

## Project – Fact Sheet

### Developing and Enhancing Social and Affordable Housing

#### Purpose

To respond to identified unmet housing needs for low-income households in our communities.

To optimise social and affordable housing outcomes by working together with community housing providers, the building industry, professional and investment partners, local and central government.

To meet Palmerston North needs, this includes:

1. Increasing the number of one and two bedroom homes
2. Increasing the number of homes suitable for larger households to alleviate overcrowding
3. Increasing homeownership levels through Shared Equity programmes
4. Enhancing current housing stock to a decent, dry and warm
5. Providing social houses for long term supported and emergency / transitional accommodation

#### Developing Housing

##### Pilot Project

Homes for People has purchased land from Housing New Zealand, on which we are building six units; 4x one bedroom and 2x two bedroom.

Our architectural plans consider urban and eco design and a mixed tenure home ownership and use model will be applied. See

##### Upcoming developments:

Homes for people are looking for opportunities to buy greenfield, brownfield and sub-dividable sections for the purpose of developing social and affordable housing.

Housing New Zealand holds a number of large empty sections (>3,000m<sup>2</sup>), within the urban boundaries of Palmerston North. Homes for People has expressed interested in building on this land.

Homes for People seeks opportunities to collaborate with community housing providers, developers and land owners on joint venture projects in order to optimise social and affordable housing outcomes.

#### Enhancing Housing

There are many homes which are currently substandard for living. In some cases, a small investment to perform essential repairs and modifications can make these homes decent, dry and warm.

Homes for People is open to opportunities to buy current housing stock and improve its quality and suitability through refurbishment and modernisation.

Enhanced homes will be made available to low-income household through Shared Equity and Affordable Rental programmes.

Enhancement projects may include suitable family homes that can be enhanced and adapted for larger families and multi-generational households.

##### Affordable repairs and modifications

Homes for People aims to establish and provide a service to support low-income homeowners with essential repairs and modifications programme.

This programme will assist people in keeping their homes healthy and ensuring their asset is well maintained.

This may include adapting and modifying homes for those with disabilities and the elderly.

## Use of Property – Fact Sheet

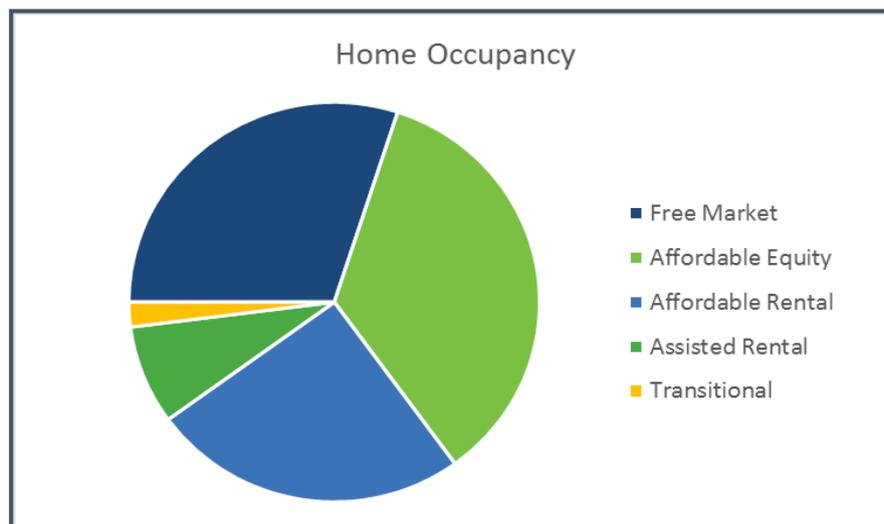
### The Proposed Mix of Social and Affordable Homes

#### Blind Mixed Model

The residential mix will be carefully considered and households will be placed using a blind mixed model with a balance of home owners, assisted rentals and emergency accommodation. Houses will include:

- 🏠 Homes sold at market affordable prices directly to low income first home buyers\*
- 🏠 Homes sold to low income first home buyers with the support of Homes for People using the New Zealand Housing Foundation 'Affordable Equity' programme
- 🏠 Homes rented to low-income households who are being supported towards home ownership through the New Zealand Housing Foundation 'Affordable Rental' programme
- 🏠 Homes will be rented to low-income household who need the support of a supported rental programme. It is expected these homes will access an income related rental through Ministry of Social Development. (This option is not yet available)
- 🏠 Emergency and transitional Housing  
It is expected these homes will access an income related rental through Ministry of Social Development. (This option is not yet available)

\*Second-chance homeowners will also be considered, akin to the KiwiSaver HomeStart scheme.



#### Community Spaces

Larger blocks of land (>2,000m<sup>2</sup>) may include community facilities such as but not limited to:

- Community Living Spaces, Recreational Facilities, Games Rooms
- BBQ Areas with Outdoor Living, Play Grounds, Community Gardens
- Rooms for Use by Outside Groups, i.e. Mobile Clinics

These alternative uses will be established in consultation with the community.

