



We are reviewing our Social Housing Service Policy

Wellington is a city for everyone, a people-centred Capital.

Wellington City Council is a major provider of social rental housing in the city. We have a commitment to review our Social Housing Service Policy every five years. We are interested in your views on a range of issues and opportunities this review presents.

The housing environment, housing demand and Government policies have also changed and so the time is right to look at how the Council is running its housing portfolio.

We want to make it clear, especially to our tenants, that we are not proposing any radical shakeup. We are fully aware of the importance of providing housing to people on low incomes and to some of the more vulnerable members of our community. We are in this sector for the long haul.

We are interested in social housing because it is essential for the city's wellbeing that vulnerable people and those on low incomes can live in the city and contribute rather than be exiled to the fringes.

The review reinforces our broader interest in ensuring there is good quality social housing in Wellington; the review will also consider the Government's social housing policy and our existing tenants' interests. We will take a close look at our rental housing policy, including the rental price (set at 70 percent of the market rate), but will be mindful that our tenants include some of Wellington's most vulnerable people on very tight budgets.

We are halfway through a \$400 million upgrade of our housing stock, which

has been funded by the Government and Council social housing rents. We are also looking to build on our partnership with the Government and explore other opportunities.

There are many important wider housing supply, affordability and quality issues, in both rental and owner-occupied houses, that we are working on. They are outside the scope of this consultation.

Mayor Celia Wade-Brown and Councillor Paul Eagle - Chair, Community, Sport and Recreation Committee.

Submissions close 5pm, Friday 27 March 2015

**Absolutely Positively
Wellington City Council**
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We are reviewing our Social Housing Service Policy. This happens every five years.

The Council is committed to ensuring that Wellingtonians have long-term access to good quality social housing if they need it.

The Social Housing Service Policy guides who we house and how we set the rent levels.

There have been recent changes in the social housing environment, such as the registration of community housing providers, the ability of community housing providers to access income-related rent, and the transfer of state houses. However, these environmental changes are being considered separately and are not covered in this document.



Profile of City Housing, the Council's housing unit

Our tenants

Seniors

Councils have traditionally provided rentals for seniors. The majority of these tenants are reliant on Superannuation and Accommodation Supplement payments to meet their housing costs.

The Council is not a registered aged care provider and does not provide the full range of support services that you would find in a rest home or retirement village. Our Community Action team runs a range of activities that keeps this group of tenants active and engaged in their community.

One of the questions that the Council often faces is how to provide a suitable pathway for elderly tenants who are no longer able to live independently.

High needs tenants

This group tends to have high levels of housing need driven by their personal circumstances. They have a similar profile to those tenants who are housed by Housing New Zealand. These tenants are often the most vulnerable therefore a secure and affordable housing environment is a vital component to enable them to get on their feet and to play an active part in their community.

Low-income tenants

Some tenants are employed and work hard but in relatively low paying jobs. They are vulnerable to changes in employment and other life changes so affordable housing is important to enable them to get established and to live independently.

Home ownership rates in Wellington City are just under the national average at 55 percent (New Zealand 58.6 percent, 2013). The proportion of social housing in Wellington City in 2013 was approximately 4.3 percent, just below the national average of 4.5 percent. The Council is the largest landlord in the city, followed closely in size by Housing New Zealand. A smaller percentage of social housing is provided by the third sector, for example registered community housing providers.

City Housing, the Council's housing unit, currently has 2,200 properties housing approximately 4,000 residents including over 800 children.

The Council's housing objectives are to provide:

- appropriate and affordable housing to low-income households who otherwise have barriers to accessing housing
- safe and secure housing to a good standard
- communities where people feel safe, have a sense of belonging and are proud to call home
- support for Council tenants to improve their quality of life and wellbeing and to contribute to and benefit from living in Wellington.

To achieve these objectives, the following principles guide our decision-making and the way we work. The Council will:

- work in partnership to improve tenants' lives
- ensure the housing portfolio is financially sustainable into the future and affordable for tenants
- respond equitably and efficiently to demand for social housing
- support resilient and cohesive communities
- provide a high quality service to tenants.

