

Housing Subcommittee

AGENDA

Notice of Meeting:

An ordinary meeting of the Housing Subcommittee will be held on:

Date: Friday 2 February 2018
Time: 9.30am
Venue: Committee Room 1, Level 2, Civic Offices,
53 Hereford Street, Christchurch

Membership

Chairperson	Councillor Glenn Livingstone
Members	Councillor Vicki Buck
	Councillor Phil Clearwater
	Councillor Anne Galloway
	Councillor Yani Johanson

30 January 2018

Principal Advisor

Lester Wolfreys
Head of Community Support,
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Petrea Downey
Committee Adviser

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HOUSING SUBCOMMITTEE - TERMS OF REFERENCE

Chair	Councillor Livingstone
Membership	Councillor Buck, Councillor Clearwater, Councillor Galloway, Councillor Johanson
Quorum	Half of the members if the number of members (including vacancies) is even, or a majority of members if the number of members (including vacancies) is odd.
Meeting Cycle	As required
Reports To	Social, Community Development and Housing Committee

Responsibilities

The Housing Subcommittee is responsible for:

- Examining a broad range of issues including homelessness, youth housing, emergency housing, social housing, the future of Council's housing stock, housing affordability schemes for first home buyers, the rental market and housing density
- Reviewing and advising on housing policy, legislation and related issues.
- Overseeing the Council's housing asset management including Otautahi lease and reporting matters
- Providing advice on particular housing matters that support Council's decision making across the continuum of social, affordable and market housing, including innovative housing solutions that will increase the supply of affordable housing
- Facilitating collaborative action across the continuum of social, affordable and market housing with Central Government agencies, e.g. Ministry for Business, Innovation and Enterprise (MBIE), Ministry of Social Development (MSD), The Tenants Protection Association (TPA), NGO's, Te Wai Pounamu Community Housing Providers Network, Housing NZ Corporation (HNZC), Canterbury District Health Board (CDHB) and providers of mental health accommodation, Department of Corrections, representatives from the disability sector, and NZ Coalition to End Homelessness (NZCEH)
- Monitoring the delivery of the Housing Policy 2016 priority actions across its 8 key goals
- Overseeing the Council's actions in relation to housing from the Greater Christchurch Partnership (UDSIC) Strategy
- Overseeing the Social Housing Strategy 2007
- Support Council's participation and leadership within the Christchurch Housing Accord.

The Subcommittee will work in close collaboration and partnership with the community, government and private sectors to find new ways and set clear targets to address housing issues including increasing the supply of affordable and social housing in Christchurch.

The Subcommittee will report back to, and obtain its strategic direction and priorities from the Social, Community Development and Housing Committee on all aspects considered under these terms of reference.

TABLE OF CONTENTS

C	1.	Apologies.....	4
B	2.	Declarations of Interest.....	4
C	3.	Confirmation of Previous Minutes	4
B	4.	Deputations by Appointment.....	4
		Public Forum.....	4
		Staff Briefing.....	4
B	5.	Presentation of Petitions	4
STAFF REPORTS			
C	6.	Christchurch Housing Initiative	9
A	7.	Housing First Proposal.....	17

1. Apologies

At the close of the agenda no apologies had been received.

2. Declarations of Interest

Members are reminded of the need to be vigilant and to stand aside from decision making when a conflict arises between their role as an elected representative and any private or other external interest they might have.

3. Confirmation of Previous Minutes

Attached are the notes from the Housing Subcommittee meeting held on [Monday, 11 December 2017](#) (refer page 5).

4. Deputations by Appointment

There were no deputations by appointment at the time the agenda was prepared.

Public Forum

Josiah Tualamali'i, Pacific Youth Leadership and Transformation will address the meeting on housing and poverty issues.

Briefing

Social Housing staff will provide a verbal briefing to the Committee about current activities.

5. Presentation of Petitions

There were no petitions received at the time the agenda was prepared.

Housing Subcommittee OPEN MINUTES

Date: Monday 11 December 2017
Time: 11.04 am
Venue: Committee Room 1, Level 2, Civic Offices,
53 Hereford Street, Christchurch

Present
Chairperson Councillor Phil Clearwater
Members Councillor Vicki Buck
Councillor Anne Galloway
Councillor Yani Johanson

11 December 2017

Principal Advisor
Lester Wolfreys
Head of Community Support,
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- Part A **Matters Requiring a Council Decision**
Part B **Reports for Information**
Part C **Decisions Under Delegation**
-

The agenda was dealt with in the following order.

1. Election of a Chairperson

Election of a Chair

Committee Resolved HSTF/2017/00009

It was resolved on the motion of Councillor Buck, seconded by Councillor Galloway that Councillor Clearwater be appointed Chairperson of the 11 December 2017 Housing Subcommittee meeting.

Councillor Buck/Councillor Galloway

Carried

2. Apologies

Committee Resolved HSTF/2017/00010

It was resolved on the motion of Councillor Buck, seconded by Councillor Galloway that an apology from Councillor Livingstone for absence, and from Councillor Johanson for lateness, be accepted.

Councillor Buck/Councillor Galloway

Carried

3. Declarations of Interest

Members are reminded of the need to be vigilant and to stand aside from decision making when a conflict arises between their role as an elected representative and any private or other external interest they might have.

