
The Outcomes Evaluation of the Housing Innovation Fund

**Report on Phase Two of the Evaluation
for
Housing New Zealand Corporation**

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PS... Services

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Contents

Executive Summary	5
Introduction.....	9
Background.....	9
Why an outcomes evaluation is needed.....	9
Objectives of the Evaluation	10
Approach taken.....	11
Structure of report.....	11
Profile of organisations and funding.....	13
Introduction	13
Recipients of capital funding.....	13
Recipients of capacity development and feasibility grants	18
Survey findings	21
Achievement of outcomes and objectives	25
Community housing sector outcomes and objectives	25
Local government sector outcomes and objectives	30
The Fund's overarching objectives.....	34
Policy and programme mechanisms and design.....	35
Barriers to the development of the sector	37
Suggestions for the further development of the social housing sector.....	39
Pathway to a sustainable community social housing sector	41
CBO vs. local government perspectives	45
Community Housing Aotearoa Incorporated	47
Background	47
Evaluation findings	49
Concluding remarks	52
Costs and benefits	55
Tangible costs and benefits.....	55
Intangible benefits	57
Intangible costs	62
Concluding remarks	62
Concluding comment	65

Appendices.....	67
Appendix One: Housing Innovation Fund – Outcome hierarchy	67
Appendix Two: Housing Innovation Fund – Aims and objectives.....	69
Appendix Three: Key findings of the process evaluation.....	71
Appendix Four: Phase One Report – Executive summary	73
Appendix Five: Interview key informants	87

List of tables

Table 1: Capital funding (September 2003 – 30 June 2007).....	14
Table 2: Number of units built and modified (September 2003 – 30 June 2007).....	16
Table 3: Total units built and modified by sector (September 2003 – 30 June 2007)	16
Table 4: Project costs and contributions	17
Table 5: Feasibility grants provided.....	18
Table 6: Capacity development grants provided	19
Table 7: Total value of grants.....	20
Table 8: Survey respondents by region.....	21
Table 9: Survey respondents by main client groups	22
Table 10: CBO survey respondents by main activities undertaken.....	23
Table 11: Local authority survey respondents by type of housing provided.....	24
Table 12: Local authority survey respondents by changes in housing stock	24
Table 13: Local authority survey respondents by years involved in provision of housing.....	24
Table 14: Awareness of CHAI	51
Table 15: Familiarity with CHAI	52
Table 16: Information or support from CHAI	52
Table 17: Tangible costs (September 2003 – June 2007)	55
Table 18: State and non-government social housing – some comparisons.....	56

Executive Summary

This report presents the key findings and conclusions from Phase Two of the outcome evaluation of the Housing Innovation Fund (HIF or the Fund). The overall purpose of this outcome evaluation is to determine the extent to which funding of the community-based and local government social housing sectors provided through HIF has achieved the agreed objectives for the Fund and the intended intermediate outcomes, up until June 2007.

Application of the Fund

As at 30 June 2007, capital funding has been approved for 31 community-based organisations (CBOs) under the Fund, to a total value of approximately \$33.0 million. This capital funding includes HIF term loans of \$24.7 million for 29 CBOs, conditional grants of \$6.42 million for 25 CBOs, and suspensory loans of \$1.87 million for eight organisations. In comparison, 17 local authorities had \$16.7 million of suspensory loans approved as at 30 June 2007.

A total of 729 units have been approved under the Fund from its inception to 30 June 2007, as either new builds (49 percent, or 355 units) or modifications (374 units). Of these, CBOs have projects involving 210 built units (59 percent of built units, and 29 percent of total units), and local authorities have projects approved for 145 built units and 374 modified units.

Community-based organisations have contributed around 30 percent of the total project costs of their projects (\$13.9 million of the \$46.8 million total), and local authorities have contributed 38 percent (\$10.4 million of the \$27.1 million total). Overall, projects to a value of \$73.9 million have been achieved, with HIF funding of \$49.7 million.

CBOs were eligible for feasibility and/or capacity development grants. Most commonly, CBOs used feasibility grants to develop working drawings, architectural and infrastructural designs/plans. Development grants were most commonly used to develop governance, organisational, operational and housing policies and procedures. As at 30 June 2007, the Corporation had received \$3.48 million (excluding GST) in appropriated funds to cover feasibility and capacity development grants made to CBOs, and had paid out \$2.97 million. An additional \$1.28 million (excluding GST) in appropriated funds was received by the Corporation to support the establishment, and fund the operation, of the peak body, Community Housing Aotearoa Incorporated (CHAI).

Achievement of outcomes and objectives

In relation to the key intermediate outcomes for the community-based housing sector, it may be concluded that, overall:

- the demonstration projects will generally be financially sustainable over the long term without ongoing financial support from the Corporation, although there is some risk for projects that have been delayed.
- there is some uncertainty about whether some CBOs will be sustainable in the longer term, or able to grow and expand as social housing providers without ongoing support to develop greater scale of activities

- the range of mechanisms for delivering assistance to community housing sector partners are generally considered effective and appropriate, particularly as these have developed towards the end of the demonstration period
- the key elements of an infrastructure to support community-based housing sector have also been evolving over the period of the Fund.

While individual projects are sustainable, the sector is by no means sustainable yet due mainly to its size and lack of economies of scale. A range of support and assistance will be required to support growth and capacity development, and to address a range of impediments in the general environment.

In terms of the key intermediate outcomes for the local government housing sector, it may be concluded that, overall:

- the Fund has had some positive impact in encouraging local government to retain their existing social housing stock, and more particularly in helping them refurbish or reconfigure it
- there have as yet been few examples of collaborative approaches to providing social housing between local authorities, CBOs, private and central government sectors under the Fund – one key example is the Queenstown Lakes District Community Housing Trust model
- there have also been few examples of creative and innovative approaches to the delivery of social housing solutions with/by local authorities, with most projects involving straightforward modifications of existing units, replacement of housing and/or construction of new housing
- local authorities most commonly target social housing for older people on low incomes, but it is not clear whether these represent the groups in most need
- financial assistance is provided on terms that protect the Crown's investment.

While some local authorities report that they would have been considering exiting the provision of housing if not for the Fund, and others would not have embarked on the modernisation programmes HIF has supported, the Fund is less likely to encourage local authorities to expand their social housing stocks and role in social housing. Those that are already inclined to do so will, while those that are not so inclined (a majority) are unlikely to be tempted by the availability of the Fund.

The remainder of the report identifies a range of impediments to the development of the social housing sector, and draws together a range of suggestions for strategies to address these. It also summarises the contribution CHAI is making to the sector, confirming there is general support for a peak body and the types of roles CHAI is beginning to deliver. It identifies a range of costs and benefits of HIF, with many of the benefits being intangible and impossible to quantify, but important.

Overall, it is considered that the Fund has laid down a good foundation of building blocks for the development of a social housing sector, and has helped to accelerate this.

The Fund has, however, come in for some criticism over the level of funding available, an inability to support large-scale developments of social housing and the relatively short time horizons (four-year programme). It appears that a number of commentators have over-looked or not appreciated that the Fund was set up to encourage the development of an innovative community housing sector

able to provide affordable and secure rental housing, and home ownership opportunities to low-income New Zealanders. The funding was intended to support a four-year programme of **demonstration** projects, and this initial programme is in the nature of a pilot scheme. It was not intended to be the full and complete solution to the need for social housing, either in terms of the length of commitment provided (a four-year programme), or the level of resourcing required to develop a fully sustainable sector.

There continues to be a need for ongoing financial and practical support over the long term if the sector is to develop further, guided by a clear, sector-specific strategy that has broad-based buy-in and support from the sector and various government agencies, and good quality information about the level of demand and need for social housing.

Introduction

The purpose of this report is to present the key findings and conclusions from Phase Two of the outcome evaluation of the HIF.

The outcomes evaluation seeks to determine the extent to which funding of the community-based and local government social housing sectors provided through the HIF has achieved the agreed objectives for the Fund and the intended intermediate outcomes.

Background

HIF was established in 2003 to increase the supply and quality of delivery of social housing to key target groups, through two funding streams: the community-based *Housing Innovation Fund* and the *Local Government Housing* initiative.¹ The Fund aims to support the development of capacity and infrastructure in the community housing sector and to provide social housing that is tailored to local needs. It also aims to support local authorities retain and enhance their social housing stocks by encouraging investment in new stock, modernising existing stock and identifying new ways of working on social housing projects with other councils and community-based organisations (CBOs) in the region.

The Fund fits within the broader *New Zealand Housing Strategy*. One of its seven areas for action is to improve housing assistance and affordability by expanding the provisions of social housing and fostering the development of community-based social housing providers.

The first four years of the Fund has involved establishing a number of demonstration projects to test the approach to community-based housing development and gauge the interest of local government in retaining and expanding their social housing investment.

An outcomes hierarchy has been developed to guide the evaluation of the effectiveness of the Fund against the purpose and objectives for which it was initially established. This hierarchy was modified as a result of learning and the implementation of strategies to support it (see Appendix One).

Appendix Two provides additional information about the Fund, its aims and objectives.

Why an outcomes evaluation is needed

When Cabinet approved the initial four-year programme of funding for the Fund, it required an evaluation. This evaluation fulfils this Cabinet requirement and contributes to further refinements of the programme's mechanisms, objectives and intended outcomes. It will also inform decision-making about whether the Fund will continue beyond the initial four-year demonstration phase and the two years of extended funding in 2007/2008 and 2008/2009.

¹ Although it is recognised these are separate initiatives, with different mechanisms, and will require different perspectives to be taken in the evaluation, they will be collectively referred to as "the Fund" or "HIF", unless the context requires they be referred to individually.

A process evaluation of the Fund was completed in June 2005 covering the period December 2003 to March 2005. Representatives from 12 CBOs and three local authorities that were early recipients of HIF funding were interviewed for the process evaluation, together with members of the group who established Community Housing Aotearoa Incorporated (CHAI), and staff of the Corporation. Appendix Three provides a brief summary of the process evaluation's key findings.

The overall outcome evaluation has been split into two phases. Phase One was completed in September 2006, and focused on the outcomes from a selected group of eight projects, based on a case study approach. Appendix Four provides the Executive Summary of findings from Phase One of the outcome evaluation. Phase Two, which is the focus of this report, focuses on the wider set of longer term outcomes achieved under the Fund.

Objectives of the Evaluation

The overall purpose of this evaluation is to determine the extent to which funding has achieved the agreed objectives for the Housing Innovation Fund. This evaluation will also determine whether the Fund has achieved, or is achieving, the intended intermediate outcomes described in the retrospective outcomes hierarchy for the Housing Innovation Fund. The evaluation will critically reflect on achievements of the Fund up until June 2007, including:

- the extent to which the Fund's intended intermediate outcomes and intended objectives for the community housing sector and local government housing have been achieved
- the appropriateness of the Fund's programme mechanisms for achieving the objectives and intended outcomes
- factors in the broader environment that are assisting or impeding CBOs' ability to deliver social housing, and local authorities' participation in the delivery of social housing
- the appropriateness of the Fund's processes and capacity building products in supporting the ability of CBOs to deliver social housing, and develop into sustainable community housing providers
- contextual factors that are assisting or impeding the implementation of the Fund.

The following elements are excluded from the scope of this evaluation:

- gathering information directly from tenants and home owners
- an independent evaluation of the community housing sector itself
- an assessment of the performance of individual CBOs or local authorities
- policy questions about whether the Fund is the best way of achieving the Government's housing outcomes or to develop the community housing sector, and any comparisons of alternative models (although it is noted that questions about the effectiveness of the Fund may raise suggestions for alternative approaches that could be reported)
- a comparative analysis of the Fund's 'value for money' for Government with other approaches to social housing provision
- a review of the Fund's financial products.

Approach taken

Overall, an appreciative inquiry approach has been taken to this evaluation. This essentially means that the evaluation builds a picture of what is working successfully in the implementation of the Fund, by positively and constructively exploring the issues and learning from what has worked well to create a desired way forward. It is anticipated that such an approach enhances the effectiveness and utility of the outcome evaluation.

The approach taken in Phase Two of the evaluation involved:

- a review and analysis of documentation and existing databases relating to all project proposals and grants provided – in particular the range, types and scope of projects, funding contributed, key target groups, and financial and other key information
- review of published research/reports commissioned by the Corporation to address aspects of the key evaluation questions, where available
- key informant interviews with a range of community organisations and local authorities covering a variety of projects and types of social housing providers, target groups and locations, that were identified by the Evaluation Steering Group²
- key informant interviews with a range of other stakeholders, also identified by the Evaluation Steering Group, including staff from the Corporation's National Office, sector organisations/stakeholders that are able to take an overview of the sector
- discussion groups and interviews with the Corporation's regional HIF Project Managers and clusters of CBOs
- a survey of all CBOs and local authorities that have participated in the Fund (as at April 2007) to gather data related to satisfaction and other measures of effectiveness in relation to the Fund's outcomes.

Appendix Five provides a list of key informants who were interviewed or participated in discussion groups.

Structure of report

This report will:

- provide a profile of the organisations receiving capital funding and grants, the value of these, the target groups that organisations receiving capital funding work with, and the types of projects
- present key conclusions relating to the outcomes and objectives achieved, and the policy and programme mechanisms and design

² Members of the Evaluation Steering Group are: Patricia Laing – Senior Research and Evaluation Analyst, and Evaluation Project Manager; Tui Tararo – Housing Innovations Group; Stephen Cross – Housing Innovations Group (seconded to the Minister for Housing's office prior to Phase Two commencing).

- identify potential impediments (in the environment and Fund programme) to CBOs and local authorities participating in the delivery of social housing, and present an initial model that summarises key elements of a 'Pathway to a sustainable community social housing sector'
- comment on the differences emerging between CBO and local government perspectives of the Fund
- discuss the contribution that the peak body, Community Housing Aotearoa Incorporated (CHAI), has made to the development of the community housing sector
- discuss the costs and benefits associated with implementing the Fund.

Profile of organisations and funding

Introduction

This section describes the profile of organisations that receive funding from HIF, the funding received over the life of the Fund, and the purpose of that funding.

Information in this section is drawn from a review of partnership proposals developed by HIF project managers to apply for capital funding, and agreements to provide capacity development and feasibility grants. Data was also provided by the Corporation on the value of capital funding and grants provided, and the amounts drawn-down and repaid as at 30 June 2007.³

This section also presents a profile of organisations responding to the survey of organisations receiving funding, which provides a broader perspective of the sector. (See page 21 for a description of the survey population and method.)

Recipients of capital funding

Capital funding mechanisms and value

The primary capital funding mechanisms for CBOs are a mix of term loans, conditional grants and suspensory loans. The typical terms and conditions of these mechanisms are⁴:

- conditional grants are made to cover project costs and/or capital costs of a project. Conditional grants are for a maximum term of 10 years after which time they are written off (subject to the CBO retaining the development as social housing), are non-repayable, and may be made for up to 15 percent of the total cost of the project
- term loans are available to meet the balance of capital costs of a development where the CBO's contribution plus the HIF conditional grant are insufficient to fund the entire project. The loan is for a maximum term of 25 years, with the first 10 years being interest-free, and converting to a table mortgage from year 11
- suspensory loans may be offered if the development is not viable using other HIF products alone (for example, the proposed below-market rents able to be charged will be insufficient to meet a development's operating costs plus assumed repayments). The suspensory loan may be for a maximum of 35 percent of the total project costs, and a maximum term of 25 years or the term of the term loan, whichever is the lesser
- the conditional grants and suspensory loans are only repayable if the organisation sells the properties it acquired or ceases to use them for social housing purposes within the term of the grant or loan respectively (the suspensory loan in the latter case).

³ The list of organisations receiving funding/assistance was provided to the evaluators in April 2007, and was the basis for requesting copies of documentation to review. However, not all of the relevant documents were provided to the evaluators, and there were inconsistencies between different sources of information. There have also been additional proposals approved between April and June 2007.

⁴ HNZN – Community-based Organisation (CBO) Credit Policy. May 2006.

The capital funding mechanism for local government is suspensory loans. The Corporation may provide a 20-year interest-free suspensory loan on the following terms⁵:

- for up to 50 percent of the cost of purchasing or constructing housing by a local authority
- for up to \$30,000 per unit for modernisation projects
- for up to \$30,000 per unit, plus 50 percent of the actual cost of additional capacity, for reconfigurations
- loans are written down over the term of the loan
- loans will be repayable, together with interest calculated at an interest rate reasonably determined by Housing New Zealand, if during the term of the loan the local authority does not continue to use the properties for social housing purposes.

As at 30 June 2007, 29 community organisations⁶ have had HIF term loans approved for a total of approximately \$24.7 million, of which \$16.4 million had been drawn down, and repayments of \$727,000 had been made.

Some 25 community organisations have had conditional grants approved, totalling approximately \$6.42 million, with \$3.99 million having been drawn down; eight organisations have had suspensory loans approved to a total value of approximately \$1.87 million, with \$1.21 million having been drawn down and \$87,705 had been written down.

Capital funding has, therefore, been approved for 31 community organisations under the Housing Innovation Fund as at 30 June 2007. The total value has been approximately \$33.0 million, with \$21.6 million of that having been drawn down at this date.

Table 1: Capital funding (September 2003 – 30 June 2007)

Capital funding (\$000):	Term loans	Conditional grants	Suspensory loans²	Total
Community Organisations				
Number receiving: ¹	29	25	8	31
Total value approved: ¹	\$24,683	\$6,416	\$1,868	\$32,966
Amount drawn down as at 30/6/07: ²	\$16,429	\$3,992	\$1,212	\$21,634
HIF Loan repayments to 30/6/07: ³	\$727			\$727
Suspensory loans written down: ³			\$88	\$88

(Table continued over page.)

⁵ HNZN – Local Authority (LA) Credit Policy. April 2005 (last updated).

⁶ Counting four affiliated projects as one: Abbeyfield Golden Bay, Abbeyfield Waikato, Abbeyfield Auckland and Abbeyfield Palmerston North (two were funded independently, and two were funded through Abbeyfield Partnerships Ltd).

Capital funding (\$000):	Term loans	Conditional grants	Suspensory loans ²	Total
Local authorities				All
Number receiving: ¹			17	48
Total value approved: ¹			\$16,746	\$49,713
Amount drawn down as at 30/6/07: ²			\$4,737	\$26,371
HIF Loan repayments to 30/6/07: ³				\$727
Suspensory loans written down: ³			\$449	\$536

Sources and Notes:

¹ Data provided by National Manager Business Development - Housing Innovations (4 September 2007).

² Data provided by the Corporation's Finance Team (20 July 2007).

³ Data provided by the Corporation's Credit Team (13 July 2007).

In comparison, 17 local authorities had approximately \$16.7 million of suspensory loans approved as at 30 June 2007, ten of which were approved in 2006/2007; \$4.74 million had been drawn down. Less than \$500,000 of the suspensory loans had been written off.

One key informant identified that evidence of slow/sluggish draw-downs of funds for projects, including loans and/or capacity grants, raises questions about how well projects are being managed. This point also raises concerns about the ability of a provider to meet their deliverables, and may have financial implications for the Corporation.

Types of community organisations receiving capital funding

Most of the community organisations receiving capital funding are charitable trusts (24 of the 28 for which information was available to the evaluators⁷), with four recipients being iwi/Māori organisations.

The target client groups for these organisations are most commonly older people (ten, or 36 percent of community organisations), with five organisations each providing (at least some) new housing for clients with mental health needs, physical disabilities, or low-moderate incomes. Four organisations each provided housing for people with intellectual disabilities (usually combined with physical disabilities) and/or Māori. One organisation provided housing for each of the following groups: refugee/migrant families, short term housing or emergency housing. Some organisations provided housing for more than one type of client – for example, older Māori (kaumatua), physical and intellectual disabilities, or Māori with mental health issues.

The majority of local authorities (nine of the ten for which information was available) provided new or modified/upgraded housing for older tenants on low incomes; one local authority had a more general social housing focus.

Nature and scale of projects

Among community organisations, over half (17 of 28, or 61 percent) built new housing, while six organisations (21 percent) purchased housing on the market. Two organisations purchased and modified housing, two reconfigured existing housing, and one organisation refinanced an earlier

⁷ See Footnote 3, page 13.

Corporation loan made under a previous funding scheme for a project that involved building affordable housing for home ownership.

Of the ten local authorities' projects: four involved building units, four involved reconfiguring and modernising existing units, and two involved modernising existing units.

