. If the tenant does not respond, the rental reverts to “market”.

Asset Issues

- Commonwealth Government funds capital for Community Housing Associations to buy / build housing (C.A.P.).
- “Rooming house” accommodation has master keys and individual keys for each bedroom – peepholes in bedroom doors.
- Bedsits obsolete.

Special Issues

- Conversion of central city warehouses common (up to nine storey).
- Policy of 45 units maximum in a development. Twenty units maximum preferred.
- Social housing provided by relatively small housing co-operatives or community housing associations.
- Partnerships and J.V’s between Councils / State Government and churches common.
- Housing the most integral issue that keeps people in poverty.
- Very few Council’s own housing stock.
- Some Sydney central city social housing funded from a developer levy of A\$7,008 per bedroom destroyed – following US/UK models.
- Special needs housing common eg youth, HIV, special partnerships.

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- Custodian / resident manager seen as inappropriate.
- Caravan parks for emergency accommodation.
- Research into housing affordability funded by State Government.
- Waiting lists up to eight years (Sydney).
- Mental disabilities a huge issue.
- Leases of units / floors of high rises for specialised groups.
- New South Wales State Government Home Purchase Scheme – a A\$400m disaster – extreme caution advised – clear risk analysis needed.
- State Government funds (operational) accommodation assistance (S.A.A.P.).
- Purchaser / provider split driving federal / state funded housing.
- Objectives of community (social) housing are to lower the levels of bureaucracy plus benchmarking and contestability.
- Homelessness a big problem in Australia.
- State Governments devolving housing responsibilities to other providers.
- Fully furnished emergency accommodation common.
- Four week integrated / co-ordinated city wide crisis accommodation survey (Melbourne).
- Rates rebates to developers of central city accommodation (Adelaide).

OPTIONS FOR MANAGING GLOUCESTER COURTS

Clearly there are a number of service delivery options for Gloucester Courts.

Our own thinking prior to the Australian visit, was to limit “special needs” tenants to 30% of the tenant mix and this has been reinforced in Australia where people have recommended a maximum of 20% special needs tenants in a complex the size of Gloucester Courts. This is the equivalent of seven to eight tenants which could be achieved on the basis of pepper potting the same through the complex.

The Australians clearly separate housing into three categories as follows:

- “Crisis”
- “Transitional”
- “Permanent”

As the city already has a number of agencies providing crisis accommodation, we recommend that the 80 / 20 split of tenancy for Gloucester Courts be 80% permanent and 20% transitional with the transitional ratio perhaps increasing over a period of time. By transitional we mean three monthly tenancy renewed on a needs basis up to 12 months maximum subject to the provision of agreed life-skill support as needed. It is not the intention of the Council to provide this life-skill support over and above the limited service already provided.

As a consequence of this recommended tenancy mix the following management options are available:

Option 1 – Property management services (tenancy / reactive maintenance / asset management) provided by the Council with 20% of the units (seven or eight special need tenants) being referred to the Council by a group of nominated social agencies with the proviso that those agencies sign protocols with the Council to establish / provide / monitor appropriate support services for the special needs tenants referred.

Advantages

- Proven Council tenancy / asset management expertise and systems already existing.
- Provides the opportunity to monitor and assess new arrangements in a discrete manner.
- Provides for future flexibility including conversion to options 2 or 3 at a later date.
- Can be quickly implemented.
- Separates tenancy / property management issues from social support (the Australian model).

Disadvantages

- Additional workload on the Council Housing Team.

Option 2 – a trust is established by nominated and interested social agencies. The trust would employ a part time manager to carry out tenancy / reactive maintenance services for the complex, including the management of all tenants on the basis of an 80 / 20 mix as previously suggested in Option 1 plus special needs support for the 20% special need tenants. The Council carries out the programmed asset management.

Advantages

- Introduces a concept which appears to be working well in Australia
- Creates little extra workload for the Council's Asset Management Team.
- Trust would have a need and the expertise to provide a higher level of social support than the Council currently does.
- Would facilitate some benchmarking with the Council.

