

SUBMISSION TO LTCCP

**RE: SHANDS RD
HORNBY**

**FROM: NEW ZEALAND HOUSING
FOUNDATION
ABBNEYFIELD NEW ZEALAND
INCORPORATED
BECKENHAM COMMUNITY
HOUSING TRUST**

SUBMISSION TO: Christchurch City Council

FROM: New Zealand Housing Foundation
Abbeyfield NewZealand Incorporated
Beckenham Community Housing Trust

RE Shands Road
Hornby

DATE: February 2009

SUBMISSION

Our understanding is that in the draft LTCCP there is no provision for any funding from the Christchurch City Council for the Council owned land in Shands Rd Hornby for at least ten years.

In the light of this position the parties would like to submit to the City Council that it considers seriously the proposal from the New Zealand Housing Foundation to purchase the land directly from Council.

This would facilitate the creation of a sustainable community housing development addressing the need for social and affordable housing in the area

The attached proposal was first introduced to Council in 2006 and the intentions of the parties remain unchanged

BACKGROUND TO SUBMISSION

In 2006 the parties first approached the Christchurch City Council with the attached proposal.

The proposal has been driven by the local need for various types of supported, social and affordable housing need within a planned joint venture integrated housing development.

NEW ZEALAND HOUSING FOUNDATION

NZHF is bringing to the table innovative equity sharing based solutions for making affordable accommodation available to first homeowners on low incomes. Their equity sharing and shared ownership models have been tested and proved successful in the Auckland and Queenstown markets. They have considerable commercial property development experience – with a particular focus on community based projects.

NZHF has ample proven experience and capacity to lead the initiative and guide the process of establishing the venture to a successful conclusion

ABBEYFIELD

Abbeyfield has a proven international and national record of effectively supporting the elderly in purpose built group homes and they are seeking to establish their first residence in Christchurch.

THE BECKENHAM COMMUNITY HOUSING TRUST

BCHT in partnership with the Christchurch City Council has established a successful housing model of support for those with mental health issues who often fall through the cracks in the existing housing market.

CONCEPT

The proposal promotes a “village concept” including representation from all the parties as well as the Christchurch City Council.

It will be an integrated housing project providing for a mix of ages and family situations.

We believe the proposal is a sustainable and effective social housing model for the local community and well suited to the Shands Rd site located close to community facilities, shops and transport etc

PARTNERS AND POTENTIAL CONTRIBUTORS

Housing New Zealand has already granted \$70,000 for the feasibility stage and the Canterbury Community Trust is keen to support the project once land is available.

We believe a collaborative approach involving the Christchurch City Council, the Canterbury Community Trust and Central Government will bring the necessary backbone to the project enabling all parties to deliver their programmes effectively.

By working together, a better outcome for dollars spent can be achieved for all players than if the parties were operating individually

The two Christchurch based community groups involved can attract a more significant level of individual financial support than if either group were seeking finance and building in locations independently thus losing an opportunity for an integrated and sustainable housing outcome.

Our combined research indicates there is demand in Hornby for the types of social, supported and affordable housing as contained in our proposal. Currently the land in Shands Rd is unoccupied. We think there would be a better outcome for the local community if the land is used for an integrated housing development.

SELLING OPTION

The parties are wishing to bring before the Christchurch City Council the possibility of the sale of the Shands Rd land directly to the New Zealand Housing Foundation should they not wish to be directly involved in the land development and possible economic involvement in the housing proposal.

This option would mean the Council contributes significantly to an innovative social housing venture but without ongoing financial and staff involvement.

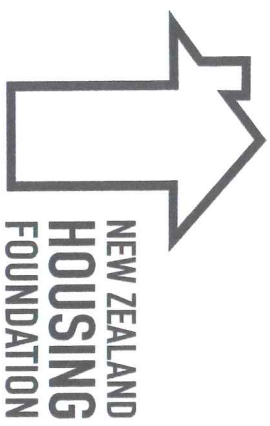
The NZHF has the capacity to enter into a joint venture arrangement with Council or purchase the land outright and would be keen to pursue the latter option

The Canterbury Community Trust may also be able to assist with purchase of the land should it be made available in the near future.