In terms of the numbers of units that are represented in the capital funding that has been approved, Table 2 shows the numbers of units that have been approved in projects as either new units or modifications for the year in which the projects were accepted, and those completed and not completed as at 30 June 2007.

Table 2: Number of units built and modified (September 2003 – 30 June 2007)

Year Accepted	No. of Units built			No. of Units modified		
	Not completed	Completed	Total	Not completed	Completed	Total
2003/2004	5	29	34			
2004/2005	12	84	96		30	30
2005/2006	64	49	113	12	79	91
2006/2007	111	1	112	253		253
Totals	192	163	355	265	109	374

Source: National Manager Business Development - Housing Innovations (20 July 2007)

This shows that 729 units have been approved under the Fund from its inception to 30 June 2007, as either new builds (49 percent) or modifications. Table 3 shows the totals for community organisations and local authorities, along with the proportion of projects that have been completed as at 30 June 2007.

Table 3: Total units built and modified by sector (September 2003 – 30 June 2007)

Totals by sector – All years	No. of Units built	No. of Units modified	Total units
Community organisations – Total accepted	210	0	210
No. of Completed units	157	0	157
% Complete	75%		75%
Local authorities – Total accepted	145	374	519
No. of Completed units	6	109	115
% Complete	4%	29%	22%
All organisations – Total accepted	355	374	729
No. of Completed units	163	109	272
% Complete	46%	29%	37%

Source: National Manager Business Development - Housing Innovations (20 July 2007)

The low proportion of local authority projects that have been completed is a reflection of the fact that the many of these projects have only been accepted in the 2006/07 year, including six projects in May-June 2007. However, it may also be noted that one CBO in each of the 2003/2004 and

2004/2005 years has not completed their projects as at 30 June 2007, and seven organisations (four CBOs and three local authorities) have not completed projects that were accepted in 2005/2006.

It is not clear how the overall stock of social housing has changed (due to different combinations of building, purchasing, reconfiguring and modifying housing stocks) or the total number of people that can now be housed in these projects (for example, in terms of the numbers of beds/bedrooms available before and after the projects).

Community and local authority contributions

To be eligible for funding, community organisations must be able to contribute at least 15 percent of the total costs to the project. This contribution may be cash and/or the value of the land on which housing is to be built.

Local authorities must commit 50 percent of the total project costs to those projects involving the construction of new housing, although this may or may not include the value of the land on which these projects are built.

Table 4 presents a breakdown between community organisations and local authority project costs and contributions. It shows that community organisations contributed around 30 percent of the total project costs of their projects (\$13.9 million of the \$46.8 million total), and that local authorities contributed 38 percent (\$10.4 million of the \$27.1 million total). Overall, the customer contribution to funded projects is 33 percent of the total project costs, although this does not recognise any added value for existing council stocks that have been modified. Looked at another way, by leveraging HIF funding of \$49.7 million, projects to a value of \$73.9 million have been achieved, or a margin of 49 percent.

Table 4: Project costs and contributions

	No. of projects	Total project costs (\$000)	Total HIF Funding ² (\$000)	Customer Contribution ¹ (\$000)	% Leverage
Community organisations	42	\$46,840	\$32,966	\$13,873	30%
Local authorities	17	\$27,103	\$16,746	\$10,357	38%
Total	59	\$73,943	\$49,713	\$24,230	33%

Source: Housing New Zealand Corporation Board Paper, Housing Innovation Fund, 28 June 2007.

Notes: ¹ Includes value of land.

² Includes term loans, conditional grants and suspensory loans.

Recipients of capacity development and feasibility grants

A number of grants were made available under the Fund to support the development of community-based organisations and their projects. These met some of the costs groups faced when developing new proposals, such as accessing specialist advice in a range of different areas.

As a result of reviewing what the feasibility and development grants were used for, there was evidence that both types of grants were used for the same or very similar purposes. For example, both grants were used for undertaking housing needs assessments, to identify funding sources and employ someone to manage/undertake work on the housing project.

Feasibility grants

The following analysis is based on the information for 38 community-based organisations that received a feasibility grant. Feasibility grants were often used for more than one purpose.

Sixteen of the 38 CBOs (42 percent) used feasibility grants to develop working drawings, architectural and infrastructural designs/plans. Thirteen CBOs (34 percent) used the grants to undertake studies on the viability of their proposed housing project or to identify the feasibility of different housing/design and tenure options to consider in their decision-making processes.

Ten organisations (26 percent) used the feasibility grants to identify the various funding sources and/or to develop a budget/s for their housing projects, and the same number (26 percent) used grants to get valuations of their projects.

Table 5: Feasibility grants provided

Purpose of feasibility grants	N.	
Design working drawings; architectural plans; infrastructural design/plans	16	42%
Feasibility of project, design/tenure options; identify different housing options	13	34%
Identify funding sources; budgets/budget options	10	26%
Valuations	10	26%
Quantity surveyor; specs for materials and requirements	8	21%
Council fees; LIM reports; applications for building consents	7	18%
Site investigations/surveys; structural and engineering reports	6	16%
Research land availability	5	13%
Housing needs assessment; design and development housing requirements/plan	5	13%
Employ iwi advisor/manager/liaison person	5	13%
Contract/project management of building process	4	11%
Community social housing plan; identify social housing outcomes	2	5%
Resource consents	2	5%
Identify improvements and repairs; framework for assessing tenant needs	2	5%
Prepare tender documentation; administer tender process	2	5%
Review operational policies and procedures, asset management plans	2	5%
Legal fees; technical advice	2	5%
Community/stakeholder consultation	1	3%
Organisations receiving grants	38	Note

Note: CBOs may have received feasibility grants for more than one purpose, and/or more than one feasibility grant.

Other purposes grants were used for included: advice/work undertaken by a quantity surveyor, and specifications for materials (eight organisations, or 21 percent); fees, advice and assistance around council processes, such as building consents (seven organisations, or 18 percent) and site investigations, structural and engineering reports (six organisations, or 16 percent).

Five organisations (13 percent) each used grants for: researching land availability; undertaking a housing needs assessment/housing plan and to employ someone to assist them with the housing project. Four organisations (11 percent) used the feasibility grants specifically to hire in the expertise to manage the building process. Other reasons feasibility grants were used by only one or two organisations each are identified Table 5.

Capacity development grants

The following analysis is based on the information available for 52 CBOs that received a capacity development grant. As with the feasibility grants, capacity development grants were typically used for a number of purposes.

Most commonly, just over half of the CBOs (27 organisations, or 52 percent) used capacity development grants to develop governance, organisational, operational and housing policies and procedures. Seventeen CBOs (33 percent) used the grants to develop plans of some sort – strategic/business/ communication plans or housing strategies, and the same number of organisations (33 percent) used grants to undertake housing need assessments.

Twelve CBOs (23 percent) used capacity development grants to undertake community or stakeholder consultations, or develop collaborative/partnership approaches. Eleven CBOs (21 percent) each used the grants to undertake a feasibility study of the new social housing project, or to employ a resource (such as an iwi advisor, project manager or advisor) to manage or undertake work associated with the housing project.

Table 6: Capacity development grants provided

Purpose of capacity development grants	N.	
Organisational/operating policies and procedures, eg for governance, housing; Kapa Hanga Kainga	27	52%
Business/strategic plans or housing strategies; communication plans	17	33%
Housing/community needs assessments	17	33%
Community/Stakeholder consultation/collaboration/partnerships	12	23%
Identify/feasibility to establish new social housing options	11	21%
Employ staff: iwi advisor/manager; project manager; community advisor	11	21%
Training; mentoring; coaching to build in-house capability	9	17%
Establishment of new social housing provider; prepare Trust Deeds; manage transition from incorporated society/charitable trust	6	12%
Identify potential funding sources	4	8%
Legal; financial; tax consultation; risk management advice	3	6%
Infrastructure options; designs; plan; quantity survey	3	6%
Support service delivery assessments and plans	2	4%
Housing maintenance/asset management plans	1	2%
Organisations receiving grants	52	Note

Note: CBOs may have received capacity development grants for more than one purpose, and/or more than one grant.

Nine groups (17 percent) used the grants to build their in-house capacity through training, coaching and/or mentoring. Six CBOs (12 percent) used them to establish a new social housing entity. Other purposes that community-based organisations used capacity development grants for are listed in Table 6.

Value of grants provided

Table 7 shows that the Corporation received \$3.48 million (excluding GST) in appropriated funds to cover feasibility and capacity development grants made to community organisations, and has paid out \$2.97 million; there is a balance of \$509,838 that has been unpaid as at 30 June 2007.

Table 7: Total value of grants

Total grants – All years	Appropriated funds received	Funds paid out to Customers	Unpaid Balance
	\$ Excl GST	\$ Excl GST	\$
Feasibility grants ¹	\$645,326	\$583,479	\$72,571
Development grants ¹	\$2,777,756	\$2,339,431	\$427,651
Unknown ²	\$55,111	\$45,496	\$9,615
Total grants	\$3,478,193	\$2,968,355	\$509,838

Source: Housing New Zealand Corporation Finance Team

Notes: ¹ Due to probable coding anomalies, funds received less funds paid out do not equal unpaid balance for each line, but do equate at the Total grants level.

² Unclear whether these are feasibility or development grants.

In addition to these grants, \$1.28 million (excluding GST) in appropriated funds was received by the Corporation in respect of the peak body, Community Housing Aotearoa Incorporated (CHAI), and \$1.30 million paid out in the years to 30 June 2007. This funding included funds to cover costs of establishing CHAI.

In a separate appropriation from the HIF, a grant of \$443,930 (excluding GST) has been provided for the Wellington City Council to undertake a needs assessment for social housing in Wellington (including the development of a methodology to use in other parts of the country) and a stock assessment of the Council's portfolio (involving a survey of 400 properties).

In total, 100 development grants and 24 feasibility grants have been allocated to CBOs under the Fund, as at 30 June 2007.⁸ However, the total number of organisations receiving these grants is difficult to determine as some organisations may have received more than one of these, and in the Finance system a number of grant payments are recorded against contracted service providers rather than the community organisations to which the services were provided.

⁸ Source: National Manager Business Development - Housing Innovations (5 September 2007)

Survey findings

A survey of CBOs and local authorities was undertaken to ask their views about the assistance they have received from the Corporation, the Fund, the impact the assistance has had on their organisation, and suggestions for what might be done differently. Surveys were distributed to 80 CBOs and 14 local authorities. Responses were received from 47 CBOs for a response rate of 59 percent; eight responses were received from local authorities, for a response rate of 57 percent.

Region

Community-based organisations responding to the survey were most commonly from the Auckland region (10 organisations, or 21 percent), with similar numbers from Canterbury and Waikato (six organisations, or 13 percent, each), and Northland (five organisations, 11 percent).

Among local authorities, three were from the Waikato region.

Table 8: Survey respondents by region

Region	CBOs		Local Authorities
	N.	%	N.
Auckland	10	21%	
Canterbury	6	13%	1
Waikato	6	13%	3
Northland	5	11%	
Bay of Plenty	3	6%	1
Wellington	3	6%	1*
Hawkes Bay	2	4%	
Manawatu	2	4%	1
Nelson/Marlborough	3	6%	
Chatham Islands	1	2%	
Gisborne	1	2%	
Otago	1	2%	1
Southland	1	2%	
Taranaki	1	2%	
Did not say	3	6%	
Base: All respondents	47	Note	8

Note: Community organisations add to more than 100 percent as one organisation covers Canterbury and Nelson/Marlborough. Percentages not provided for local authorities due to distortion effects of low base size.

* Not an appropriation under HIF.

Target client groups

Around three-quarters of community organisations identified more than one client group as their key target group for services provided. Just over half of community organisations (26 organisations, or 55 percent) have low income families as their main target group, with similar proportions targeting low income individuals generally (24 CBOs, 51 percent) and/or Māori (23 CBOs, 49 percent). These were followed by 20 community organisations (43 percent) identifying the elderly, and 14 (30 percent) identifying people with mental illnesses or special health needs as

a main target client group. In contrast, all local authorities responding provide social housing for the elderly, with three each providing housing for low income individuals generally, and/or women.

Table 9: Survey respondents by main client groups

Main client groups	CBOs		Local authorities
	N.	%	N.
Low income families (generally)	26	55%	1
Low income individuals (generally)	24	51%	3
Māori	23	49%	0
Elderly	20	43%	8
People with mental illnesses/special health needs	14	30%	3
First home-buyers	13	28%	0
Women	12	26%	3
People with physical disabilities	11	23%	0
Pacific	9	19%	0
Young people (20 years or less)	9	19%	0
People with intellectual disabilities	8	17%	2
Refugees/new immigrants to NZ	5	11%	1
Other	1	2%	2
No response	0	0%	0
Base: All respondents	47		8

Note: Adds to more than 100 percent as multiple responses are possible.

Main activities of CBOs

The main activities undertaken by CBOs are as an owner of low-cost long-term rental accommodation (24, or 51 percent of CBOs), with 12 organisations (26 percent) being a manager of low-cost long-term rental accommodation. These main activities are followed by nine organisations (19 percent) involved in providing assistance for home ownership of low-cost housing, and seven organisations (15 percent) each involved in low-cost short-term or emergency housing as an owner and/or as a manager.

Almost half of the CBOs (21 organisations, or 45 percent) are involved in other housing related activities. These include:

- the provision of rest home, retirement village, or aged care facilities
- ownership of long-term accommodation for people with intellectual disabilities
- medium-term accommodation
- residential accommodation for teenage mothers and babies
- supported accommodation
- provision of housing loans for families that are selected by the CBO (criteria not specified)
- housing facilitation service
- advocacy/promotion and support for housing issues, for women, people with disabilities

- building capacity of community housing providers
- papakainga development, Māori land ownership.

Just over a quarter of the CBOs (13 organisations, or 28 percent) are involved in non-housing related activities or services. These include:

- delivery of positive ageing programmes for senior citizens of Indian and South Asian origin
- research and development, social, cultural and economic development
- counselling
- social services to the elderly, advocacy and support people in communities
- provisions of health services
- youth services, legal services, and whanau support
- religious congregation.

Table 10: CBO survey respondents by main activities undertaken

Main activities	CBOs	
	N.	%
Owner of low-cost long-term rental accommodation	24	51%
Manager of low-cost long-term rental accommodation	12	26%
Low-cost housing for home ownership assistance	9	19%
Owner of low-cost short-term/emergency housing	7	15%
Manager of low-cost short-term/emergency housing	7	15%
Other housing-related activities	21	45%
Non-housing related services	13	28%
No response	1	2%
Base: All respondents	47	

Note: Adds to more than 100 percent as multiple responses are possible.

Local authority involvement in social housing

Table 11 and Table 12 give an indication of the types of housing provided, and the changes in housing stocks over the past five years, for those local authorities responding to the survey. As the base number of respondents is very low, this data is highly indicative and cannot be regarded as conclusive.

The data shows a small net increase in the number of apartments compared with five years previously, which can be attributed to just one of four responding local authorities. It also shows a small net decrease in the number of bed-sits available.

Table 11: Local authority survey respondents by type of housing provided

Type of housing provided	Number of units			Resp's	Number of bedrooms			Resp's
	Min	Max	Average		Min	Max	Average	
Stand-alone houses	12	121	84	3	12	356	184	2
Apartments/Blocks of flats	28	2227	742	5	1	2988	884	5
Bed-sits/Units with shared facilities	28	985	388	3	28	985	354	3

Table 12: Local authority survey respondents by changes in housing stock

Changes in housing stock over 5 years	Houses		Apartments		Bed-sits	
	Units	Bdrms	Units	Bdrms	Units	Bdrms
Stocks have increased in past 5 yrs	0	0	1	1	1	1
Same number	2	1	3	3	1	1
Stocks have decreased in past 5 yrs	0	0	0	0	1	1
Net change in number	0	0	23	23	-27	-1
Base: Those specifying information	2	1	4	4	3	3

The eight local authorities responding have been involved in providing housing for at least 20 years, and up to 60 years in one case. The average length of time has been around 40 years.

Table 13: Local authority survey respondents by years involved in provision of housing

No. of years involved in providing housing	N
<20 yrs	0
20-29 yrs	1
30-39 yrs	2
40-49 yrs	2
50-59 yrs	2
60+ yrs	1
Average	40.25
Min	20
Max	60
Base: Those specifying information	8

Achievement of outcomes and objectives

The overall purpose of this evaluation is to determine the extent to which funding of the community-based and local government social housing sectors has achieved, or is achieving, the intended intermediate outcomes and objectives for the Housing Innovation Fund.

Community housing sector outcomes and objectives

The objectives for the community housing sector that will contribute to the Fund's overarching objective are to:

- provide government support for CBOs to contribute to developing a sustainable housing sector
- develop the capacity and infrastructure required to support an effective and efficient housing sector
- encourage the development of creative approaches to social housing solutions for the target groups.

The intermediate outcomes that the Fund is intended to achieve in the community housing sector are that:

- demonstration projects are sustainable over the long term
- mechanisms for delivering assistance to third sector partners are effective
- an infrastructure exists to support third sector housing providers.

Sustainability of demonstration projects

Overall, it may be concluded that the demonstration projects will generally be financially sustainable over the long term without ongoing financial support from the Corporation. The structure of the financial support for these projects, and the financial modelling that is done with projected cashflows indicate the projects will be sustainable and the organisations capable of repaying term loans to the Corporation.

This is not without risks, however. Some projects have been delayed since loans were originally approved, which is likely to mean that costs identified in original proposals are escalating and may threaten their financial sustainability, although the Corporation undertakes financial re-modelling to minimise this risk. The delays may also raise questions about the ability of CBOs to manage such projects to completion, or the initial analysis of the feasibility of the project, although reasons for the delays may be outside the control of the organisations concerned (such as delays in the resource and building consent processes). Also, those organisations that have required suspensory loans to support the sustainability of their projects are also likely to be at greater risk if assumptions underlying their financial model vary.

There is greater uncertainty about whether some community-based social housing providers will be sustainable in the longer term, and/or will develop the capacity to grow and expand as social housing providers without ongoing support to develop greater scale of activities. The capacity

development grants and processes have been reasonably effective in ensuring CBOs have the appropriate systems, procedures, policies, plans and structure in place. What is lacking, for some organisations at least, is actual experience. Other particular issues are a lack of sufficient scale of activities to provide enough of a margin to support ongoing operating costs over a long term. Many CBOs do not have reliable alternative sources of income, and are dependent on grants and other fund-raising activities. This only allows short term planning horizons. In order to achieve growth as social housing providers, a number of organisations will struggle to fund further developments without ongoing support and access to finance on very favourable terms.

The uncertainty about the sustainability of CBO social housing providers may have an impact on the sustainability of the project. However, the Corporation remains protected, as the terms of loan conditions are that loans are to be repaid if a CBO sells a property, although repayment conditions may be waived if the properties are sold and proceeds are reinvested in social housing. It is assumed this may also be the case if social housing stocks are transferred to another social housing provider.

Some organisations and projects that have been supported also have little intention to expand their scale of operations significantly – they are focused on a particular niche need, and will always be so focussed.

On the other hand there have also been a number of social housing providers, both established and newly created, that have demonstrated the skills, commitment and willingness to expand their provision of social housing. These types of organisations will be the building blocks of a sustainable sector, as their ability and capacity to grow and expand their scale of operations will be essential if a significant impact on the need for social housing is to be made.

Some organisations have made organisational and structural changes to enhance their prospects of sustainability. Despite this, providers will generally struggle to continue to grow and develop into sustainable long term social housing providers without some form of on-going support and assistance. For example, there is a need for on-going access to subsidised capital funding support for projects that will assist these organisations achieve a greater level of scale of operations. This will allow them to become more self-sufficient and sustainable, and to better meet the level of need for social housing that is indicated. Without this support, growth of the sector will be slower, and may not be able to meet the demand for social housing.

This support will also be necessary to enable the organisation to leverage private funding, which has just started to happen – there have been successful applications to community and philanthropic trusts or individuals.

There are a range of social housing models represented among the demonstration projects. All have attracted non-government investment by way of customer contributions, which constitutes 30 percent (\$13.9 million) of the total project costs or values (\$46.8 million). This does not include additional non-financial contributions such as donated or discounted goods, materials and labour that some social housing providers can attract.

No single housing model stood out as being the most appropriate or the most effective, and further analysis of particular models may be desirable. However, if the community housing sector is going to become sustainable, a range of models and approaches is going to be needed.

