Community housing provision:

A snapshot of changing opportunities

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Abstract

The community housing third sector has a long history of contributing to social rental housing and affordable homeownership in Aotearoa/New Zealand (NZ). However, many community housing providers (CHPs) are struggling to do so in the current policy environment. In this report we begin by highlighting a recent successful example of CHP affordable housing provision (Waimahia Inlet), and then examine aspects of the policy environment, which, from the perspective of many CHPs, are making it difficult for them to help address New Zealand's current housing crisis. This paper is a snapshot of CHP viewpoints in 2019.

Introduction

Globally there is a shortage of sustainable and affordable housing, and New Zealand (NZ) is no exception. The current housing crisis is an outcome of decades of underinvestment in public and private housing. Historically, government investment has funded state and community housing and provided mortgage support for low income households. The current nationwide undersupply of affordable homes can be explained by a sharp decline in this funding and the 'desertion' of lower value segments of the housing market by the building industry – a 'desertion' which Saville-Smith links to the withdrawal of government capital assistance to housing providers and families seeking new-build affordable housing: "The lack of a dedicated stream of government capital investment which levers both household investment and community sector investment appears to have disincentivised the building industry from the production of affordable housing" (Saville-Smith, 2018a, p.4). In 2013, the then-government responded with interventions in land-use planning (the Housing Accords and Special Housing Areas Act), designed to increase affordability by increasing the supply of land and reducing land development costs. Ad hoc funding measures were also introduced. However house prices have remained 'over-heated' and homeownership affordability issues have now spread to the rental market (Saville-Smith, 2018b, p.1). According to the Real Estate Institute, since 2013 the median NZ house price has risen from less than $400,000 to nearly $600,000, a 50% increase. Over this same period, wages have only increased by 20% (Edmunds, 2019). Treasury has forecast that in the current housing environment, "even with substantial increases in budgets, housing assistance cannot address housing need across the spectrum" (K. Johnson, 2019a).

Community housing providers (CHPs) have long contributed to the provision of housing for people 'at the margins of the housing market', delivering a range of housing options (including secure rentals, rent-to-buy, self-build and shared ownership), and helping to address the affordable housing undersupply (Saville-Smith et al., 2016, p.1). The Waimahia Inlet affordable housing initiative, developed by a consortium of Māori organisations (the Tāmaki Collective, Te Tumu Kāinga) and CHPs (CORT Community Housing, The NZ Housing Foundation), is a recent example of one such successful third sector development. In this report, we place Waimahia – and the overall provision of social and affordable housing – within the changing contexts of housing policy and provision. The implications for CHPs of shifting government policies, particularly since 1990, are examined from a provider perspective through a series of brief case studies, and ways forward considered.

The Waimahia Inlet consortium built 295 affordable homes (including shared home ownership, rent to buy, home saver, and kaumatua and community rental housing options) between 2014 to 2018. The development would not have been possible without central government support and funding. This included the right of first refusal on a 16 ha block of Crown land intended for sale (under the 2014 Framework Agreement); a $29 million grant from the then-Social Housing Unit (SHU), which enabled the purchase of the land ($8.9 million) and provided working capital to begin the development; and the Social Housing Reform Act (2013), designed to regulate community housing providers and foster third sector capacity, which gave the consortium access to the income related rent subsidy (IRRS). Waimahia Inlet was the first major third sector affordable housing development after the Act passed into law. The government's introduction of Special Housing Areas (SHA) in 2013 to encourage housing supply and fast track development was another facilitating factor, benefitting the consortium's relationship with central government and Auckland Council (Witten et al., 2018).

The stated aim of CHPs is to complement government and market endeavours to ensure "all New Zealanders are well-housed" (Community Housing Aotearoa, 2019a). Over the past three decades they have operated in an ever-changing housing policy environment, against a backdrop of the highest house prices currently in the OECD relative to income (K. Johnson, 2019a), dramatic decreases in homeownership (from the high of 73.8% in 1991 to 64.8% in 2018) and affordable private rental accommodation, and concomitant increases in homelessness, and numbers in emergency housing (more than 3000) and on the public housing wait list (almost 14,000) (A. Johnson, 2018; A. Johnson et al., 2018; Ministry of Social Development, 2019). CHPs meet housing need through a range of social and affordable rental and home ownership options, providing alternatives to the public housing available through Kāinga Ora and some local councils. According to the CEO of Community Housing Aotearoa (CHA, the umbrella organisation for 104 NZ CHPs), Scott Figenshow, they do more than just provide housing:

> *"… we provide more than just the bricks and mortar. We provide warm, safe and dry homes where tenants know we care about what happens in their day-to-day lives. And where strong connections to communities are created and good tenant outcomes are the norm."* (Community Housing Aotearoa, 2019b)

Former Housing Minister Phil Twyford has stated (2019) the government is looking to CHPs to contribute around 30% of future social/public housing provision (Davison & Leahy, 2019). However, changing government policies and processes (and particularly the recent cutting of previously available up-front government capital, such as the SHU funding accessed by the Waimahia Inlet consortium) are hindering the sector's ability to do this, with many CHPs forced to place on hold plans to build further dwellings. The CEO of one CHP (personal communication) describes the situation many currently find themselves in:

> *"The community housing sector is floundering…for two years we haven't been able to get any projects across the line with government."*

CHPs are reliant, to a greater or lesser extent (depending on other private and philanthropic funding streams), on up-front government funding and support to enable them to increase the supply of third sector affordable and community housing. Changing levels and modes of government funding over the past two decades have sometimes facilitated (as in the case of Waimahia), or more often hindered, CHPs' ability to build more housing. As described by Figenshow (personal communication):

> "*The last government [National] loved the community housing sector in principle because it was delivery outside the government, but they just failed to invest. The current government is happy to invest [in public housing] but they think they can do it all themselves. What we need is a cross-party, multi-sector homes accord, that puts permanent funding, policy and planning settings in place for the next decade, supported across the political spectrum."*

This report draws on a review of relevant documents and websites; insights from housing key informants, including Kay Saville-Smith, research director of CRESA (Centre for Research, Evaluation and Social Assessment), and Scott Figenshow, CEO of CHA; and interviews with spokespersons for seven of 48 CHPs registered under the Community Housing Regulatory Authority (CHRA): NZ Housing Foundation, CORT Community Housing (Community of Refuge Trust); Queenstown Lakes Community Housing Trust; Monte Cecilia Housing Trust; Haumaru Housing Limited Partnership; Ōtautahi Community Housing Trust; and Coromandel Independent Living Trust. These CHPs reflect the diversity of the sector in terms of size and types of housing provision. All are also members of CHA, the umbrella organisation for 104 CHPs committed to 'meeting housing needs across the continuum and retaining investment to benefit communities across generations'.

Te Matapihi he tirohanga mō te Iwi Trust, the peak sector body for Māori housing, works closely with CHA to support Māori housing providers. Te Matapihi was established in 2011 to advocate for Māori housing interests at a national level by promoting and improving opportunities for Māori to develop their land for housing and improve their housing situations. This involves influencing government policy and legislation, the priorities and plans of government and non-government agencies, and the ways in which these agencies provide services. Te Matapihi also offers a range of services tailored to suit the needs of the Māori housing sector. This is done by developing and disseminating high-quality tools and resources, conducting and promoting research, developing and delivering training programmes, supporting innovative pilot projects, and by providing free project development support services to Māori housing providers.

Background

Over the past 100 years governments have used various instruments to stimulate housing supply, assist people on the margins of the housing market and mitigate the externalised costs of poor housing. Housing shortages, issues of affordability, and debates over state versus private provision have been recurring themes. Support for state versus private solutions has flip-flopped as Labour and National governments have come and gone, but governments have largely continued, to a greater or lesser extent, to fund some housing provision – albeit with emphasis on state provision under Labour governments (and the present coalition Government) and private provision under National governments (Witten et al., 2017). This is the political context in which central government funding of public housing, and partial funding of local government housing provision and third sector CHPs has occurred.