We have presented the project in various ways to staff and councillors for the past three years. We believe it is a good project for Christchurch and all parties remain committed to it . We look forward to your response.

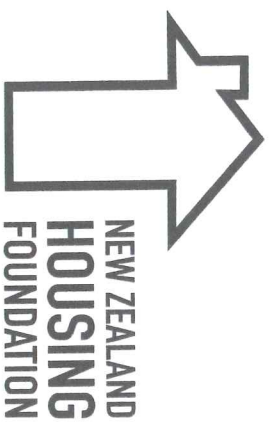
SUBMISSION FROM

New Zealand Housing Foundation
Abbeyfield NewZealand Incorporated
Beckenham Community Housing Trust



**PROPOSAL FOR A JOINT VENTURE
AFFORDABLE HOUSING PROJECT
HORNBY, CHRISTCHURCH**

Innovative housing.....empowering communities.....

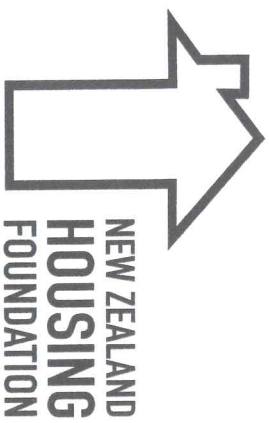


Presentation Overview

- *The Proposal*
- *The Joint Venture Partners*
- *The Project Proposal*
- *The Concept Plan*
- *The JV Development Approach*
- *Proposed Structure*
- *Proposed Home Ownership Programme*
- *Benefits for Homeowners*
- *Community Housing – BCHT / Abbeyfield*
- *Benefits for Christchurch City Council*
- *The Next Steps*



Innovative housing.....empowering communities.....



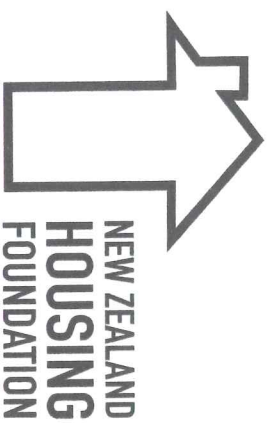
Purpose of Presentation

This presentation documents a Joint Venture Housing Partnership opportunity to develop Council land at Hornby with a range of affordable housing options to meet local housing demand.

The housing outcome will be a small but integrated community – housing over 80 people on land currently held vacant.

The proposal strategically fits with Christchurch City Council's vision statement with regard to housing:

To contribute to the Community's social wellbeing by ensuring safe, accessible and affordable housing to people on low incomes including elderly persons, and people with disabilities.



The Joint Venture Partners

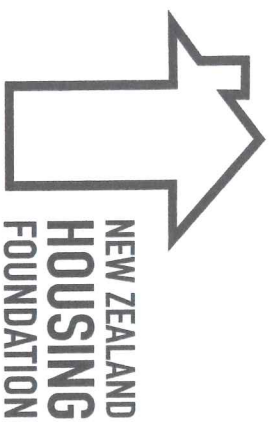
Major partners will be :

- **Christchurch City Council** - land holding and wide social housing experience.
- **New Zealand Housing Foundation (NZHF)** - leadership skills, innovative home ownership programmes and links with community groups, building industry and financiers.

*Participating Community Groups to include the **Beckenham Community Housing Trust** and **Abbeyfield NZ Inc.***

***Housing New Zealand Corporation** to be involved in providing funding to these community groups.*

In addition the project will require a reputable Developer and set of Consultants for the urban design, related consents and project implementation phases.



