



# Guidance on Developing a Housing Strategy

## Introduction

This guidance is intended to assist organisations that have already worked through the *Guidance to Organisations Entering Housing*. It will help you prepare to work in housing by developing a Housing Strategy to guide your efforts. Your completed Housing Strategy will enable you and your stakeholders to have a clear understanding of what is required to achieve your aspirations.

## Step 1 – Define Who, What and Where

In any housing strategy the starting point is to clearly define the target group(s) you want to serve, what their housing needs are and the location(s) where you will operate. With this information, you can then progress to define the vision of what your activities will achieve. Depending on your organisation, the starting point can be any one of these. The order here is not meant to be prescriptive.

WHO may be one or more groups that the organisation works with or it may be a group that the organisation exists to serve – for example an Iwi or Hapu – or a geographically based group. Your organisation may have identified housing needs from working with people in areas including:

### Population or needs-based cohorts:

- Young people/rangatahi
- Mental health consumers
- Families/whānau with children
- Seniors/kaumatua, etc.

### Cultural or geographic communities:

- Māori
- Pacific communities
- West Auckland, Bay of Plenty, etc.

WHAT the specific housing issues facing the target group(s) in the area(s) you intend to work are will determine the responses needed. Where possible, document the needs with statistical data e.g. census data on income, renting, overcrowding, home ownership rates etc. It may be worth considering commissioning a housing needs study to identify the housing needs in the area.

WHERE you intend to work is necessary to define, whether the target group is a needs-based or cultural group. This will describe the geographical area/s where your organisation wishes to work. E.g. Papatoetoe, Mangere etc. OR South Auckland, Waikato, North Island, whole of New Zealand etc.

This can be an iterative process where you proceed to further refine the answers as you gather more detailed information.

The Housing Affordability Continuum provides a useful framework to consider the roles an organisation may want to be involved in. The Continuum identifies the types of housing products typically needed to support households with different levels of financial and social resources. Those needing Emergency Housing often require significant supports while those in Private Ownership are mainly self-sufficient. By choosing which components of the Continuum are the greatest priority, the specific programmes and interventions can be developed to achieve your goals.



Based on your WHO, WHAT and WHERE, will determine where your organisation sits on the continuum

- Homelessness/Emergency Housing
- Specialist supported housing e.g. mental health/addictions
- Social rent – with IRRS
- Assisted rental
- Assisted home ownership (shared equity/rent-to-buy)

## Step 2 – Strategic Choices

With the information gathered in the first step, your organisation can now make the strategic choices about what you want to achieve. These will then lead into the implementation planning that will be the next step in developing your housing strategy.

**Identify Links to the Parent Organisation’s Strategic Plan** (if applicable)

If the housing activity is being developed by an existing organisation (e.g. a Rununga, Health or Social Service organisation, etc.) it is important to identify how any housing activity engaged in contributes to the 'parent' organisation. For example, the 'parent' organisation is a health service provider and has a goal to improve the health outcomes for the target group. Through its work unhealthy housing has been identified as having a major impact on the health outcomes of the target group. Therefore, becoming involved in the provision of healthy housing is a logical function for the housing activity.

In the balance of this step, it is assumed that a separate entity will be established to carry out the housing activity.

### **Define the Vision for Housing**

It is useful to define a vision to guide the housing work. The vision should be a high-level aspirational statement describing a future state if the organisation has been successful.

Examples of a vision are: 'All New Zealanders well-housed'; or 'All iwi members well-housed and living in flourishing and resilient communities'. You can explain the vision statement with a short supporting paragraph if you wish.

### **Define the Mission of the Housing Organisation**

The mission of the housing organisation defines what it will do that will achieve the vision. For example, 'We provide affordable, quality homes where people flourish'.

### **Define the Wellbeing Outcomes and Principles**

It is useful to identify the high-level outcomes you are trying to achieve (e.g. to improve the health outcomes of the target group, or to increase the economic self-determination of the target group, etc.) This will help focus on how involvement in housing will help contribute to these goals.

Principles can be useful as a way to frame the development and delivery of the housing service. Principles may include underpinning values or the 'kaupapa' of the organisation (e.g. to empower our clients to be independent), or may be determined by the constitutional purpose or funding conditions (e.g. to equitably distribute benefits to all iwi members) of the parent organisation.