Disadvantages

- Would take some time to establish.
- Could be seen as somewhat remote from Council monitoring.
- Protocols would need to be put in place within the trust to separate tenancy / property management issues from social support issues so as to avoid any conflict of interest.

Option 3 – similar to option 2 with a trust established appointing a part time manager who decides the tenants (80 / 20 policy agreed with the Council): the Council bills rental and provides reactive plus programmed maintenance; part time complex manager provides / facilitates social support.

Advantages

- Introduces a hybrid to a concept which appears to be working well in Australia.
- Uses existing rental / maintenance systems.
- Separates rent collection / property management from social issues.
- A higher level of social support perceived.

Disadvantages

- Would take some time to establish.
- Could be seen as somewhat remote from Council monitoring.

CONCLUSIONS

The visit to Australia clearly reinforced how well the Christchurch City Council is operating in terms of delivering affordable housing without direct recourse to central government funding which is atypical of the Australian environment.

Homelessness and the despair it brings were very evident in Australia. We are indeed fortunate that Christchurch does not have the same levels of homelessness experienced in Australia and perhaps does not have the same manifestation of problems that are causing that homelessness.

There is clearly a need for all Christchurch agencies dealing with our socially disadvantaged to work co-operatively so as to ensure that services, including support to those with multiple disabilities / disadvantage are appropriately funded and provided without duplication, enabling the socially disadvantaged to live independently. The Council, as a significant owner / provider of affordable housing is currently reviewing the level of social support and activities that it is providing, so it is indeed timely to be reviewing this issue in the light of the Australian experience.

In Australia, the social support is funded by Commonwealth / State Governments channelled through Housing Associations and other agencies. There is a need for Christchurch community agencies and the Council to review this matter at a strategic level, taking whatever action is necessary to ensure appropriate levels of social support are available to those in the community with multiple disability / disadvantage. A housing forum hosted by the City Council would seem a sensible start to such an initiative.

The matter of the Council using operationally surplus land for joint venture housing developments with a mix of affordable and traditional housing seems a sensible way of leveraging good financial outcomes whilst minimising risk. The Council has previously agreed in principle to such an arrangement with its Hornby housing development.

The matter of reviewing our procedures with regard to rent arrears came through loud and clear on our Australian visit where housing associations were reliant on rents for the major part of their cashflow.

The issue of increased tenant participation in the delivery of their housing is an interesting concept worthy of further consideration.

The matter of public pay phones and the furnishing of the four bedroom Gloucester Courts units needs further consideration.

Innovative ways of converting central city heritage / warehouse type buildings to affordable accommodation could serve dual purposes and needs on-going consideration.

Housing research is being funded by Commonwealth / State Government in Australia and the equivalent does not seem to be taking place in New Zealand. The Council would seem to have two options in this area; either fund / part fund Christchurch specific housing research or lobby Government to undertake this activity nationwide in an overt and consultative manner.

- Recommendation:**
1. To put in place Management Option 1 in the report for the management of Gloucester Courts, allowing for the possibility of transferring this responsibility to a social housing trust or similar body.
 2. To host a forum for social agencies and other key players to discuss social housing issues in Christchurch.
 3. To progress joint venture development opportunities for stage 2 of the Council's Hornby housing project so as to bring in private sector capital / expertise and to minimise risk.
 4. To review rent collection procedures.
 5. To consider options for increasing tenant participation in the delivery of housing services and report back to the Council with recommendations.
 6. To consider the following matters with regard to the Gloucester Courts development and report back to the Community Services Committee with recommendations:
 - Public pay phones
 - Peepholes in external doors and the bedroom doors of the four bedroom units.
 - Lockable bedroom doors in the four bedroom units with a front door master key.

- - The provision of lockable food lockers in the four bedroom units.
 - The provision of small refrigerators in the bedrooms of each of the four bedroom units.
7. That favourable consideration be given to prospective tenants at Gloucester Courts who have lived / worked in the inner city over the preceding two years.
 8. To lobby central government to carry out appropriate housing research.

Chairman's

Recommendation: That the above recommendation be adopted.