4. Confirmation of Previous Minutes

That the minutes of the Housing Subcommittee meeting held on [Friday, 10 November 2017](#) be confirmed.

Councillor Clearwater/Councillor Buck

Carried

Councillor Johanson arrived 11.05am.

5. Deputations by Appointment

There were no deputations by appointment.

6. Public Forum

No members of the public wished to present to the Subcommittee.

7. Presentation of Petitions

There were no petitions received.

8. Verbal Update on Tiny Houses

Paul Cottam verbally updated the Subcommittee on Tiny Houses.

Staff are to provide a memo to the subcommittee after the meeting with the Tiny House group for the 2 February 2018 Housing Subcommittee meeting.

9. Verbal Update on a draft field trip schedule

Paul Cottam verbally updated the Subcommittee on the proposed field trips for next year.

10. Housing First Update

Paul Cottam verbally updated the Subcommittee.

11. Update on the Christchurch Housing Initiative

Paul Cottam and Patricia Christie verbally updated the Subcommittee.

Meeting concluded at 12.17 pm.

CONFIRMED THIS 2ND DAY OF February 2018.

COUNCILLOR GLENN LIVINGSTONE
CHAIRPERSON

6. Christchurch Housing Initiative

Reference: 17/1514564

Contact: Paul Cottam paul.cottam@ccc.govt.nz

941 8999

1. Purpose and Origin of Report

Purpose of Report

- 1.1 The purpose of this report is for the Housing Subcommittee to recommend to Council an organisational structure to operate the Christchurch Housing Initiative, and that a closed tender process be carried out to identify a Provider for the Initiative.

Origin of Report

- 1.2 This report is being provided to fulfil Council Resolution CNCL/2017/00219 that staff report back to Council on an agreement for a third party to operate the Christchurch Housing Initiative.

2. Significance

- 2.1 The decisions in this report is low significance in relation to the Christchurch City Council's Significance and Engagement Policy.
- The level of significance was determined by the overall low impact on the Council of giving effect to the Agreement for Funding
 - The community engagement and consultation outlined in this report reflect the assessment.

3. Staff Recommendations

That the Housing Subcommittee:

1. Recommend to the Social, Community Development and Housing Committee that it support giving effect to the Christchurch Housing Initiative by:
 - a. The utilising of a Council Controlled Organisation to act as a 'Custodian' of the Initiative's funds.
 - b. The carrying out of a closed tender process with registered Community Housing Providers operating in Christchurch to identify a 'Provider' for the Initiative.
 - c. Report back to Council on these steps by 30 June 2018.

4. Key Points

- 4.1 This report supports the [Council's Long Term Plan \(2015 - 2025\)](#):
- Activity: Housing
 - Level of Service: 18.0.11 Support the development of affordable housing
- 4.2 The following feasible options have been considered:
- Option 1 – Give effect to the Agreement for Funding for the Christchurch Housing Initiative (preferred option)
 - Option 2 – Do not give effect to the Agreement for Funding for the Christchurch Housing Initiative
- 4.3 Option Summary - Advantages and Disadvantages (Preferred Option)

- The advantages of this option include:
 - Council does not have any potential liabilities from being registered on the title to properties purchased by the Initiative's participating households, yet still has a secured position.
 - The use of a CCO as a 'Custodian' of the Initiative's funds means that the assets of the Initiative are 'ring fenced' both from the Initiative's Provider, and from Council as a funder.
 - No income tax implications in relation to gains or losses that may be made on the loans by the Custodian to participating households as the Custodian will be holding the funds and mortgages as a bare trustee with Council being the sole beneficiary.
 - A closed tender process that will adequately capture a sufficient range of responses
- The disadvantages of this option include:
 - An extra service level agreement (with the Custodian) is needed.
 - A less secured position by not being registered on property titles of the Initiative's participating households.
 - Provider fees for the administration and management of the Initiative not be able to be claimed for GST purposes.

5. Context/Background

- 5.1 In August 2017 the Council endorsed an Agreement for Funding between the Crown and the Council for the Christchurch Housing Initiative (the Initiative) to give effect to the Christchurch Housing Accord objective of establishing an affordable home ownership initiative.
- 5.2 The Council's matching funds of \$3.07 million with those of the Crown are to be considered as part of the 2018 Long Term Plan. If the Council does not match or fully match the Crown's contribution then their (unmatched) funding will need to be returned.
- 5.3 Using a shared equity model, the aim of the Initiative is to help Christchurch households on modest incomes to buy their own home where they would not normally be able to do so given standard deposit and mortgage servicing requirements. A structure for the Initiative and a third party provider to operate it is now needed.

Nature of the Initiative's Shared Equity funding

- 5.4 It is proposed that Council, via a Council Controlled Organisation (CCO), should hold a registered second mortgage over participant's properties rather than be listed on the title as a part owner. The mortgage would secure the repayment of the Initiative's contribution, based on the value of the property.
- 5.5 The advantages of a second mortgage structure are:
- While the Council would still receive an equity based return, it does not have the potential liabilities arising from being registered on the title to the property, such as rates, insurance and other obligations;
 - Council would not need to sign the first mortgage as an owner and have potential liabilities in relation to that;
 - A second mortgage structure is familiar to, and should be accommodated by, first mortgagees such as registered banks (subject to usual first priority arrangements); and
 - Although more of a social funder rather than an investor, Council would have a secured position to be able to enforce its position if required.

