

Safe and Affordable Housing for All

An insufficient supply of safe and affordable housing in New Zealand is contributing to a level of poverty that is fracturing the wellbeing of people and communities and hindering the educational progress of our children. Ensuring that everyone has access to affordable housing is perhaps the most important means to lifting New Zealanders out of poverty and boosting the nation's collective health and prosperity. We are committed to working with Government and community groups on a comprehensive housing plan that will address New Zealand's housing crisis.

New Zealand's housing situation is at a critical point

- The total number of State, local government and community housing units is falling, while New Zealand's population and housing need is growing.
- Half the population lives in rental housing, including 70% of all children living in poverty.
- The home ownership rate is dropping steadily, despite clear evidence that home ownership contributes to people's wellbeing.
- Housing costs as a proportion of income is rising, and is well above recognised 'housing stress' levels.
- People are struggling to escape the poverty traps of poor quality and expensive rentals with insufficient access to alternative paths into home ownership, such as shared equity or rent-to-buy schemes.

These trends are challenging the fundamental fabric of New Zealand society. A growing imbalance of housing wealth is creating new wealth for some and barriers for others to move ahead. The high cost of housing eats away at any income gains and is driving too many people into homelessness.

The costs to society of doing nothing in response to this crisis are too high to ignore. Just one example is the harm to the cognitive and emotional development of young children growing up in poverty in poor quality and insecure housing. These effects are huge and long-lasting for such children, their whānau/families, their communities and, ultimately, the economy. Wise investment by government in facilitating leadership and using the combined resources of land, finance, rules and regulations will reduce these costs.

New Zealand's current housing crisis has happened because of decisions of successive governments, and a new approach is needed. Church leaders believe we are at a *kairos** moment, when crisis can trigger a renewed vision for a better collective future.

* Kairos is an ancient Greek word meaning 'opportunity' or 'season'. It is related to the word kara ('head'). A 'kairos moment' can be understood as a time when matters 'come to a head', necessitating decisive action. A kairos moment is an invitation to 'seize the day'.

We call upon the Government to lead and host the formation of a comprehensive and effective housing plan by bringing diverse groups (political parties, iwi, regions, community organisations and developers) to the table. We commit to working with Government and others to help formulate and enact this plan.

Leadership is needed to deliver a housing plan that works

Visionary leadership is needed to craft a housing plan that will guide practical action. Such a plan will tap into expertise from across the country, be flexible enough to respond to diverse situations, and have the strength and backing of Government. It will support short-term and long-term responses, drawing upon diverse local and cultural representation to ensure locally responsive solutions.

The outcome of this housing plan must be to:

- increase the number of houses across the range of housing needs
- ensure these houses are affordable for all
- improve the quality of houses
- increase the security of tenure, be it rental, shared equity or ownership.

Different solutions are needed to meet the needs of *different locations*. Therefore, this housing plan will provide a range of tools and tailored responses. For instance, in Auckland the need is for more houses; whereas, on the East Coast it is for better quality homes. Papakainga housing projects are but one example of Māori-led initiatives emerging around the country. Pasifika communities are also working on responses, such as the Tongan Matanikolo project in Mangere.

However, this plan must still view the whole New Zealand housing system as *one system*, as opposed to only addressing isolated parts of that system. Action is needed across *all parts* of the housing continuum, because all parts are interconnected and influence each other. It is imperative to avoid piecemeal and ad hoc responses.

The Appendices to this statement set out examples of problems and needed responses across the whole housing continuum to increase supply. These are: the Housing Shareholders Advisory Group Recommendations (that Government has agreed to act on), Scorecard, and the New Zealand Housing Continuum. Our aim must be to meet overall demand and need and to focus on those most in need, while helping all those on lower incomes to find pathways towards better housing.

Build on what works ...

The housing plan needs to build on the good work already undertaken by the current and previous governments. We welcome the benefits to low-income families via extended access to income-related rent subsidies to community housing organisations. The growth in the number and scale of community

housing organisations is bringing a wider range of housing responses better suited to the needs of local communities. Additional investment in emergency housing is helping to meet the most urgent and critical need for shelter. New capital funding to fund community housing projects in Auckland and Christchurch is also proving a good way to support fresh housing supply for low-income families. The introduction of minimum standards for rental housing and active enforcement of those standards is also beginning to bring some change in the private sector rental market.

... while urgently addressing gaps

Although helpful interventions have been made, large gaps still need to be urgently addressed. Important aspects of a full response to the housing crisis have not been followed through. More support for shared equity, rent-to-own and other alternative ways to move into home ownership is required.

More needs to be done to require the inclusion of affordable housing in new housing developments (inclusionary zoning). Housing New Zealand needs to build more social housing, and Community Housing Providers need more investment. Stronger rules are required to ensure houses are sufficiently warm and healthy, and better regulation of the private sector rental market to make it easier for people to stay in rental homes long-term.