Concerted construction of state houses by the government to combat an acute shortage of housing began under the first Labour Government in 1935. WWII largely halted construction, and this, coupled with a post-war baby boom and assisted immigration, led to a severe post-war housing shortage. Extensive government housing construction resumed after the war. The 1949-57 National Government made more funding available for private construction, and the trend of state housing tenants being able to buy their homes began. The incoming (1957-60) Labour Government's introduction of 3% building loans and capitalisation of the family benefit, and some 20,000 affordable homes built under the Group Building Scheme (with a government guarantee to buy any unsold), further boosted supply. For Māori, the end of WWII marked the beginning of a period of rapid urbanisation. For those shifting to urban areas, housing was mostly provided through the Māori Affairs housing programme (which ran from 1935 to 1967), or through housing provided by their respective employers. Prior to WWII, Māori home ownership rates were higher than for their Pākehā counterparts. In 1936, 70.5% of Māori owned their own home – but by 1945, this number had fallen to 54.8% (Stats NZ, 2016).

At the peak of housing activity in 1961, 52% of all new dwellings (state, local government and privately-owned) were government funded in some way. As housing demand eased in the 1970s, governments progressively retreated from involvement in housing construction and financing (Witten, et al., 2017).

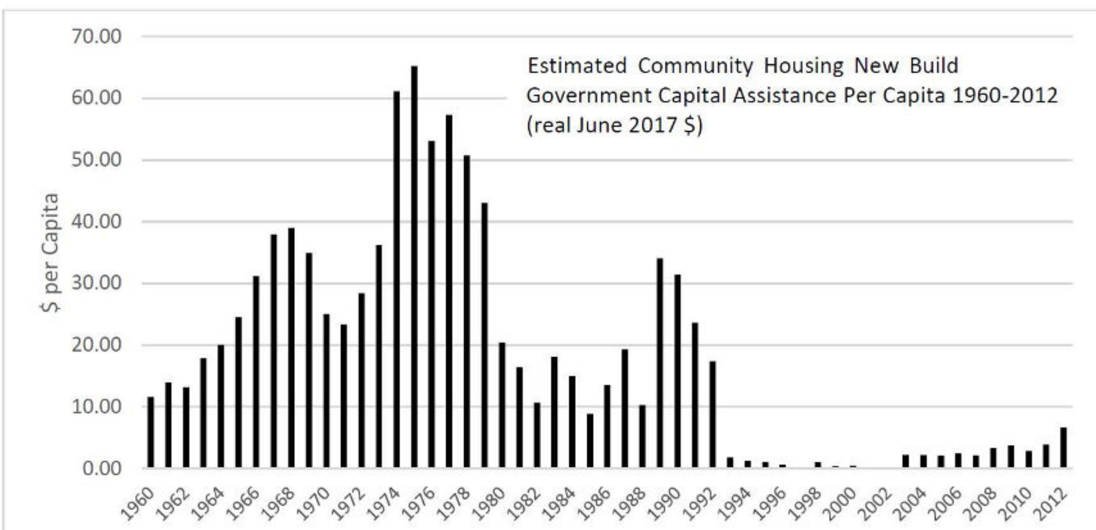
Housing provision pre-1990 is described by Saville-Smith as:

> *"…a public-private partnership [of] government [and] private households, and then when private households couldn't manage or there were special needs, it was [a partnership of] government and community housing groups."*

CHPs could access 3% loans, underwritten for 30 years and sometimes suspensory; and the Housing Corporation released land for affordable housing in the lower quartiles:

> *"…[and]what drove it along…was a building sector that could respond and did respond to building the sorts of housing that New Zealand needed and wanted."*

It was regulated and "*largely transparent",* with successive governments providing varying amounts of capital funding to CHPs, and also local councils, primarily through the Housing Corporation of New Zealand. The Corporation could borrow directly on the international market using its mortgage and rental incomes. As a result, Parliament was only confronted with voting on relatively modest amounts of investment for provision in the community housing sector, says Saville-Smith. The Corporation had several different ways it could support the sector but once it was dismantled, capital funds for CHPs had to be approved by Parliamentary vote and all but disappeared, she further explains.



The graph above shows changes in government funding for community housing (Saville-Smith, 2018a, p.3)

In contrast to earlier funding transparency, Saville-Smith describes the 1990s under a National government, and then the Labour government of the early 2000s, as a time of "*smoke and mirrors",* with shifting policies, little funding of community housing apart from a few programmes reacting to pressure points, and one-off deals done with various CHPs:

> "*Because there was no system it's actually very hard to see who has done what to whom and when."*

While local councils and a few CHPs such as Accessible Properties (formerly IHC, one of the oldest and biggest in the sector due to extensive pre-1990s government funding to support group homes), CORT and the Monte Cecilia Housing Trust were providing community housing pre-1990, most of the 48 currently registered CHPs emerged in this deregulated and shifting policy climate.

