

Housing for Older People Partnering Policy

If the council decides to amend its Long-term Plan 2015-2025 (LTP), this policy will be included in the amended LTP.

Purpose

The council has decided to amend its Long-term Plan 2015-2025 (LTP), to provide for the council to:

- a) Enter into an agreement with a preferred partner(s) to form a new Community Housing Provider to manage the council's Housing for Older People (HfOP) portfolio.
- b) Delegate Panuku Development Auckland (Panuku) the authority to work with a preferred partner(s) to redevelop housing in the portfolio, which includes selling land and buildings, to improve the quality of the portfolio.

This policy sets out the parameters and criteria for implementing these changes.

By entering into these partnerships¹, the HfOP portfolio will have access to third-party sector expertise and government funding, which will improve responsiveness to development opportunities. This will improve tenant satisfaction by providing, over time, an improved quality of housing, as well as providing better quality service through, access to more community support networks and higher levels of engagement.

Background

Auckland Council currently owns an HfOP portfolio, which consists of 1,412 rental units spread across Auckland in 62 properties covering 26 hectares of land. The purpose of HfOP is to support ageing in place by providing affordable housing for Auckland's older people with a social housing need.

While this portfolio provides a valuable service to vulnerable older people, initial assessments indicate that a large portion is not fit for purpose. Therefore, the Housing Action Plan directs the council to investigate potential partnerships with the Community Housing Provider sector, as well as enabling redevelopment projects on current HfOP sites.

This policy supports the council when entering into these partnerships, and sets the criteria for the key decisions on partnership formation, management of the sites and development of the portfolio, to ensure that the council's objectives are met.

¹ Through the document, a 'partnership' is referenced. The council does not refer to this in terms of a legal partnership structure.

Key decision-making criteria

The criteria are designed to ensure that any decision made in relation to the management and development of the portfolio will always maintain or improve tenant well-being without overly exposing the council to financial impacts and risk.

1. General decision-making

- **Improved tenant satisfaction:** Tenant well-being is at the fore front of any decision-making by maintaining current services and with any changes causing the least amount of disruption possible.
- **Improved quality of housing:** There are improvements made to the quality of housing provided, with a greater percentage being fit for purpose.
- **Minimise the council's risk impact:** The council does not expose itself to any substantial risk, including financial.
- **Engage with relevant Māori stakeholders:** For any partnership proposal, Mana Whenua and urban Māori Authorities should be made aware of opportunities arising and be encouraged to participate to enable recognition of Koroua and Kuia.
- **Further Auckland Council's strategic goals:** The partnership structure and decision-making for both management and development of the portfolio should be aligned with the housing strategies contained in the Auckland Plan and the Housing Action Plan. Seek opportunities in the longer term to assist with the growth of the social/affordable housing stock.
- **Auckland Council will retain ownership of the land and buildings:** The council will retain legal title in the land and buildings, with the exception of properties that are sold. The new CHP will be granted a lease over the land and buildings. Because the proposed lease to the CHP is long-term, due to accounting treatment, the value of the buildings and improvements may transfer to CHP. The council will have a corresponding accounting write-off.
- **Access to IRRS and other non-ratepayer funding:** The structure with the preferred partner and the new CHP will be tailored to be able to receive the income-related rent subsidy (IRRS) and possibly other external funding available for social housing.
- **Monitoring and control:** The council will have monitoring and controls in place to ensure the partnership and new CHP act in terms of the overarching objectives and decision-making criteria.

2. Management of the Portfolio

In managing and operating the portfolio, the partnership will ensure:

- **Operating surplus will be re-invested:** This could support increasing the quality of units, improving the service provided to tenants, as well as improving social housing.
- **Rates impact to the council will be limited:** The council's contribution to the ongoing management of the portfolio will be limited to the renewals, and the gross operating surplus as budgeted in the LTP 2015-2025.
- **Tenant satisfaction to improve against current levels:** The CHP's expertise, organisational focus and skills will improve tenant satisfaction from current levels.

3. Development of the portfolio

The development arrangements for the HfOP portfolio will ensure:

- **Portfolio developments will improve tenant satisfaction:** When assessing any development opportunity, the ability to meet tenant needs will be the primary concern.
- **The number of HfOP units will be at least maintained at 1,412:** The council is committed to maintaining 1,412 units² within the HfOP portfolio. Any future decisions to expand the availability of social housing in accordance with the Housing Action Plan would be subject to future Auckland Council approval on additional funding and any consultation requirements.
- **Selling properties:** The council has decided to amend its LTP to provide for selling existing properties within the HfOP portfolio to fund the purchase or development of new, more suitable units.
- **Any development surplus will be reinvested in the portfolio:** Any surplus made from development activities (including sales) will be reinvested into the portfolio. The specific nature of this must be approved by Panuku.
- **The council's debt exposure will be limited:** The maximum exposure to debt in respect to all developments and purchases will be limited to \$20 million through the development loan facility.
- **The council's long-term debt impact will be neutral:** On the completion of the development of this portfolio, the council's debt impact will be neutral, including any interest associated from temporary debt.

Adoption and amendment of this policy

The council must use the special consultative procedure set out in the Local Government Act 2002 to adopt this policy or make any significant amendments.

² There may be periods where this figure temporarily falls due to development of new units.