The demonstration projects targeted the elderly; people with mental health issues, intellectual and/or physical disabilities; iwi/Māori; and those individuals and families with low-moderate incomes. However, there have been no projects targeting Pacific people or young people with housing needs, and limited housing that targets refugee/migrant groups.

Effective mechanisms for delivering assistance

Overall, the range of mechanisms for delivering assistance to community housing sector partners are generally considered effective and appropriate, particularly as these have developed towards the end of the demonstration period.

Relationships between CBOs and their respective project managers in particular are considered strong and positive. The capacity and feasibility grants have been used for a wide range of purposes, demonstrating the flexibility with which they were applied to meet different CBO's needs. The few secondments that occurred were very successful in transferring skills and knowledge to the community organisation. A majority of CBOs consider their expertise and capability has improved as a result of the support and assistance provided, and the majority of the CBOs that were surveyed are satisfied with each form of assistance and support they received.

Until recently there have been some concerns or suggestions that the capital funding mechanisms (conditional grants, term loans and suspensory loans) were applied as a relatively fixed set of tools, although there has always been some flexibility around the way in which the 15 percent contribution to the total cost by CBOs could be provided. While CBOs appreciated access to cheap finance at the start of Fund, there was a belief amongst some CBOs that more flexibility could have been applied. The primary focus of the Corporation through the first 2-3 years of the Fund was one of developing the capacity/capability of CBOs to get them to the point of being eligible to apply for a HIF loan.

More recently, as the level of interest and demand for capital funding exceeds what is available, the Corporation has needed to change its role to more of a facilitator of housing solutions – developing a CBO to a point they can seek funding or financial support from a range of alternative sources. Also, more creative solutions and approaches are being developed – for example, use of conditional grants in conjunction with private lending – as the funding becomes more limited and the introduction of the Housing Innovation Fund Prioritisation Framework⁹ cuts across the path of organisations' access to capital funding under the HIF scheme.

There are suggestions that the role of 'housing solutions broker' needs to continue to develop, and that the Corporation is more proactively involved in facilitating collaborations, partnerships and relationships between CBOs, and CBOs with local authorities, alternative funding providers, and other government agencies that may have an interest in community outcomes.

The extent to which relationships are maintained with CBOs between the completion of the project and the first annual review being done, some 12 months following the completion of the

⁹ The Housing Innovation Fund Prioritisation Framework is a tool for prioritising capital projects under the Fund to ensure the Fund is spent in the most effective way, the expectations of key stakeholders (primarily CBOs and local authorities) are well-managed, and HIF projects are aligned with and support other housing interventions. The general philosophy underpinning it is alignment with Government Priorities and the Housing Strategy, the Corporation's Strategic Priorities and the Corporation's Regional Profiles that provide an assessment of unmet housing needs.

project/final drawdown of funds is unclear. This reflects uncertainty and a lack of clarity over the nature of that relationship particularly in the context of the notion of 'partnership', which was an issue also identified in the Phase One evaluation report. A greater sense of partnership appears to be developing, however. Some CBOs feel empowered by taking advice, information and being allowed to make their own decisions, although there are still examples where the Corporation is seen to be taking a controlling rather than a partnership role.

Access to ongoing support, information, and expertise is desired by some CBOs – this support may also include funding to help cover operating expenses.

Accountability mechanisms are generally considered reasonable by CBOs, although there are suggestions for greater flexibility to be provided and a lack of understanding about opportunities to re-finance loans and reduce the Corporation's security from first to second mortgage status. The Corporation has also recently implemented an annual loan review (in/about April 2007).

Overall, the criteria and forms of assistance available from the Fund have either been a significant factor in encouraging CBOs to become social housing providers, or have enabled them to develop social housing projects faster than would otherwise have been the case. It may also be noted that there continues to be examples of CBOs developing or providing social housing without accessing the Fund's mechanisms and support.

A supporting infrastructure

The key elements of an infrastructure to support community-based housing providers (an effectively functioning Partnership Priority Framework, effective support roles, information and capacity building grants, and an effectively functioning peak body) have also been evolving over the period of the Fund.

Despite concerns and frustrations from some CBOs about a lack of guidance from the Corporation about what criteria they needed to satisfy or information they needed to supply, CBOs consider overall that they are in a better and stronger position for having worked through the Partnership Priority Framework processes to develop their capacity and capabilities. More recent experiences also suggest that the process is faster and smoother, particularly for 'second time round' projects. Most were also satisfied with the way the Corporation assessed their organisational capability and the suitability of their project, and with the conclusions that were reached.

The provision of information and advice also improved as understanding of and experience with the Fund developed (within the Corporation and CBOs), processes evolved and precedents were established. Relationships with project managers have generally been regarded as positive, and they were seen as helpful and responsive. However, staff turnover has affected the continuity and development of these relationships, and transitions between staff need to be managed carefully to maintain relationships and momentum with projects.

Capacity development grants have been seen as effective with many CBOs considering they were in a stronger position than before. If organisations that already have capability/expertise and non-responses are excluded, over half of CBO survey respondents (19 out of 35, or 54 percent) considered that their organisation has improved its expertise and capability significantly as a result of the Fund's support, and another six (17 percent) said it had improved quite a lot. It is impossible to fully assess the impact that this enhancement of capacity has had on the sector.

Most key informants supported and recognised the need for a national peak body. However, views are mixed about CHAI's effectiveness, with some considering it is doing well, others saying that it is early days yet, and yet others expressing various concerns. These concerns included: CHAI trying to be too many things to too many organisations; services not being useful for established and more experienced CBOs; that it is under-resourced, and therefore has limited capacity to deliver; and that limited progress has been made.

It was recognised at the outset of establishing CHAI that it can take several years for a national body to become fully operational, and that it was important to establish a sound foundation first, which is what CHAI has been doing up until relatively recently. A review of CHAI's website and programme suggests that CHAI is already providing (or starting to provide) many of the activities and roles the sector is seeking. Therefore, there may be some disconnection or miscommunication between CHAI and the sector about what CHAI is doing, or views were formed based on early impressions of CHAI and its activities that are perhaps no longer accurate. This will be a communication issue that CHAI needs to continue managing, to ensure all parties see its role as relevant and effective.

Several other elements of infrastructure were identified as being necessary to support the development of the sector. Key ones included access to expertise and good, comprehensive information about the non-government social housing sector, a clear vision and strategy for the development of a sustainable social housing sector, a sustainable funding mechanism, and a supportive regulatory framework.

Community housing sector objectives

The above discussion has largely addressed the achievement of the Fund's objectives for the community social sector.

The Fund has provided government support for CBOs to contribute to developing a sustainable housing sector, although the sector is by no means sustainable yet due mainly to its size and lack of economies of scale. While the Fund has supported a number of providers, both small and larger, there are questions about the sustainability of individual providers if further support and assistance is not provided. The types of support that may be required include:

- access to information, expertise and resources
- access to funding in some form to bring down the cost of borrowing capital for expansion projects
- potentially access to funding for operating expenses until operations achieve a scale where providers are fully self-sufficient
- support for brokering relationships with a wide range of potential partners for projects, including other CBOs, local authorities, sources of alternative capital funding (such as private lenders and/or philanthropic, charitable or community trusts) or private sector partners.

There are a number of impediments in the general environment that may need to be reviewed and considered, to provide a more conducive and supportive environments for the encouragement of the development of social housing. These include favourable policy and regulatory frameworks, and/or supportive attitudes at central and local government levels.

There has been a good start in terms of developing the capacity and infrastructure required to support an effective and efficient housing sector. Support for the development of the infrastructure needs to continue, however, and there are other infrastructural elements that need further development. These include:

- a clear vision and strategy for the sector, with a road-map of how to achieve it that has the understanding and support of the as yet fledgling sector
- access to information about the sector and levels of need/demand at all levels, expertise and resources, particularly through the Corporation, with it being the largest, most-experienced and well-resourced social landlord
- the continued and evolving functioning of the partnership priority framework, in terms of real partnerships between the Corporation and the sector (beyond a lending relationship)
- the development of key industry partnerships
- a sustainable funding mechanism(s)
- a supportive regulatory framework
- clarity in the respective roles of central and local government, and the community-based sector.

Creative approaches to social housing solutions for the target groups have really only just begun to emerge over the latter term of the Fund. In many respects this has been a result of the pressure of excess demand for the level of funding available.

The early period of the Fund was generally focused on getting projects on the ground utilising the support from the Fund. The 'housing solution' was to develop or confirm the capability of a housing provider to undertake a project, and apply for funding to help them do it. More recently, and what will be required more in the future, is greater facilitation of a range of housing solutions that may be tailored to respective projects, seeking access to a range of alternative sources of funding, and structuring financial packages in creative ways.

Local government sector outcomes and objectives

The objectives for the local government component of the Fund that will contribute to the Fund's overarching objective are to:

- encourage local authorities to retain and modernise their existing rental housing stock
- assist local authorities to buy new stock
- support local authorities to identify new ways of working on social housing projects with other councils and CBOs in the region.

For local government, the intermediate outcomes to be achieved have not been separated from initial outcomes. Together they are that:

- loans and grants are provided for acquisitions, modernisations and reconfigurations

- criteria and forms of assistance provided are effective in encouraging local government to enhance/retain social housing
- a range of creative and innovative approaches to the delivery of social housing solutions is implemented
- collaborations between local authorities, community-based organisations, private and central government sectors to provide social housing
- local social housing needs are identified and met
- Partnership Priority Framework functions effectively
- financial assistance is provided for new projects on terms that protect the Crown's investment
- collaborative models for management and ownership of social housing protect the Crown's historical investment in social housing stocks.

Local government sector outcomes are combined in the following discussion due to the lack of distinction between initial and intermediate outcomes.

Encouraging local government to enhance/retain social housing

Overall, the Fund has had some positive impact in encouraging local government to enhance or retain their existing social housing stock, with 17 local authorities having projects approved (including ten in 2006/2007). Nine local authorities have projects that involve building new units and 11 have modification projects (these include three local authorities that have projects involving both new builds and modification projects).

The total costs of projects approved is \$27.1 million, of which the contribution from the Fund has been \$16.7 million and the local authorities have contributed \$10.4 million (38 percent of the total). The projects have/will deliver 145 units built and 374 units modified.

Four of the eight local authorities involved in the Phase Two evaluation indicated they would not have embarked on their projects if HIF had not been available. Three of these identified there was a risk that their council would have exited altogether because the cost of upgrading would have been too prohibitive. Other local authorities indicated either that the Fund was a catalyst for doing something about their portfolio or it enabled them to do more, and at a faster pace, than would otherwise have been the case.

The local authorities responding to the survey confirmed that the Fund was highly influential in getting them to refurbish or reconfigure existing housing stock. HIF has been somewhat influential in encouraging local authorities to replace or acquire housing than might otherwise have been the case, but has been less influential in encouraging local authorities to retain housing.

The majority of councils interviewed indicated they have no intention to expand the numbers of housing units or to broaden target groups beyond their current focus on housing for the elderly. Only one council among those interviewed said it would expand its own social housing stock. This is confirmed in CRESA's research (commissioned by CHRANZ) that shows over half of the stock-owning councils (45 out of 78 respondents) have no recent or planned acquisitions of stocks.

Most local authorities that responded to the survey have been satisfied with the forms of assistance and support they received. Those less than satisfied identified reasons that included: the effects that staff turnover and the Corporation's restructuring have had on relationships and progress with their projects; the lack of feedback on designs; inconsistent availability of funding; and the amount of detailed information that was required for the application process.

Collaborative approaches to providing social housing

There have been few examples of collaborative approaches to providing social housing between local authorities, CBOs, private and central government sectors under the Fund. One key example is the Queenstown Lakes District Community Housing Trust model, involving a collaborative approach between the council, community, and private sectors; another potential example is Thames-Coromandel District Council. This is despite a finding from the Phase One survey of local authorities that a substantial number of local authorities (27 councils, or 79 percent of respondents) indicated an interest in, or are possibly interested in, working with other organisations or groups in collaborations.

It has been suggested that the Corporation could play more of a role to promote and support greater numbers of collaborations. However, the Fund is not necessarily the only mechanism or vehicle for this, and it has also been suggested that a more integrated approach by the Corporation should be taken.

Reasons why there are currently no other substantial collaborations (from a local authority's view point) include a lack of interest and a lack of appropriate partners amongst community groups.

CBOs also have a level of interest in working more closely with councils. Barriers from their perspectives include the lack of willingness on the part of council's to engage with community-based providers and CBOs lacking the credibility with councils if they have not got the experience in developing and managing housing assets.

A range of creative and innovative approaches implemented

As is the case with community-based social housing providers, there have been few examples of creative and innovative approaches to the delivery of social housing solutions with/by local authorities under the Fund, with the exception of the Queenstown Lakes District model, involving a collaborative approach between the council, community, and private sectors (see description on next page).

Otherwise, a majority of projects have involved relatively straightforward models involving modifications of existing units, replacement of housing and/or the construction of new housing, with the Corporation contributing in accordance with the mechanisms of the Fund – suspensory loans of up to \$30,000 per unit for modifications, and loans for up to 50 percent of the project costs for acquisitions.

Local social housing needs are identified and met

Most commonly, local authorities are focused on providing social housing for a limited target group of older people on low incomes, although a few take a wider perspective. While local authorities can generally point to a need for social housing for older people in the context of eligibility for

funding from the Fund, it is not clear whether these represent the most needy groups within their boundaries.

There is a need for more quantitative information about the level of demand and need for social housing at local levels, and perhaps more support needs to be given to councils to help them assess this need and base decisions on more complete information.

The Queenstown Lakes District Community Housing Trust – A model of collaboration

In response to severe housing affordability issues in the district, the Queenstown Lakes District Council developed its Housing Our People in our Environment (HOPE) strategy in 2005 with the help of a grant from the Corporation, and matching contributions from local trusts, developers and the council. This strategy identified the nature/scale of the problem and types of interventions appropriate at a local authority level. It recommended that it was best to set up a trust, removed from council, to oversee the implementation and delivery of affordable housing solutions. The council's key role was to deliver support through key policy objectives (such as community housing district plan changes) and provide infrastructural support.

In September 2006 the Corporation and the Council signed a Memorandum of Understanding, and the Corporation provided seeding funding to the Council to assist with the setting up of the Queenstown Lakes District Community Housing Trust.

The proposed project is for a shared ownership programme targeting key workers of the district – those workers who are essential to the viability of local industry and services, but are difficult to retain due to the high cost of living, especially housing. The Community Housing Trust would provide between 20-40 percent of the purchase price of a house to individuals and families to assist them in the purchase of a home, with the remaining balance provided by the individuals and families and raised through a bank mortgage. The Trust and the house purchaser then own the house together as tenants in common. Any capital gains made from the Trust's contribution on the sale or 100 percent refinancing of the properties by the home owner is to be returned to the Trust, thus providing the Trust with some sustainability.

The Fund would provide a suspensory loan to the Trust, with the Trust raising an equivalent contribution for this project through a developer contribution towards community housing. The Council has granted consent for a developer to develop some land in the Queenstown area with a condition of consent being that 36 lots of the large greenfields development be transferred directly to the Trust for community housing. The Trust has the option of taking a cash settlement in lieu of the land, or a mix of cash and land.

Future developer contributions to community housing will also be transferred to the Trust via the Council for the provision of community housing. This will ensure that the Trust has a continuing source of income and growth.

Financial assistance provided on terms that protect the Crown's investment

Overall, it is considered that financial assistance is provided to local authorities on terms that protect the Crown's investment. Terms cover eventualities for councils disposing of social housing, and for maintaining properties to a reasonable standard. Although these terms do not necessarily guarantee local authorities will remain in social housing, they do give the Corporation an option of acquiring the social housing if a local authority wishes to dispose of it.

Local government objectives

As has been discussed under the outcomes for local government, the availability of the Fund has clearly encouraged a number of local authorities to retain and modernise their existing rental housing stocks, and also to buy new stock. Some of these report that they would otherwise have been considering exiting the provision of housing, if not for the Fund, while others would not have been able to afford the modernisation programmes the Fund has supported, or would have had to approach these at a far slower pace.

The Fund is particularly favourable for modification projects, with local authorities not being required to contribute to capital costs of modifications. As a consequence, it has been observed that local authorities would "*be silly not to apply*" for assistance with modification projects, particularly given a general resistance to imposing the capital costs of such refurbishments on general rate-payers and lack of reserves to finance these among local authorities.

The Fund is less likely to have a galvanising effect on encouraging local authorities to expand their social housing stocks. Those that are already inclined to do so will, and the Fund may assist them to do this at a faster rate than they would otherwise have been able to afford. Those local authorities that are not inclined to increase their housing stocks (a majority, according to the CRESA survey commissioned by CHRANZ) are unlikely to be tempted by the availability of the Fund due to various reasons, including a view among local councillors that social housing is not their responsibility, and in any event being unwilling to add extra costs for rate-payers.

There have as yet been no examples of local authorities supported to work on social housing projects with other councils in their region, but there have been a small number of examples of local authorities working with CBOs, notably the Queenstown Lakes District and potentially the Thames-Coromandel District examples. As noted, it has been recognised that the Corporation could do more with local authorities, although the Housing Innovation Fund may not be the best or only vehicle for doing this – it may require a more integrated and strategic approach to communication, education, engagement, advocacy and practical support.

The Fund's overarching objectives

In terms of the overarching objective of the Fund, it can be noted that there has been an increase in the supply of social housing. Projects for 355 units have been accepted since the inception of the Fund in 2003/2004, of which 163 had been completed as at 30 June 2007 (the balance of projects are modifications to existing housing, which have not increased the supply, but have increased the quality).

To put this in context, the Corporation manages a portfolio of more than 67,000 homes, which is expected to grow by a net range of 475-575 units in 2007/2008.¹⁰ The level of demand for social housing, by different target groups is not clearly understood. The Fund is aimed at CBOs assisting low-moderate income households whose needs are not being fully met by the Corporation or the private market, (eg people with disabilities, Māori kin-based groups, and B,C,D applicants on Housing New Zealand waiting lists in high-demand areas). Using the Corporation's waiting lists as a de facto measure of demand (some consider this is an inaccurate picture), the Corporation has assessed the current (as at June 2006) demand gap for A+B priority housing as 4,457 units/10,768 bedrooms, and for C+D priorities as 7,212 units/14,832 bedrooms. Therefore, it can be seen that the housing provided under the Fund has barely scratched the surface of reported need.

In terms of the target groups that have had access to social housing that has been created through the Fund, all have been among the target groups for the social housing projects that have been accepted as demonstration projects under the Fund. There have been good examples of social housing acquired or constructed specifically for people with specialised housing needs, such as those with physical and/or intellectual disabilities, and elderly people with support needs. There have also been a number of projects involving iwi and Māori organisations, including those that provide other social services to groups with special housing needs, and projects providing more generalised social housing for people on low to moderate incomes.

No project or social housing provider has specifically targeted Pacific groups. In part this is due to Pacific agencies not being able to find the 15 percent capital contribution required, being relatively small, and focused on single Pacific cultures. More work is required to bring these smaller groups together and working collaboratively across a region. As with a number of Māori organisations, it has taken longer for Pacific groups to come to a point where they have a mandate to become involved in social housing, and to develop the requisite capacity and capabilities the Corporation requires. For both Pacific and a number of Māori groups, the 3-4 year timeframe of the Fund to date has not been long enough for this to occur.

Policy and programme mechanisms and design

Overall, the policy and programme mechanisms of the Fund are appropriate for achieving the objectives and intended outcomes of the Fund and have been reasonably effective, particularly as the experience of the Corporation and staff developed. The mechanisms for local government have also been relatively effective in achieving its goals.

The Fund has demonstrated that the community housing sector can deliver a range of social housing project models, some more successfully than others. Projects have delivered more and/or better quality social housing to those with specific housing needs, and they have been developed faster and probably to a higher quality than if the Fund had not been available. As a result of the capacity and capability development processes supported by the Fund, there are numerous community-based social housing providers that are ready, willing and able to expand their role as social housing providers, albeit with more support required yet. The Fund has also supported some key elements of infrastructure - the peak body, CHAI, has evolved and with continued support should be able to provide an essential element of the necessary support infrastructure.

¹⁰ Housing New Zealand Corporation. Statement of Intent 2007/08.