### **Define the Housing Outcomes, Goals and Indicators**

With the high level vision, mission and wellbeing outcomes established based on the target group, geographical area and the documented housing needs, your organisation needs to identify the housing outcomes that it aims to achieve as a direct result of its activities. For example, if the target group is Pasifika families in South Auckland and it is identified that they are underrepresented in home-ownership (and/or conversely over represented in social or private rental housing) then the housing outcomes might be "to increase the proportion of Pasifika Families in sustainable home ownership."

A goal with numeric indicators can then be defined as to how your organisation will achieve the outcome it is seeking. The goal in this case might be "To increase the proportion of Pasifika families in home ownership in South Auckland from x% to y% by 2030".

### Step 3 - Links to Government Strategies, Outcomes, Programmes

It is useful to identify how the planned interventions will contribute to a central or local government strategy, goal or priority. Many organisations will be dependent on government programmes to provide the resources required to deliver affordable homes. Completing the prior steps will allow you to analyse what resources are available to support you to deliver on your Strategic Choices.

It is important to not assume that just because you have documented a clear need that resources are available to respond to the need. You need to confirm if a programme is available and upon what conditions you may access additional support from government. For example, providing social housing with Income Related Rent subsidies is only available to registered Community Housing Providers.

### Step 4 – Options to Address Housing Needs – Defining HOW

At this point, it is good to pause and confirm that your organisation must become a housing provider to achieve its desired outcomes. Although housing is important to your target group and improvements in housing would benefit the group's wellbeing, it may not always be prudent to develop a new housing provider or programme. As part of the Housing Strategy process you should consider other ways that the housing needs you have identified can be met.

#### **Partnerships with existing housing providers**

Partnering with an existing Class I Social Landlord is a good option if your organisation currently does not have sufficient capacity to become a registered CHP or to meet the Ministry of Social Development's contracting requirements. The nature of the relationship can vary depending on what resources each organisation has to contribute. If your organisation owns land, the CHP can act as a Development Partner and develop housing on the land. The CHP can also be contracted to provide tenancy and property management services, with the option that the existing CHP can work with you to build your capacity to become a CHP over time. Alternatively it may be decided that the housing need is being addressed adequately and there is no need to set up a new housing organisation.

#### Joint Ventures

If your organisation owns land, but does not have the capacity to develop housing on this land, you can explore entering into a Joint Venture with a Developer or a registered CHP (or both) to build and manage housing that creates benefits to your organisation's target group. It is possible for you to retain ownership of the land while sharing the burdens of developing the housing. This requires detailed legal advice.

#### Housing advocacy, facilitation and other services

In addition to directly providing housing, there are other ways to address housing issues faced by the target group. These include advocating for the group to access existing housing options (e.g. HNZC, local government), helping them exercise their legal rights (e.g. with private landlords), providing support and advice services to help people sustain their

tenancies, schemes to help people access private rented accommodation through ‘friendly landlord schemes’, etc. Other services might include Home Maintenance Schemes, helping vulnerable households to maintain their homes or adapting them to enable people to ‘age in place’. These schemes may be able to access funding from a variety of sources including DHB (Health) funding, MSD funding, and ACC funding relating to accident reduction.

## Step 5 – Implementation Planning – Defining WHEN

Once you have considered other options and if you determine direct housing delivery by your own organisation is necessary, then it is necessary to complete the detailed plans to deliver. Working through the sections below will result in a clearer plan of what is required to achieve your organisations housing aspirations.

### **Define your Role**

A starting point for your implementation is to define what role you will play. There are many potential roles available and for each of the roles there are options to consider and decisions that need to be made. These will need to be based on factors including; appetite for risk, current capacity, alignment to your organisation’s governance and strategic intentions, existing policies (e.g. Statement of Investment Policy and Objectives), etc.

- Investor
- Land owner
- Property owner
- Developer (in Joint Venture)
- Property Manager
- Support provider
- Advocate/broker

### **Strategies to Achieve Goals**

With your role(s) defined the next step is to decide the strategies that can be used to achieve the goals that have been set. Each goal will have one or more strategies that will guide the actions that need to be taken.

An example housing goal – Increase Homeownership for x group.

