

ORDINARY MEETING

OF

STRATEGY AND POLICY COMMITTEE

MINUTES

Time: 2:00pm
Date: Wednesday, 5 August 2020
Venue: Ngake (16.09)
Level 16, Tahiwī
113 The Terrace
Wellington

PRESENT

Councillor Calvert (Deputy Chair)
Councillor Condie
Councillor Day (Chair)
Councillor Fitzsimons
Councillor Foon
Councillor Free
Councillor Matthews
Councillor O'Neill
Councillor Pannett
Councillor Paul
Councillor Rush
Councillor Sparrow
Councillor Woolf
Councillor Young

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1. Meeting Conduct

1.1 Karakia

The Chairperson declared the meeting open at 2:02 pm and invited members to stand and read the following karakia to open the meeting.

**Whakataka te hau ki te uru,
Whakataka te hau ki te tonga.
Kia mākinakina ki uta,
Kia mātaratara ki tai.
E hī ake ana te atākura.
He tio, he huka, he hauhū.
Tihei Mauri Ora!**

Cease oh winds of the west
and of the south
Let the bracing breezes flow,
over the land and the sea.
Let the red-tipped dawn come
with a sharpened edge, a touch of frost,
a promise of a glorious day

1.2 Apologies

Moved Councillor Day, seconded Councillor Fitzsimons

Resolved

That the Strategy and Policy Committee:

1. Accept the apologies received from Mayor Foster for absence, and from Deputy Mayor Free, Councillor Paul, Councillor Woolf and Councillor Calvert for early departure.

Carried

1.3 Conflict of Interest Declarations

No conflicts of interest were declared.

1.4 Confirmation of Minutes

Moved Councillor Day, seconded Councillor O'Neill

Resolved

That the Strategy and Policy Committee:

1. Approve the minutes of the Strategy and Policy Committee Meeting held on 25 June 2020, having been circulated, that they be taken as read and confirmed as an accurate record of that meeting.

Carried

1.5 Items not on the Agenda

There were no items not on the agenda.

1.6 Public Participation

There was no public participation as this meeting had been scheduled to only hear oral submitters.

2. General Business

2.1 Social Housing Policy Consultation Hearings

Moved Councillor Fitzsimons, seconded Councillor Day

Resolved

That the Strategy and Policy Committee:

1. Receive the information and thank the oral submitters for speaking to their submissions.

Carried unanimously

Secretarial note: The following members of the public spoke to their written submissions:

Time	First Name	Last Name	Organisation/Individual	Submission number
2:05pm	Kate	Day	Anglican Movement	543e
2:15pm	John-Luke	Day	Urban Vision (Newtown South)	544e
2:25pm	Warwick	Taylor	Wellington Housing Action Coalition	546e
2:35pm	Jacky	Fuller	Individual	527
2:40pm	John	Heighes	Individual	528
2:45pm	Selwyn	Warren	Individual	531
2:50pm	Nancy	Nichols-Acevedo	Individual	502
2:55pm	Alex	Johnston	Individual	541e
3:00pm	Bruce	Hamill	Island Bay Presbyterian Church	533
3:10pm	Maryam	Koulivand	Individual	251
3:45pm	Chrissy & David	Cook	St Thomas Anglican Church (Newtown)	545e
3:50pm	Debbie	McGill	Individual	363
3:55pm	David	Janes	Individual	378
4:00pm	Debbie	Port	Individual	550e
4:05pm	Bridget	Baker	Individual	542e
4:10pm	Maria	Colls	Individual	391
4:40pm	Bruce	McLachlan	Wellington Central Grey Power	536e

4:45pm	Julia	Cottle	Individual	548e
4:50pm	Waitai	Rakete	Individual	324
4:55pm	Parbhat	Avtar	Individual	522
5:00pm	Vera	Andrews	Individual	549e
5:05pm	Jane	Julian	Citizens Advice Bureau Wellington	547e
5:15pm	Jackson	Lacy	Wellington City Youth Council	538
5:25pm	Sacha	Green	Individual	540e
5:48pm	Paul	De-Lacy	Individual	25