In terms of local government, the support mechanisms have clearly encouraged a number of local authorities to invest in enhancing their social housing stocks, by replacing old or building new stock. The support for modernisation projects has also encouraged several local authorities to upgrade and refurbish properties. Many of these local authorities have been able to do more, and move faster than would otherwise have been the case without support from the Fund. In a number of cases also, the process required local authorities to consider their role in the provision of social housing, and to reaffirm their commitment prior to accessing funding from the Fund.

More recently, the mechanisms and policies of the Fund have demonstrated greater flexibility and creative approaches to funding social housing solutions. This has been a result of the pressure of excess demand for funding. There has also been one notably successful example of a collaboration between a local authority (see description of Queenstown Lakes District Council model on page 34), community organisations, the private and philanthropic sectors and the Corporation. While it may have been nice to have more of these from day one, both the Corporation and CBOs in the sector needed to establish their capacity, and local authorities will also have needed to take time to get used to the ideas. The experience of the Corporation in working with the community-based sector and local government has also increased over the time of the Fund, and this has enabled these more innovative and collaborative arrangements to be established.

Overall, many of the CBO providers that have been supported are not yet sustainable or capable of being self-sufficient, and the sector itself is not yet sustainable or able to develop to a scale that will address the indicative level of demand that exists. Also, the infrastructure support is still in its infancy, and like CBO providers, will require a commitment to further support it to grow in its effectiveness. There are also a number of areas in which further support or development is required. These are outlined below.

To some extent, the way in which the Fund was implemented has helped to create expectations that must now be managed. In the early years, the level of demand was less than the funding available. The general approach of the Corporation appears to have been one of pushing projects/organisations to apply for funding for projects, to get 'quick wins' and demonstrate success. A key focus was on developing a CBO's capacity and capability so it could apply for a HIF loan.

Now that demand has exceeded the supply of funding available, the Corporation has had to change its approach and manage those expectations that may have been created. This includes focussing on working with CBOs in areas of the highest need (according to the Corporation's priority waiting lists) and that have the ability to respond to the housing need (including those that have the ability to grow as providers). The focus of work with CBOs is turning more to being a facilitator of housing solutions, where an application to the Fund is only one of a number of alternative sources of Funds. This will also require a shift in the mindset of CBOs to recognise HIF may not be the only, or major, source of funding, which may only be slowly happening.

Barriers to the development of the sector

A number of factors in the broader environment have been identified as impediments to the ability of CBOs and local authorities to participate in the delivery of social housing. A number of issues have also been identified as impediments within the Fund's programme itself. This section is based on a summary of views expressed by key informants throughout the evaluation, and on observations of the evaluators based on the feedback received.

Factors impacting on CBOs

Factors in the broader environment that have impeded the ability of CBOs to deliver social housing or to develop as a sustainable community housing provider include:

- high property and land prices making it difficult to purchase land or property for social housing projects and/or to expand social housing portfolios
- high cost of building/refurbishment of existing accommodation, compounded by a shortage of locally based skilled workers able to undertake such projects in some areas
- shortage of suitable properties for purchase or to rent – hard to find and in high demand, with some landlords reluctant also to accept some client groups such as intellectually disabled and mental health clients
- shortage of suitable land, in suitable locations (eg close to services, transport), for development
- local authority processes (eg resource planning and consent, development levies), and lack of awareness and understanding of social housing issues, and commitment to social housing needs
- covenants on sub-divisions that, for example, prevent homes from being used for health support needs, or restricting the ability to rent houses out
- lack of strategic vision for the sector and lack of interagency work
- compliance requirements of the Retirement Village Act
- internal factors for CBOs, including
 - a lack of skills and professionalism on CBO governing bodies
 - misconceptions about the Fund among iwi/Māori organisations/groups and concerns about becoming landlords
 - lack of capital to invest into social housing, even though some may have land available
 - lack of operating funds inhibiting their ability to recruit and retain appropriate skills and become sustainable CBOs
 - concerns to protect core, non-housing business and their ability to deliver on contracts for service delivery or other development initiatives.

Factors impacting on local authorities

Factors in the broader environment that impeded local government from enhancing and/or retaining social housing include:

- an inability to set their rents to break even (cover all costs/cost recovery/cost neutral), reflecting low incomes among the resident population
- the obsolescence of council housing stocks, with many local authorities having made inadequate provision for funding renewals
- increasing pressure on local authority spending and the impact of rate-payer funded activities, which means there is resistance to investing significant capital sums into the renewal or acquisition of stocks
- resistance from some councils to being involved in the provision of social housing, with views expressed that social or affordable housing is seen as the responsibility of central government or the market
- resistance from some councils to committing rate-payer funding to the development of social housing, or extending the provision of social housing to other target groups beyond older people
- a lack of strategic understanding of the housing needs in the area
- the lack of alternative funding sources, with the main sources of funding seen as being central government and/or borrowing
- the 'hot' property market making land and houses unaffordable (including over-heated coastal land prices) and the rising cost of contractors to build new housing
- a lack of coordination across agencies/groups
- a lack of guidelines and legislative support, and legislative barriers such as inclusionary zoning, and limiting access to certain sources of finance
- a focus by the development sector on high-end market and large houses
- restricted land supply, exacerbated by land banking and proliferation of holiday homes.

Policy and programme factors impeding achievement of goals

There are a number of factors associated with the Fund's policy, or factors within the programme, that may be regarded as continuing to impede the achievement of the Fund's goals to develop a sustainable social housing sector. These include:

- the level of funding that is available and the lack of a sustainable funding model – the Fund has benefited smaller providers in particular by giving them a capital start, but the size of the pool of funding needs to be large enough to attract/support larger providers as well
- the lack of long-term commitment, and an assurance of funding, which creates uncertainty in the sector and may be a barrier to groups forming and developing as social housing providers
- the indicative split in funding for local government and CBOs, which appears to have been determined somewhat arbitrarily and subjectively

- the establishment of the Prioritisation Framework, and messages that sends about the focus of the Fund on specific regions
- a lack of ongoing financial and/or advisory support for CBOs once a project has been completed, particularly for operational and growth issues
- misconceptions/misunderstandings about the flexibility with which the Fund can be applied, with customers and/or Corporation staff believing it to be less flexible than is the case
- the lack of a clear, social housing sector specific strategy that defines the nature and level of demand, the roles of respective stakeholders, and a clear path or 'road-map' for attaining a sustainable social housing sector that is able to cater for the level of demand for social housing.

Suggestions for the further development of the social housing sector

A range of suggestions on how the Fund's policy and/or programme mechanisms could be changed to better support the development of sustainable community-based housing providers and a sustainable social housing sector, and encourage local authorities to retain and enhance social housing and/or play a key role in supporting the sector, were made. Again, these suggestions are based on feedback and comments from key informants throughout the evaluation, and on observations of the evaluators in consideration of this feedback. Some are a direct reflection of the impediments that have been identified. The suggestions include:

Fund policy

- development of a specific social housing sector strategy
- a long-term commitment to providing support for the development of the sector
- development of a sustainable funding model, for example that re-cycles re-paid loan funding back into the sector
- considering different mechanisms to support the establishment and development of new providers (including those that may be small-scale, narrowly focused on special housing needs), vis-à-vis support for the growth of established and proven social housing providers to achieve greater scales
- developing a more strategic response to issues of demand for projects outstripping supply of funding available, such as greater integration/mainstreaming with other Corporation programmes/operations. This may include mainstreaming partnerships between the Corporation and community and local government housing providers to create leverage and stretch the 'capital housing dollar' further by focusing on housing solutions rather than 'state' vs. 'social' housing. It may also include better utilising the Corporation's land holdings
- within the existing Fund policies, and particularly for proven providers:
 - recognising equity that is built up within a housing portfolio as contributing to the CBO's 15 percent contribution
 - relaxing the requirement for the 15 percent contribution (provided the CBO can service its loan repayment commitments)
 - relaxing its stance on being a first mortgage holder
 - permitting the up-front funding of the purchase of land
 - more flexibility in the structuring of funding packages

- considering how the policy, regulatory and legislative framework can be modified to support the provision of social housing. This may involve providing incentives and/or removing compliance costs for organisations that are recognised as not-for-profit social housing providers, at both national and local levels (changes to critical statutes and national policies are likely to require a strategic inter-agency approach, which may require direction from the Government)
- providing access to affordable/suitable land, from the Corporation's land banks, or through HIF funding the purchase of suitable land that CBOs can develop housing on

Fund implementation

- a greater focus on developing collaborations and partnerships among CBOs, local authorities, the Corporation, other central government agencies, the private and non-government sectors. For example:
 - encouraging, facilitating and supporting collaborative structures or cooperatives of CBOs
 - encouraging partnerships between the community, local government and private sectors, to address local housing needs (eg, Queenstown Lakes District)
 - linking with other agencies – such as Ministry of Social Development, Te Puni Kōkiri, Department of Internal Affairs, Ministry of Pacific Island Affairs – to increase their awareness/understanding that housing is a core ingredient of social and economic well-being
 - supporting or brokering finance deals between private/philanthropic sectors and CBOs
 - facilitating collaborative arrangements between small, adjacent councils and/or with CBOs
- greater support for developing the capacity of smaller councils, just as there is for CBOs
- a greater focus on community development approaches that integrate housing solutions with the needs of respective communities, to better support and develop sustainable social housing providers
- a greater focus on the Corporation adopting a role of being a facilitator of housing solutions, to complement funding that may be available in the future
- closer relationships/partnerships with organisations to allow them to make greater use of the Corporation's skills, experience and resources
- developing a better 'fit' between the Fund's processes and a CBO's stage of development by:
 - assessing and building the capacity and capability of key individuals within an organisation
 - recognising that some organisations, particularly Māori/iwi and Pacific organisations, will tend to take a more consultative approach to decision-making that takes more time
 - a more rigorous assessment and determination of which organisations get support from the Fund
 - greater use of secondments and mentoring schemes, including from sources other than the Corporation, to build the skills and experience of CBO housing providers that lack other sources of these
- ongoing communication and awareness raising about the Fund, its role and eligibility criteria to correct misconceptions, including with key partner agencies

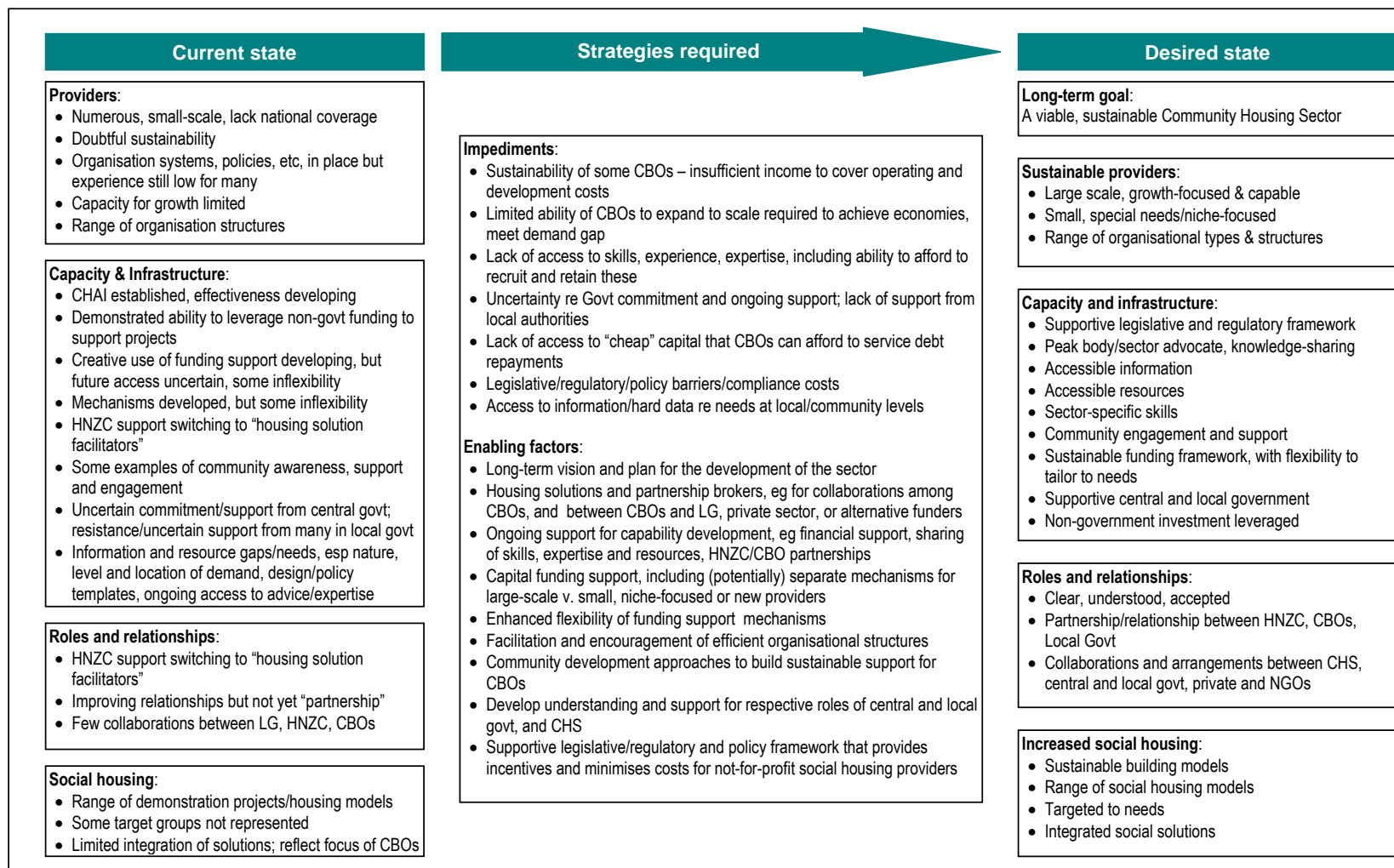
Fund mechanisms

- providing greater certainty about access to funding, such as by assessing the merit or feasibility of a project concept first, and then working to develop that capacity and capability of the organisation to deliver the social housing as required, and making a firm allocation of funding for the project
- greater use of capacity grants for CBOs after projects have been approved, with clear criteria and processes for accessing it, to assist with developing/supporting operational capacity.
- ensuring benefits and outcomes are achieved over the long-term, by:
 - establishing and fostering long term partnership relationships with providers, including through the Corporation's Neighbourhood Units
 - developing key performance indicators that focus on outcomes rather than outputs, including the impact of capacity and capability building, and the development of key relationships
 - supporting CHAI to monitor and report regularly on the development of the sector, and meeting regularly to discuss issues and progress
 - periodically reviewing the sector, say at five-yearly intervals, linked to the specific sector strategies.

Pathway to a sustainable community social housing sector

The following diagram presents a summary of the pathway to developing a sustainable community social housing sector. It summarises the current state of the sector as a consequence of the Fund's activities to date, and provides an initial description of the desired state of a sustainable community social housing sector based on feedback and analysis throughout this evaluation, and the long-term outcomes identified for the Fund.

It also identifies those areas in which strategies are required or need to be strengthened to move from the current to desired state. These strategies are based on what have been identified as the key impediments and enabling factors to developing a sustainable community-based housing sector.



Comment on diagram

The following points expand some of the concepts identified in the diagram.

Range of organisational structures among providers

There are a range of organisational models represented among CBOs that have undertaken projects under the Fund. These include:

- mixed commercial/social models – for example, Tamahere Eventide Rest Home
- holding company/subsidiary models – for example, Abbeyfield New Zealand and Abbeyfield Partnerships
- regional structures – for example, Habitat for Humanity
- integrated housing/social service models – for example, Dawn Trust
- Community Housing Trusts – for example, Nelson-Tasman, Manawatu, Wellington
- social service providers that have or are developing a social housing service ‘arm’ or function – for example, Te Korowai Hau Ora Hauraki, ComCare Charitable Trust
- social housing providers that are closely affiliated to/supported by ‘parent’ organisations (typically church-based) – for example, Just Housing Otepoti, Community of Refuge Trust, Friendship Centre Trust.

Range of provider types

These include CBOs that:

- are focused on special housing needs or niches, with little scope or ambition to grow substantially – for example, the Dawn Trust, Te Korowai Hau Ora Hauraki, Waimarama 36A6B6B Incorporated (iwi members)
- provide general social housing, and are growth-focused – for example, Nelson-Tasman Housing Trust, Wellington Housing Trust, Habitat for Humanity, Friendship Centre Trust
- provide social housing for target groups (eg, mental health clients, elderly with support needs), and are growth-focused – for example, Abbeyfield (elderly), Community of Refuge Trust (mental health), Bays Community Trust (mental health), Te Roopu Taurima (residential care for intellectually disabled).

In addition to these there are organisations that have not determined, or for which it is not clear, what their goals are in respect of development as social housing providers. Typically, those organisations that are growth-focused will be dedicated social housing providers, and will not provide other services (beyond general support as a ‘social landlord’).

Characteristics of large-scale providers in the ‘desired state’ include being financially sustainable; growth/expansion focused; have in-house skills/expertise in the development and management of social housing; generate reasonable social rates of return on investment that are reinvested to social housing. They may also provide advice/support to other community groups wanting to be involved in local social housing projects, which may include an active property management role.

Small-scale 'special needs' or 'niche' providers will also be financially sustainable, primarily by virtue of service contracts in respect of their clients or complementary businesses, so they will typically be integrated social service providers. They are capable of meeting special housing needs, and provide stable long-term housing solutions for clients.

Infrastructural support

In the desired state, it will be important to provide greater and ongoing access to key information about the sector as a whole – particularly the level and location of demand gaps, and opportunities for development of social housing projects – and to resources that the sector can use, for example, design and policy templates/standards. Also, greater and ongoing sharing of expertise and capabilities will help build and maintain sector capabilities – this may include specialist knowledge re planning and development of housing projects, tenancy management services, systems and procedures, and various tools to assess needs/demand.

The development of sector-specific skills recognises the special nature of social housing, and the need to develop sustainable, durable building models (see below) and consider the broader needs of the target groups when developing and managing such developments. This may involve the development of particular qualifications, and/or establishing links with other education providers to incorporate relevant modules within other qualifications (such as architectural design, property management).

Sustainable building models

The development of social housing needs also to be based around sustainable building models – housing that is durable, can be used flexibly, is cost-efficient to build and to live in, and can make use of alternative construction methods and materials. Standards need to balance issues of affordability, urgency of demand/need, health and safety, fitness for purpose, and sustainability.

Development of a sector vision and strategy

The need for a long-term vision and strategic plan, or 'roadmap' for the development of the social housing sector has been emphasised throughout the report. The diagram provided presents only an initial concept of what may be required. The development of the sector strategy must be done in conjunction with the sector, however, as well as other key agencies that have an interest and role to play, to gain broad-based sector buy-in, understanding and commitment, rather than it being presented as a draft strategy to respond to that looks like a *fait accompli*.

CBO vs. local government perspectives

The key difference between the perspectives that CBOs and local authorities have of the Fund is that CBOs want to be involved in the provision of social housing while many local authorities do not.

The availability of the Fund has stimulated interest in the community sector for the development of social housing providers, and it has enabled others to realise long-held plans to develop projects that they did not have the capital funding for, or the ability to service commercial loans. For some established providers, the availability of the Fund has meant they have been able to expand their portfolios at a far faster rate, and on more advantageous terms, than they would otherwise have been able to do.

The Fund has also prompted many local authorities to embark on projects to build new units and/or modernise their existing housing stocks (modernisations are the majority). Among those interviewed, four indicated they would not have embarked on projects if funding from HIF had not been available, and three of these identified a risk that their councils might have exited social housing altogether.

It cannot be assumed that local authorities will be the main providers of social housing to meet the indicative need that exists. The key reasons for this include:

- there is resistance among many to the idea that they have a role in providing housing (32 percent in CRESA's survey say it is the responsibility of central government or the market)
- the majority of councils that own housing stock have no recent or planned acquisitions of stocks
- sources of funding will be an issue – of the 33 councils that may acquire stock, the main sources of funding would be central government and/or borrowing (73 percent and 55 percent respectively)
- the large majority target their housing to the elderly, and not necessarily on the basis of which groups are the most in need
- there is a general resistance to imposing costs of social housing on general rate-payers and lack of reserves to finance new housing or significant refurbishment programmes among local authorities
- councils are unlikely to be able to leverage alternative sources of funding in the way that CBOs have done.

Some councils have recognised that they play a significant role in providing social housing and have embraced this. Those that are already inclined to be involved in social housing will continue to be involved, while those that are disinclined are unlikely to be attracted into it. This is likely to leave a large gap in the supply of social housing that appears to be needed to meet the indicative demand.