Over the past 25 years, according to social policy analyst Alan Johnson, NZ's default setting for housing has been the private rental market (A. Johnson, 2018): market rents were brought in for state housing tenants in 1991 (later reversed by Labour); tax breaks incentivised private rental property investors; and an accommodation supplement was instituted (1993) so those on low incomes could afford private rentals.

The Labour government introduced the Housing Innovation Fund (HIF) in 2003 to support the growth of third sector social housing, with grants and suspensory loans (Housing New Zealand, 2017). This brought a modest injection of capital grants for CHP new build affordable rentals and homeownership programmes. While a welcome change from the almost complete lack of funding in the decade from 1993-2003, it was however, only a fraction of the government funding that had gone into community housing provision in the three decades prior to 1992. This scheme was replaced, under National, by funding through the newly established Social Housing Unit (SHU), (through MSD and later Housing New Zealand), and there was no new HIF lending (Housing New Zealand, 2017). The 2013 Social Housing Reform Act, aimed at "facilitating the growth of the community housing sector...and the provision of social housing" established a framework for a multiple-provider social housing market (New Zealand Legislation, 2013). The Community Housing Regulatory Authority (CHRA) was set up in 2014, and registered CHPs became eligible to claim Income related Rent Subsidies (IRRS).

A principal tool used by SHU to increase the involvement of CHPs (along with CHRA and access to IRRS) was up-front capital funding. Information from the CHA archives shows that between 2011-12 and 2014-15 the SHU committed $139m of capital grants to 33 Community Housing Providers around the country to help fund housing projects with a total value of $313m – $29m of it awarded to the Waimahia Development. Says Figenshow:

> *"There was a period of three years of capital investment when we were delivering more net new homes than HNZ…and the secret to how we've managed to deliver as many homes as we have, is capital."*

The SHU also supported a number of Māori-led developments through the Pūtea Māori fund. Although the dismantling of the SHU and discontinuation of SHU funding meant that mainstream CHPs no longer had access to up-front capital, Māori housing providers maintained relatively continuous access to capital funds through Pūtea Māori (administered by the SHU), and later the Māori Housing Fund (administered by the Māori Housing Network Te Puni Kōkiri).

Up-front SHU capital grants have now been replaced by IRRS of 150%, paid on a weekly basis. Other government measures to increase the supply of housing include: the creation of SHAs in 2013 to fast track housing developments; extending CHP status to private developers in 2014 (under CHRA); and, for a short time from 2016, by capitalised IRRS subsidies to a small number of CHPs in Auckland, enabling them to finance new builds. These were discontinued in 2018.

The previous National Government's plans to transfer large amounts of HNZ stock to registered CHPs resulted in only limited uptake (2,800 to the Tamaki Regeneration Company, and 1140 tenancies and 1100 homes to Accessible Properties), and were discontinued in 2017 (The Treasury, 2017). Responding to ever-increasing pressure as the numbers of homeless continued to climb, the previous government also set up an emergency housing programme in 2016, expanding the number of emergency places available and introducing the Emergency Housing Special Needs Grant (Bennett, 2016). This has led to a proliferation in government-funded motel and private rental accommodation made available for emergency housing.

Current Social/Public Housing Situation

The Ministry of Housing and Urban Development (MHUD), established in October 2018 by the present coalition Government, now combines some former functions of MSD, MBIE and Treasury in an attempt to bring together strategy, policy, funding, monitoring and regulation of NZ's housing and urban development (Ministry of Housing and Urban Development, 2019a). This includes the CHRA, which monitors and regulates New Zealand's 48 registered CHPs, a handful now private developers, and the rest not-for-profit CHPs. Government housing assistance is currently provided through a number of programmes, including the accommodation supplement (received by approximately 285,000 households, two-thirds of which are private sector tenants), the IRRS, subsidies for emergency housing, and the coalition Government's new Housing First and HomeStart grant programmes.