Strategies to achieve the goal:

- Run home ownership and financial literacy education programmes
- Contribute land and partner with developer to build affordable homes
- Set up shared equity or rent-to-buy scheme.

Each of these strategies will require different activities to be completed. All contribute to the goal, but involve much different levels of expertise, capital and risk.

### **Evaluate Organisational Structure and Capacity Issues**

Once the housing goals and the strategies needed to achieve them have been determined, your organisation needs to consider how it will deliver the activities to achieve the goals.

This will require an analysis of the organisation's Strengths and Weaknesses to consider whether the current structure will be suitable to deliver this new area of activity and whether there is sufficient capacity (numbers and skills of staff, financial resources, expertise etc.) to develop the new service. If you identify gaps in capacity these need to be commissioned or recruited to fill the gap. Of course, filling gaps needs to be paid for, and the costs need to be included in a business plan for the new entity.

### **Develop a Business Model and Business Plan**

Once a Housing Strategy has need developed it will be necessary to develop a clear and sustainable business model and business plan. A business model is the conceptual structure supporting the viability of a business, including its purpose, its goals and its ongoing plans for achieving them. At its simplest, a business model is a specification describing how an organisation fulfils its purpose. All business processes and policies are part of that model. A business model answers the following questions: Who is the customer, what does the customer value, and how do you deliver value at an appropriate cost? A business plan is a document that summarizes the operational and financial objectives of a business and contains the detailed plans and budgets showing how the objectives are to be realised. It is the road map to the success of your business.

CHA is developing a document outlining how you can develop a business model and business plan for housing.

## **Support Available to Organisations**

### **Community Housing Aotearoa**

Organisations wishing to become involved in housing – Transitional, Social or Affordable – can get support from Community Housing Aotearoa (CHA). Community Housing Aotearoa is the representative body of New Zealand's community housing sector. Our 110 members build, manage or provide affordable and social housing. Our Vision is to see 'All New Zealanders well-housed' in warm, safe, dry and affordable homes as a basic human right. We work to support the growth and development of community housing providers to enable them to provide affordable and social housing.

CHA can provide up to 10 hours of advice and assistance to groups considering getting involved in housing at no cost. This is made possible through Central Government's financial support of CHA.

In addition, CHA has produced a Best Practice Guide to social housing that outlines the standards that Community Housing Providers should meet. We provide examples of the kinds of policies and procedures that help providers meet those standards. The Best Practice Guide is closely aligned to the Community Housing Regulatory Authority's Performance Standards for Class 1 Social Landlords. If an organisation follows the BPG Standards, it should demonstrate that it has the capacity to meet the Performance Standards. The BPG is available here: <https://www.communityhousing.org.nz/collaboration/Best-Practice>

CHA has also produced guides and templates on key policies – specifically those relating to Tenancy and Property Management. We will be adding to these and updating them on an ongoing basis.

### Community Housing Solutions Ltd

If you require additional assistance beyond the initial 10 hours support provided by CHA you will likely need to contract with a Consultant. There are consultants that can provide services to assist groups establish themselves as housing providers and you should speak with them to consider whose services best match your needs.

CHA has established Community Housing Solutions Ltd to provide specialist advice and assistance to groups. CHS is a specialist housing consultancy that can assist clients with a range of assignments in relation to social and community housing. CHS was formed by CHA to separate its general member services from specialist consultancy services.

CHS provides consultancy services in social and affordable housing to developers, community housing organisations, local and central government. The type of work undertaken supports the work of CHA to build the capacity and capability of the housing sector, to increase housing supply and to improve housing outcomes for New Zealanders. For more information on Community Housing Solutions Ltd and the services it provides read here:

<http://www.communityhousing.org.nz/about-us/community-housing-solutions-ltd>

### Resources

CHA is developing resources on an on-going basis, including 'Guidance to Organisations Entering Housing'. These can be found on our website:

<http://www.communityhousing.org.nz/collaboration/Best-Practice>

The Community Housing Regulatory Authority has a lot of information on its website for organisations wishing to apply for registration, including Guidance Notes and the Performance Standards and Guidelines. This information is available on the CHRA website:

<http://chra.mbie.govt.nz>

**This Guide is produced by Community Housing Aotearoa  
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