Community Housing Aotearoa Incorporated

Introduction

The *New Zealand Housing Strategy* includes an initiative to: 'Explore opportunities to foster large-scale, third sector housing providers' in the medium to long term (2005:28). The establishment of Community Housing Aotearoa Incorporated (CHAI) was one of the key elements that defined the infrastructure for supporting CBOs that provide housing in the community-based housing sector.

One of the key outcomes for the Housing Innovation Fund is that CHAI is functioning effectively. This section summarises the background and establishment of CHAI, its role and activities, and the views gained from the survey of CBOs that have participated in the Fund and from interviews with various key informants about how effective CHAI has been.

Background

In 2003-2004, the Corporation funded a Steering Committee to look at the feasibility of establishing a national body for community-based housing organisations¹¹. As a result CHAI was established in 2004 as a national non-profit organisation to support the community housing sector.

Appropriated funding of \$1.44 million was received by the Corporation for the establishment and operation of CHAI. By 30 June 2007 the Corporation had paid \$1.30 million to CHAI, \$0.11 million for its establishment and \$1.19 million in grant funding.

CHAI

CHAI is governed by a national council of nine members from different regions of New Zealand (including three seats for Maori Council members).¹² CHAI's mission is¹³:

[T]o broker relationships, resources, and sector capability necessary to deliver community driven housing alternatives for people in need of good quality, affordable and secure housing. We do this through expanding the community housing stock, increasing the visibility and credibility of the sector and by developing the capacity of the sector, increasing the visibility and credibility of the sector and by developing the capacity of the sector to provide viable, long term housing solutions.

The purpose of CHAI is to promote and advocate for community housing at the local and national level. CHAI aims to create "a network of member organisations offering mutual support and encouragement, sharing different models of community-based housing and best practice adopted by each of the members so that each can learn from the others"(2006:2). The following key priority areas are identified by CHAI:

- to provide leadership to the community-based housing sector

¹¹ Housing New Zealand Corporation Annual Report 2003-2004.

¹² Community Housing Aotearoa Incorporated. Retrieved from <http://www.communityhousing.org.nz> (31 July 2007)

¹³ Community Housing Aotearoa Incorporated (CHAI) (2006) *Strategic Directions, 2007-2010*, CHAI: Wellington.

- to advocate nationally and regionally for community-based housing, promoting the work of community-based housing organisations among other sectors, Housing New Zealand Corporation, Local Government and Central Government
- to provide support to members and their employees in their work and increase the capacity of member organisations and their workforce
- to advocate for and develop standards that member organisations will be encouraged to exceed
- to conduct and/or commission research in the field of community-based housing.

CHAI currently represents over 130 member organisations including churches, non-profit community groups, Maori and Pacific housing providers and others.

CHAI's website indicates that it:

- has set up and promotes a range of housing forums, and has facilitated seminars in different parts of the country
- is setting up a mentoring and buddying programme for its members
- provides training seminars, on such topics as: sourcing funding, asset management and training needs assessments, and is seeking to appoint a national training coordinator (having contracted a person to implement a training programme)
- is putting together a web-based 'good practice guide' for community housing that will include policy templates that can be adapted for use by community-based housing providers
- issues a semi-regular newsletter (15 since 2004, including eight in 2005 alone) that assists knowledge-sharing on key issues affecting the sector (including legislative proposals, funding programmes), events and forums that may be of interest to members, activities of CHAI, tips and suggestions ('Tools of the Trade')
- incorporates an online discussion forum on key issues
- publishes a series of 'Fact Sheets' on such topics as funding community housing projects, the Housing Innovation Fund, rent setting, rental and tenancy policies
- holds a large range of articles and publications as a library resource that is available for loan
- has web-links to a range of New Zealand and international organisations involved in community housing, either as researchers, government agencies, industry bodies or providers.

For the first two years of CHAI's operation the focus was on putting governance and operational frameworks in place. The appointment of its first Executive Director with extensive experience of the UK community housing sector in late 2006 will mean CHAI will turn its attention to taking a greater role in advocating for community housing, as well as supporting its membership and assisting them in developing their capability as housing providers.¹⁴

Like others in the social housing sector, the amount, continuity and reliability of funding is a key issue for CHAI to deliver all it wants to do. For example, CHAI wants to fund a Training Coordinator, and its Māori and Pacific caucuses have identified a need for key workers in their

¹⁴ CHAI Newsletter, December 2006.

areas – as not enough funding is available from HIF, CHAI is looking elsewhere for the funds. While the funding over the first three years has been good, decisions are only made from year to year, which limits CHAI's ability to plan ahead with certainty. CHAI has indicated that a three-year commitment to funding would be better, for strategic planning purposes. In response to the suggestion that there be Māori and Pacific key workers employed by CHAI, the question must first be asked whether existing agencies can provide the types of support requested, including the Corporation (HIF Project Managers or Neighbourhood Support Offices), Te Puni Kōkiri and Ministry of Pacific Island Affairs.

In the longer term, CHAI sees itself as:

- becoming a 'one-stop shop' for advice about social housing
- having a clear training programme that it can provide to give participants an accredited housing qualification
- developing a professional community housing publication which will give the community housing sector credibility, as well as a communication and knowledge sharing vehicle
- working in partnership with the Corporation and developers to deliver social housing.

Evaluation findings

As part of the outcomes evaluation, interviews were held with members of CHAI because they were identified as key informants who were able to take an overview of the sector. A survey was undertaken of CBOs and local authorities to ask their views about the assistance they received from the Corporation and the Fund, the impact the assistance has had on their organisation, and suggestions for what might have been done differently. Among the general areas of questioning in the survey was 'the level of awareness of, and information provided by, CHAI'.

An outcome measured in the evaluation was 'An infrastructure is established that supports community housing providers'. One of the measures of this was that 'the peak body (CHAI) functions effectively'.

Results from the outcomes evaluation indicate that the views about the role of CHAI vary among community organisations, local authorities, and other key informants, including other stakeholders and Corporation staff.

Those CBOs spoken to generally supported the concept of a peak body, and identified the sorts of roles they considered it should fulfil, some of which CHAI is already doing or is planning to provide.

Roles or functions that these CBOs identified for an organisation such as CHAI include:

- providing a database of who is involved with social community housing, in each region, and by type of accommodation provided (similar to ElderNet, a database of all rest homes in New Zealand identifying the types of accommodation available for older people, updated daily)
- dissemination of information, including international and other research that is reviewed, filtered for relevance to New Zealand, and turned into practical guidance to the sector
- facilitation of networks and networking

- advocacy work at national levels, development of position papers and lobbying of the Minister
- CHAI working in closer collaboration with an organisation such as the Australian Housing Institute, with clarification of respective roles
- development of common templates, guidelines and policies, and offering training
- advice and support for organisations having questions about governance and practical management issues, and information about different operating models
- promoting or facilitating links with tertiary education providers to develop and deliver courses/training/qualifications that are relevant to the sector.

Some commented that church-based organisations have strong networks that share information, undertake research and provide examples of successful projects, and that this would be usefully extended across the whole sector.

A few organisations expressed concerns about CHAI, including:

- views that it was trying to be *“too many things to too many different organisations, or organisations at different stages of their development”*, leading to *“paralysis”* or a *“lack of focus”*
- its services may be useful for new organisations but that it does not do much for established or experienced providers
- an impression that it has been *“hi-jacked by all sorts of special interest groups and has difficulty in moving forward”*
- it is under-resourced and so is limited in what it can achieve
- it has little influence and has made limited progress
- if CHAI doesn't continue to receive substantial government funding support, it will fall over as the sector would not be able to afford the fees it would need to fulfil its role.

One key informant felt that the establishment of CHAI represented a move by Government to abdicate and shift its responsibility away from a government department for the sorts of things CHAI is attempting to provide, and that it would be better to spread CHAI's funding around the sector.

Several of the CBOs interviewed were not aware or only vaguely aware of CHAI or its role in the sector.

Among other non-CBO key informants, including two of the local authorities interviewed, there was generally recognised a need for a peak body such as CHAI, but again mixed views about how effective it has been, with two recognising that it is still in its infancy or is *“starting to get its act together”*. One local authority echoed some of the concerns identified by CBOs that it is trying to cater for a wide range of organisations and different levels of experience, and that it needed to move further and faster, and be more informative about its role with organisations such as local authorities and other experienced providers.

The other local authority key informant could not stress enough the need for a peak body to represent the issues, needs and concerns from an emerging community housing sector. Because

housing development is a complicated activity, and because community needs vary across the country, it will be essential that local people understand those needs and the peak body becomes the main training and capacity development vehicle. This informant considered that continued funding support for a peak body will be a reflection of the long-term commitment to funding for the development of the sector.

Another key informant believes that a peak body such as CHAI is a key part of a sustainable housing sector, and that it should be the representative body for the community housing sector, advocating at national levels. It should also have a facilitative role to build networks across community-based organisations, and that building support around the country (for example, through a network of champions who advocate at local levels, coordinate real estate agents, or knock on local government doors) should be its highest priority. Also, this informant suggests that the mandate for what CHAI should be focusing on should be identified from the bottom-up, rather than from the top, for example by the Corporation.

Among Corporation staff there are also mixed views about CHAI. Two key informants consider there is a need for an organisation like CHAI at the national level that can provide leadership or represent the sector with a collective voice, coordinate what is a diverse sector, develop resources for the sector, and provide national, regional and local forums. Another key informant considers that CHAI has not delivered results for the sector, even though the Corporation has invested a lot of time and effort into it. In this person's view, CHAI's main focus should be on getting CBOs to work together and support each other, and to develop policies, procedures and resources so that volunteer-based organisations do not have to reinvent everything.

A number of the views expressed by various key informants may be based on early impressions of CHAI. It has had to build up its own capacity and capability, as well as develop support, understanding and a broad level of agreement to the role that it plays from across the sector nationally. This has had to be done in a context in which many participants are themselves working to develop their roles, understanding and capacity/capabilities.

Survey findings re awareness and use of CHAI

The survey of CBOs asked their awareness of, and familiarity with, the role of CHAI, and whether the CBOs had received any information from CHAI in respect of their project or more generally.

Almost four in five respondents were aware of CHAI, including 47 percent that are members and 32 percent that are aware of the organisation but not members. Nine organisations (19 percent) indicated they are not aware of CHAI.

Table 14: Awareness of CHAI

Awareness of CHAI	N	%
Yes, we're a member	22	47%
Yes, but not a member	15	32%
No, not aware of this organisation	9	19%
No response	1	2%
Base: All respondents	47	100%

Of those that are aware of CHAI, 41 percent indicated they are very familiar with its role and functions, 30 percent are quite familiar, and 22 percent are a little familiar. Three organisations (8 percent) indicated they are not at all familiar with the role of CHAI.

Table 15: Familiarity with CHAI

Familiarity with the role and functions of CHAI	N	%
Very familiar	15	41%
Quite familiar	11	30%
A little familiar	8	22%
Not at all familiar	3	8%
Base: Those aware of CHAI	37	100%

Among those that are at least a little familiar with the role and functions of CHAI, just over half (56 percent) have received support and/or information from CHAI, and 41 percent have not.

Table 16: Information or support from CHAI

Received information or support from CHAI	N	%
No	19	56%
Yes	14	41%
No response	1	3%
Base: Those at least a little familiar with CHAI's role	34	100%

Characteristics of CBOs not aware of CHAI

There is little to distinguish the characteristics of the nine CBOs that indicated they were not aware of CHAI for those CBOs that are aware of CHAI. They are spread across New Zealand, including being located in Auckland, Christchurch, Wellington, Rotorua, Geraldine and Lumsden (Northern Southland). They tend to be more likely to work with elderly clients (seven of the nine CBOs).

Five own low-cost long-term rental accommodation, and five also provide a range of other housing related activities; one or two of these organisations are either owners of short-term rental accommodation, manage long-term accommodation or provide home ownership assistance. One also provides non-housing services. This is not markedly different from organisations that are aware of CHAI.

Concluding remarks

When CHAI was first established, lessons from other national bodies suggested that it would take several years for the body to become fully operational. It was considered necessary to ensure there is a solid foundation on which to build the organisation, and add new services in a manner that avoids over-stretching the capacity of the organisation. Initial feedback from community-based housing organisations suggested that the key services that were needed were networking, advocacy, provision of information and practical help with local initiatives.

CHAI is still in the relatively early stage of the development of its role. Much of the first two years has been concerned with developing its own capacity and capability, as well as developing support, understanding and a broad level of agreement about its role from across the sector. This is at a time during which many participants are themselves working to develop their roles, understanding and capacity/capabilities.

In terms of its support for the provision of social housing by CBOs and local authorities, CHAI's website highlights the range of support and services provided. In addition it is currently developing or putting in place a range of other supports and services, including:

- the appointment of a national training coordinator
- a mentoring and buddying programme for members
- a web-based 'good practice guide' for community housing that will include policy templates that can be adapted for use by community-based housing providers.

A review of CHAI's website and programme suggests that CHAI is already providing (or starting to provide) many of the activities and roles the sector is seeking. There may be some disconnection or miscommunication between CHAI and the sector about what CHAI is doing. Alternatively, views were based on early impressions of CHAI and its activities that are perhaps no longer accurate. This is a communication issue that CHAI needs to continue managing, to ensure all parties see its role as relevant and effective.

Some key informants have expressed reservations at the lack of impact CHAI is having. There is a risk of conflict between the Corporation in its role as the source of funding for CHAI, and CHAI's role as an advocate for the sector, which may lead to it opposing strategies that the Corporation adopts or actions taken. An alternative independent source of funding for CHAI may be desirable in order to avoid any compromise of its role as an advocate on behalf of the sector.

A challenge for CHAI will be to make itself relevant to a wide range of CBOs and local authorities of varying sizes and levels of experience and knowledge of social housing delivery, and at different stages in the development of their own projects. There is general support for having a peak body for the sector and some suggestions for future development.

Costs and benefits

This section presents an assessment of the costs and benefits of implementing the Fund, both tangible and intangible. Excluded from the scope of this evaluation has been a comparative analysis of the Fund's 'value for money' for Government with other approaches to social housing provision – instead, the evaluation provides information about operational costs of the Fund, capacity building/development costs, and loan value (suspensory and repayable), and about benefits (direct and indirect, quantifiable and qualitative).

Tangible costs and benefits

The tangible costs of the Fund from its inception in the 2003/2004 financial year and up to 30 June 2007 are set out in Table 17, and reflect funding committed by the Government to the programme, and the operating costs of the Corporation to deliver the HIF programme.

Table 17: Tangible costs (September 2003 – June 2007)

Item	Total as at 30 June 2007 (million)
Operating appropriations ¹ Including capacity and feasibility grants, interest subsidy to cover cost of interest free capital term and suspensory loans.	\$18.302
Capital ¹ Including term and suspensory loans, conditional grants. Note, however, that term loans are ultimately repaid.	\$43.262
HIF project delivery costs (2006/2007 only) ² Including direct operating costs of HIF activity and allocated overheads	\$0.856

Sources: ¹ Housing New Zealand Corporation Board Paper, Housing Innovation Fund, 28 June 2007.

² Based on assessment of time and costs attributable to HIF projects by HIF Delivery Managers and Housing New Zealand Corporation Finance.

In terms of the internal cost of the Corporation implementing HIF, there has been a difficulty in compiling the full cost information. Reasons for this include:

- staff in Housing Innovations deliver a range of products and services, with HIF not always being the only housing solution offered (it also administers the Rural Housing, Special Housing Action Zones, Community Group Housing and Community Owned Rural Rental Housing Loan programmes, which may provide solutions at the end of the work with the client)
- during the early years of the Fund, work was more research and developmental, as opposed to administering the Fund operationally, and this development activity was not differentiated.

Although a new cost allocation methodology and system was introduced in 2006/2007 to improve the collection and monitoring of the full cost of products at a greater level of detail, it remains difficult to allocate costs of HIF activities to that programme in isolation from other programmes the Housing Innovations Team is involved in delivering. However, the HIF Delivery Managers and

Housing New Zealand Corporation Finance have estimated HIF project delivery costs as \$856,200 for 2006/2007.

The key tangible benefits provided by the Fund are:

- 729 units of social housing will have been completed or approved in projects as at 30 June 2007, including 355 units built and 374 units modified
- customer contributions to total project costs have totalled \$24.23 million as at 30 June 2007, amounting to 33 percent of the total project costs.

Some broadly comparative information may be drawn from data in the Corporation's 2005/2006 Annual Report.

Table 18: State and non-government social housing – some comparisons

Outcome	Measure
Housing New Zealand Corporation ¹	
Net increase in the number of rental homes under management	1,043
Net cost of increase in the number of owned rental homes	\$262.95m
Average cost per rental home	\$252,109
Total number of homes modernised	720
Total cost of Modernisation programme	\$32.47m
Average cost of Modernisation per home	\$45,097
Total number of homes reconfigured	28
Total cost of Reconfiguration programme	\$2.39m
Average cost of Reconfiguration per home	\$85,357
Total number of homes Modernised or Reconfigured	748
Total cost of homes Modernised or Reconfigured	\$34.86m
Average cost per home	\$46,604
Housing Innovation Fund ²	
Total number of units built by CBOs (includes completed and approved)	210
Total loans provided to CBOs	\$32.966m
Average cost to HNZN per unit	\$156,982
Total project cost of units built by CBOs	\$46.840m
Average cost per unit	\$223,046
Total number of units modified	306
(Local authorities only – excludes projects that involved builds, or builds plus modifications)	
Total loans provided to these local authorities	\$8.285m
Average cost to HNZN of Modification per unit	\$27,075
(Typically covered full cost up to max of \$30,000 per unit; note also typically bedsits/small units)	

Source: ¹ Housing New Zealand Annual Report 2005/2006.

² Based on data provided by National Manager Business Development - Housing Innovations

The Corporation's Statement of Intent 2007/08 identifies a number of key measures of its performance and efficiency. One of these is administration cost per property, which is a measure of how efficiently the Corporation's properties are managed. The Corporation's target is \$1,135 per property in 2007/2008, reducing to \$1,093 in 2009/2010. While this information is not currently available for the community or local government housing sectors, it would not be difficult to gain as a measure or monitor of the community or local government housing sectors' efficiency compared with that of the Corporation.

Intangible benefits

A broad range of intangible benefits, or those that are difficult if not impossible to quantify, have been identified by key informant respondents as a result of their activities and project under the Fund. They reflect the 'social benefit' of the Fund, and may be direct or indirect. Some of the benefits cited may be equally achievable if the housing in question had been directly provided by the Corporation (for example, better quality housing, designs that support or foster the development of small communities and social interactions among residents). However, this aspect will not be addressed in this report.

The benefits associated with the investment of some \$3.8 million in building the capacity of organisations and investigating the feasibility of projects are difficult to quantify. It may be reflected in the fact that there is a 'pipeline' demand for around \$27 million of projects with the potential to proceed in 2007/2008 from the community sector.¹⁵ This suggests a substantial base of organisations that may be capable of becoming social housing providers across the country (although many will require ongoing support to do so).

In a number of communities, the extent and nature of need for social housing has been investigated as a result of the activities associated with the Fund, often funded by feasibility grants to CBOs. This has helped build an improved understanding of the need in localised areas. Examples where such studies have been undertaken under the auspices of the Fund include Wellington City Council, Manawatu Community Housing Trust, Te Haurora O Ngati Haua Charitable Trust, and Ngati Porou Hou Ora.

The quality of facilities has improved markedly – rooms or bedsits that were built in the 1950s and 1960s had become outdated as needs and expectations have changed. For example, what may have been designed as single working men's accommodation, when the residents were out working all day, are not suitable for people that are house-bound (ie, spend most/all their days indoors because of disability, infirmity or illness), in terms of their mental or physical health and well-being.

The design of some new facilities have provided natural communities for tenants that provide both support and opportunities for independence, and less stress in terms of having to maintain properties, or safety and security concerns. For example, the Sisters of Mercy St Josephs Orphanage Trust Board provides housing for the elderly:

[The development] has created a sense of community [for our tenants] – interdependent living of a high quality/standard; the whole complex really works for the tenants – it is suited to where

¹⁵ Housing New Zealand Corporation Board Paper, Housing Innovation Fund, 28 June 2007. Reports demand of \$40 million of projects with the potential to proceed in 2007/2008, of which \$13 million is demand from local government.

they are at at this point of their lives (for example, everything is flat; no garden or house to maintain), [they have both] communal and independent living and they can still access the community (they are in the heart of Upper Hutt); their well-being has improved; and it has offered them a safe and secure environment (video surveillance available).