Tabled items

Attachments

- 1 Maria Colls submission document
- 2 John-Luke Day tabled document
- 3 Jacky Fuller tabled document
- 4 Nancy Nichols tabled document
- 5 Bridget Baker tabled document

(Councillor Pannett joined the meeting at 2:07 pm)

(Councillor Calvert joined the meeting at 2:13 pm)

(Deputy Mayor Free left the meeting at 2:44 pm)

(Deputy Mayor Free returned to the meeting at 2:50 pm)

(Councillor Paul left the meeting at 2:58 pm)

(Councillor Paul returned to the meeting at 3:07 pm)

The meeting adjourned for afternoon tea at 3:19 pm and reconvened at 3:44 pm with the following members present: Councillor Calvert, Councillor Condie, Councillor Day, Councillor Fitzsimons, Councillor Foon, Deputy Mayor Free, Councillor Matthews, Councillor O'Neill, Councillor Pannett, Councillor Paul, Councillor Rush, Councillor Sparrow, Councillor Woolf, Councillor Young

The meeting adjourned temporarily (to allow for submitters to arrive) at 4:19 pm and reconvened at 4:38 pm with the following members present: Councillor Calvert, Councillor Condie, Councillor Day, Councillor Fitzsimons, Councillor Foon, Deputy Mayor Free, Councillor Matthews, Councillor O'Neill, Councillor Pannett, Councillor Paul, Councillor Rush, Councillor Sparrow, Councillor Young

(Councillor Calvert left the meeting at 4:55 pm)

(Councillor Paul left the meeting at 5:30 pm)

(Councillor Paul returned to the meeting at 5:34 pm)

(Deputy Mayor Free left the meeting at 5:45 pm)

(Councillor Paul left the meeting at 5:37 pm)

(Councillor Young left the meeting at 5:38 pm)

The meeting adjourned temporarily (to allow for submitters to arrive) at 5:38 pm and reconvened at 5:48 pm with the following members present: Councillor Condie, Councillor Day, Councillor Fitzsimons, Councillor Foon, Councillor Matthews, Councillor O'Neill, Councillor Pannett, Councillor Paul, Councillor Rush, Councillor Sparrow

The meeting adjourned temporarily (to allow for submitters to arrive) at 5:52 pm and reconvened at 6:03 pm with the following members present: Councillor Condie, Councillor Day, Councillor Fitzsimons, Councillor Foon, Councillor Matthews, Councillor Pannett, Councillor Paul, Councillor Rush, Councillor Sparrow

(Councillor O'Neill returned to the meeting at 6:06 pm)

The meeting concluded at 6:08 pm with the reading of the following karakia:

Unuhia, unuhia, unuhia ki te uru tapu nui	Draw on, draw on
Kia wātea, kia māmā, te ngākau, te tinana, te wairua	Draw on the supreme sacredness To clear, to free the heart, the body and the spirit of mankind
I te ara takatū	
Koia rā e Rongo, whakairia ake ki runga	Oh Rongo, above (symbol of peace)
Kia wātea, kia wātea	Let this all be done in unity
Āe rā, kua wātea!	

Authenticated: _____

Chair

ORDINARY MEETING

OF

STRATEGY AND POLICY COMMITTEE

MINUTE ITEM ATTACHMENTS

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Business

Page No.

Tabled items

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| 1. | Maria Colls submission document | 2 |
| 2. | John-Luke Day tabled document | 3 |
| 3. | Jacky Fuller tabled document | 4 |
| 4. | Nancy Nichols tabled document | 8 |
| 5. | Bridget Baker tabled document | 25 |

City Housing Fairer Rents For Tenants Consultation			Submission# 391
Name	ON BEHALF OF:	ARE YOU	ORAL SUBMISSION:
Maria Colls	As an individual	A Council tenant	-
<p>1. We propose to set City Housing tenants' rent based on their income and circumstances. How strongly do you support this proposal? On a scale of 1 to 5 (1= Definitely Agree, 5=Definitely Disagree)</p> <p>5 Definitely Disagree</p>			
<p>2. Thinking about your response to question one, what are your reasons for your level of support?</p> <p>Because I signed my tenancy agreement on the understanding that I would be paying 70% of the market rate. I have also experimented with your calculator and you don't have to be earning a lot over a benefit for it to be affected. I'm very concerned about this. Supported living has only just been increased and now this. You don't receive more than \$60 for health costs and my part time job helps to cover the remainder of them</p>			
<p>3. Do you have any comments on our proposal to set City Housing tenants' rent based on their income and circumstances?</p> <p>No comments entered</p>			
<p>4. Do you have any comments about our draft Social Housing Policy?</p> <p>No comments entered</p>			