Beckenham Community Housing Trust (BCHT)

- *BCHT is a Charitable (not-for-profit) Trust, formed in 2000 to manage Lancewood Courts*
- *Lancewood Courts is a social housing development built in partnership with Christchurch City Council, primarily for people with emotional difficulties, on low incomes, and who would benefit from living in quality housing in a community setting.*
- *Lancewood Courts comprises 10 standard units and 1 designed for a disabled person, on a 1865m² site in Beckenham, Christchurch.*
- *Tenancy and day-to-day management is carried out by the Trust which provides part-time on-site support and also coordinates community events in the complex.*

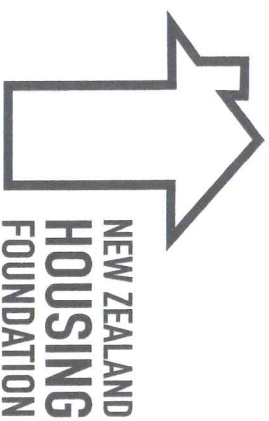
Abbeyfield New Zealand

- *Abbeyfield is an international, non-profit organisation with thousands of houses worldwide.*
- *Abbeyfield NZ was formed in 1992 and has houses operating in Nelson, Motueka, Masterton, Whangarei and Hamilton with others in various stages of planning or construction throughout the country.*
- *Most houses are built in partnership with a Council and a funding agency. The three most recent house proposals have been financed with the help of Housing New Zealand Corporation through the Housing Innovation Fund, with Council assistance and help from the NZ Housing Foundation.*

Abbeyfield Houses

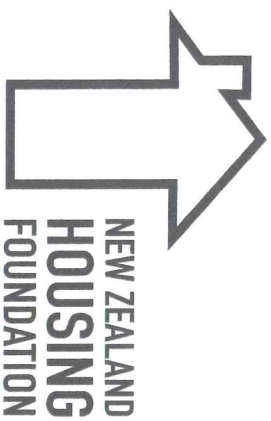
- *Abbeyfield houses are designed to provide affordable accommodation for older people who, though capable of living on their own, may be lonely and insecure, and who would welcome companionship and practical support in their daily living.*
- *Each house is based on a successful formula – building close to community facilities, having affordable weekly rentals, making the house like a “home” for 10 residents aged over 65 who will each have their own room with ensuite, sharing living areas, having a guest room for visitors, and a live-in housekeeper who provides the two main meals of the day.*





New Zealand Housing Foundation (NZHF)

- *NZHF is a Charitable Trust formed in 2002 in response to a limited community-based social housing sector and a lack of innovative housing options offering home ownership to families on low incomes.*
- *NZHF works as a catalyst/enabler for specific housing projects that would not otherwise happen, by forming and co-operating in partnerships with the public, private and “not-for-profit” sectors.*
- *By working with community groups, it has helped promote community-inspired social housing outcomes assisting people with specific needs.*



Housing Foundation Projects

- Successes to date include:
 - shared equity and home ownership housing.
 - new housing built through establishment of a carpentry-training scheme in Kaitaia.
 - assisting community groups in Tauranga, Coromandel, Nelson and Auckland to become community based social housing providers.
- NZHF has also provided seeding finance and project assistance to local Abbeyfield societies for the construction of houses in Hamilton (2005), Auckland (2006), and Palmerston North (2007).



Innovative housing...empowering communities.....