Abbeyfield New Zealand also only targets older people:

Those people needing support, who can't cope with living alone – it affects their health, they lose links to community, become isolated. Abbeyfield provides social contact, security, a live-in housekeeper/24 hr support, good quality well-maintained housing, which gives peace of mind [to the older tenants].

Eventide Rest Home has built 19 apartments (10 one-bedroom and 9 bed-sit), with access to services from a more commercially-oriented rest home, aimed at people of 65 years of age and above, with limited income and assets of not more than \$140 000. It describes the benefits for clients as follows:

The benefits of the new units are the social interaction, and improved social skills (in particular males who have been on their own over a period of time) of our residents; improved overall well-being through improved health – residents usually have [at least] one meal that is nutritious (dietician made); the units are designed for older/elderly people, for example, wheelchair and other physical mobility challenges; their own care is still available to them through normal channels (helps maintains relationships) or they can access our care services; we have a range of activities that people can participate in (if they wish) – arts and crafts, entertainment, music, singing groups, there are regular visits to Hamilton, restaurants, and other social activities. It has created an environment that has improved the mental and physical well being of our residents.

The development of social housing in some smaller communities that is targeted at the elderly, support other government programmes or initiatives, such as 'Aging in Place'. This allows older people to stay in touch with their familiar communities, friends and family, and maintain a supported independence when the alternative may be to move to a distant residential home or similar (for example, The Fowler Trust).

Communities are empowered to be involved in the provision of social housing, through being given a process to follow, tools, advice and support. Through being involved directly in the establishment of social housing, communities take pride and a sense of ownership in what they achieve. For example, the Abbeyfield model:

Houses are run by local incorporated societies of volunteers that drive the process from fund-raising, planning, construction and managing the house. The local community owns the asset and is therefore empowered and more committed to looking after it. ... [It is] a cheap manager when the project is running as the community does it for 'free'.

Developing social housing through community groups has mobilised community and private sector resources in support of social housing projects that may not otherwise be possible. This includes, for example the amount of volunteer time devoted to developing and managing projects and

community-based organisations; voluntary labour to build, renovate/modify and/or maintain housing (eg, Habitat for Humanity, Community of Refuge Trust and others); and the ability to attract private sector sponsorships, donations of goods and services, or discounted products (eg Habitat for Humanity).

The opportunity to move into new social housing has enhanced residents feeling of pride, and this has transferred to other members of the community. The Te Haurora O Ngati Haua Charitable Trust project involved building two houses to help increase the number of its whanau members to own their own home, and move out of sub-standard housing. Tenancies are to be limited to five years, and are intended to give tenants an opportunity to learn home ownership skills in a supported way – for example, budgeting and home maintenance – and to build up some equity so after five years they can purchase a home of their own. Te Haurora O Ngati Haua Charitable Trust had this to say about the impact of the new home on their tenants and local community:

We've had a great reaction to the new houses – both from the officials and our community. The whole community has been through the houses on opening day. 'Aunty', a very humble person, who is living in one of the houses, has taken a quiet pride in her surroundings. It has lifted her self-esteem. She now considers she is worth it and has asked her family for new furniture to go with her new house!

The houses provide a good quality environment for the families – they help increase their self-esteem, and also improve their health. They feel safe and they feel good.

As a result of the community going through the houses on open-days, it was amazing. I have noticed houses around the community now getting ready to be painted. The gardens are being tended and there were heaps of trailers that day going to the tip with a lot of rubbish. Positive spin-off for our community – they see their own people in a nice environment – lifts their spirits, and hope that they can attain this too.

The building of self-esteem is also a benefit reported by Te Korowai Hau Ora Hauraki, a Māori health care provider whose project involved providing stable short-term (3-6 months) accommodation for larger families to give them a break and help them get back on their feet. Often these families have been living in sub-standard housing, which has contributed to poor mental, physical and spiritual health for iwi members.

The house allows [a family] the opportunity to sort out their health and other problems, such as debt. We provide a wrap-around service – help them with budgetary advice, identify other services they require, mentoring for the kids, and so on. The aim is to stabilise the family so they have a more solid foundation to then move into HNZ accommodation.

It is about supporting our whanau through a transition; giving them a break and an opportunity to regroup and then move on – it increases their confidence, self-esteem, so they can hold their head high – rangatiratanga. Breaking the cycle.

The current family – a mother with five children with health/mental health issues, no money, the two oldest sons had not been at school last 12-18 months and getting into trouble. Now, after five months with us, the second oldest son has now applied to fishing school in the South Island – he is no longer drunk and disorderly (the CEO is providing mentoring for the boys – they think a world of him). The mother takes pride in her house, and keeps it spotless, washing is on the line every day; the children are fed proper food at regular meal times [and the] mother showers them once a day; the younger kids are back in school; she has money in her pocket because

she has the opportunity to save because everything is at lower cost. The mother has bought a \$25 TV for the kids, and people have given fridge/freezer for the house, and a washing machine. [There has been an] increase in the mother's confidence – she can hold her head high down town now.

An increased sense of pride, self-esteem, attitudes, and the development of a sense of community are all benefits reported by Rotorua District Council as a result of its project to replace 24 1950s pensioner units that were “*beyond repair or refurbishment*” with a block of 30 new units. Rotorua District Council comments that:

We have had no negative outcomes. We have had the opportunity to create a community by developing a central landscaped area, which provides space for social gatherings. It has allowed a sense of community to develop. The older housing has little or no outside areas for tenants to enjoy. The tenants have taken pride in their new units – this is evident by them gardening. It also has meant their self-esteem has increased.

The older units had small windows, were not designed for light/sun and it feels like you are in sub-standard housing. There is only one door in and out, and you had to walk through the bathroom to get to the lounge. The layout was all wrong. The new units have bigger windows, well spaced and designed to take advantage of the light and sun. The units are lighter and warmer. They have two doors, which allows a breeze to flow through, making it a healthier home for the tenant. They have a washing line and I have seen the tenants outdoors more, enjoying the garden. Their attitudes are significantly improved plus it must make a positive difference on their mental health.

The tenants in the new units are outside more in the fresh air – they are healthier and happier. In contrast the tenants in the older units stay inside as they do not have the opportunity to go outdoors. [For example, we] had an elderly lady in the older units who could not manage the one/two stairs (all new units are flat). It meant that she was confined, her physical and mental health deteriorated as a result of lack of exercise.

These comments are echoed by Franklin District Council, whose project involved the modernisation of 30 pensioner units:

Residents are rapt with the whole environment. One mentioned she has never lived in a new house in her life. The feedback has been very positive; the project has livened up/enhanced [the residents'] environment – we expect they will be happier.

Increasing the supply of community-based social housing helps relieve some of the pressure on the Corporation's waiting lists. For example, the Habitat for Humanity model is essentially a home ownership scheme. Habitat for Humanity estimates that around 30 percent of its home-owners come from state housing, which releases that housing for others on waiting lists.

The Habitat for Humanity model also supports people developing a sense of security (as opposed to the insecurity of renting), independence, a track record of loan repayments and development of equity in an asset that they can use when approaching banks if they need to re-finance their loans. This model is currently based around a minimum repayment of \$200 per week, which is substantially below market rentals and allows people to build up an equity stake in their homes.

Special needs groups, such as those with mental health illnesses, are often provided with additional support services through a CBO acting as a social landlord. Housing providers to these groups are often closely associated with or have close links to mental health service providers, so the connections between the residents and other services they require are often seamless. For example, the Bays Community Trust model is to purchase affordable housing for people with mental illnesses. The benefits to their tenants are:

The benefits to mental health people is to provide affordable, stable, secure, safe accommodation – less stress and [therefore] better overall for them; we charge them 65 percent of the market rent, which also means that these people do not have to approach other government agencies for other grants/top-ups and reduces embarrassment/stress.

We also provide them with a seamless connection to services they require in the community; we're still the landlord but in a caring, sensitive and appropriate way, and in this way we can help with their mental health issues. For example, they may ring [the manager] on an issue that is not strictly a landlord issue. [We also] have an agreement with other community providers who can provide these services.

Another special needs group, with intellectual and often physical disabilities, is the target client group for Te Roopu Taurima. With the assistance of the Fund, Te Roopu Taurima was able to build a purpose-designed six-bedroom house for people with multiple intellectual and physical disabilities, who had previously been in sub-standard housing. Before building this house, Te Roopu Taurima had to purchase or lease housing and pay to modify them, which wasn't desirable in most cases. Te Roopu Taurima identifies the impact on its clients:

[Our clients are] all confined to wheelchairs – they may also be limb-less, deaf or blind – but we can look at faces and see they're very happy. This translates to a better general state of health. There is a lot of positive feedback from caregivers also – [the new environment means] less stress on them as well, less concerned/are happier. The house is close to clinic facilities and a hospital that provides care; it has wide corridors, big open spaces, large bedrooms, and big open wet area showers, [which make it easier to care for client needs].

The Dawn Trust also built a purpose-designed house for people with severe intellectual and physical disabilities with the assistance of the Fund. It has also had to lease or rent housing and pay to modify them, which wasn't desirable in most cases, with special requirements being managing heating and keeping the house very clean. The Dawn Trust also identifies the benefits for its clients, staff and the immediate community:

The design of house provides warmth, [which is] better for the health and well-being for clients – before we had to struggle to keep warm – [and] durability [of construction and materials]. It is easier/more user-friendly for people with multiple disabilities – with more space. [The house] is a lighter, warmer, roomier place [and] clients have moved up a scale on disability, have more exploratory behaviours, have sense of walking further and still be safe.

[There is also a] lot less stress on staff and manager with new facilities – especially re [managing the] cost of heating. [We] have also demonstrated the benefit of having mixed communities – eg, one of the neighbours acts as neighbourhood watch/security, another keeps an eye on things going on and is encouraged to report anything; we are developing a greater sense of community.

Intangible costs

Two key areas of intangible costs arise as a result of implementing the Fund. The first is that expectations of potential social housing providers have not been able to be met due to the shortfall between available funding and the level of demand, and the implementation of the Prioritisation Framework. CBOs that have worked for some time to develop their capacity and capability have been told there is no funding available to support their projects. This can potentially result in disillusionment, withdrawal from being a potential social housing provider, and a loss of credibility for the Corporation and Government. This may be exacerbated when inconsistent messages or treatments are observed; for example, the funding agreed for Wellington City Council as a separate appropriation from HIF is a case in point.

The second intangible cost is related to the possibility that the limited funding available may not be going to the best purposes. In the early years of the Fund, there was a drive for 'quick wins', and the level of demand was less than the supply of funding that was available. As a consequence, there may be examples in which funding has been applied to projects and organisations that were 'ready to go' but which may not have been targeted to the areas of most need within respective communities.

Concluding remarks

The costs and benefits of HIF are difficult to isolate and quantify. Many of the benefits of supporting the development of social housing are intangible and impossible to quantify. Difficulties include issues in getting accurate data for the Corporation's administration costs of HIF. Comparisons with the efficiency of other Housing Innovations products and services are also difficult to assess, in part because the same teams are delivering a range of different products, all aimed at supporting affordable housing.

A more detailed and sophisticated analysis of the costs and quantifiable benefits of delivering the scheme, compared with other means of delivering affordable housing, is required. It is understood this is being done.¹⁶

The tangible costs of HIF also need to be considered alongside the intangible social benefits as a result of the Fund's activities at the sectoral, community, organisational and individual levels. These include:

- the development of capability within the community housing sector to provide social housing
- the relief of pressure on Corporation waiting lists through having alternative sources of affordable housing available
- an enhancement of the quality of housing for all beneficiaries of the social housing projects that have been funded
- local community needs for social housing have been identified and (in part) addressed
- a range of organisations have enhanced their capacity and capability to provide social housing

¹⁶ NZIER. 'Toward an Economic Analysis of Housing Interventions: Stage 1A – Analysis of Costs: Summary Report.' 3 May 2007.

- the development of a greater sense of community, community ownership of social housing projects, and community pride
- the mobilisation of community resources – volunteer time, donated/discounted goods and services – to support community focussed projects
- increased self-esteem and a sense of pride among residents of new social housing
- opportunities for residents with special needs to receive appropriate support and services, in a stable accommodation setting
- improved mental and physical health and overall well-being that comes from living in better quality housing, that is safe and secure, stable, less stressful, contributes to improved 'peace of mind', provides opportunities for ongoing social interaction, and/or the benefits of 'aging in place'
- opportunities for individuals and families to 'break the cycle' of dependence, and develop credibility and a track record of financial responsibility that may assist assessments of credit-worthiness for future needs
- by having special needs groups accommodated in good quality, special purpose housing, caregivers (paid and unpaid) are themselves happier and less stressed on behalf of their charges.

These intangible benefits are in addition to the more quantifiable ones in terms of the number of housing units built (projects involving 355 units approved or completed) or modified (374 units), and particularly the leveraging of non-government funding that has been achieved (\$24.23 million or 33 percent of total project costs).

The development of the community housing sector has other advantages, in that it potentially offsets an uncertain level of commitment by many local authorities to playing a major role in providing social housing, or making it available to key target groups that have special needs for it.

In addition, the policy work on the Fund in 2005 also identified a range of issues to be considered if social housing was to be provided by the Corporation or local government as opposed to the community housing sector.¹⁷ Examples of those not already identified include:

- the Corporation is a large organisation, which demands a level of standardisation of products and approaches, and is subject to national political preferences. These will be less likely to have the ability to respond to local needs and preferences
- the Corporation already has economies of scale and any additional units will not add to this, and may create diseconomies of scale if large numbers of stock are added (such as through transfers from local government)
- transfers of housing stock from local government to the community housing sector also face a number of issues:
 - transfer would not necessarily increase the number of social houses available, at least in the short term

¹⁷ Housing New Zealand Corporation. 'Housing Third Sector: Detailed Policy Work.' 10 May 2005.

- it is unclear where the potential liability for incomplete maintenance of and the need to modernise and upgrade council stock lies, with a risk that councils attempt to transfer this to the Government or community-based sector
- it is unclear where the liability for the purchase price of housing stock may lie, as much of it was purchased with interest-free or low-interest Government loans, and councils may seek to obtain a substantial capital gain for their housing
- the Corporation and local government are limited in their ability to actively manage housing stocks in terms of being able to sell houses, modernise properties.

Concluding comment

Overall, it is considered that HIF has laid down a good foundation of building blocks for the development of a non-government social housing sector. An infrastructure is developing and a range of experiences with different types of social housing models and providers is being gained. The criteria and forms of assistance available from the Fund have either been a significant factor in encouraging CBOs to become social housing providers, or have enabled them to develop social housing projects faster than would otherwise have been the case. However, it may be noted that support from the Fund is not the only driver of the development of the social housing sector, as there continue to be examples of CBOs developing or providing social housing without accessing the Fund's mechanisms and support.

Also, the four-year programme has not been long enough for a number of potential social housing providers for key target groups, particularly Pacific and a number of Māori organisations, to develop a mandate to become involved in social housing and the capacity and capabilities the Corporation requires. As a result, Pacific social housing providers are not represented, and Māori social housing providers are probably under-represented among the range of organisations having projects for their respective target groups approved under the Fund to date.

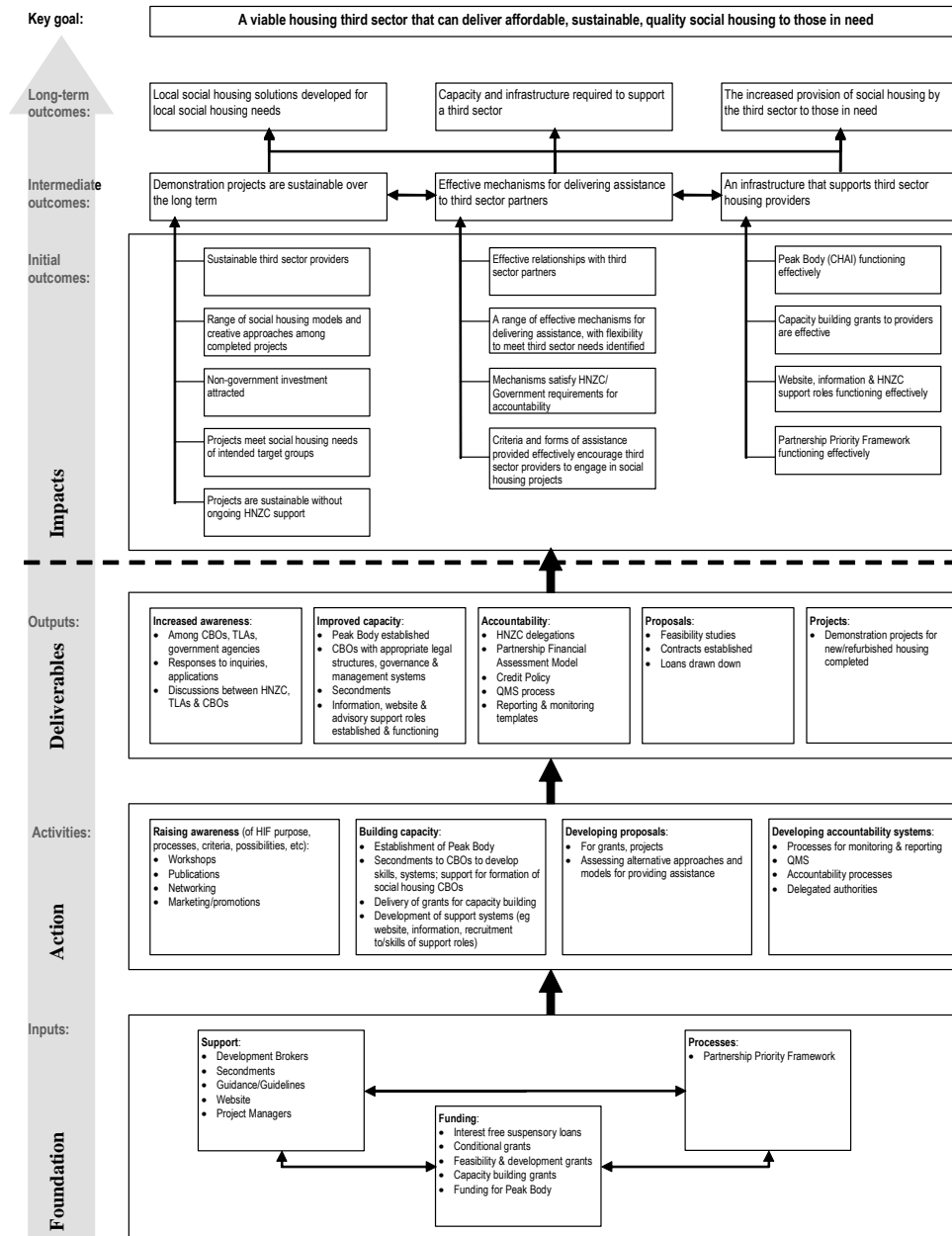
HIF has come in for some criticism over the level of funding available, an inability to support large-scale developments of social housing and the relatively short time horizons (four-year programme). It appears that a number of commentators have over-looked or not appreciated that the Fund was set up to encourage the development of an innovative community housing sector able to provide affordable and secure rental housing and home ownership opportunities to low-income New Zealanders. The funding was intended to support a four-year programme of **demonstration** projects, and this initial programme is in the nature of a pilot scheme. It was not intended to be the full and complete solution to the need for social housing, either in terms of the length of commitment provided (a four-year programme), or the level of resourcing required to develop a fully sustainable sector.

If the sector is to continue to develop into a sustainable and viable community housing sector, a clear, sector-specific strategy is required. This strategy needs a broad-based level of buy-in and support from across the sector and different central agencies. The strategy will also need to be supported with ongoing financial and practical assistance from Government over the long term, and more quantitative information about the level of demand and need for social housing at local levels. Once this strategy is in place, the sector will be in a better position to deliver affordable, quality social housing to meet the level of apparent need.

