



<b>Transitional Housing slides for Housing Ministers 6 April 2021</b>			
<b>Date:</b>	01 April 2021	<b>Security level:</b>	In Confidence
<b>Priority:</b>	Medium	<b>Report number:</b>	BRF20/21030910

Information for Minister(s)	
Hon Dr Megan Woods Minister for Housing	

Contact for discussion				
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<b>Other agencies consulted</b>

## Minister's office to complete

<ul style="list-style-type: none"><li><input type="checkbox"/> Noted</li><li><input type="checkbox"/> Seen</li><li><input type="checkbox"/> See Minister's notes</li><li><input type="checkbox"/> Needs change</li><li><input type="checkbox"/> Overtaken by events</li><li><input type="checkbox"/> Declined</li><li><input type="checkbox"/> Referred to (specify)</li></ul> <hr/>	<b>Comments</b>
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**Date returned to MHUD:**



# Aide-memoire

## Heading

**For:** Hon Dr Megan Woods

**Date:** 1 April 2021

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## Transitional Housing slides for Housing Ministers 6 April 21

1. At your Housing Officials meeting of 29 March, you requested an item on Transitional Housing be on the agenda for Housing Ministers meeting on 6 April 2021. The attached slides are to support that agenda item.
2. The slides provide: background on the purpose and initial design of the transitional housing model; changes made to the model since 2017 in response to changing demand for emergency and transitional housing; how we are adapting approaches to support delivery of transitional housing at pace and scale; and progress towards current targets (Annex 1).

## Annexes

- Annex 1: Transitional Housing - Housing Ministers 6 April 2021



**Te Tūāpapa Kura Kāinga**  
Ministry of Housing and Urban Development

# Transitional Housing

Housing Ministers 6 April 2021

# Transitional housing was launched to address growing demand for housing and support

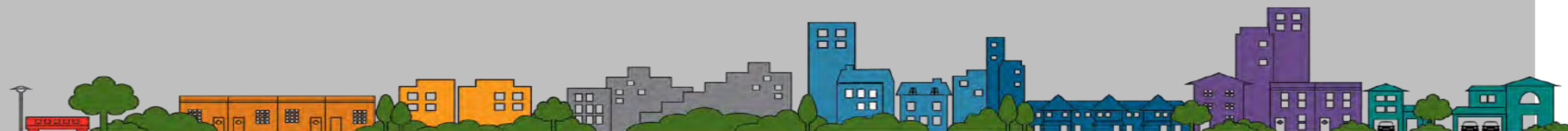
## Background

- Transitional housing is intended as a 12 week programme where individuals and whānau receive warm and dry accommodation alongside wrap around support to help them transition to longer-term housing, either in public housing or a private rental.
- The intended outcomes of transitional housing are: people in need get access to housing when they need it, they receive the support and services they need to address health and social issues, and they have a pathway towards long-term, sustainable housing
- The individuals and whānau supported are generally:
  - without shelter, homeless for a short time, or at risk of homelessness, because of unexpected circumstances such as health trauma or work redundancies. Providers estimate this group makes up about 15-20 percent of the people they work with
  - homeless, or are at risk of homelessness, as a result of difficult circumstances, such as drug and alcohol dependency, or persistent financial issues. A significant majority, approximately 60 to 80 percent, of transitional housing is used for this group
  - homeless as a result of multiple and complex issues. Providers estimate this group makes up about 20 percent of the people they work with.
- Providers deliver wrap around support to help households transition to longer-term housing. Support can be provided either in-house through social workers/navigators and tenancy managers, or by referring clients to specialist services, such as budgeting, mental health, social, or employment services.
- Initial approaches to transitional housing began in 2016, and were short-term. The supply types we delivered followed this approach, meaning leases or purchases were made from the private market, rather than purpose built accommodation.
- This government refreshed the approach, and has taken a longer-term view of housing need, providing funding to enable delivery of more new build transitional housing. This longer-term view will result in better and more sustainable housing outcomes for people accessing transitional housing.



## Where transitional housing fits in the system

- Transitional housing sits between Public Housing and the Emergency Housing Special Needs Grant (EH SNG). The EH SNG is a one-off grant paid to households to meet the costs of temporary accommodation for between seven and up to 21 days at a time, most often in a motel. Unlike transitional housing, people receiving an EH SNG do not receive support services.
- We are delivering more public and transitional housing, but this has not kept pace with increasing demand and level of need.
- Demand has increased significantly in recent years, and the numbers of those presenting with higher needs (rated A17-20) has also increased on the Housing Register. Whānau and individuals have also been staying longer in transitional accommodation, with the average length of stay increasing from 12 weeks in 2016 to an average of 18 weeks in February 2021.
- Since 2017, people have been encouraged to seek help when they are in housing need.
- Figure one below demonstrates the growing demand for housing support alongside the efforts to increase supply.
- Since 2017, this changing context has led the government to intervene to meet increased demand and deliver improved transitional housing.