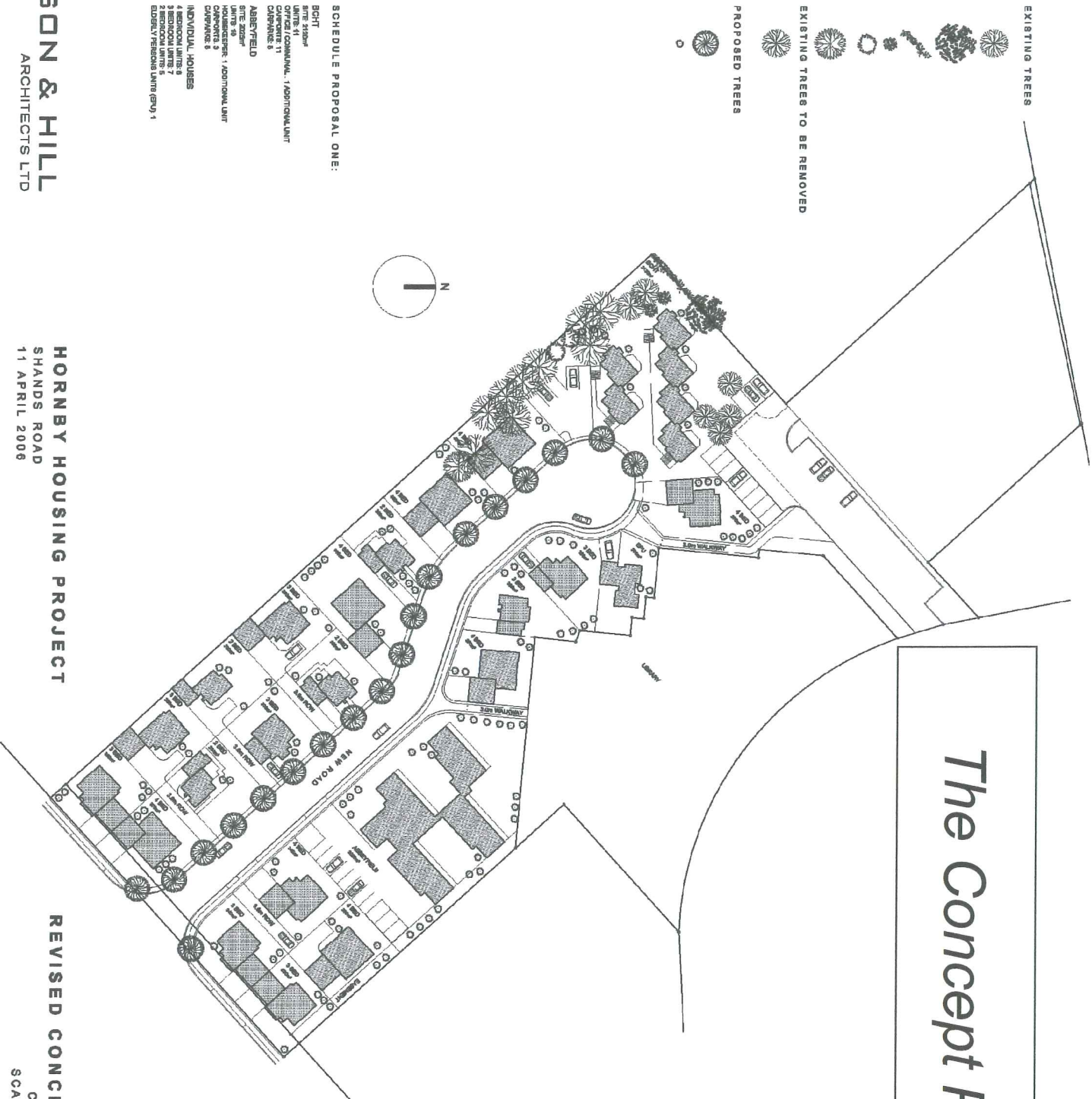
Hornby Project Proposal

Project outcome will comprise:

- *Site for an Abbeyfield House (10 residents plus a live-in housekeeper)*
- *11 units for Beckenham Community Housing Trust plus a Community Office.*
- *15 first home-ownership houses. A mix of three, four and five bedroom dwellings.*
- *5 units for the elderly.*



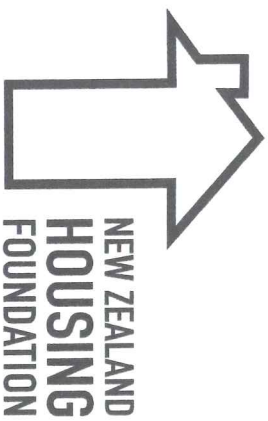
The Concept Plan



WILSON & HILL
ARCHITECTS LTD

HORNBY HOUSING PROJECT
SHANDS ROAD
11 APRIL 2006

REVISED CONCEPT PLAN
CHRISTCHURCH
SCALE 1:1000 (A3)