Household type	Very Low Income	Low Income	Moderate Income	Current City Housing eligibility thresholds
Single	\$452 p/w	\$724 p/w	\$1,086 p/w	\$889 p/w
Couple or 2 adults	\$875 p/w	\$1,400 p/w	\$2,100 p/w	\$946 p/w
Single with children	\$992 p/w	\$1,587 p/w	\$2,380 p/w	\$1,088 - \$1,788 (depending on number of children)
Couple with children	\$992 p/w	\$1,587 p/w	\$2,380 p/w	\$1,145 - \$1,845 (depending on number of children)
Proposed proportion of market rent payable under new policy:	60-75%	76-99%	100%	
Percentage of current tenancies that would fall within new bands:	68%	23%	9%	

Oral submission to WCC. 5th August 2020. jacky.fuller@gmail.com ph. 0220625415

Thank you for the opportunity to speak to you. My name is Jacky Fuller I am 72 years old and I have lived in Berkeley Dallard for 6 years. For the first 5 years I paid the rent entirely from my Superannuation, adjusting my budget down as the rent went up, but last year the rent increase saw me paying 57% of my income in rent.

The margin for survival for people like me is small, however budgeting is not the issue. I can budget the socks off anybody but faced with a choice between cutting back on food or health, I applied for and got an Accommodation Supplement, my rent is now 46% of my income.

My only recourse for future rent rises is the Accommodation Supplement, which is capped at \$105 a week. That cap will be reached in my case as soon as the first new rent is imposed.

Using the WCC calculator, the first rent rise under the new system would see me paying a minimum of an additional \$27.60 a week: 51-52% of my income would be going on rent and that is only the first year. How is that fairer?

Tenants provide proof of income and assets every year so you already know what the impact will be on people like me, just as you already know that many of your tenants struggle to pay the 70% of market rent under the current system.

People like me are in Social Housing because we meet the criteria, one of which is not being able to afford market rents. With the introduction of this policy we will very quickly not be able to afford Social Housing rents either. The current system of tagging rents to area market rents is little better and if it is kept the result will be the same, it may just take a little longer.

This turns Social Housing on its head. Is it really your intention to make Social Housing unaffordable for us?

I had looked forward to turning 80 when my rent would be frozen, but that small comfort is removed under this policy.

Both current and proposed policies ignore the WCC's own Social Housing principles regarding tenants' rents being equitable, sustainable, and affordable based on tenants' income and circumstances it is contrary to the principles



that offer security of tenure and having the right to age in place. Both are contrary to The Positive Aging Policy.

Tenants are not responsible for the situation that the council finds itself in re Social Housing and yet you are looking to us to provide the solution. That solution, (get more money from tenants) and by sleight of hand with the Accommodation Supplement deem that people on low fixed incomes are in a higher income band, may be legal but it is not fair or equitable, or just: the human and social costs could be considerable.

I love where I live, I have made friends here, I have made my life here and I have felt safe and secure here. I am not normally a fearful woman, but I have been living in a state of anxiety for months now, it is the last thing on my mind at night and the first thing on my mind in the morning.

**If I am squeezed out of my home here in Berkeley Dallard where do I go?
What comes after Social Housing?**

Placeholder for Attachment



The Coolest Little Capital
must have social capital

Kia ora, Mr Mayor and Councillors, thank you for the opportunity to speak today

I am Nancy Nichols-Acevedo, originally from Boston USA: a city Housing tenant of 6 years at the Berkeley Dallard apartments in Mt Cook.



This income-based rents policy is not fairer and more balanced for all tenants.