Having a 'Custodian' to manage the Initiative's Funds

- 5.6 Having a 'Provider' operate the Initiative was previously recommended to Council. It is also considered preferable from an efficiency and transparency perspective to transfer the funds to a separate entity, or 'Custodian', from the provider to manage and release funding for each shared equity transaction.
- 5.7 The Initiative's Provider would manage the delivery of the Initiative for Council and be the point of liaison with the Initiative's participants. The Provider would be a third party, appointed through a procurement process, and would enter into a provider agreement with the Council.
- 5.8 The Custodian entity would act as a bare nominee for the Council in the form of a CCO to hold the Crown and Council contributions for the Initiative, and also to hold the second mortgages taken over the properties purchased by participants of the Initiative.
- 5.9 The Custodian would also be a party to the provider agreement with Council and the Provider, but would have a very limited role. The Custodian would hold the assets of the Initiative and only act on instructions of the Provider/Council. Service level agreements between Council and the Custodian, and Council and the Provider, would need to be entered into.
- 5.10 The advantages in having a Custodian act as a bare nominee to hold the Initiative funds and second mortgages in these circumstances (as opposed to the Council or Provider holding these directly) are:
- Having a separate entity holding the assets of the Initiative provides a point of separation and additional layer of protection, including in the case of the insolvency of the Provider;
 - If the Provider changes for any reason, the assets (cash and second mortgages) of the Initiative do not need to change hands, they stay with the Custodian. This avoids the need to change the name on registered mortgages, if changing the Provider;
 - The assets of the Initiative are 'ring fenced' both from the Initiative's Provider, and from the Council as a funder. This has the advantages of keeping those assets separate from other assets, and being able to more easily account for them in a special purpose vehicle;
 - It should be administratively efficient for the Custodian to grant and discharge registered mortgages. This is something that the Custodian can do on the appropriate instructions of the Provider/Council; and
 - The Custodian would have a limited role of only holding the Initiative's assets on behalf of Council.

Tax Issues

- 5.11 As the Custodian would be holding the funds and mortgages as a bare trustee for the Council and with the Council being the sole beneficiary of the trust, for income tax purposes, the Council would be treated as holding the mortgages and the Custodian would be ignored. For income tax purposes, this means any income or expenses arising from the mortgages will be deemed to be derived or incurred by the Council and not by the Custodian. Since the income would be derived by the Council, and the Council is exempt from income tax, there would be no tax implications in relation to gains or losses that may be made on the loans.
- 5.12 The supply of financial services is exempt from GST. This means that GST is not charged on the supply of financial services and no input tax can be claimed on the purchase of any goods and services used for supplying financial services.
- 5.13 The loan and repayment of the loans will meet the definition of financial services in the GST Act. Therefore, the Council would be unable to claim input tax on any expenditure for the purchase of any goods and services used in the initiative.

- 5.14 The Provider would charge GST on their fees for the administration and management of the initiative. However, since the expenditure would be in relation to the Council making exempt supplies GST on the expenditure would not be able to be claimed.
- 5.15 Since the repayment of the loans would be a supply of financial services, and the supply of financial services are an exempt supply, no GST would be charged on the repayment of the loans

Process for Identifying a Third Party Provider to Implement the Initiative

- 5.16 A closed sourcing method is considered preferable given that there are relatively few specialist operators who could effectively carry the work out.
- 5.17 There is likely to be interest from several community housing providers from Te Wai Pounamu Community Housing Providers Network (TWPCHPN), whom Council supports, with several having approached the Council already. Council's Procurement Policy requirement that all qualified suppliers must have a reasonable opportunity to participate in all Council procurements will still need be satisfied.
- 5.18 To ensure that a sufficient cross-section of potential Providers is obtained in a closed tender it is recommended that registered New Zealand Community Housing Providers (CHPs) operating in Christchurch are approached (all of which also belong to TWPCHPN). There are nine such registered CHPs (making up all the registered CHPs operating in Christchurch), although it is not anticipated that all would respond.

6. Option 1 - Give effect to the Agreement for Funding for the Christchurch Housing Initiative (preferred)

Option Description

- 6.1 Establish a CCO as a 'Custodian' of the Christchurch Housing Initiative's funds and identify via a closed tender process a Community Housing Provider to operate it.

Significance

- 6.2 The level of significance of this option is low consistent with section 2 of this report.
- 6.3 Engagement requirements for this level of significance are working with relevant stakeholders to implement the Initiative.

Impact on Mana Whenua

- 6.4 This option does not involve a significant decision in relation to ancestral land or a body of water or other elements of intrinsic value, therefore this decision does not specifically impact Ngāi Tahu, their culture and traditions.

Community Views and Preferences

- 6.5 Community housing providers and potential modest income households are specifically affected by this option due to the possibility of affordable home ownership it presents. Recent expressions of community views have found overall support for the Council to work with the Government, community groups, the private sector and other agencies and providers to increase the supply of affordable housing.

Alignment with Council Plans and Policies

- 6.6 This option is with Council's Plans and Policies, e.g. the Council's Housing Policy

Financial Implications

- 6.7 Cost of Implementation - minor
- 6.8 Maintenance / Ongoing Costs - minor

- 6.9 Funding source – The fund was created with funding from the Crown and matching funding from Council which is being considered in the 2018 LTP. The costs of implementation and ongoing operating costs will be met from the fund.