Who we house

A wide range of tenants live in Council housing. Some tenants are on very low incomes and rely on welfare benefits for support, some are working in low paying jobs in the city, and some are seniors. To be eligible to apply and remain in our housing, tenants and applicants must have income and assets below certain limits.

Across the Wellington region Housing New Zealand provides the majority of the social housing. Tenants placed with Housing New Zealand have access to the Income Related Rent subsidy from the Ministry of Social Development (MSD). This subsidy ensures that rents are more affordable for these tenants and Housing New Zealand also receives market rent for these properties.

Background information on social housing

Much of the housing owned by councils was funded in the 1950s by government grants or loans to accommodate older people on low-incomes. Councils tend to have smaller properties - typically studios and one-bedroom units.

In 2014, councils provide around 13,400 properties nationwide. However, the number of council-owned properties has been falling.

Councils fund their housing business largely from rental income, without using ratepayer funds. They set their own eligibility requirements, determine rents and target particular groups.

In 2007, Wellington City Council entered into a funding agreement with the Crown. This agreement funds the current Housing Upgrade Programme. As part of this agreement, the Council agreed to stay in social housing at similar levels (we provide about 2,200 housing units) until 2037.

Income limits

We set income limits based on 60 percent of the Wellington median income (after tax) for a couple. This limit is then adjusted for other household types. Our income limits are quite high compared to other forms of housing assistance. This means some tenants with higher incomes can get a reduction in rent when they would not receive assistance elsewhere.

Asset limits

Applicants under 50 years must have cash assets less than \$38,115. Applicants aged 50 years and over must have cash assets less than \$54,450.

Priority Groups

These categories make up the groups that are given priority when they apply for housing.

Priority applicants	Description and issues
The fit elderly	65 years or older - and able to maintain an independent lifestyle at the time of application.
Refugees and migrants	Recently arrived either through the quota or asylum seekers accepted by the Immigration service as refugees and people entering the country under the humanitarian or family reunification categories.
Low level psychiatric	Those people able to maintain an independent lifestyle with minimum supervision and support.
Multiple disadvantaged	Households with a number of problems that make them vulnerable in the housing market.
People with physical disabilities	People with specific accommodation needs arising from a disability.

Note: this review does not cover wider housing affordability issues that might exist in the private rental or home ownership markets. It is focussed on the Council's rental housing and tenants. This is driven much more from a social housing perspective, although affordability for these tenants is often a major issue.

Social Housing Service Policy

Discussion Document submission form

Section one - your details

We are keen to get your views on the Wellington City Council Social Housing Service Policy.

Submissions close at 5pm, Friday 27 March 2015.

Enter your name and contact details

Mr Mrs Ms Miss Dr

First name*

Last name*

<input type="text"/>	<input type="text"/>
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Street address*

Phone/mobile*

Email

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* Mandatory fields

I am making a submission As an individual On behalf of an organisation

Name of organisation

Privacy statement

All submissions (including name and contact details) are published and made available to elected members of the Council and the public. Personal information supplied will be used for the administration and reporting back to elected members of the Council and the public as part of the consultation process. All information collected will be held by Wellington City Council, 101 Wakefield Street, Wellington. Submitters have the right to access and correct personal information.

Section two - Your views

Question 1: Who should we house?

The Council provides social rental housing to high needs tenants, seniors and low income households. Other housing providers also provide housing to these or similar groups. Who do you think the Council should house and do you think there are any gaps in social housing provision in Wellington?

Question 2: What barriers to renting in the private market should we consider?

The people who apply for Council housing cannot afford their rent in the private market, often face discrimination or cannot find suitable housing in the rental market. Are there any other major barriers and housing issues that we should consider when people apply for housing?

Question 3: Should we consider providing rental accommodation to key groups?

Many housing providers around the world provide housing for key workers so that they can afford to live in locations near to where they work. This includes groups such as hospital staff, police, education staff, some student groups and others. What groups would you see as requiring rental accommodation in Wellington City and under what conditions?

Question 4: How should we set the eligibility criteria?

How do you think we should set the eligibility criteria (for example, levels of income and assets) for people to access Council housing?

Question 5: How could we structure our rent discount to reflect different tenants' situations?