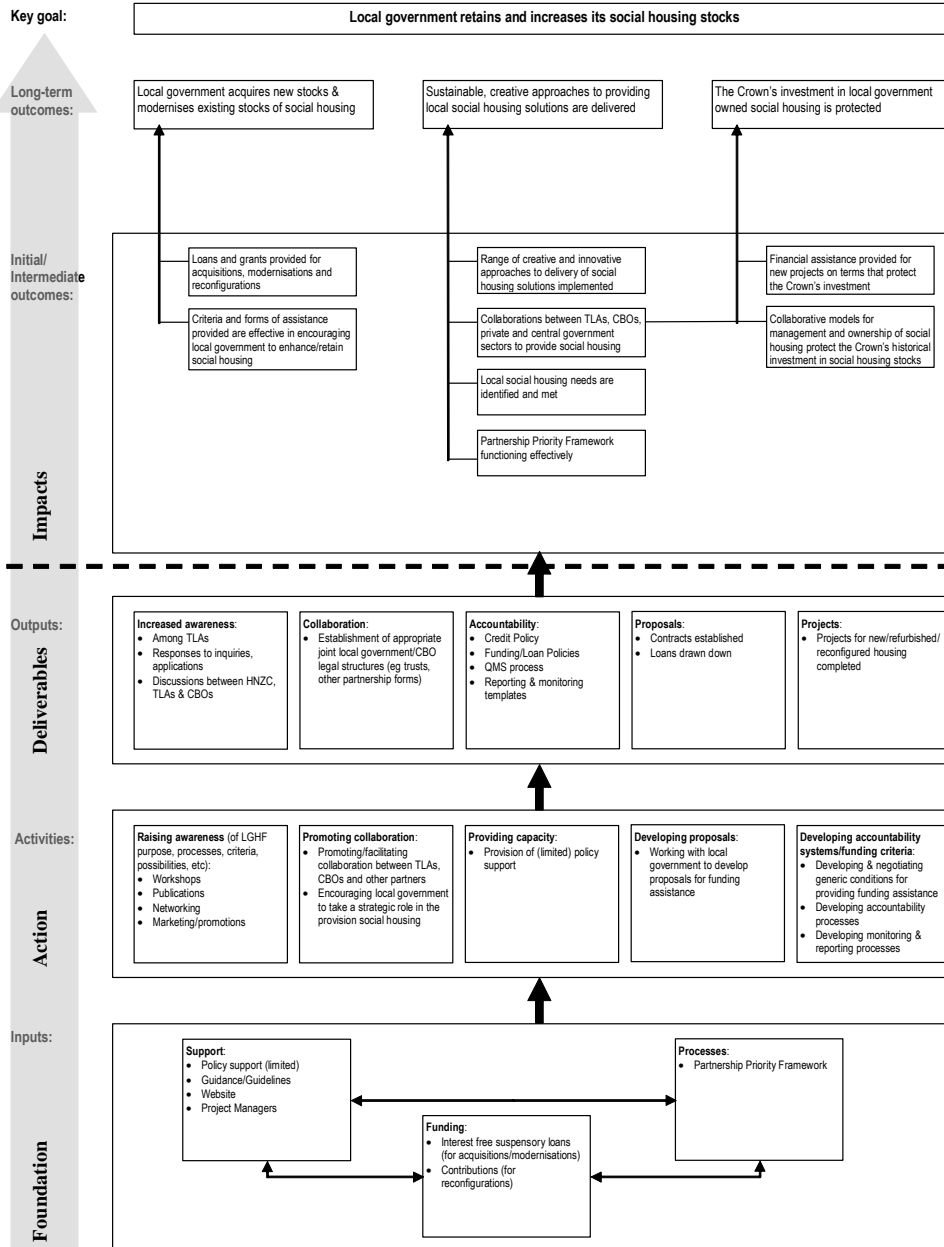
Appendices

Appendix One: Housing Innovation Fund – Outcome hierarchy

Housing Innovation Fund – Hierarchy of Outcomes
(Initial 4 year programme)



Local Government Housing Fund – Hierarchy of Outcomes
(Initial 4 year programme)



Appendix Two: Housing Innovation Fund – Aims and objectives

Community Housing Sector Innovation Fund

The community housing sector Housing Innovation Fund is intended to encourage the development of an innovative community housing sector able to provide affordable and secure rental housing and home ownership opportunities to low-income New Zealanders. Funding:

- supports a four-year programme of demonstration projects delivered in partnership with non-government organisations
- provides capital funding in the form of loans with an interest-free concession, grants and/or equity, to stimulate the development of social rental accommodation and affordable home ownership opportunities
- is targeted at CBOs assisting low-income households whose needs are not being fully met by Housing New Zealand or the private market, (e.g. people with disabilities, Māori kin-based groups, B,C,D applicants on Housing New Zealand waiting lists in high-demand areas)
- expects a contribution of at least 15 percent of project costs from CBOs
- provides establishment funding to support the development of capacity and capability within the community housing sector, including a community housing sector reference group named Community Housing Aotearoa Incorporated (CHAI).

Local Government Housing Initiative

The Local Government Housing initiative is intended to encourage local authorities to retain, maintain and add to their existing stock of social housing. Funding:

- supports a four-year programme to assist local authorities modernise their existing rental stock and purchase additional units to meet an identified need in the community
- splits the cost of purchasing a property 50:50 between Housing New Zealand and the local authority
- provides a maximum 20-year suspensory loan for acquisitions and a maximum one hundred per cent suspensory loan of \$30,000 per unit for modernisations
- is constrained by a legal deed to ensure that the properties continue to be used for social housing purposes and that, in the event of a sale the Crown's financial interests are secured.

Key objectives of the Housing Innovation Fund

The overarching objective of the Fund is to increase the supply and quality of delivery of social housing to target groups, namely:

- low and moderate income households who cannot meet their own needs in the private market, who are unlikely to be offered a state house, for whom the Accommodation Supplement does not adequately address housing needs, and where the problem is not affordability

- low income households whose specific housing requirements are not being fully met by the market or by current housing instruments, such as iwi, Māori groups, and Pacific peoples
- low income households whose specialised housing needs are not being fully met, such as people with mental illness, disabilities, and elderly people with support needs.

The objectives for the community-based Housing Innovation Fund that will contribute to the Fund's overarching objectives are to:

- provide government support for CBOs to contribute to developing a sustainable housing sector
- develop the capacity and infrastructure required to support an effective and efficient housing sector
- encourage the development of creative approaches to social housing solutions for the target groups.

The objectives for local government funding that will contribute to the Fund's overarching objectives are to:

- encourage local authorities to retain and modernise their existing rental housing stock
- assist local authorities to buy new stock
- support local authorities to identify new ways of working on social housing projects with other councils and CBOs in the region.

Appendix Three: Key findings of the process evaluation

1. The recipient groups and sector stakeholders interviewed for the evaluation are very supportive of the Fund – community housing sector housing and LGH initiatives.
2. Short-term outcomes achieved by the initiatives to-date include:
 - projects providing tailored housing responses to specific client groups
 - non-government resources beginning to be used for social housing
 - growing involvement of groups such as Māori, Pacific peoples and housing trusts
 - innovative responses beginning to be developed by local authorities.
3. The Fund's funding targets for the 2003/04 financial year were achieved. At the beginning of March 2005 when the evaluation was completed, the targets for the 2004/05 financial year were on track.¹⁸ While LGH funding targets for the 2003/2004 financial year were not reached, one local authority received substantial funding in the current financial year from funds carried over from 2003/04.
4. The community housing sector in New Zealand is in the early stages of development and consists of disparate groups with varying levels of organisational expertise and housing knowledge. The evaluation findings confirm that capacity within the community housing sector is less developed than initially anticipated.
5. A number of strategies are suggested by the evaluators for developing the community housing sector beyond the foundation stage. These include a targeted approach to identifying potential providers who could offer larger scale growth potential or cater for specific areas/groups with high housing need. Another suggestion is to complement the current approach of working with individual groups, with providing more general capacity building at the community level to identify and develop potential housing providers.
6. The evaluation has highlighted a number of areas of inherent tension associated with implementing an initiative based on a partnership relationship with community groups. Tensions have arisen between the CBOs' desire to deliver housing, and Housing New Zealand's need to ensure the organisation is capable of delivery in the long term and that public finance is properly used.
7. This difference is reflected in the ways some CBOs and Housing New Zealand view the process for accessing the Fund's funding. Some CBOs describe the Fund's application and assessment process as excessive and risk averse. In contrast, Housing New Zealand uses the application and assessment process to build CBOs' capability as social housing providers. Housing New

¹⁸ To end June 2005, Housing New Zealand has made 15 loan offers to 13 community-based organisations, and two to local councils, all of which have been accepted. Housing New Zealand is currently working with about 40 community-based organisations and local councils to develop workable funding proposals. These include housing for older people and people with physical disabilities, and affordable social housing. It should be noted that \$1.9 million was carried over into the new financial year.

Zealand also regards such processes as appropriate risk management mechanisms to ensure effective stewardship of government funds.

8. The evaluation has also highlighted the range of expectations of stakeholder groups about the partnership approach which underpins the Fund. While some stakeholder expectations are limited to access to financial support, other stakeholders expect shared decision making and control. For instance some stakeholders desire more influence in decision making related to the lending process. Consequently, the expectations of this latter group have not been realised. A challenge for Housing New Zealand is to manage effectively the varying partnership expectations of individual community housing sector and LGH partners.
9. Some of the evaluation findings reflect the experience of CBOs in the early days of delivery. Given that the Fund was intended as a 'demonstration' initiative, Housing New Zealand has always intended to make incremental changes to its delivery. Consequently, Housing New Zealand has already made (or is currently making) various process and system improvements, for example:
 - new staff appointed on a regional basis
 - staff training to improve knowledge of CBO needs and expectations
 - internal processes streamlined
 - communication and relationship management processes improved
 - quality management procedures and loan agreements reviewed and streamlined
 - capacity building grants reviewed to allow greater flexibility of funding
 - website to improve provider access to information (additional web based resources are under development).

Appendix Four: Phase One Report – Executive summary

Purpose and approach

The purpose of this report is to describe the findings from Phase One of the outcomes evaluation of the Housing Innovation Fund.

Phase One of the evaluation project involved:

- eight case studies of successful projects or collaborations, including two local government and six community-based housing providers
- a survey of sector participants who have not been recipients of funding from the Fund and potential applicants
- a workshop with Corporation staff to discuss draft findings from Phase One of the evaluation, prior to finalising this report.

The case studies were developed to establish key reasons why the projects are successful in achieving agreed outcomes, what factors have contributed to that success, improvements that can be made to ensure ongoing success, and lessons that can be taken forward for future projects or collaborations. The projects were selected by members of the Evaluation Steering Group as both representative and having examples of special interest. They were:

- The Carl and Irene Fowler Charitable Trust (Lumsden, Northern Southland)
- Just Housing Otepoti Dunedin
- Wellington Housing Trust
- ComCare Charitable Trust (Christchurch)
- Community of Refuge Trust (Auckland)
- Nelson-Tasman Housing Trust (Nelson)
- Timaru District Council
- Dunedin City Council.

All the case studies were commenced early in the implementation of the Fund, as the processes and procedures were still being 'bedded in', which has affected organisations' perceptions of the process and dominated the issues they raised. Many of these have been addressed by later changes to processes, and the greater availability of information. Despite these case studies being deemed successes (funding has been approved), not all the actual projects had been completed at the point at which the case studies were prepared.

A survey of sector participants who have not been recipients of funding from the Housing Innovation Fund or are potential applicants (identified by members of the Evaluation Steering Group) was undertaken to identify potential barriers and forms of assistance that would encourage applications and the development of capacity in the sector. A sample of 91 community-based organisations and 51 local authorities was surveyed, with responses received from 41 community-based organisations (45 percent response rate) and 34 local authorities (67 percent).

The internal workshop involved National Office and Regional Delivery staff from the Corporation, and members of the Evaluation Advisory Group. As well as presenting and discussing the draft findings of Phase One of the evaluation, it considered key issues that were identified in the draft report, with the key findings and conclusions from this workshop included within this final report.

Key findings from the case studies

The community-based case studies had the following key characteristics.

- Organisations ranged from small groups that were newly-established in order to access the Fund for social housing projects, to relatively large providers that have been involved in social housing for around 20 or more years.
- The size of their social housing portfolios prior to their successful application to the Fund ranged from zero to around 35 properties, and when the projects are completed will range from four to 65 properties.
- The types of projects included the design and construction of new housing, and the purchase of existing properties on the open market for use as social housing.
- The target client groups are all of low to moderate income households, and included elderly people, refugees and migrants, people with physical disabilities, and those with who experience mental illnesses.
- Assistance from the Fund included: organisational development grants to develop plans, policies and procedures (two organisations); organisational capacity building grants to assess the condition of assets and/or develop asset management plans, policies and procedures (one); and project feasibility grants to investigate project options, develop cost estimates, plans and valuations (five).
- One established provider did not receive any grant money from the Fund to assist with its project.
- The timeframes between initial applications to the Fund and the first offer of funding being accepted ranged from around seven to 22 months, and averaged around 16 months.
- All the community-based organisations received conditional grants equating to 15 percent of their respective project's costs and a 25-year term loan with the first 10 years being interest-free and converting to a table mortgage from year 11. These term loans covered from 44 to 70 percent of the total estimated project costs. Three organisations received suspensory loans that covered between two and 23 percent of project costs, and were granted when the proposed below-market rents able to be charged were not sufficient to re-pay the full amount of a term loan.
- The contributions of the community organisations to each project ranged from 15 to 29 percent of the total costs, and comprised combinations of land and/or cash.
- When the case studies were conducted, one community organisation had completed its project (involving the purchase of housing) and another had almost completed its programme of on-market purchases; two projects were nearing the completion of the construction of new units; and two projects had yet to begin construction of new properties.

The two local authority projects had the following characteristics.

- Both councils already had social housing portfolios – 213 and around 1,000 units respectively – and have each been involved in providing social housing for over 50 years.
- The projects involved the construction of new units (23 and 6 respectively), with the larger project involving the demolition of units that were obsolete, for a net increase of 19 units.
- In both cases the target client groups were elderly people with low to moderate incomes.
- Both projects involved loan facilities for 50 percent of the estimated project cost (excluding the value of land that the councils contributed) provided as 20-year suspensory loans.
- The timeframes between initial applications to the Fund and the offer of funding being accepted was 8 months in one case and 18 months in the other.
- One project has been completed, with construction on the larger and more recently approved project yet to commence.

Summary of outcomes achieved

Most of the outcomes intended for the Fund have been achieved to a greater or lesser extent across both the community organisation and local authority case study projects. The key achievements include:

- an increase in the provision of social housing by the community-based sector to those in need
- social housing solutions developed in response to identified local needs
- the development of sustainable, capable community-based social housing providers
- non-government investment attracted to the sector
- the projects themselves are sustainable without ongoing support from the Corporation (with one possible exception)
- the mechanisms have largely delivered assistance to partners effectively, and satisfy government accountability requirements
- the availability of the Fund has encouraged community-based housing sector providers to engage in social housing projects
- the capacity building grants, where provided, were effective
- different models and approaches to completing projects have been implemented (although these examples do not appear to reflect a particularly wide range of different models or creative approaches)
- local authorities were encouraged to enhance their social housing, with the two projects involving acquisitions through construction of new housing, in response to identified local housing needs.

There are a small number of key areas for attention.

- While the process of the Partnership Priority Framework has been reviewed and changed since the bulk of these case study projects were completed, there were issues to do with how these processes are applied.
- Capacity building grants have been effective where these have been used, but were not offered to all organisations that might have benefited from them (although the organisations were able to access support from other sources).
- The peak body, CHAI, has not been able to support these projects or groups effectively.
- There is a concern about how the Fund can provide for the continued and sustainable growth of (particularly) the smaller and the more recently established community-based housing providers and their increased contribution to the provision of social housing to those in need.

Key factors contributing to success, and lessons learned

The case studies help to highlight those actions that both applicant organisations and the Corporation can take to ensure their projects have a better prospect of success, in the form of key factors for the success of the projects and in lessons that may be taken out of these experiences.

For community-based housing providers and local authorities, those key factors that were most commonly identified as contributing to the success of their respective projects included:

- the skills and experience of key personnel involved in the project
- the strength of community networks and support
- the presence of 'project champions'
- having a good financial base or funding grants
- the strength of relationships with Corporation staff
- the experience and track record of the three long-standing community organisations
- the commitment by their governing bodies (trust boards and council).

In terms of the lessons or advice that community organisations and local authorities could take from these early experiences of the Fund, these included:

- highlighting the need for potential providers to adequately prepare themselves for undertaking the project (which will be assisted by the guidelines now available on the Corporation's website), with key points that include:
 - ensuring they have the understanding and support of their governing body to what they may be committing
 - developing and maintaining key documents covering policies and procedures, and ensuring the charter or objects of the group permit it to enter into the proposed project
 - developing good evidence of the needs for social housing

- assigning key roles for the project – especially for community groups that do not have paid staff
- developing a network of key contacts and external advisers, if these are not available in-house
- talking to other organisations that have been through the process
- considering all possible options for the project, such as new builds, purchase of existing housing, or collaborations with other partners
- identifying those key people that need to be involved and/or consulted in key decisions on the project at an early point, and confirming their decision-making procedures, mandate and authority
- maintaining effective ongoing communications, and ensuring there is a clear and shared understanding of what is being communicated
- being clear and realistic about what they want to achieve, and staying focused on these goals – a long-term commitment to providing social housing is required, and organisations need to be realistic about what it is they are getting into
- establishing good networks and support groups within the community
- developing a good relationship with the Corporation, and recognising the process is about developing trust and working in partnership over the long term
- recognising that the lack of a track record and financial history as a social housing provider is not necessarily a barrier, if new groups have experienced people with a good mix of relevant skills on board
- spreading the risk and not rely on getting access to funding from the Corporation and the Fund, or all that they want/need.

Those key factors that the Corporation contributed to making the projects a success included:

- the Corporation's commitment to making the projects successful
- face-to-face meetings and site visits
- the assistance provided by the Fund, in terms of feasibility grants to investigate proposed projects, and access to capacity development grants to develop business plans, policies and procedures
- the communication of the Fund approval process, information requirements and timeframes
- the skills and experience of key personnel, including project managers and other support roles
- personal relationships established with providers
- effective communications practices.

Lessons that the Corporation can draw from the case studies for how the processes and outcomes can be improved generally relate to managing relationships and the expectations of 'partnerships'. They include:

- providing early clarification of processes for developing and approving proposals, information required, and likely timeframes, with other 'process' issues including:
 - ensuring the critical criteria to be met for a proposal to be eligible for consideration, and the key terms and conditions for acceptance of an offer of funding, are spelt out clearly and early
 - clarifying the nature of the 'partnership' expected – what is meant, and how the Corporation expects the parties to work together
 - formally confirming its commitment to working with providers to develop projects, once certain milestones have been achieved
 - ensuring there is consistency in **how** the process is applied by different project managers (which will assist also if there is a need for transitioning of staff)
 - explaining why the information requested is required, and how it will be used
- identifying and involving key Corporation personnel early in the project, in particular the community design team
- adapting the approach to assessing an organisation's capability and the feasibility of the project to the level of experience and capability of the organisation, by undertaking an initial or preliminary early assessment/screening of the capacity and capability of an organisation, and tailoring the level of support/assistance accordingly
- adapting the communications style, language and terminology used, the way in which an organisation is approached, and expectations of the level and nature of the Corporation's involvement to the skill and experience of the organisation
- Corporation project managers being alert for signs that a project is losing momentum or going 'off-track', and acting promptly to maintain momentum or resolve issues
- ensuring there is appropriate back-up in place to manage staff transitions relatively seamlessly from the clients point of view
- greater contact with and involvement of local Corporation offices with projects and providers.

A key issue that is not addressed relates to the sustainable growth of community-based organisations as providers of social housing, particularly where the terms of loan facilities and rates of repayments utilise all a community organisation's financial reserves and fully commit revenue streams to repayments and property operating expenses. In such cases, there is little scope and ability left for the organisation to accumulate further capital contributions to fund new units of social housing, except by reliance on grants and donations. How the effects of the Fund can be sustained was one of the key questions to be addressed at the workshop.

Key findings from survey of potential Fund applicants

Characteristics of survey respondents

The target client groups for CBOs responding to the survey are most commonly elderly people and those with mental illnesses or special health needs (27 percent of respondents or 11 each), with 20 percent of organisations (eight) providing services to Māori and 15 percent (six organisations) providing them to families and/or children. These CBOs provided a range of services to their various client groups, including both supported and emergency accommodation, various support

services, housing services such as home care/support, housing advocacy and assistance in finding housing solutions, and/or a more general advocacy role.

Twenty-six of the local authorities (76 percent) are district councils, while 22 (65 percent) are in the North Island.