"Fairer rents for council tenants" is misleading, giving a false impression

- Social housing is being hollowed out - Tenants and all Wellingtonians will face the regrettable outcomes
- Tenants need *affordable* to mean:
 - *more than the roof overhead* in the last house on the block

City Housing: a Jewel in Wellington's Crown?





City Housing: a social housing provider

We need you to:

- intervene in an unmanageable poverty spiral
- provide housing for pensioners to make their homes - to age in place
- keep Wellingtonians off the streets
- mitigate the ravages of homelessness
- not leave us to fend for ourselves in an inequitable housing market



There is a very fine line between being the “poor” in social housing and being homeless

Our first line of defense is being weakened



It's City Housing Jim, but not as we know it!

- Tenants are split into winners and losers: financially and socially
- Singles are most affected. Hardship will, not only, persist but increase
- Those with deeper hardship needs are unsupported
- This is a well-planned shift towards profitable housing as core business: displacing lower value tenants.
- We face serious reputational risk for
 - Wellington, as a place to live
 - WCC, as a *responsive people-centred* Council



What happened to: The housing system is not equitable and some people need more support than others to access housing than others to meet their needs

Considerable Inequity in the 3-Tiered Rents

Little will change for lowest income tenants

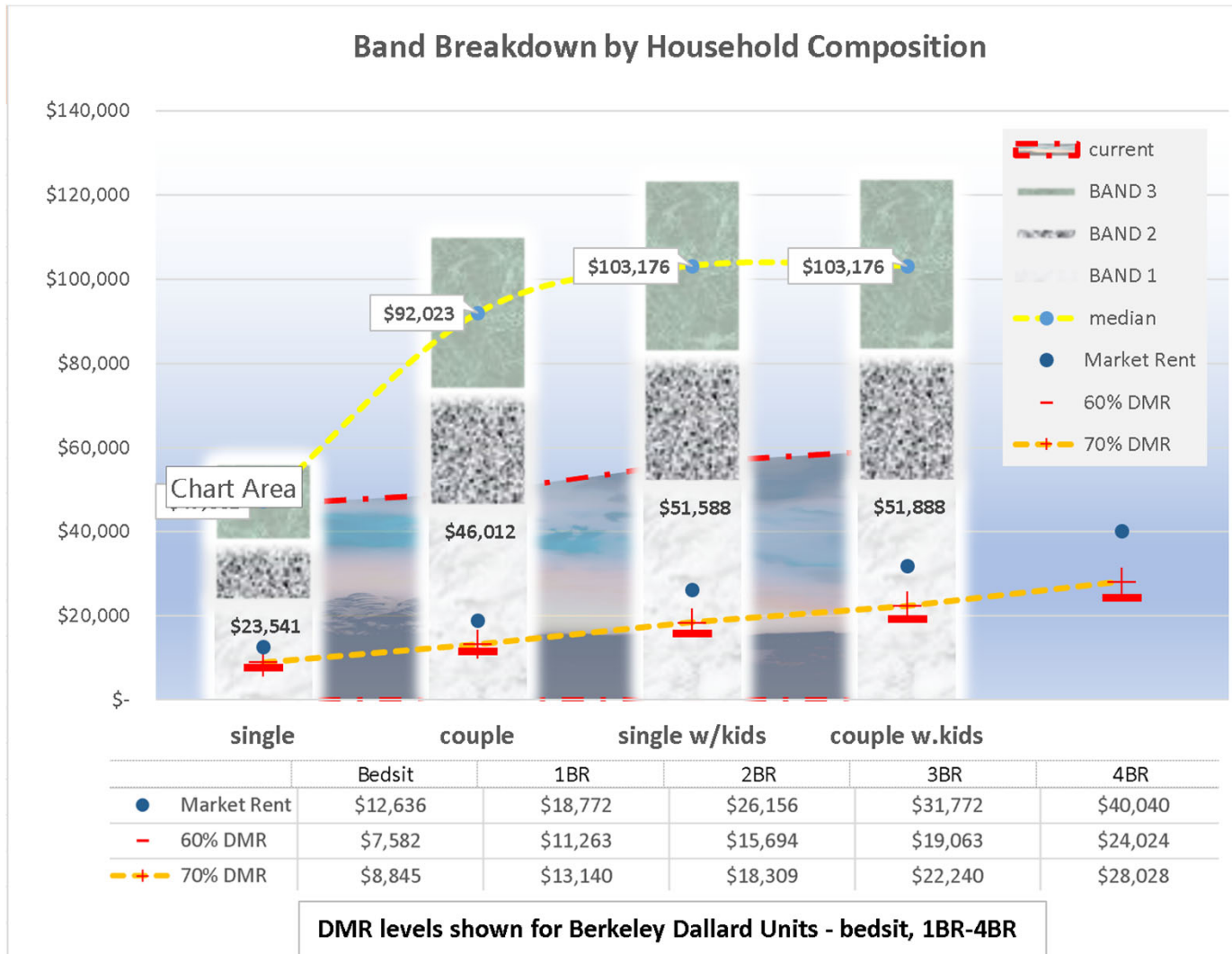
Single jobseekers get 28% median, but Band 1 sits at 50% of median