The Council currently has only one rental setting – offering affordable rent at 70 percent of market rent. However, we house a wide range of tenants. Some groups of tenants require different services because of their personal circumstances or stages in life and some could afford to pay more rent as they are on higher incomes. In what ways could our rental settings accommodate different tenant groups so they get services tailored to their needs and income levels?

Question 6: How could we support tenants to move on?

What relationships could we develop to help tenants find appropriate housing when they shift out of their Council unit? Some tenants are no longer able to live independently, some require a bigger or more accessible home, and some no longer wish to live in a high-density environment. Some may want to buy their own home. How could we assist tenants in these circumstances, and is it appropriate to? Who should fund these services?

Question 7: How could we make it easier to access housing?

Currently the Council and the Ministry of Social Development have different eligibility criteria and separate waiting lists and application processes for people applying for housing. How could this and our other processes be streamlined and improved to make it easier for tenants to access housing appropriate for their needs?

Question 8: Do you have any other suggestions?

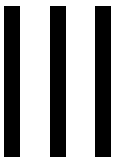
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Social Housing Service Policy (COP001)
Wellington City Council
PO Box 2199
Wellington 6140



Tell us what you think

Example 1:

Fixed income, rising rent

Jean is on Superannuation and rents a 1 bedroom unit from City Housing. She receives Superannuation of \$366.94(net) per week with a gross income of \$21,336. The housing unit she rents has a market rent of \$266 per week.

She is eligible for up to \$100 per week of Accommodation Supplement support. City Housing discounts the rent by 30 percent to \$186 per week. Jean receives \$66 each week in Accommodation Supplement and pays the balance of \$120 to meet the rental payments. The rental payments are approximately 29 percent of her income. Jean is concerned about the future. Her income is fixed but rents keep going up in the city and she may have to move somewhere else when she needs support. How could the Council assist Jean?

Example 2: Limited accommodation options for single, unemployed men.

Bill is struggling to find work and there are not many affordable accommodation options for single men in the city. Bill is on Job Seeker Support and rents a studio unit from City Housing. He receives a Job Seeker Support payment of \$209.06 (net) per week with a gross income of \$12,147. The housing unit he rents has a market rent of \$182 per week.

He is eligible for up to \$100 per week of Accommodation Supplement support. City Housing discounts the rent by 30 percent to \$127 per week. Bill receives \$53 each week in Accommodation Supplement and pays the balance of \$75 to meet the rent. The rental payments are approximately 32 percent of his income and City Housing provides a further discount on his rent to ensure the rent is affordable.

What are the housing options for people like Bill?

Question 1: Who should we house?

The Council provides social rental housing to high needs tenants, seniors and low income households. Other housing providers also provide housing to these or similar groups. Who do you think the Council should house and do you think there are any gaps in social housing provision in Wellington?

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The people who apply for Council housing cannot afford their rent in the private market, often face discrimination or cannot find suitable housing in the rental market. Are there any other major barriers and housing issues that we should consider when people apply for housing?

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Many housing providers around the world provide housing for key workers so that they can afford to live in locations near to where they work. This includes groups such as hospital, police and education staff, some student groups and others. What groups would you see as requiring rental accommodation in Wellington City and under what conditions?

Question 4: How should we set the eligibility criteria?

How do you think we should set the eligibility criteria (for example, levels of income and assets) for people to access Council housing?

Example 3: Supporting families to get ahead.

Sione and Aroha work in low paying jobs in the city. Sione is a part time security guard and Aroha works as a commercial cleaner. They have a young daughter. They rent a two-bedroom unit from City Housing. They have a household income of \$38,000 before tax. (Not including Family Tax credits of \$4,420 pa) The housing unit they rent has a market rent of \$342 per week.

They are eligible for up to \$165 per week of Accommodation Supplement support.

City Housing discounts the rent by 30 percent to \$239 per week. They receive \$91 each week in Accommodation Supplement and pay the balance of \$148 to meet the rent. The rental payments are approximately 20 percent of their income.

They want to get ahead. Buying a house seems out of reach. They don't think they would be eligible for a state house. They may move to the Hutt to find something cheaper and to close to family.

Should they be paying a greater share of the rent?

How should we support households like this?

How our rent level is set

The Council uses professional property valuers to assess a group of units each year to agree market rent values for the portfolio.