Legal Implications

- 6.10 Obligations under service level agreements between the Council and the Custodian (i.e. CCO entity), and the Council and the Provider of the Initiative. The wider contractual obligations are under the Agreement for Funding, e.g. the Crown and the Council funding is only used for the purposes of the Agreement, and obligations to repay the Crown's funding if the Council does not match the Crown's funding.

Risks and Mitigations

- 6.11 Risk of not finding a Provider under a closed tender process.
- Treatment: broaden the scope of the closed tender.
 - Residual risk rating: The rating of the risk is low.

Implementation

- 6.12 Implementation dependencies - utilising a CCO to establish the operational structure for carrying out the Initiative
- 6.13 Implementation timeframe – 1 March 2018 to 31 May 2018

Option Summary - Advantages and Disadvantages

- 6.14 The advantages of this option include:
- Council does not have any potential liabilities arising from being registered on the title to properties purchased by the Initiative's participating households, yet still has a secured position.
 - The use of a CCO as a 'Custodian' of the Initiative's funds means that the assets of the Initiative are 'ring fenced' both from the Initiative's Provider, and from Council as a funder.
 - No tax implications in relation to gains or losses that may be made on the loans by the Custodian to participating households
 - A closed tender process that will adequately capture a sufficient range of responses
- 6.15 The disadvantages of this option include:
- An extra service level agreement (with the Custodian) is needed.
 - A less secured position by not being registered on property titles of the Initiative's participating households.
 - GST on provider fees for the administration and management of the Initiative not be able to be claimed.

7. Option 2 - Do not give effect to the Agreement for Funding for the Christchurch Housing Initiative

Option Description

- 7.1 Do not give effect to the Initiative by establishing a CCO as a 'Custodian' of the Christchurch Housing Initiative's funds, and identifying via a closed tender process a Community Housing Provider to operate it.

Significance

- 7.2 The level of significance of this option is low consistent with section 2 of this report.

7.3 Engagement requirements for this level of significance for this option are nil.

Impact on Mana Whenua

7.4 This option does not involve a significant decision in relation to ancestral land or a body of water or other elements of intrinsic value, therefore this decision does not specifically impact Ngāi Tahu, their culture and traditions.

Community Views and Preferences

7.5 Community housing providers and potential modest income households are specifically affected by this option due to the possibility of affordable home ownership it presents. Recent expressions of community views have found overall support for the Council to work with the Government, community groups, the private sector and other agencies and providers to increase the supply of affordable housing.

Alignment with Council Plans and Policies

7.6 This option is consistent with Council's Plans and Policies, notwithstanding that other means to give effect to the Initiative would need to be identified.

Financial Implications

7.7 Cost of Implementation – Nil

7.8 Maintenance / Ongoing Costs – N/A

7.9 Funding source – N/A

Legal Implications

7.10 There is not a legal context, issue or implication relevant to this option.

Risks and Mitigations

7.11 There are no risks posed with this option, notwithstanding that other means to give effect to the Initiative would need to be identified.

Implementation

7.12 Implementation dependencies - N/A

7.13 Implementation timeframe – N/A

Option Summary - Advantages and Disadvantages

7.14 The advantages of this option include:

- Not having to set up a CCO as a 'Custodian'

7.15 The disadvantages of this option include:

- Not making use of the advantages of a CCO structure
- Will need to identify other operational structures that may expose Council to greater risk

Attachments

There are no attachments to this report.

Confirmation of Statutory Compliance

Compliance with Statutory Decision-making Requirements (ss 76 - 81 Local Government Act 2002).

(a) This report contains:

- (i) sufficient information about all reasonably practicable options identified and assessed in terms of their advantages and disadvantages; and
 - (ii) adequate consideration of the views and preferences of affected and interested persons bearing in mind any proposed or previous community engagement.
- (b) The information reflects the level of significance of the matters covered by the report, as determined in accordance with the Council's significance and engagement policy.

Signatories

Author	Paul Cottam - Principal Advisor Social Policy
Approved By	Helen Beaumont - Head of Strategic Policy Brendan Anstiss - General Manager Strategy and Transformation

7. Housing First Proposal

Reference: 17/1428140

Contact: Paul Cottam paul.cottam@ccc.govt.nz

941 8999

1. Purpose and Origin of Report

Purpose of Report

- 1.1 The purpose of this report is to recommend to Council that it support a community led proposal to operate a 'Housing First' initiative in Christchurch.

Origin of Report

- 1.2 This report gives effect to the Social, Community Development and Housing Committee resolution SOC/2017/00016, i.e. to 'Work with people without homes, and a range of Government and non-government agencies, to develop and implement a Housing First proposal to take to the Ministry of Social Development'.

2. Significance

- 2.1 The decision in this report is of low-medium significance in relation to the Christchurch City Council's Significance and Engagement Policy. The level of significance is based on:
 - the expected cost to the Council – low impact
 - the effect on the wider community - medium impact
- 2.2 The community engagement and consultation outlined in this report reflect the assessment.

3. Staff Recommendations

That the Housing Subcommittee:

1. Support in principle a Christchurch Housing First Partnership to end chronic homelessness in Christchurch by 2020, including:
 - a. Acting as Chair of a 'Champions Group'.
 - b. Continuing to assist the community sector led development of a Christchurch initiative.
 - c. Providing staff support through its community governance and development work.
2. Determine whether it wishes to recommend to Council that it provides funding of up to \$600,000 to support the Housing First Partnership initiative.