Joint Venture Development Approach

- *Development plan is agreed with participating community groups.*
- *Christchurch City Council land is contributed at agreed opportunity value.*
- *Capital for land development is contributed jointly by Christchurch City Council and New Zealand Housing Foundation.*
- *Christchurch City Council retains sites for Beckenham Community Housing Trust and Abbeyfield who develop their housing proposals on long term leasehold basis (i.e. 99 years) and with funding support from Housing New Zealand Corporation.*



Proposed Structure

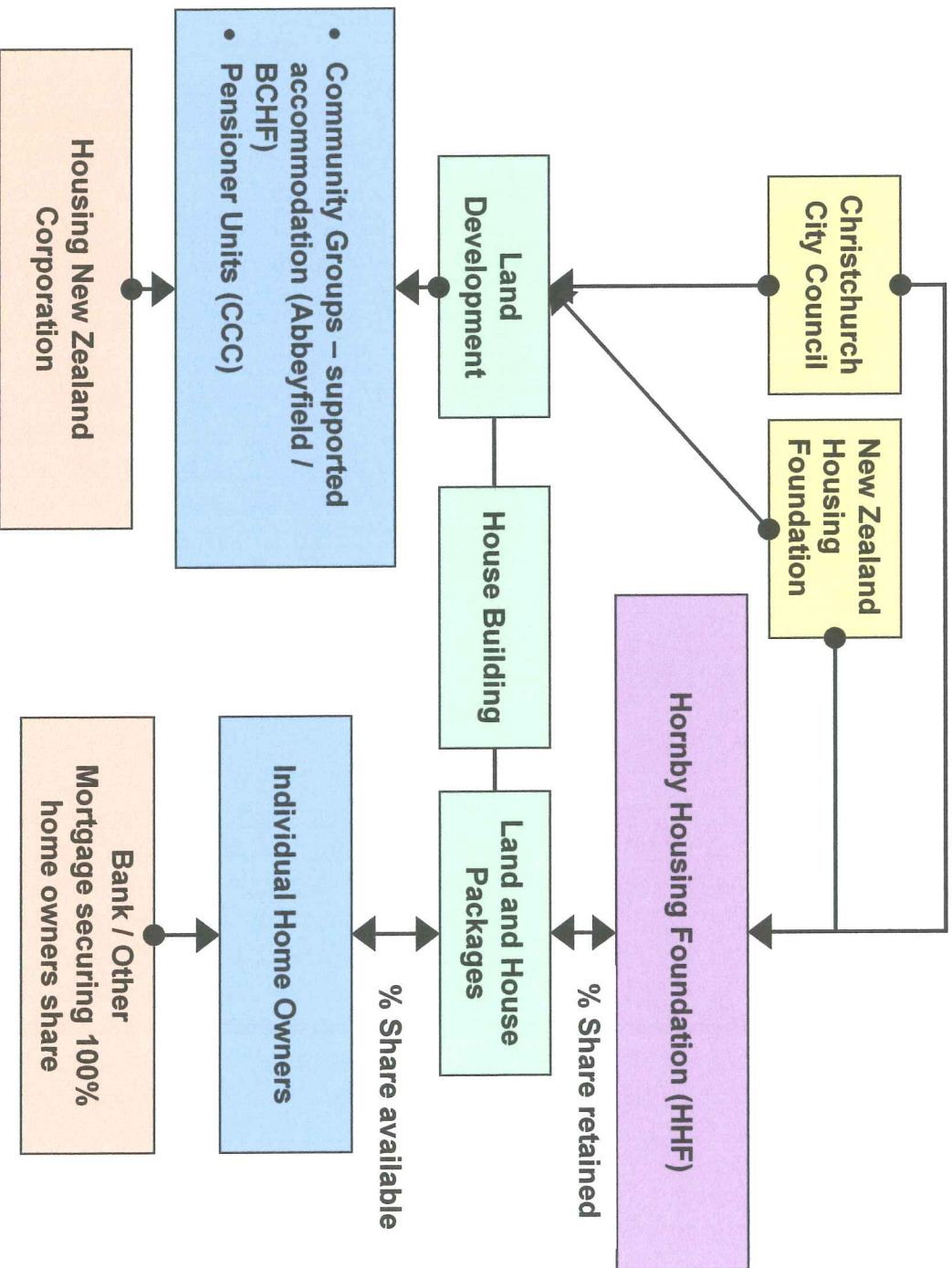
Lead Organisations

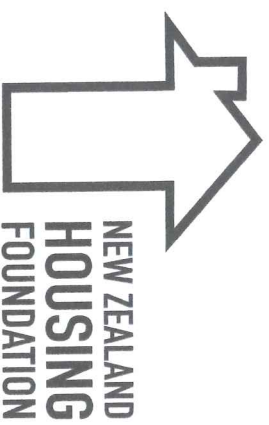
Charitable Trust

Development Process

Participating groups and clients

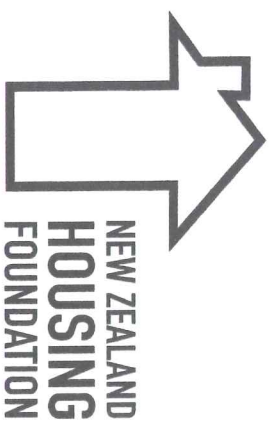
Funders





Development Approach – Hornby Housing Foundation

- Sites for the Home Ownership Programme are sold at developed cost to a charitable entity – **Hornby Housing Foundation (HHF)**.
- HHF builds houses and sells them to individual householders in terms of agreed criteria.
- The HHF retains a long term interest in the Home Ownership Scheme through equity sharing and management of the scheme.
- HHF would be owned and managed by Christchurch City Council or New Zealand Housing Foundation or jointly.

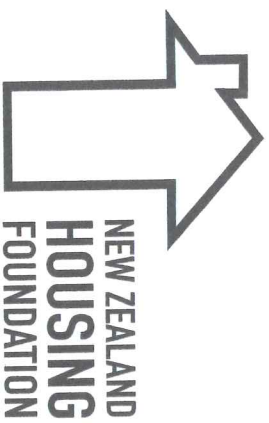


Proposed Home Ownership Programme