Before receiving the survey 36 CBOs (88 percent) and 26 local authorities (76 percent) were aware of the Housing Innovation Fund.

Provision of housing

Twenty-five respondent CBOs (61 percent) currently provide rental housing and/or home ownership opportunities for their client groups. Thirty local authorities (88 percent) provide rental housing, with three indicating they used to be involved (5-10 years ago), and one indicating it has not been currently involved.

CBOs most commonly provide housing for people with mental health illnesses or special needs (52 percent, or 13 organisations involved in providing housing), followed by the elderly (44 percent, 11 organisations) and low income households generally (40 percent, 10 organisations). The main groups local authorities provide housing for are the elderly (93 percent, or 28 councils involved in providing housing), low income households generally (23 percent, seven councils), people with physical disabilities and those with mental health illnesses or special needs (13 percent, or four councils each). Numbers add to more than 100 percent as multiple responses are possible.

The type or style of housing local authorities most commonly provided is apartments or blocks of flats provided by 25 local authorities (83 percent of those involved in providing housing), followed by bed-sits/units with shared facilities (10 councils, 33 percent) and stand-alone houses (nine councils, 30 percent). In contrast, CBOs are most likely to provide stand-alone houses for their clients (19 CBOs, 76 percent of those involved in providing housing), with 13 CBOs (52 percent providing apartments/blocks of flats and two (8 percent) providing bed-sits/units with shared facilities. Again, numbers add to more than 100 percent as multiple responses are possible. The majority of CBOs rent out all their properties.

Between 2001 and 2006, a small number of councils have reduced their stocks of stand-alone houses (two of the 10 providing these), apartments (three of the 24 providing these) and/or bed-sits (three of the 10 providing these). Just one council has increased the numbers of apartments in its housing stock. The remaining councils have retained the same numbers of houses, apartments and/or bed-sits. Overall, however, there has been a net decrease in the numbers of units (91) and bedrooms (104) provided across the combined stocks of houses, apartments and bed-sits.

CBOs have most commonly been involved in providing housing for less than five years (seven organisations, or 29 percent of those involved in providing housing and specifying this information), with five organisations (21 percent) having been involved in providing housing for 11-19 years and three organisations (13 percent) for over 60 years; lengths of time range from 1 to 97 years, with an average of just over 23 years.

In comparison, local authorities have been involved for almost 39 years on average, and ranging between 17 and 76 years. Most commonly, local authorities have provided housing for 40-49 years

(nine councils, or 38 percent of those involved in providing housing and specifying this information) with a further seven councils (29 percent) providing it for 30-39 years.

Local authority policies for investment and rent setting for social housing

Most commonly, twelve councils (40 percent of those involved in providing housing) that provide social housing have a policy that their housing portfolios must be fully self-funding, "*at no costs to rate-payers*", for maintenance, replacement and acquisitions. Seven councils (23 percent) indicated their housing stocks must be self-funding for all repairs and maintenance or operational costs, but the councils may budget separately for either small scale capital expenditure to improve stocks or major plans for capital expenditure. Three councils (10 percent) identified that the council makes some contribution to maintenance costs on its housing stocks from general rate-payer funding, as funds from rental incomes are generally not sufficient to cover all that is required, and six councils (20 percent) will make periodic capital investments, including based on asset management plans, or through a renewal budget for any replacements that are required.

Seventeen of the local authorities (57 percent) set rents at below market levels, with six councils (20 percent) setting them at market rates, and three councils differentiating between rentals for elderly and/or special needs tenants as being below market with general rental housing being charged at market rents. One other council's rent setting includes a market rent component but is largely income related, while two other councils assessed their rentals relevant to those charged by other nearby councils.

The main bases for setting rents were income related (eight councils), market-related (seven), or to ensure the housing units were self-funding (seven). Income related rents were commonly set as a percentage of national superannuation, ranging from 23.5 to 33 percent where this was specified. Rents set to be self-funding were set at levels that aimed to ensure the housing stocks were managed to break-even.

Familiarity with support offered by the Housing Innovation Fund

Four CBOs (10 percent) were very familiar with the organisation development and/or project feasibility grants that are available, with 13 CBOs (32 percent) being quite familiar with the organisation development grants and 12 CBOs (29 percent) quite familiar with the project feasibility grants that are available. However, 6-8 CBOs (15-20 percent) were not at all familiar with these forms of assistance, and 15-16 CBOs (37-39 percent) were a little familiar with them. CBOs tend to be more familiar with the capital funding, grants or loans available, with 20 of the 41 CBOs being quite familiar (13 CBOs, or 32 percent) or very familiar (seven CBOs, 17 percent) with them; four CBOs (10 percent) are not at all familiar with the capital funding, grants or loans available.

Among local authorities, just one organisation said it was very familiar with the loans available for acquisitions, modernisations and reconfigurations. However, 7-8 local authorities (21-24 percent) were not at all familiar with each of these types of support available, and 12-14 local authorities (35-41 percent) said they were a little familiar with each type of assistance.

Eleven CBOs (27 percent) have previously applied to the Corporation for support or assistance under the Fund. Where the outcome was unfavourable to the CBO, three organisations found the process very difficult, and two other organisations did not agree with the reasons for applications being declined.

Intention to undertake a housing project

Twenty-two of the CBOs (54 percent) indicated they definitely intended to establish or undertake a housing project, or to increase or improve their social housing stocks, with another six (15 percent) saying they probably intended to do so and eight (20 percent) saying they possibly would.

Local authorities are less likely to have any intention to acquire, increase or improve their social housing stocks (beyond current programmes of maintenance). Eight (24 percent) have definite plans to do so, and a further five (15 percent) each indicated they probably or possibly had an intention. However, six (18 percent) said they probably did not, and 10 (29 percent) said they definitely did not, have any intention to acquire, increase or improve their social housing stocks.

The majority of CBOs (25 organisations, 61 percent) intended to build new housing, with similar proportions intending to buy existing housing (16 CBOs, 39 percent) and/or to improve/modernise current housing stocks (15 CBOs, 37 percent). Four CBOs (10 percent) had no definite plans or ideas.

Twelve local authorities (35 percent) indicated the type of project they had ideas or plans for was to modernise their current housing stocks, followed by similar proportions having ideas or plans to build new housing (seven councils, 21 percent), reconfigure current housing stock (six councils, 18 percent), or add capacity to current housing stocks (five councils, 15 percent). Four councils (12 percent) had no definite plans. Numbers add to more than 100 percent as multiple responses were possible.

The most common barrier preventing CBOs from establishing or undertaking a housing project, is a lack of capital or funding (24 of the 39 organisations responding, or 62 percent), with six organisations (15 percent) each mentioning that a lack of capacity, not having the knowledge or capability, and/or a lack of support, commitment or policy direction within their organisations was a barrier to them undertaking a housing project.

The most common barrier preventing 11 councils (32 percent) from acquiring, increasing or improving their housing stocks was cost, affordability or a lack of finance. Another 10 councils (29 percent) identified a sufficient supply of housing and/or a lack of demand for housing in their areas, six councils (18 percent) indicated that the provision of social housing was not their role or part of their core business, and staffing capacity and capability/knowledge were barriers for five councils (15 percent).

Sixteen CBOs (46 percent of those responding) identified that funding would help them overcome the barriers. 10 CBOs (29 percent) indicated that some contact or discussion with, or information from, the Corporation would assist.

Thirteen local authorities (54 percent of those responding) also identified that financial support would assist their councils overcome the barriers they identified to undertaking a social housing project, with three councils saying they would like assistance with planning for projects. Five councils (21 percent) indicated there was no assistance that could be provided to help overcome the barriers. These councils had either divested their social housing or were planning to do so, or had decided that no further investment would be made in their housing stocks.

Thirty-two CBOs (78 percent) and around 22 local authorities (65 percent) indicated they were interested in or intended approaching the Corporation for assistance or support with the issues they identified, or more generally under the Fund.

Eighteen CBOs (44 percent) and eight local authorities (24 percent) have approached other organisations for assistance or support in overcoming the barriers they identified. Just one organisation, a council, identified CHAI as an organisation approached for advice or support.

Eighteen CBOs (44 percent) and 10 local authorities (29 percent) are interested in working with other organisations/groups in their communities on a collaboration to provide social housing in their areas, with another 19 CBOs (46 percent) and 17 councils (50 percent) possibly interested in doing so respectively.

Twenty-two CBOs (54 percent) and sixteen local authorities (47 percent) indicated an interest in being contacted by the Corporation to discuss the assistance/support that may be available under the Housing Innovation Fund.

Key findings from the workshop

Among other things, the key issues debated at the internal workshop included:

- what it means to work in 'partnership', particularly in terms of building and maintaining relationships and communication
- how the effects of the Housing Innovation Fund can be sustained.

There was a general recognition of the need to clarify and define what 'partnership' means and how it will operate. It was recognised that different groups and communities will have different understandings of this.

There was a question over whether the term 'partnership' was in fact misleading, particularly as the Corporation grapples with the issues of a finite amount of money in the Fund and an excess of demand. This is driving the Corporation to manage the expectations of community groups and local authorities, develop and apply criteria for prioritising applications to the Fund, and look for new ways of working with groups to pull together funding packages.

This led to suggestions that the role may be more a 'housing solutions broker' where a range of possible solutions to the identified housing need may be identified with the Corporation working collaboratively with the community organisation. An application for funding from the Fund may be just one of a range of possibilities, as the Corporation and the community organisations (there may be more than one working together) strive to meet their respective objectives.

Participants also made a number of suggestions about how partnership relationships could be developed and maintained, and the attitudes that are required to make them more successful.

In terms of sustaining the effects of the Fund, workshop participants identified a range of ideas and suggestions for further consideration and investigation. These included:

- a need for a greater focus on and support for the sustainability of the organisation, rather than the current emphasis on the sustainability of the project
- establishing wider collaborations or partnerships of community groups and organisations, to encourage sharing of resources, skills and knowledge, and achieve economies of scale
- the Corporation looking for opportunities to leverage the scheme with other potential funding partners, such as local authorities, other Government agencies and private sector sponsorships
- better integration with and utilisation of other skills and resources of the Corporation
- picking ‘winners’ – those organisations that are capable of developing into long-term sustainable and substantial social housing providers
- needs for further information or tools for the sector, especially measuring and reporting on regional demand for social housing, and advice on and assistance in accessing new and alternative sources of funding
- the need for a long-term commitment to sustaining the effects of the Fund, at the Cabinet, Corporation Board, and strategic policy development levels, and flowing through into the Corporation’s business/operational policy and service delivery levels
- identifying and defining what a sustainable community housing sector looks like, and the key characteristics that make a sector sustainable.

Summary conclusions

Because of the timeframe over which these projects were developed (early in the implementation of the Fund, prior to substantial changes in the process and information available), definitive conclusions cannot be drawn yet about the achievement of all the outcomes of the Fund. These will be clearer after the completion of Stage Two of this evaluation.

Achievements relating to the development of community housing sector capacity and increasing stocks of social housing include:

- more housing units have been built than would otherwise have been the case, in areas and addressing local needs that may not otherwise have been supported by housing developments by the Corporation
- the Fund has successfully invested in capacity building
 - the more significant providers are ready, willing and able to develop more projects
 - most community-based organisations agreed they were much better off for having worked through the capability development and assessment process (even though they found it long and frustrating to go through)
 - new providers have been attracted and established.

These demonstrate good first steps in developing a sustainable community-based social housing sector, although a key question to be addressed is what are the key characteristics of a sustainable sector.

Also, the projects represented by the case studies have been largely successful in contributing to the longer term outcomes intended for the Fund:

- among the local authority participants (two only), new stock has been acquired through the construction of new housing, local social housing needs have been identified and met, and the Crown's investment in these projects has been protected
- local housing solutions have been developed for local social housing needs
- there has been an increase in the provision of social housing by the community-based housing sector to those in need
- there is evidence that some aspects of the infrastructure that supports community-based housing providers have been effective, although there are also some concerns:
 - the website, information and Corporation's support roles were not functioning particularly effectively (although the website and information available has been developed since the projects were initially being developed)
 - there are also mixed reports about the effectiveness of the support roles
 - capacity building grants have been effective where these have been used, but were not offered to all organisations that might have benefited from them (although the organisations were able to access support from other sources)
 - the peak body, CHAI, has not functioned effectively to support these projects (although it was undergoing development at the time these projects were being developed and some providers had little need for this support)
 - the partnership priority framework was not functioning particularly effectively and while the process has been reviewed and changed, there remains a question about how relationships are managed and how effectively the Corporation communicates its expectations of the partnership role it wants to develop
 - the limited number of local government projects reflects a limited range of approaches to the delivery of social housing solutions; however, concerns relating to the functioning of the Partnership Priority Framework are similar to those identified for community-based housing providers.

Among the case studies, there have not been examples of active collaborations between CBOs and local authorities, and with or without the Corporation. However, the survey of potential local authority and community organisations indicates a reasonably strong interest in participating in collaborations and partnerships.

A further issue of concern relates to how the Fund can provide for the continued and sustainable growth of community-based housing providers and their increased contribution to the provision of social housing to those in need. The ideas and suggestions of participants at the internal workshop and from this evaluation need further consideration and investigation.

From the survey of potential applicants, there is a generally a good level of awareness about the Housing Innovation Fund among both CBOs and local authorities.

Of some concern is that three of the responding councils have exited the provision of housing within the past 5-10 years, and this survey indicates seven more are either planning to do so or do not intend to invest further in housing. Four of these indicated they were not previously aware of the Housing Innovations Fund. There has also been a small net decrease in the numbers of housing units and bedrooms available from local authorities that provide rental housing over the past five years. These indicators reinforce the need for the Corporation to promote the Fund to local authorities and make it attractive for them to continue to provide social housing in their communities – whether this is directly or by actively supporting CBOs to do so.

There is a reasonably high level of interest among CBOs in undertaking new housing projects, with two-thirds indicating they probably or definitely will do so, compared with around two-fifths of local authorities. For CBOs, the nature of these projects is most commonly a new build, followed by acquisitions of existing housing and improvements or modernisations of current stock. Among local authorities, around a third propose to modernise current stocks, with around one in five each intending to build new housing, reconfigure current stock and/or add capacity.

The key barriers for both CBOs and local authorities are a lack of funding – for CBOs this includes both for their capital contributions and or funding streams to make repayments sustainable. Other barriers for CBOs include a lack of capacity, a lack of capability or knowledge, and a need to build support or commitment for undertaking a project at the organisational level. Other barriers for local authorities include a view that the provision of social housing is not a core role for councils, and a lack of staff capacity, knowledge and capability. A lack of demand and sufficient supply of housing in their areas was also a reason for Councils to not undertake new housing projects.

The assistance that would help overcome these barriers was, unsurprisingly, access to funding or financial support, and also information or advice from the Corporation. Majorities of CBOs and local authorities indicated they are interested in or intending to approach the Corporation for support or assistance. However, among those who did not intend to there appears to be some misconceptions about the criteria for accessing the Fund or the terms on which a financial package might be offered that should be corrected.

Funding to the extent CBOs and local authorities believe might be required is unlikely to be available (at least for many of them). The Corporation can ensure, however, that these organisations have good information about the process and understand what is required. They can then work on an informed basis towards either developing an application and proposal to access the Fund or a project, or developing a partnership or collaboration with other like-minded organisations to help address their needs.

A number of councils are philosophically opposed to being involved in the provision of housing, and particularly in terms of using ratepayer funds to do so. This constitutes a significant barrier to overcome. The Corporation may need to identify other strategies to encourage more local authorities to engage in providing social housing. These might include the Corporation advocating the benefits of councils being involved in social housing and the fit with the purpose of local government described in the 'new' Local Government Act 2002. This includes promoting "*the social, economic, environmental, and cultural well-being of communities, in the present and for the future*".

Less than half the respondents have approached other organisations for support or assistance. Interestingly, just one council identified CHAI as an organisation approached for support or assistance, and no CBOs.

Encouragingly, substantial numbers of CBOs (90 percent) and local authorities (79 percent) indicated an interest in, or are possibly interested in, working with other organisations or groups in collaborations. Encouraging collaborations between local authorities and community organisations is also a key outcome for the Fund, which could help to better identify and meet community needs for housing solutions. The workshop discussions indicated that this was an approach that was favoured.

Appendix Five: Interview key informants

Housing New Zealand Corporation

Name	Position/Role
John Holyoake	National Delivery Manager
Tui Tararo	Senior Advisor – Strategic Development, Housing Innovations
Jaime Reibel	Strategy and Market Planning Manager, Housing Innovations
Matthew McDermott	Strategic Policy Acting Manager
Perenise Ropeti & Andrew Nicholls	Credit Manager and Commercial Analyst
Peter Moore and Peter Drew	Risk and Audit Team
Siang Jefferies & Bernie Townsend	Finance Team
Richard Pehi	HIF Project Manager, Northland
Karen Hocking	HIF Project Manager, Central Region
Tom Kemp	HIF Project Manager, Central Region
David Vui-Talitu	HIF Project Manager, Auckland
Julie Sutherland	HIF Project Manager, Auckland
Maree King	HIF Project Manager, Auckland

Local authorities













Name	Council
Andrew Morgan & Rob Wheeler	Franklin District Council
Stephen Hunt & Karen McAulay	Manukau City Council
Kevin Bennett	Christchurch City Council
Gary Saunders	Waimakariri District Council
Greg Boyle	Horowhenua District Council
Scott Figenshow	Queenstown Lakes District Council
Dave Williams	Otorohanga District Council
Sue White	Rotorua District Council
Fiona Johnston	Wellington City Council

Community based organisations

(Includes Discussion Group participants)

Name	Organisation/Agency (Location, where not evident)
Chris Armstrong & JB Monro	Abbeyfield New Zealand Incorporated (National)
Barrie Moore	Accessible Housing (Whangarei)
Neil Binnie & Gordon Brown	Bays Community Housing Trust (North Shore City)
Lisa Wooley	Friendship Centre Trust (Auckland)
Warren Jack & Elgin Graham	Habitat for Humanity New Zealand (Auckland)
Ricky Houghton	He Korowai Trust (Kaitaia)
Margaret May	Manawatu Community Housing Trust (Palmerston North)
Terry Ehau	Ngati Porou Hou Ora (Te Puia Springs, Poverty Bay)
Wayne Stead	Northland Business Development (Whangarei)
Anne Hawker	Northland Community Foundation (Whangarei)
Indu Bajaj & Margaret Thompson	Shanti Niwas (Auckland)
Sister Clare Vaughan	Sisters of Mercy, St Joseph's Orphanage Trust (Wellington)
Louis Fick	Tamahere Eventide Rest Home (Hamilton)
Chris Johnstone	Tauranga Community Housing Trust
Darin Haimona	Te Hauora O Ngati Haua Charitable Trust (Waharoa)
Hugh Kininmonth	Te Korowai Hau Ora Hauraki (Thames)
Michele Rangiuaia-Poutu	Te Kotuku Ki Te Rangi (Auckland)
Murray Patchell	Te Pukeroa Orua Whata Trust (Rotorua)
Pita Cherrington	Te Roopu Taurima (Manukau City)
Vicky Wall	The Dawn Trust (Hutt City)
Eric Borrie	Waimarama 36A6B6B Incorporated (Havelock North)
Terry Leamy	Wellington Night Shelter Trust
Carol Peters	Whangarei Emergency Accommodation Response

In addition, this report drew on information from the case studies that were undertaken in Phase One of this evaluation. The case study organisations were:

- ComCare Charitable Trust (Christchurch)   **Formatted: Bullets and Numbering**
- Community of Refuge Trust (Auckland)   **Formatted: Bullets and Numbering**
- Just Housing Otepoti (Dunedin)   **Formatted: Bullets and Numbering**
- Nelson-Tasman Housing Trust (Nelson)
- The Carl and Irene Fowler Charitable Trust (Lumsden, Northern Southland)   **Formatted: Bullets and Numbering**
- Wellington Housing Trust   **Formatted: Bullets and Numbering**
- Dunedin City Council
- Timaru District Council   **Formatted: Bullets and Numbering**

Key informants

Name	Organisation/Agency
Brian Donnelly	New Zealand Housing Foundation
Andrew Wilson & Thérèse Quinlivan	Community Housing Aotearoa Incorporated
Victoria Owens	Local Government New Zealand
Sarah Hill & Rosalind Plimmer	Department of Internal Affairs
Pauline Tangohau	Te Puni Kokiri
Emma Speight	Department of Building and Housing
Frances Graham	Ministry of Health