4. Key Points

- 4.1 This report supports the [Council's Long Term Plan \(2015 - 2025\)](#):
 - Activity: Housing
 - Level of Service: 18.0.11 Support the development of affordable housing
- 4.2 The following feasible options have been considered:
 - Option 1 – Provide funding support for a 'Housing First' community building initiative for Christchurch (preferred option)
 - Option 2 – Do not provide funding support a 'Housing First' initiative for Christchurch

4.3 Option Summary - Advantages and Disadvantages (Preferred Option)

- The advantages of this option include:
 - Addressing homelessness through a proven model
 - Supporting the government and the community sector as part of a combined partnership approach
- The disadvantages of this option include:
 - Potentially unbudgeted costs to Council.

5. Context/Background

Background – the need for Housing First

- 5.1 In Christchurch, in early September 2017 there were estimated to be at least 170 men and 20 women without homes and sleeping rough and/or accessing the Christchurch City Mission's emergency accommodation. A further 25 women were judged by the Christchurch City Mission as vulnerable to being homeless either because they are known to have been previously homeless or because their circumstances were about to change.
- 5.2 The current estimated total is equivalent to the 2013 census data and research carried out by the University of Otago. Despite ongoing efforts by a range of social service agencies the issue of chronic homelessness in Christchurch is not reducing and is becoming more visible in city streets and some suburbs. Many of these people have been rehoused many times but need intensive ongoing support to sustain a permanent tenancy along with a more grounded sense of wellbeing in their communities.
- 5.3 People defined as chronically homeless in Christchurch, are those who have been living on the streets for over one year, having difficulty sustaining a tenancy due to issues such as: mental health, addiction issues, anti-social behaviour or the lack of skills necessary to manage a house. The Christchurch Housing First Partnership is aimed at this particular group of people – the chronic homeless.
- 5.4 The Council's Housing Policy (2016) states under the goal of 'Acute Needs' that it will 'work with other agencies in the effective provision of housing and associated support services to address acute housing need and to eliminate homelessness'.
- 5.5 At the moment a range of housing services are provided in Christchurch, including:
- Shelters (places of refuge for people in high housing need, or with compelling reasons to leave previous accommodation)
 - Emergency housing (temporary accommodation while a permanent housing solution found and support provided to set up and sustain new home)
 - Social housing (permanent tenancies for people with low income, mostly via Income Related Rent)
 - Housing facilitation (assistance to people in high housing need to find accommodation)
 - Supported tenancies (specialist community housing providers offering social housing plus supports to niche groups)
 - Home Rescue (operates to save tenancies where a deterioration in mental health/addiction issues has put the tenancy at risk)
 - Sustaining tenancies (a restricted access pilot to assist vulnerable people sustain their tenancy)

- 5.6 Notwithstanding the housing services available in Christchurch the gap that exists is intensive and comprehensive support and services to home people with acute housing needs, many of whom are chronically homeless.
- 5.7 The Housing First model aims to end the current level of homelessness. There is also a wider opportunity for Council to work with the new Government given its broader outlook to addressing issues contributing to homelessness, such as opportunities for increased social and affordable housing provision.

Housing First

- 5.8 Housing First has been widely used in cities across the USA and in Canada and more recently in Hamilton and Auckland, and is in the process of being adopted and supported by Wellington and Tauranga City Councils. It has a strong evidence base as being an effective practice for ending homelessness, particularly for those who are chronically homeless. Housing First is a multi-partnership, integrated approach to addressing homelessness, which in a New Zealand context recognises that central and local government are necessary partners in working alongside the community sector to end chronic homelessness.
- 5.9 The model is defined as “a recovery-oriented approach to homelessness that involves moving people who experience homelessness into independent and permanent housing as quickly as possible, with no preconditions, and then providing them with additional services and supports as needed”. Central to Housing First are the key principles of firstly, immediate access to housing with no readiness conditions, and secondly consumer choice and self-determination.
- 5.10 Research and evaluation results for individuals and families in the United States (US) show between 80 to 95% success in housing retention. The pilot project in Hamilton (The People’s Project, implemented by the Wise Group) indicates that after two years, 96% remain housed. The Mental Health Commission of Canada evaluated the delivery of Housing First programs across five Canadian cities. On average across the two-year study period, every \$1 invested in Housing First interventions resulted in an average savings of \$2.17
- 5.11 The Government provided funding in Budget 2017 to support the model in New Zealand, including Christchurch. This is also a recognition that significant resourcing is needed to effectively end homelessness.
- 5.12 Council’s commitment to Housing First as a community led initiative to address and end chronic homelessness in Christchurch was included in the Briefing to Incoming Minister in December 2017. *“The Council is currently supporting a community led Housing First proposal for Christchurch. The proposal envisages a partnership model under which three community housing providers, supported by other social service agencies, will work with long-term homeless. The proposal is currently with the Ministry of Social Development and, if accepted, the Council will consider funding or resourcing for the proposal as part of the 2018-2028 Long term Plan”*
- 5.13 Existing Christchurch networks and those developed post-quake, such as Te Waipounamu Community Housing Providers Network, provide a solid platform to enable a strong integrated response for people with high housing distress and associated social, health and welfare issues.
- 5.14 In terms of a concerted, collaborative approach to ending chronic homelessness by providing both housing and associated support services, the Housing First model is a needed component to complete the above range of housing services that will both end homelessness and ensure people in need get access to services and supports to prevent it reoccurring. In this way it is a ‘homing the homeless’ approach rather than simply housing them.