- *Product designed to enable 'affordable entry-level home ownership'*
- *Targeted at households wanting home ownership but lacking the deposit*
- *Ownership and capital appreciation is shared*
- *Purchase based on costs to produce - below market valuation*
- *Provides security of tenure and opportunity to build equity for home owners*

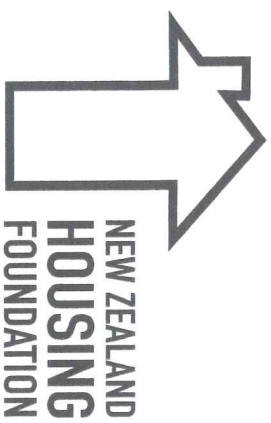


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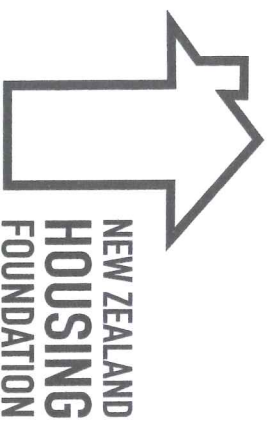
How it works

- *Houses produced by Hornby Housing Foundation (HHF)*
- *Home owner buys at development cost being less than valuation and owns this share (e.g. 80%)*
- *HHF retains the remaining share of the property (e.g. 20%)*
- *Home owner raises mortgage for their share and is responsible for mortgage repayments plus other costs of ownership (rates, insurance and maintenance.)*
- *When home owner wants to move on, they sell their equivalent share (e.g. 80%) to HHF based on an independent valuation less a management fee.*



Example

Valuation of property on commencement	\$ 325 000
Development cost = purchase price (say 80% of value)	\$ 260 000
Indicative weekly mortgage repayments (100% funding)	\$ 375
Valuation of property at a later date (resale)	\$ 400 000
Sale price to HHF (say 80%)	\$ 320 000
Equity retained by Home owner	\$ 60 000
Less a reseller's fee to HHF to meet ongoing management costs	
Property sold to new qualifying home owner	\$ 320 000