	HOUSING REGISTER	EMERGENCY HOUSING (EH SNGs)	TRANSITIONAL HOUSING	PUBLIC HOUSING	SUPPORT IN PRIVATE MARKET
JUL 2016	6,070 applicants	Launched	Launched	65,957 places	291,302 AS recipients* 62,362 TAS recipients*
OCT 2017	7,316 applicants	1,009 distinct clients in EH SNGs	1,718 places	66,216 places	285,215 AS recipients 66,275 TAS recipients
JAN 2021	27,078 applicants	4,955 distinct clients in EH SNGs	3,972 places	73,273 places	377,379 AS recipients 93,939 TAS recipients

\*AS - Accommodation Supplement is a weekly payment which helps people with their rent, board or the cost of owning a home

\*TAS - Temporary Additional Support is a weekly payment that helps people cover essential living costs, such as food or utilities



# This changing context has resulted in changes to the Transitional Housing model

2018

- Prior to Budget 2018, the Labour-led government made some changes to what was previously committed through Budget 2017: The Winter 2018 Response focused on an immediate, short-term response to homelessness, while broader work to increase supply and address underlying issues with the housing system continued.

- Winter 2018 Response Funding Arrangements provided for:
  - 116 short-term contracted places with support services and other emergency housing services (\$27.723 million), 64 long-term transitional housing places with support services (\$12.342 million)
  - \$20m loan to Housing New Zealand to acquire/develop transitional housing places.
- Budget 18 also committed to delivery of a further 6400 public housing places that would put more longer-term supply into the system.

2019

- Despite the extra supply and while new public housing supply was being delivered, pressure on the housing system increased, and whānau and individuals were experiencing longer stays in EH SNG and contracted motels.
- In addition, longer-term funding of existing transitional housing places had not been established.

- Budget 19 provided continued funding and maintenance for over 2,800 transitional housing places.
- 1,000 additional transitional housing places to be delivered by the end of 2020 to reduce demand for emergency motel accommodation, funded through \$175m from the Homelessness contingency:
  - New options for bringing on transitional housing supply included converted facilities and temporary housing villages (THV). Additional criteria for converted facilities were put in place to help meet needs of the cohort accommodated in these.

2020

- During 2020, COVID-19 had significant impact on housing need with rises in EH SNGs and the Housing Register.
- Government committed to ensuring that people who were accommodated in motels during the initial COVID-19 lockdown did not need to return to homelessness.

- 2000 new transitional housing places were committed to in Budget 20 to be delivered through the Public Housing Plan (PHP) by June 2022.
- Ministers have outlined the priorities for future delivery of TH through the PHP:
  - Delivery is to be predominantly new builds
  - Delivery is to be state led, with providers complementing delivery by Kāinga Ora
  - Deliver housing where there is significant need, particularly in the regions, informed by a place based and Māori and Iwi Housing Innovation Framework for Action approach:
    - For the first time regional transitional housing targets have been published as part of the PHP.



- *Now that agencies are prioritising delivering new builds for transitional housing, we often face the same constraints when delivering transitional housing as we do with Public Housing and Affordable Housing*

### Key challenges:

New Zealand's housing supply and demand environment has shifted significantly in recent months. Our settings were designed for a different context which has resulted in existing challenges being exacerbated and new challenges presenting themselves:

- **Availability of suitable land** remains our biggest challenge. This has been exacerbated by increased competition, a lack of infrastructure in regions, and restrictive zoning
- **Significant increase in demand following COVID-19.** More people are seeking support and intensity of need has increased, impacting provider capacity to develop housing and support additional places
- **Highly competitive buy-in markets and a constrained developer market for new builds, particularly in regions.** High competition for purchasing homes, particularly since COVID-19, has resulted in more unconditional offers from buyers, making our proposals less attractive
- **Community resistance to transitional housing** can result in lengthy stakeholder engagement causing delays (E.g. THV sites in Ruakaka and Wainuiomata). The main concerns are with the density of social housing in their area, resulting in a perceived risk of increased crime and concerns about pressure on schooling and emergency services.

### Changes made to address challenges and build pace and scale:

Government's investment through the **Housing Acceleration Fund**, for example, will significantly improve our access to land by supporting strategic land purchases and investment into infrastructure to support build activity.

Ministers have also improved Community Housing Providers (CHP) ability to deliver, primarily through the introduction of Staged Operating Funding. While targeted at public housing, we expect this change will likely result in more proposals from providers, which may be brought on as transitional housing.

Whilst those system shifts are occurring, we are adapting our existing approaches to increase speed by:

- **Continuing to identify Crown-owned land** by working with Land Information New Zealand to identify short-term, temporarily vacant, or underutilised Crown-owned land
- **Working with local government** to identify any council landholdings that could be used for housing purposes
- **Establishing a register of CHP owned land** to form a better picture of the potential for new housing on land parcels, including what potential there is for Kāinga Ora to develop the supply
- **Progressing innovative new construction products, s 9(2)(f)(iv)**
- **Directing our resources into the regions to align with the PHP**, supported by Kāinga Ora's shift to place based approach with regional directors in place to drive supply and address regional constraints
- **s 9(2)(f)(iv)**
- **Working closely with our providers** to understand their capacity to manage the additional supply. We are also working with them to progress **short-term opportunities to improve outcomes for certain cohorts** (women, families and youth ). Short-term options work best for specific cohorts while the longer-term pipeline of new build supply matures
- **Assessing all options to accelerate delivery, including refining use of existing pipeline projects.**

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