1BRs will not be affordable for singles

Band 3 rents go up a total of 1%. After rent, they have more than the total income allowed for Band 1

You get that outturn of \$1.5m by charging fewer people much more rent

- Yellow Chart Line is median incomes
- Red Line is existing income limits
- Orange Line is 70% DMR annualised rent
- Blue Dots are annualised Market Rents





New bands trisect the current \$46k range for singles



1040 tenants get a decrease. These are mostly singles in band 1 (0- \$23541). This 10% or about \$20pw.



840 tenants get an increase - up to 29%. Consisting of singles now in band 2 (\$23542 -\$37665).

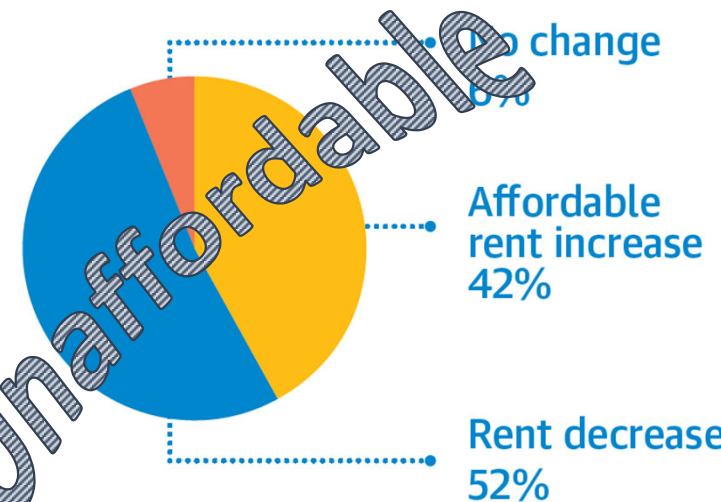


Band 3 includes singles who now pay 70% rent (*earning slightly less than \$46k pa*). They pay 30% more rent.



For 120 tenants rents don't change! These are the *few* who continue to pay 70%, or 100% rent.

Impact on tenants



Income Related Rent Subsidies (IRRS) may be possible for Tenants

MSD operate the IRRS programme

- They do tenancy eligibility, placement and procurement
- City Housing would need to contract to MSD as a social housing provider

-
- Tenants' rent will be MUCH improved
 - Council gets 100% market rate
 - The Taxpayers shout the difference
.....impacting all New Zealanders!

20/21 City Housing budget with IRRS	
City Housing revenue 100% Market rent	\$34,742,857
City Housing operating cost \diamond	\$31,422,000
City Housing profit	At least \$3,320,857
Crown expenditure \ddagger	At least \$26,057,143
Current rent revenue (70% DMR)	\$24,320,000

\diamond reduced cost to City Housing by tenancy eligibility and placement not included

\ddagger Tenants rents are difficult to estimate to get a true picture of Crown costs

City Housing has been funded by Rates

This is WCC Revenue and Finance policy
have another look at this!