## Funding Model – Fact Sheet

### The Proposed Mix of Social and Affordable Homes

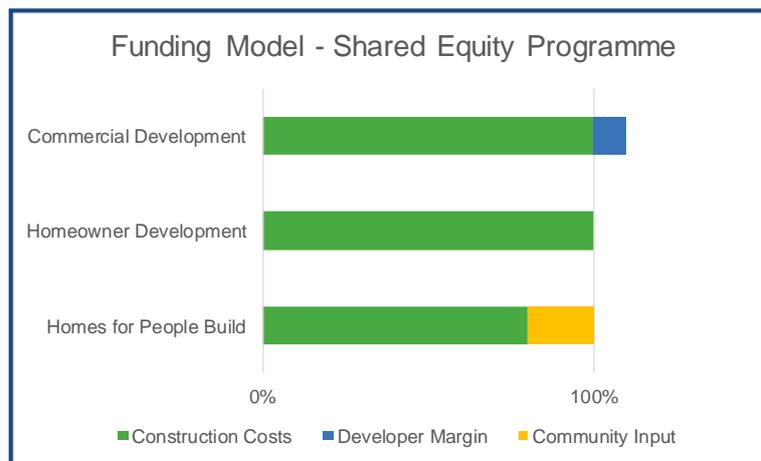
#### Pilot Project

Homes for People first project development of six homes will be funded through the following means:

- 🏠 35% private investors
- 🏠 65% bank loans

Shared equity and social housing aspirations will be attainable by working together with investors and industry partners to reduce the cost of development through favourable terms and conditions by way of:

- Financial Investment below market ROI
- Cost-plus supply of materials
- Fair market value less discount professional services and labour arrangements



#### Administration and Management

Operational costs will be covered by the following funding methods:

- Private donations
- Contract services
- Gifts in kind
- Grants

#### Project Capital

Subsequent project capital will be sourced through a variety of:

- Surplus gained from operations
- Private investors
- Joint ventures
- Public sector loans
- Bank loans

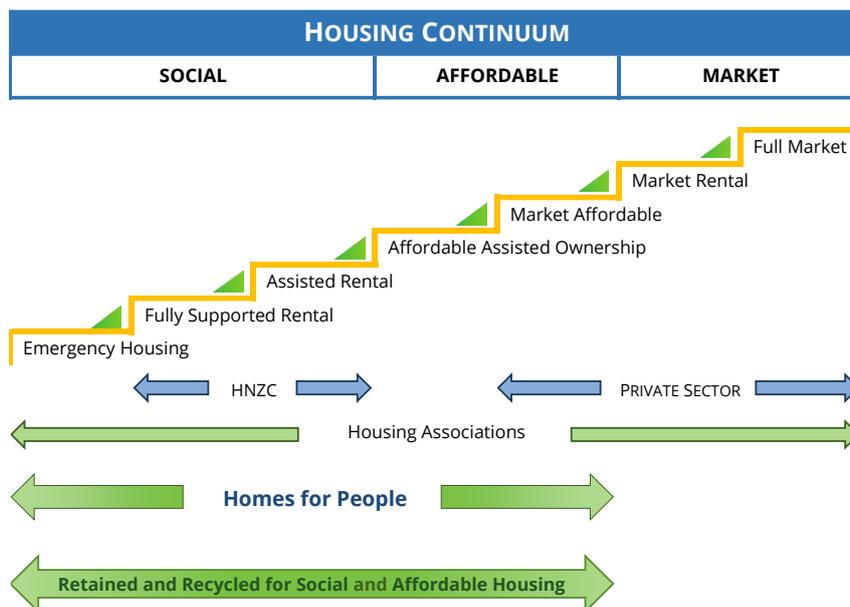
## Housing Association – Fact Sheet

### The Affordable and Social Housing Model

Social housing provision by third sector organisations is common place in other parts of the world, particularly England and Europe. In New Zealand, central government has been the major provider of social and affordable housing but changes in the political landscape have encouraged increased 3<sup>rd</sup> sector involvement.

Homes for People is developing a Housing Association. We are a community governed charitable trust and cash surplus gained through development will be reinvested into building community through social and affordable housing.

Homes for People are working together with other organisations in a concerted effort to maximise resources and knowledge. New Zealand Housing Foundation's willingness to make their 'Affordable Equity' and 'Affordable Rental' products ([www.nzhf.org/housing-assistance](http://www.nzhf.org/housing-assistance)) available to Homes for People is very significant (see attached letter of intent).



Homes for People is developing Professional, Trade, Training and Volunteer networks to develop quality affordable housing. As an example, the most recent Habitat for Humanity house which our architect (Mike) designed and where our founder (Darren) was team leader was built for 59.5% of standard commercial cost. Construction savings of 15-25% are required to build a sustainable model which can be replicated.

Working together with local business, community organisations and social service providers, Homes for People intend to develop houses to cover the full range of the housing continuum from emergency housing through to market affordable homes.

Homes for People's vision is to empower and transform community with innovative social and affordable homes for low income people and households in our region. Those who become Homes for People residential partners will benefit from stable and secure tenure in homes contributing to improved social, physical, emotional and financial health outcomes. Our work will see low income households transition along the continuum towards private sector housing.