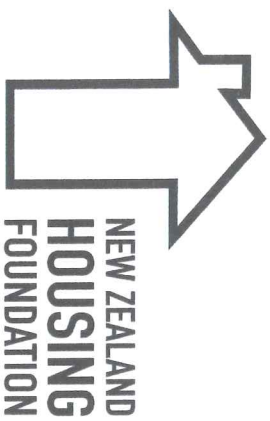


Eligibility Criteria for Home Ownership

Aimed at helping families who:

- *Are first home buyers*
- *Are on low incomes*
- *Can demonstrate a commitment to their community*
- *Maintain a good credit rating (i.e. little or no debt, or the demonstrated ability to manage debt)*
- *Are able to make weekly payments of up to 35% of gross household income to meet mortgage repayments.*
- *Are passionate about home ownership over the long term.*
- *Want to live in Hornby.*
- *Are supported/nominated by a recognised community leader or group.*

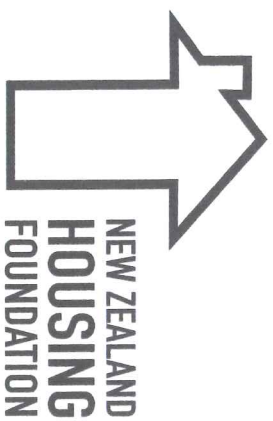




Benefits for Home Owners

- *Enables home owners to enter the housing market at a price less than they would otherwise have to pay. This results in a more affordable mortgage.*
- *The home owner is entitled to capital growth equivalent to their share of the property.*
- *Resale of the owners share is guaranteed by Hornby Housing Foundation (HHF) based on an independently assessed valuation.*
- *HHF selects new owners and on-sells the apportioned share of the property – at the more affordable level.*

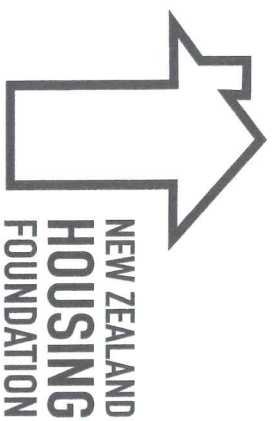




Community Housing BCHT/Abbeyfield

- Christchurch City Council makes developed land available to BCHT / Abbeyfield for social housing purposes on long term ground lease basis (i.e. 99 years) at an agreed peppercorn rental.
- BCHT / Abbeyfield source funding independently (HNZC and other) for design and construction of housing
- BCHT / Abbeyfield retain Lessee interest and own improvements
- BCHT / Abbeyfield manage supported housing outcomes

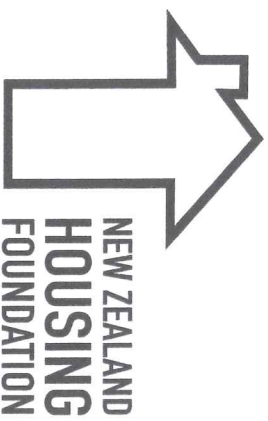




Benefits for Christchurch City Council



- *Land and development costs are realised on completion and sale of the houses. Other land for Community Groups held long term under leasehold tenure.*
- *Visible contribution to overall community development and social / supported housing. Vacant land asset utilised for community benefit. Provision of some additional Council pensioner housing.*
- *Opportunity to help local needy families into affordable houses who would otherwise struggle to finance a house for themselves.*
- *Opportunity to be involved in the Hornby Housing Foundation and in selecting new owners.*



The Next Steps

- *Heads of Agreement between parties to proceed along the lines outlined*
- *Agreement on the urban design development plan*
- *Assessment of legal title issues and problem resolution (if required)*
- *Feasibility review to determine overall project viability*
- *Relationship protocols and roles agreed*
- *Project planning stages and timelines agreed*
- *Commitment / Approval of parties to proceed*