- We have had 30/70 ratepayers to tenants funding
- This changed to 100% Tenants funding in 2009
- There was little or no explanation why
- Tenant only funding is not a fait-accomplis – but it looks like we have no option but to accept it.

Where does revenue from Kainga Ora leases go?

	2006	2020
User Charges	70%	100%
Other Revenue		???Kainga Ora leases
Targeted Rate		
General Rate	30%	-
Total	100%	100%

On providing good quality services to our tenants, managing and maintaining our properties, and making improvements over time

- Tenant facing service levels have been declining year on year
- Ratepayers and tenants have no visibility of City Housing expenditure
- 100% stakeholders: Tenants face increasing pressure on what comes out of their pockets
- Housing rents generate about \$½m weekly. Does someone pay attention to how you spend it?



It's Discriminatory

by age, ethnicity, gender, employment status, relationship and family status

- NZ wealth inequality marginalises Maori/ Pacifica and all beneficiaries
- The gender gap increases as women outlive men, and couples change to singles
- Lending policy favours younger working people and excludes older singles
- Having children adds expenditure, however, families get more targeted help



Social housing is a highly contested space.
There is no room at the inn.
These changes will make it worse

It's like:

When the Woodcutter took a bean counter to wife. The “tenants” were financially weak and were no longer welcome. Left to fend for themselves, they were taken in at The Gingerbread House. For Gretel it was a workhouse; for Hansel a prison. Luckily, they escaped.... And found their way back to a welcoming home place.

Re-evaluate the changes to rents and policy

Identify	Identify and propose other options
Ensure	Ensure City housing is a fully scoped Social Housing programme
Revisit	Revisit the Revenue and Financing policy Add to the revenue stream
Eliminate	Eliminate the band tiers for singles. Keep the hardship allowances∞ ∞see appendix slide
Evaluate and tighten	Evaluate and tighten the financial controls on expenditure <ul style="list-style-type: none">• I urge you to probity in the expenditure of tenant sourced revenue• Let tenants know that all the \$\$\$\$ come out of their pockets to reduce wasteful spending

please!!! Don't let this be

****The end****

of Social Housing, as we know it...

∞ Rent hardship safeguards lost

Annual rental cap

Leads to unaffordable and unexpected rent increases

Affordable rent limit

35% of income guarantee goes away (for those with AS). There is no rent lower than 60% DMR

Rent freeze for over 80 year olds

Elders face increased material hardship

Asset limits

Benefit accrues mostly to younger tenants. Future home ownership is feasible. Older tenants will not appeal to lenders, or have no interest in home ownership.

Security of tenure

Tenure security up to 99K asset level only benefits the upwardly mobile.

This discriminates against those on flat-lined fixed incomes; and those with financial exposure that comes between them and any savings

A revised Residential Tenancies Act will affect these proposed changes



Bridget Baker

Oral Submission on "Fairer Rents for Council Tenants"

Kia ora Koutou

1. Vote no to this policy. It is shifting the allocation of WCC housing to those of a higher income, and leaving lower income people on the waiting list.
2. We have a national housing crisis. A \$1.5M increase in income in the short term, does not justify the consequences of this long-term policy shift. \$1.5M can come from rates or charitable sources in the short term, while better longer term strategy is developed and acted on by WCC and the government.
3. Make only temporising changes in the meantime. Specifically,
 - Remove ad-hoc caps that have accumulated benefits for some, at the expense of others, but REPLACE them with single "cap" that applies equitably to all.
 - Do not increase rents beyond what is affordable.
 - Make practical detail of your measures of affordability available to the public.
4. Retain the intention in the Deed of Grant that that social housing is reserved for low income disadvantaged groups. According to the Deed, in the active phase of grant advances, social housing rent setting was allowed to include up to 5% of units being let at Market Rent. Your data shows an imminent shift to 10% at Market Rent, many others will approach market rent, and no cap is applied on how much further this can increase.
5. Work on a collaborative approach with government to make social housing more equitable across the board. Allow the public voice to assist in achieving this. Ideally this would retain a range of providers, or otherwise have adequate safeguards of public accountability and protection for the disadvantaged, regardless of seasonal politics.

Concluding thoughts...

Bridget Baker

5 August 2020