The Māori Housing Network, Te Puni Kōkiri, continues to administer the Māori Housing Fund and provide advice and practical assistance to Māori providers. Although some up-front capital is available for Māori housing, development is still a major challenge due to a range of issues, including governance capacity and capability, legal access, district plan provisions, and challenges accessing loan finance for projects on whenua Māori. The Kāinga Whenua loan programme (for development on Māori land) is currently delivered by Kiwibank and underwritten by Kāinga Ora.

Kāinga Ora – Homes and Communities is a new Crown agency with responsibility for delivering on the government's vision of 'healthy, secure, affordable homes within diverse thriving communities' (Ministry of Housing and Urban Development, 2019b) . The upcoming Urban Development Bill (Ministry of Housing and Urban Development, 2019b) is expected to outline broad new planning and funding powers to address the housing crisis and increase the supply and speed of housing delivery (K. Johnson, 2019b). A role for CHPs within Kāinga Ora developments is yet to be clearly articulated. The Social Housing Minister Kris Faafoi has said Government "would continue to explore options to provide on-going support to the sector", while the National Party has promised a return to up-front funding of CHPs if it is re-elected (Davison, 2019). The partnership model established through Waimahia Inlet could provide a good blueprint for partnerships between Kāinga Ora and CHPs.

HNZ's stock of state/social/public housing (transferred to Kāinga Ora on 1 October 2019) was 63,000 rentals and 672 emergency/transitional units as at June 30, 2019. Around 31,000 state houses have been sold into private ownership over the decades. An estimate from early 2017 suggested there were just under 20,000 social housing units outside of Crown ownership – around 8000 owned by local councils and 12,000 by CHPs (A. Johnson, et al., 2018). The number of social housing units owned/managed by CHPs has grown rapidly over the past three years, but mostly due to transfers and sales rather than new builds. This includes the sale of 1138 HNZ units and 344 Hamilton City Council units to Accessible Properties; the transfer of 2800 units from HNZ to the Tamaki Regeneration Company; and the long-term leasing of 2250 Christchurch City Council units to the Ōtautahi Community Housing Trust, and 1452 Auckland Council units to Haumaru Housing. As noted by a CHP spokesperson, when CHPs (or government) take over existing tenancies, or lease existing housing for social housing purposes, this does nothing to address NZ's overall housing shortfall – it merely addresses the most pressing current needs.

Examples from the CHP continuum

The CHP continuum includes organisations providing pensioner housing; housing and wrap-around services for people with mental health or mobility needs; sustainable long-term rental housing for those on low incomes and on the public housing wait list (the Housing Register); those providing emergency housing; and others who provide rent-to buy and shared equity schemes to facilitate home ownership – to cater for what Saville-Smith describes as "*the missing middle".* Interviews with CHPs highlight the on-going problems they face and barriers to growing their portfolios of social housing under current government policies, with suggestions offered for ways forward to increase their ability to help 'ensure all New Zealanders are well housed' in the current housing crisis. Lack of capital funding, constantly changing policies and requirements, and the struggle small groups have meeting regulatory requirements are major challenges reported by CHP interviewees across the continuum. So is the belief that the government is ignoring CHPs' potential contribution:

> *"You keep wanting to say 'hey we can do it…hey we're a lever'…basically the government has a lever that they're just not pulling, for whatever reason".*

Haumaru Housing and the **Ōtautahi Community Housing Trust** were set up in 2016 to enable access to the IRRS (not available to Councils). Haumaru manages Auckland Council's portfolio of 1,452 rental units for older people. It is in partnership with the Selwyn Foundation and Auckland Council:

> *"We're a specialist provider for long term sustainable rentals for older people, that's the niche we work in, and that's what we believe we're very good at"*.

Older people have a range of needs, which are distinct and different from any other cohort, and "*we provide that specialist support to that group".*

Haumaru receives IRRS for only 18% of its tenants (and Ōtautahi just under 25%), subsidising the remainder, which causes challenges:

> *"We are being treated like a private landlord…HNZ get market rates for all of their rentals, we don't, so you know there are challenges."*

Challenges include funding on-going maintenance, future upgrades (once a long-term maintenance fund from Auckland Council stops); and lack of other capital funding:

> "*We need to replace some of the current older properties…and we need to build more…we need to intensify…we could do it now if we had capital, upfront capital funding."*

As for most CHPs, lack of equity and capital funding is a barrier to replacing old or building new additional units. While Auckland Council maintains ownership of all rental units managed by Haumaru, Christchurch City Council is transferring $50 million of housing stock and land to the Ōtautahi Community Housing Trust, which manages around 2,300 social housing units. With this equity the Trust says they will borrow money to build 200 new properties in the next 2-5 years: *"We are just going through the tender process now".*

Haumaru and Ōtautahi tenancy managers work hard at integrating tenants into the community, something CPHs say sets them apart from HNZ. They are focused not just on housing tenants, but growing communities, and helping ensure tenants are part of their local community.