Visionary and collaborative leadership will transform housing in this country so that New Zealand is a better place for all.

Prioritise people, homes and communities

The New Zealand Government has signed international agreements and conventions that recognise housing as a basic human right. The United Nations Universal Declaration of Human Rights includes the right to housing, and New Zealand has also committed to the Sustainable Development Goals that include the responsibility to ensure adequate, safe and affordable housing.

Our focus must be on people, their homes and communities – not simply on ‘housing’ or ‘housing products’. Complex problems, such as those we face in housing, require a broad range of solutions. While there is no single solution, visionary and collaborative leadership will transform housing in this country so that New Zealand is a better place for all.

Our rationale

As church leaders, we share a vision of fairness, wholeness of life and commitment to the common good along with New Zealanders across all faiths and cultures. Secure housing is central to this vision and essential for people's wellbeing. We believe it is the responsibility of Government to ensure the wealth and resources of Aotearoa New Zealand are shared justly and fairly. Ensuring all citizens can access safe and affordable housing – whether as renters or home owners – is a critical way to maintain our collective health and prosperity.

We are committed to working with Government and alongside other groups as part of New Zealand's housing solution.

Archbishop Philip Richardson

Anglican Church in Aotearoa, New Zealand & Polynesia

Pastor Craig Vernall

Baptist Churches of New Zealand

Cardinal John Dew

The Catholic Church in Aoteroa New Zealand

Rev Prince Devanandan

The Methodist Church of New Zealand

Right Rev Richard Dawson

Presbyterian Church of Aotearoa New Zealand

Commissioner Andrew Westrupp

The Salvation Army New Zealand, Fiji & Tonga Territory

Rev Dr Richard Waugh

Chair, Church Leaders Aotearoa New Zealand

NEW ZEALAND HOUSING CONTINUUM at 27 APRIL 2017

Vision for Housing Continuum

- All New Zealanders in permanent safe and secure housing within 5 to 10 years
- Government support where housing cannot be achieved in the market
- Wide mix of solutions that are location-specific and appropriate

Housing Type(s)

Living on the Street, Temporary or Emergency Housing

Present Govt Action

- Emergency Housing Assistance provided by the Ministry of Social Development

Problems Needing Addressing

- Temporary support takes money from permanent solutions
- Numbers growing at faster rate than provision
- Needs high levels of social support to sustain
- Fails to meet criteria of social investment

Response Required

- Determine homeless numbers accurately
- Have a long-term emergency housing provision for next five years
- Ensure adequate resourcing of social support available
- Building for people currently determined as homeless as a new social provision

Housing Type(s)

Social Rental

Present Govt Action

- State Housing Provision
- IRRS expansion to community sector
- State House Transfer
- Splitting assessment and supply

Problems Needing Addressing

- Social housing supply totally inadequate in growth markets
- Transfers too slow
- Failure to build pathways out of social housing
- HNZC not adequately performing
- Mismatched IRRS housing not fit for purpose

Response Required

- Determine number of social units required to be built over next 5 years to meet current demand.
- Encourage and fund Community Housing Providers to provide social housing
- Build using the required housing State and community provision within 5 years
- Move quickly on HNZC transfers to quality local housing providers
- Enable purchases and churn
- Expand IRRS to Local Authorities and more CHPs
- Require HNZC to have all houses to adequate standard in three years
- Require HNZC to provide more socially innovative and neighbourhood solutions

Housing Type(s)

Private Rental

2 Markets:

- Paying above 30% household income
 - Private by choice
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Present Govt Action

- Accommodation Supplement
 - Modest strengthening of tenancy laws
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Problems Needing Addressing

- Tenancy laws need further strengthening
 - Incentives for long-term rental options
 - Accommodation Supplement not working adequately
 - High tenancy turnover
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Response Required

- Readjust AC to 30% threshold
 - Strengthen tenancy standards
 - Complete major review of tenancy law
 - Provide incentive for community provision of long-term rental housing
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Housing Type(s)

Renting to Own

Present Govt Action

- Accommodation Supplement
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Problems Needing Addressing

- No incentives available to expand these provision
 - Capital and land provision needed
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Response Required

- Provide Govt financing at Govt borrowing rate for cty and NGOs to build and manage rent-to-own schemes
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Housing Type(s)

Shared Equity Housing

Present Govt Action

- No Specific Programmes
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Problems Needing Addressing

- No incentives available to expand these provision
 - Capital and land provision needed
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Response Required

- Provide a billion dollar fund to enable building and retained equity provision or shared ownership
 - HNZC asset base used to leverage social housing ownership and equity finance
 - Purchase by Government of land that can be provided over a 25-year payback to community organisations undertaking this supply
 - Government programme of building and financing people into affordable homeownership, particularly using Community Housing Providers
 - Provision of special need, high-quality housing ownership options for the elderly and tax incentives to downsize.
 - Establishment of Urban Housing Authorities in areas of high housing demand
 - Re-prioritise homeownership so lower-income people can access homeownership
 - Inclusionary zoning
 - Major infrastructure programme to allow intensification in more parts of big cities
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Housing Type(s) **Owned With Mortgage**