Christchurch Housing First Partnership Development

- 5.15 The Christchurch Housing First Partnership has been initiated by Christchurch community housing providers as a means to address the ongoing and seemingly intractable problem of chronic homelessness in Christchurch. The Housing First model was chosen following an investigation of other approaches in 2016. It was selected because of the evidence of its success addressing chronic homelessness in other cities.
- 5.16 This has coincided with central Government's adoption of Housing First and its support for the model in Auckland initially, which is now seeking to extend it to Wellington, Tauranga and Christchurch.
- 5.17 The Christchurch Housing First Partnership includes Christchurch Methodist Mission, Emerge Aotearoa, Comcare, and the Ōtautahi Community Housing Trust.
- 5.18 The Partnership has developed a proposal to secure funding from the Ministry of Social Development to support a Community Housing Provider led Housing First Partnership to end chronic Homelessness in Christchurch by 2020.
- 5.19 The goal of the partnership is to end long-term homelessness by 2020, rather than continue to manage it. The priority will be people who have been homeless for more than a year or have had at least four episodes of homelessness in the last three years.
- 5.20 A range of government agencies including the New Zealand Police, the Department of Corrections and the Canterbury District Health Board, Community Housing Providers have been consulted and support the proposal and will participate in a Champions Group which will help guide the initiative. Social service and community based agencies including the Christchurch City Mission and Te Whare Roimata will work alongside the Community Housing Providers in either the Management Group or Champions Group.
- 5.21 The Partnership will draw on the skills and expertise of a range of agencies working in a co-ordinated and consistent way to provide intensive and ongoing housing and support to people who are street homeless and are less able to engage with or sustain housing through other housing services because of low tenancy skills, anti-social behaviour, use of substances, and/or chaotic lifestyle. They are often disaffected from current services and the welfare system and so are invisible to those systems.
- 5.22 The point of difference with the Housing First is that it prioritises housing the person first and then providing appropriate intensive support and access to services to address attendant issues (e.g. addictions, mental illness) that have led to the person's history of chronic homelessness. As such it differs from other less successful approaches that have prioritised addressing attendant issues first, and permanent housing after that.
- 5.23 The Partnership intends to start the Christchurch Housing First Service as early as possible in 2018.

Christchurch Partnership Operating model

- 5.24 The model the partners designed is specifically for Christchurch. It draws on the strengths and experiences of the Christchurch community housing and social service providers, health and government agencies. It is founded on the critical elements of Housing First as outlined above, and learnings from the experience of other centres particularly Auckland and Hamilton.
- 5.25 The service will provide a single multi-disciplinary team and coordinating resource managed by four agencies within a wider collaborative of housing, social services, health services, government services and the Council.
- 5.26 Young people who are homeless will be assessed as to whether the Housing First initiative is appropriate for them or whether a different type of service is more appropriate. The Housing

First initiative would work with youth organisations (for example, Youth and Cultural Development) to meet the particular support needs of the young person.

- 5.27 The target of the service, based on experience in other centres is that over a three-year period, at least 80 per cent of participants will still be in continuous housing (not necessarily in the same house) at 12 months. They will ideally be attaining their own personal goals, and reporting positive changes in other areas of their lives including reduced health issues, reduced interactions with police and justice, increased social, cultural and whānau connection, and greater sense of tino rangatiratanga/ self-determination.

Champions Group

- 5.28 The organisational structure of the Housing First initiative will be guided and supported by a Champions Group consisting of senior employees of the following agencies that are in a position to make decisions and commit to process or practice change on behalf of the agency that they are representing. They will have a deep understanding of the principles and purpose of Housing First and will strive to create opportunities to overcome barriers to success and optimize the outcomes of Housing First.
- 5.29 Participants in the Champions Group are expected to include:
- Christchurch City Council (Chair)
 - Ngāi Tahu
 - Government Agencies CDHB, MSD, Police, Corrections, Te Puni Kōkiri, Housing NZ
 - Pegasus Health
 - Representative from support agencies (e.g. Anglican City Mission, Te Whare Roimata)
 - People with lived experience of homelessness

Lived Experience Advisory Group

- 5.30 A lived experience advisory group will bring together those with lived experience of homelessness to help guide the initiative. Opportunities will be provided for people with lived experience to gain training and experience and to undertake either voluntary or paid work as part of the Housing First Team. This group will also nominate two people to represent them on the Champions group.