The small CHP, **Coromandel Independent Living Trust (CILT),** which works collectively for the community in the disability, education and housing sectors, owns 14 pensioner units. Responding to the identified dire need ("*older people living in caravans, in garages, in terrible circumstances…*"), the Trust purchased their first seven units from Thames Coromandel District Council in 2008, refurbished these, and then built another seven, with assistance from the HNZ HIF. It took 12 years and "*a vast amount of work"* negotiating with local and central government and meeting regulatory requirements to provide just 14 tenants with social housing. "*That is ridiculous…it shouldn't be that hard",* says a spokesperson. Receiving an IRRS for only one of their tenants causes on-going difficulties:

> "*If we could get the IRRS for all of the tenants it would make such a difference. When people are paying much less than market rent it makes it difficult to pay the mortgage, pay council rates"*

CORT provides affordable tenancies for people of all ages on low incomes across Auckland. In mid-2019 it owned just over 200 units, rented another 90 from the market, and "*at the end of this year we'll be getting close to 400 places".* This is still short of the estimated 500 units required to remain sustainable and grow without injections of philanthropic money, says a spokesperson. CORT's future development is in jeopardy because of the recent government move away from providing up-front capital funding plus IRRS tenant subsidies of 100% of market rent, to instead providing IRRS of 150% of market rent (paid weekly). The government expectation is that the extra 50% will provide the equity to get a bank loan; but the current scheme is crippling the CHPs because banks will not accept it as equity; or they hike up the cost of a loan, say the CHPs.

Not only do 150% IRRS subsidies only help CHPs that have their own equity to fund new development, but the CHA's Scott Figenshow calculates they cost the government more:

> "*It costs the government long-term twice as much to fund [a] unit with the income related rent subsidy plus operating subsidy as it does when it uses the outside capital grants. But it is attractive to a minister because they only account for the one-year cost in any given budget year."*

The NZ Housing Foundation assists low income working families out of the rental poverty trap into sustainable and affordable independent housing programmes (rental and homeownership), with Affordable Rental and Affordable Equity schemes including Rent to Buy and Shared Ownership. It has the backing of leading philanthropic organisations such as the Tindall Foundation. Since 2007 it has completed 850 homes, with another 200 homes scheduled for completion over the next few years. The Housing Foundation highlights access to affordable land and capital as major impediments. It has unsuccessfully lobbied for a government guarantee of a residential property bond scheme ("*similar to existing bonds on the market*") to promote a capital flow for development, says a spokesperson:

> *"…the biggest impediment to us as a CHP, delivering what we do at scale, is number one, access to affordable land which allows affordable housing outcomes; and number two, access to long term low interest capital. There is no housing policy that supports progressive home ownership products in NZ. There is no inclusionary zoning [and] there is no long term, low interest funding so that we can actually do what we are here to do."*

Inclusionary zoning (only in place in the Queenstown Lakes District) requires developers who benefit from increased land values through re-zoning to contribute a portion of land for affordable housing. This, along with up-front capital funding, has allowed **Queenstown Lakes Community Housing Trust** to provide housing for 174 low to moderate income households through affordable rentals, rent saver, and assisted and shared ownership programmes for the past 12 years. The QLCHT is an outlier amongst CHPs because, although lack of government capital funding *"makes things harder",* their continuing supply of free land through inclusionary zoning requirements and some voluntary agreements with developers – combined with existing equity – enables them to continue to provide affordable housing. While inclusionary zoning is not currently part of the council's District Plan, the Trust anticipates it will be reintroduced. Says the Trust's executive officer, Julie Scott:

> *"We would love to see government legislation, which supports inclusionary zoning for Council, so not just ourselves but other Councils around the country [so they can] start implementing it…and [for it to be] common throughout the country, you know like it as in the US and the UK, parts of Australia."*

The Monte Cecilia Housing Trust (established in 1982) offers a range of housing and services that support low income families into affordable and appropriate housing and prepare them to sustain their own homes. This includes individual advocacy, emergency housing and social housing options. The Trust owned 54 units in mid-2019 and leased a number of others. There is concern about what happens to properties being leased for three years for transitional housing: "*Where's the stock? I don't see it"*, says a spokesperson.