We then reduce the rent levels to 70 percent of the assessed market rent for each unit. This is charged to all tenants that fit within our eligibility criteria. We also provide additional rent subsidies for those whose rental costs are greater than 35 percent of after tax income, excluding any Accommodation Supplement received. Setting our rent at this level for all tenants has a number of implications.

- All tenants who remain eligible receive the same level of rent discount irrespective of their ability to pay. Some could afford to pay a greater share of the rental. This raises questions about how the rental subsidy should be structured, which tenants should receive the subsidy, and what level of subsidy should be provided.

- At some higher income levels, tenants can still receive the reduced rental when they would receive no housing assistance in the private rental market or if they were housed by Housing New Zealand.
- Only 30 percent of the reduction in rent is passed directly to the tenant. The largest share of the rent reduction is absorbed by a reduction in the Accommodation Supplement that the tenant would be eligible for.
- We believe that many of our tenants could be eligible for Income Related Rent from Ministry of Social Development and would pay a lower rent if they were housed by Housing New Zealand or a registered community housing provider.

Question 5: How could we structure our rent discount to reflect different tenants' situations?

The Council currently has only one rental setting - offering affordable rent at 70 percent of market rent. However, we house a wide range of tenants. Some groups of tenants require different services because of their personal circumstances or stages in life and some could afford to pay more rent as they are on higher incomes. In what ways could our rental settings accommodate different tenant groups so they get services tailored to their needs and income levels?

Housing pathways

The Council has an objective to support tenants to improve their quality of life and wellbeing and to contribute to and benefit from living in Wellington. We understand that our tenants will make decisions from time to time about where they want to live. Some will shift to be near family and whanau, some will shift for employment, and some will want to find a new home or even buy one. A key question is to what extent the Council should be involved helping tenants with these decisions.

Question 6: How could we support tenants to move on?

What relationships could we develop to help tenants find appropriate housing when they shift out of their Council unit? Some tenants are no longer able to live independently, some require a bigger or more accessible home, and some no longer wish to live in a high-density environment. Some may want to buy their own home. How could we assist tenants in these circumstances, and is it appropriate to? Who should fund these services?

Other questions

Question 7: How could we make it easier to access housing?

Currently the Council and the Ministry of Social Development have different eligibility criteria and separate waiting lists and application processes for people applying for housing. How could this and our other processes be streamlined and improved to make it easier for tenants to access housing appropriate for their needs?

Question 8: Do you have any other suggestions?

Notes

For the purposes of this discussion paper the following definitions apply:

Social rental housing: provided for tenants who have difficulty accessing appropriate housing primarily due to a mix of social and affordability issues.

Affordable rental housing: provided for tenants who have difficulty accessing appropriate housing primarily due to affordability issues.

State housing: housing provided by the Government and supplied by Housing New Zealand.

City Housing: Wellington City Council Housing Unit.

Example 4: Supporting families to live independently

Sione and Aroha have worked hard and moved in to higher paying jobs in the city. They didn't move. Other family members moved in with them and they now rent a 3 bedroom unit from City Housing. They have a household income of \$66,000. The housing unit they rent has a market rent of \$438 per week.

They are no longer eligible for Accommodation Supplement support.

They are still eligible for the City Housing discounted rent of 30% to \$307 per week. The rental payments are approximately 24% of their income.

They could rent privately but their rental payments would increase significantly from the City Housing rent. That means working extra shifts. They would like their own home but that still seems too hard.

Should they still be eligible for Council housing and if so, how much rent should they pay?

Should we help them to get ahead and not be reliant on Council housing support?

Talk to us

We need your feedback by 5pm on 27 March 2015.

You can make a submission online at Wellington.govt.nz/rental-policy-review
email your submission to policy.submission@wcc.govt.nz
or complete the submission form in this booklet and send it to:

Freepost Wellington City Council
Social Housing Service Policy (COP001)
Wellington City Council
PO Box 2199
Wellington 6140

You can get the discussion document online at
Wellington.govt.nz/rental-policy-review
the City Service Centre, libraries,
by emailing policy.submission@wcc.govt.nz
or phoning 04 499 4444.

It is planned that the feedback will be summarised and reported to the
Community, Sport and Recreation Committee in June 2015.

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