- Present Govt Action**
- Welcome Home Loans
 - Special Housing Zones
 - Tamaki Hobsonville
 - Home Start

- Problems Needing Addressing**
- Inadequate supply of affordable homeownership in growth markets
 - Inclusionary Zoning required
 - Housing supply monopolies need addressing
 - Not enough support for low- income home buyers

- Response Required**
- Provide a billion dollar fund to enable building and retained equity provision or shared ownership
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Housing Type(s) **Owned Without Mortgage**

- Present Govt Action**
- Natural Disaster Assistance

- Problems Needing Addressing**
- Inadequate supply of affordable homeownership in growth markets
 - Inclusionary Zoning required
 - Housing supply monopolies need addressing
 - Not enough support for low- income home buyers

- Response Required**
- Provide a billion dollar fund to enable building and retained equity provision or shared ownership
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HOUSING SHAREHOLDERS ADVISORY GROUP: Major Initiatives and Recommendations – Scorecard Review as at April 2017

Initiative I: Empowering HNZC to focus on the 'high needs' sector

Achieved	Partially achieved—work in progress (WIP) / very little action (VLA)	Not achieved / No action
<p>Recommendation 1: The Ministers set policy expectations that emphasise best match of dwelling to tenant needs.</p> <p>Recommendation 3: Introduce new tenancy agreements for those entering the state housing portfolio in the future to enable support to be provided for the duration of the need.</p>	<p>Recommendation 2: HNZC develops new policies to manage its tenant base and their needs.</p> <p>Recommendation 4: HNZC actively manages the portfolio of dwellings to match future demand. (VLA)</p> <p>Recommendation 5: Use multiple supply choices available to provide new state housing stock. (VLA)</p>	<p>Recommendation 6: HNZC explicitly develops scale and niche service third party providers to the sector.</p>

Initiative II: Driving involvement of third-party suppliers

Achieved	Partially achieved—work in progress (WIP) / very little action (VLA)	Not achieved / No action
<p>Recommendation 9: Support with IRRS, not AS, payments to develop financial viability of NGOs serving the 'high needs' segment.</p>	<p>Recommendation 7: Work with non-governmental sector groups and Iwi to develop the 'pre-housing' and 'cost-based' sectors that can deliver more intensely supported housing for high needs individuals. (WIP)</p> <p>Recommendation 8: Transfer either capital or dwellings to selected non-government organisations (NGOs) to initially meet 20% of this sector's need in five years, thereby developing a limited number of scale and niche providers. (WIP)</p> <p>Recommendation 11: Establish location specific urban renewal agencies as limited life and purpose joint ventures between the Crown and local government separate from HNZC to create the necessary conditions and develop the land to the point that private sector developers are willing to acquire the land and undertake further development.</p>	<p>Recommendation 10: Embrace new development and funding approaches to leverage capital and for the provision of new dwelling stock in the state and affordable housing portfolio.</p>

Initiative III: Initiatives across the broader housing spectrum

Achieved	Partially achieved—work in progress (WIP) / very little action (VLA)	Not achieved / No action
		<p>Recommendation 12: Charge HNZC/DHB with reviewing and aligning IRRS and the Accommodation Supplement as part of broader MSD interventions.</p> <p>Recommendation 13: DHB and the private sector should lead a major initiative to develop accessibility products for affordable home ownership in this sector that are designed to have significant take-up in the marketplace.</p> <p>Recommendation 14: HNZC, DHB and Treasury must co-operate to produce co-ordinated policy to agree:</p> <ul style="list-style-type: none">• The extent of the affordable housing shortage. (Not Achieved)• Broad interventions needed to develop this segment, inspired by some of the offshore examples provided here. (No Action)• Specific programmes to underpin the delivery of new affordable homes and products to provide relevant assistance to more families. (No Action)

Initiative IV: Future sector arrangements

Achieved	Partially achieved—work in progress (WIP) / very little action (VLA)	Not achieved / No action
<p>Recommendation 15: MSD to assess tenant needs and administer both IRRS and AS subsidies.</p> <p>Recommendation 16: Responsibilities for planning policy and support around affordable housing supply issues should be done in one organisation most likely DHB. (Completed by MBIE)</p> <p>Recommendation 18: Establish a unit specifically charged to deliver and administer state-owned dwellings and services to those whose ‘need is greatest.’ (Completed by MSD)</p>		<p>Recommendation 17: Clear accountability for the development of third-party involvement within the state housing and across the broader housing spectrum.</p> <p>Recommendation 19: Evolve the sector structure to create a funding organisation, responsible for the development of the affordable housing sector, (referred to as the Affordable Housing Agency (AFA) and a delivery organisation (referred to as the Crown Housing Company (CHC) as the preferred option for future sector arrangements.</p>