According to their spokesperson, Monte Cecilia's newly completed 30 two-bedroom apartments and an office development were made possible through an $8.6m government loan – an agreement with the National Government looking to fund new 'transitional' housing, later signed off by the coalition Government.

Such government capital funding is however no longer available, halting future development:

> *"We doubt reducing the role of non-profit CHPs is what the government intends. [however]…above-market rent subsidies do not enable non-profit organisations to build significant amounts of new community housing."*

Constant changes in government policies also create issues:

> *"As a small community housing provider we don't have the financial resources."*

The case studies above highlight both the '*complexity and richness'* of the sector and difficulties faced by CHPs, as well as suggesting ways forward.

Māori CHPs

Although no working definition is provided by CHRA, under the former Pūtea Māori programme (administered by SHU), a Māori housing provider was defined as an "organisation owned or governed by whānau, hapū, iwi or Māori communities…the intention of their service provision is targeted at Māori individuals, whānau, hapū, iwi or Māori communities…[and] the accountability framework of the organisation has clear and identifiable responsibilities to whānau, hapū, iwi or Māori communities, and is dedicated to meeting the needs of Māori clients" (Social Housing Unit, 2014).

Under this definition, of the 48 CHPs on the CHRA register, 10 can be considered Māori providers (Community Housing Regulatory Authority, 2019). These include Kahungunu Executive ki te Wairoa Charitable Trust (Hawke's Bay), Mangatawa Papamoa Blocks Incorporated (Bay of Plenty), Te Runanganui O Ngāti Porou Trustee Limited (Gisborne), Waiohiki Community Charitable Trust (Hawke's Bay), Te Taiwhenua o Heretaunga Trust (Hawke's Bay), Ngā Rau Tatangi - Māori Housing Foundation (Waikato), Whai Maia Charitable Trust (Auckland), Kāhui Tū Kaha (Auckland), Manawa Community Housing Trust (Tauranga, Bay of Plenty), and Te Whānau o Waipareira Trust (Auckland). To date, Māori providers have delivered 277 houses, or 2.26% of the total supply of 12,266.

In 2014, the Independent Māori Statutory Board commissioned a study of 'Affordable Housing for Māori in Tāmaki Makaurau' (Te Matapihi, 2014). Part two of the report comprised a scoping study toward establishing a Māori housing provider of scale, which could provide a range of functions including: providing emergency housing, affordable rental and homeownership, leading the design and development of projects, as well as umbrella-ing/supporting smaller projects and organisations within the Auckland area. This umbrella function was proposed to respond to the one-off and short-term nature of many Māori housing projects – the SHU definition of 'Pūtea Māori organisations' went on to state that Pūtea Māori providers "will most likely be seeking [to undertake]… one-off social housing projects (that is, once the housing project is complete, the provider will be unlikely to undertake further housing projects" (Social Housing Unit, 2013) . Additionally, SHU definitions recognise the service-oriented nature of many potential providers, which means that housing provision may only ever comprise a small part of the overall operations of the organisation, and therefore developing and managing a housing portfolio over the long term may not be a goal for many Māori providers.

A kaupapa Māori provider of scale has not eventuated (in Auckland or elsewhere), however the under-representation of Māori providers (in terms of delivery numbers) suggests a fundamental rethink on the way Māori CHPs are built and supported over time may be required.

Since 2014 there has been some growth in kaupapa Māori organisations registering as CHPs, however (in the authors' opinion), the Government's social housing policies are not currently 'fit for purpose'. There are persistent challenges associated with the current system for assessing and determining need, and limited ability for providers to 'positively discriminate' in favour of their own tenants.