Organisational Structure – Management Group

- 5.31 This will comprise managers from Christchurch Methodist Mission, Comcare, Ōtautahi Community Housing Trust and Emerge Aotearoa to oversee the delivery and operational development of the contract. The Management Group will have a particular role in overseeing the implementation of the initiative and adjusting it as required. It is anticipated that this group will seek to include other partners including Christchurch City Council as appropriate.
- 5.32 The Christchurch Methodist Mission will be the contract holder for the Housing First initiative and will have overall responsibility for the coordination and management of the initiative. They will be the first point of contact for the MSD.
- 5.33 Comcare and Emerge will second experienced workers into the multi-disciplinary team. It will also be a housing provider, either through utilising its own stock or leasing properties from the private housing sector, if required.
- 5.34 Emerge will second experienced workers into the multi-disciplinary team. It will also be a housing provider, either through utilising its own stock or leasing properties from the private housing sector.
- 5.35 Ōtautahi Community Housing Trust will second experienced workers into the multi-disciplinary team. It will also be a housing provider, either through utilising its own stock or leasing properties from the private housing sector.

Housing First Team

- 5.36 A multi-disciplinary team of staff will be developed, drawing on secondments from the community housing providers and other specialist agencies. The team will include:
- Housing First Team Leader
 - Key Workers
 - Peer or Support Workers
 - Mental Health specialist / key worker
 - Alcohol and Drug specialist/ key worker
 - Cultural specialist with iwi / hapu / whānau connections/key worker
 - Community Engagement worker /key worker
 - Housing Specialist
 - Administration and finance staff
- 5.37 The specialist agencies will provide support including mentoring and training to the whole team, supporting peer workers to access the services required by those they are working with. They will also be keyworkers supporting individuals. Due to the level of intensity in the work, a ratio of 1 key worker to 10 people/households is considered appropriate. Two to three peer workers will also be employed. These positions are for people with lived experience of homelessness.
- 5.38 Agencies part of this collaboration are all members of the New Zealand Housing First Community of Practice and are committed to fidelity to the model. This Forum provides the opportunity to share learnings with other Housing First initiatives both nationally and internationally.
- 5.39 In particular it is intended that they will work with the Auckland Housing First Collective and other Housing First implementations across the country around the co-design approaches that have been used, including data collection, reporting and evaluation frameworks, and with the broader community of practice to share training, professional development and learnings. The data collection will also be in line with MSD's reporting requirements.

Central Government Support

- 5.40 The Christchurch Partnership has been working closely with MSD to secure funding from the total allocated for the Housing First initiative in Budget 2017.
- 5.41 MSD has indicated it will provide funding support to enable the Christchurch Housing First Partnership to home 50 chronically homeless people a year for two years. The initial proposal for the Christchurch Housing First Partnership was to work with 80 people per year which would have enabled the goal of eliminating chronic homelessness in Christchurch 2020 to be achieved.
- 5.42 The Christchurch Housing First Partnership has prepared an indicative budget that will cover the costs of housing 50 people in years 1 and 2, with the year 2 budget including ongoing support to those people who were housed in year 1. MSD has undertaken to review the level, and continuity of funding beyond two years, during the next financial year.
- 5.43 It is expected that the Minister will wish to announce the Government's support for the Christchurch initiative in early 2018.

Council's Role and Contribution

- 5.44 As noted Council has indicated its support for the community led Housing First initiative as a mean to address and end chronic homelessness in Christchurch. The Christchurch Housing First initiative is a significant opportunity for Council to directly contribute to ending chronic homelessness.

- 5.45 A Council funding contribution would be additional to what is to be funded by MSD. A Council contribution would help enable the Initiative to provide a fully wrap around service. While the core multi-disciplinary team will be funded through MSD, funding is not available for community building initiatives.
- 5.46 Many people who are street homeless are disconnected from their whanau and geographical homes. In some cases, people have a hunger to reconnect with their roots, but in many cases they have developed kinship and a sense of connection and belonging with the community on the streets. One of the risks of the Housing First initiative is that people who have been long-term homeless become isolated and lose their social connections as they are housed.
- 5.47 Council funding would support the fifth Housing First Principle of '*ensuring that those who are homeless have opportunities to build social connections and participate in local community initiatives*'. This would include funding of \$200,000 per year for three years for a Community Connections / Engagement worker, community building programme and its associated costs. Council's contribution would also allow additional people to participate in the programme, with more chronically homeless people to be housed.
- 5.48 A further contribution to the partnership and as part of its commitment to address acute housing need and to eliminate homelessness, could also be to:
- Offer to Chair the Champions Group
 - Continue to support the work of the community housing providers, including the street count of people who are currently homeless
- 5.49 The benefits of eliminating chronic homelessness extend beyond the individuals themselves. Managing the problem through supporting individuals on an ongoing basis is a significant cost of time and resources for community and social service organisations many of whom receive grant funding support from Council. Ending chronic homelessness will reduce this work and cost and enable the supporting organisations to redirect their resources to working with a wider group of people.
- 5.50 Eliminating chronic homeless also has a wider benefit of the community. Many citizens and visitors feel distressed about the number and presence of homeless people in public places such as parks and retail areas. This impacts on their use of public areas, feeling of safety and perception of Christchurch as a safe and attractive place. While not all people in public places who appear destitute or are begging are actually homeless, a certain number are. Council assisting to eliminate chronic homelessness will help to reduce this incidence.
- 5.51 Given the alignment of the goals of the Christchurch Housing First Partnership with Council's goals and community outcomes, and the evidence of success of the Housing First model in eliminating chronic homelessness it is recommended that Council contribute funding to support the Christchurch Housing First initiative in partnership with central government and local community agencies to eliminate chronic homelessness in Christchurch by 2020.