The social housing register managed by MSD is one of the key tools available for quantifying acute housing need. Families and individuals on the register are sorted into categories based on need and prioritised accordingly for housing delivered through HNZ or CHPs. Of the 13,966 applicants on the Social Housing Register, 6,616 are Māori (Ministry of Social Development, 2019).

However, there are serious gaps in the data collected by MSD. One of the key problems is that many Māori households experiencing housing deprivation may not be represented on the social housing register due to living in poor quality owned homes (generally in rural areas, and on whenua Māori). Many may appear on the Work and Income register, but we have heard anecdotally from providers that the process of supporting whānau who are on the register to apply for social housing is difficult, even for trained social workers.

This is an issue because the Social Housing Register guides the Ministry of Social Development's purchasing strategy for IRRS places, which ultimately determines the configuration and location of housing eligible for placement of social housing tenants (and the income related rent subsidy that comes with them). If community housing providers build new houses based on the needs in their community (as they understand them), with house sizes and locations determined by need, development viability and availability of land, they risk building outside the parameters of the purchasing strategy, and therefore being unable to access the income related rent subsidy and ensure the on-going viability of the organisation.

Ways forward – bringing together the 'evidence'

There is no 'magic bullet' for solving NZ's housing crisis. A wide range of supply side housing products and services catering for diverse needs, and access to significant new capital (equity, debt and working capital) is needed, along with up-front government investment.

The 48 registered CHPs in New Zealand have an important role to play in filling housing supply gaps in the social and affordable housing sections of the housing continuum. Improving the ability of CHPs to provide more sustainable community rental accommodation and options for affordable homeownership presents a lever to help tackle the current undersupply of housing in New Zealand. However, according to CHPs, it is a lever not currently being used by the government.

Growing the CHP sector (and adding to the supply of sustainable, affordable rental and private housing) requires up-front capital investment and currently community housing is starved of affordable capital (such as grants and soft loans). Up-front capital is also needed to create scale in the sector. Very few CHPs have access to sufficient equity or capital from non-government sources (private or philanthropic) to build new housing. CHPs also argue this cannot be done on 'savings' from the IRRS – the IRRS is primarily viewed as an operating subsidy to manage tenancies/provide community services. A recent innovative sector funding solution has been the launch of Community Finance, a platform aimed at matching ethically-minded investors with CPHs and providing housing finance through investment in community housing bonds (Gray, 2019).

Representatives of CHPs argue that funding CHPs makes economic sense, as every government dollar put into a CHP new build is at least matched by CHP contributions; thus, the $139m of SHU capital (of which Waimahia had $29m) translated into housing projects worth $313m.

Funding of CHPs also makes social sense (Witten, et al., 2018). CHPs are concerned not just with providing housing, but also the building of sustainable communities. Embedded in local communities, they understand the makeup and needs of their communities and cater for these, both in terms of housing provision and tenancies, to achieve social wellbeing and connectedness. In addition, funding CHPs is a way to trial diverse models of housing delivery (such as shared equity and rent-to-buy), which, if successful, can then be up-scaled.

Access to affordable land is a major challenge that inclusionary zoning could in part alleviate, as could reducing the time and monetary costs of addressing council regulatory processes and the level of development contributions.

Reflections

> *"If we don't get housing right everything else suffers – it affects everyone"*
>
> – Peter Jeffries (CORT) (K. Johnson, 2019a)

Housing is recognised as a human right, a basic necessity. It has always been delivered through some form of government-private partnership. CHPs are part of this 'partnership', along with iwi, individual households, private developers, councils and philanthropic organisations. All, along with Government, have a role to play in addressing the present housing crisis. The Waimahia initiative is one of many that show what can be achieved by CHPs working in partnership and with support from the government.

Fully-supported rentals, assisted rentals and affordable assisted home ownership (through rent to buy and shared equity schemes) are all provided by CHPs 'to complement government and market endeavours to ensure all New Zealanders are well-housed'.

Current government policies are informed by a genuine desire to address the undersupply of housing and house all New Zealanders. However, the unforeseen consequences of some policies appear, at the time the interviews in mid-2019, to be curtailing CHPs' contribution.

The following quote sums up widespread concerns voiced by CHPs:

> *"We need government to recognise…that the community housing sector has an important part to play in the development and supply of new public housing…we're in a, I want to say identity crisis, with government; they're not recognising and not supporting the growth of the community housing sector."*

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