6. Option 1 – Provide funding support for a Housing First Initiative for Christchurch (preferred)

Option Description

- 6.1 Support a community-led and implemented 'Housing First' initiative in Christchurch.

Significance

- 6.2 The level of significance of this option is low-medium consistent with section 2 of this report.
- 6.3 Engagement requirements for this level of significance are to work with the Housing First stakeholders to support the implementation of the initiative.

Impact on Mana Whenua

- 6.4 This option does not involve a significant decision in relation to ancestral land or a body of water or other elements of intrinsic value, therefore this decision does not specifically impact Ngāi Tahu, their culture and traditions.

Community Views and Preferences

- 6.5 Community housing providers, social service agencies, and people who are homeless are specifically affected by this option due to the challenges associated with addressing homelessness and the opportunity to effectively address them. The wider community is also concerned about homelessness and its effects on the City.

Alignment with Council Plans and Policies

- 6.6 This option is consistent with Council's Plans and Policies, e.g. the Council's Housing Policy

Financial Implications

- 6.7 Cost of Implementation – \$600,000 over three years (see 5.47).
- 6.8 Maintenance / Ongoing Costs – possible further contribution may be sought by the government if the contract for the initiative is renewed.
- 6.9 Funding source – currently unbudgeted. If Council included this in the final LTP budget it would either need to agree to increase in rates, fund it from a grants pool, or reduce funding in another area to support this initiative. At this point no potential substitution has been identified.
- 6.10 This report has not been signed off by Finance and that will be required before the report is considered by the Social and Community Development and Housing Committee.

Legal Implications

- 6.11 There not a legal context, issue or implication relevant to this decision
- 6.12 This report has not been reviewed and approved by the Legal Services Unit

Risks and Mitigations

- 6.13 There is a risk to the integrity of the Proposal if the Council does not provide some form of funding support. This may result in a less collaborative approach being taken.
- Residual risk rating: The residual rating of the risk after the below treatment is implemented will be low.
 - Planned treatment(s) include offering a modest amount of support for the initiative, e.g. providing ongoing staff support for the development and implementation of the initiative.

Implementation

- 6.14 Implementation dependencies - none
- 6.15 Implementation timeframe – three years from 2018

Option Summary - Advantages and Disadvantages

- 6.16 The advantages of this option include:
- Addressing homelessness through a proven model.
 - Supporting the government and community sector as part of a combined partnership approach.
- 6.17 The disadvantages of this option include:
- Potentially unbudgeted costs to Council depending on how it wishes to provide support.

7. Option 2 – Do not provide funding support for a Housing First Initiative for Christchurch

Option Description

- 7.1 Do not provide funding support for a community-led and implemented 'Housing First' initiative in Christchurch.

Significance

- 7.2 The level of significance of this option is low-medium consistent with section 2 of this report.
- 7.3 Engagement requirements for this level of significance are none.

Impact on Mana Whenua

- 7.4 This option does not involve a significant decision in relation to ancestral land or a body of water or other elements of intrinsic value, therefore this decision does not specifically impact Ngāi Tahu, their culture and traditions.

Community Views and Preferences

- 7.5 Community housing providers, social service agencies, and people who are homeless are specifically affected by this option due to the challenges associated with addressing homelessness and the opportunity to effectively address them. The wider community is also concerned about homelessness and its effects on the City, with recent consultation showing support for increasing the supply of social housing.

Alignment with Council Plans and Policies

- 7.6 This option is inconsistent with Council's Plans and Policies, i.e. the Council's Housing Policy
- Inconsistency – not supporting a proven model to address homelessness
 - Reason for inconsistency – The Council's Housing Policy has a goal of working with agencies to eliminate homelessness
 - Amendment necessary – amending the Council's Housing Policy is not recommended

Financial Implications

- 7.7 Cost of Implementation - Nil
- 7.8 Maintenance / Ongoing Costs - Nil
- 7.9 Funding source – N/A

Legal Implications

- 7.10 There is not a legal context, issue or implication relevant to this decision
- 7.11 This report has not been reviewed and approved by the Legal Services Unit

Risks and Mitigations

- 7.12 There is a risk to the integrity of the initiative if the Council does not support it. This may result in a less collaborative approach being taken.
- Residual risk rating: The residual rating of the risk after the below treatment is implemented will be low-medium.
 - Planned treatment(s): N/A

Implementation

- 7.13 Implementation dependencies - N/A
- 7.14 Implementation timeframe – N/A

Option Summary - Advantages and Disadvantages

7.15 The advantages of this option include:

- No cost to Council

7.16 The disadvantages of this option include:

- Not addressing homelessness through a proven model
- Not supporting the government, community and local business sectors in doing so

Attachments

There are no attachments to this report.

Confirmation of Statutory Compliance

Compliance with Statutory Decision-making Requirements (ss 76 - 81 Local Government Act 2002).

(a) This report contains:

- (i) sufficient information about all reasonably practicable options identified and assessed in terms of their advantages and disadvantages; and
- (ii) adequate consideration of the views and preferences of affected and interested persons bearing in mind any proposed or previous community engagement.

(b) The information reflects the level of significance of the matters covered by the report, as determined in accordance with the Council's significance and engagement policy.

Signatories

Authors	Paul Cottam - Principal Advisor Social Policy Lester Wolfreys - Head of Community Support, Governance and Partnerships
Approved By	Mary Richardson - General Manager Citizen and Community