

# **DUNEDIN CITY COUNCIL**

## **HOUSING POLICY**

### **PREAMBLE**

#### **Background**

In July 1995, Dunedin City Council drafted and approved, after significant public consultation, an Interim Housing Policy. This policy set out the goals, objectives, and mechanisms for Council's relationship to the housing environment in the city. The main role of Council was seen to be in regulatory enforcement of housing standards, and in the provision of housing to members of the community whose needs are not otherwise met. The different Council departments responsible for the regulatory role and the provision of housing had had operating policies and management systems for some time, but there had been a lack of one unified policy document which stated Council's general role and involvement in the housing environment.

#### **Interim Housing Policy**

The Interim Housing Policy adopted in 1995, in addition to providing a holistic approach to Council's housing involvement, also changed the eligibility criteria for housing in its approximately 950 "Elderly Persons Housing" (EPH) Units. These EPH units make up the bulk of Council-owned housing; there are 52 other "General Housing" Units which are open to anyone at market rental, and approximately 16 Elderly Persons Ownership Units. Traditionally, these "EPH" Units had been offered only to older persons over the age of 55. However, it had become apparent to Council that there was a wider range of housing need in the community. Moreover, some of the EPH units were vacant and could help meet wider housing need without decreasing the amount of housing available to persons over the age of 55. For this reason, Council adopted a priority system for its "EPH" Units which, although still giving persons over the age of 55 a higher priority, allowed for younger persons, primarily those with limited financial resources and/or special housing need, to occupy a unit if it was not desired by an older person.

#### **Housing Needs Research**

Over the course of 1996, an in-depth look at housing need in the city was co-ordinated by Council. The goal was to develop and adopt a finalised Housing Policy which would be based on the Interim Housing Policy but which would also be based on community housing needs identified through research. At the same time, the interim priority system of housing allocation experienced its trial year.

The housing needs assessment that was co-ordinated by Council identified that in fact there was a wide range of housing need in the city beyond that of older persons. Low-income persons and persons with disabilities were specifically identified as groups with housing need, based on such factors as housing affordability, access, location, and design. This confirmed Council's belief that its housing should be made available to a wider range of community members. At the same time, it had become clear through both the introduction of

the interim priority system and the housing needs assessment that some older persons preferred the option of living in blocks of units with persons of a similar age group.

### **Changes to the Interim Housing Policy**

The Housing Policy has been modified to meet these needs. The main change has been to divide the "EPH" units into two groups. Housing units in Group One are available to persons over the age of 55, subject to existing priorities related to income, assets, and housing need. Housing units in Group Two are available to all persons, with top priority still given to persons over the age of 55, as with the Interim Policy that has been in operation since last year. One modification is to give low-income persons under the age of 55 who are on the invalids benefit a higher priority than those low-income persons under the age of 55 who are on other benefits. This change is designed to make more housing available to persons with disabilities.

The percentages of the housing units which will be in Group One and Group Two is based on housing need and will be reviewed regularly, as will the designation of units into these groups. The aim is to provide as much stability as possible while still retaining the flexibility to meet housing needs in the most appropriate way.

Another change allows for the lease of Council units to professional residential caregivers for persons with disabilities or other special needs. Council recognises that other sectors in the community are better suited to provide social support services and wishes where possible to make its housing available to these organisations.

Council has also chosen to rename all its housing, including the units formerly known as "EPH", as "Council Housing," reflecting its broader role in the community. Former "EPH" units, as opposed to "General Housing" like Palmyra, will be called "Community Housing."

### **The Future**

It has been recognised by Council for some time that many of its housing units, whether because of age or design, are becoming less suited to meet community housing need. For this reason Council will be pursuing a redevelopment program which will make Council housing better suited to the needs of the community. This program is not the focus of this policy but will directly enhance the ability of Council to fulfil Mechanism 3.1: to "make available housing suited to the physical, social and financial needs of the client groups."

### **Consultation**

The draft of this policy was released, following Council approval, for an eight-week public submission period from 11 December 1996 through 4 February 1997. Following submissions, minor changes have been made to the draft version.

## HOUSING POLICY

### GOAL

**The Dunedin City Council will promote an adequate standard of housing for its residents**

Refer to **Dunedin City Council Strategic Plan: Goal 3, Strategic Statement 8:**

"Council will encourage an affordable housing base and enforce basic environmental standards in residential areas."

*Commentary: To date the Dunedin City Council has concentrated its efforts in housing in the following areas:*

- *Provision of low cost rental housing for older adults of limited means; and other groups who are housing disadvantaged.*
- *Regulatory enforcement.*

*Council has reconsidered its housing policy for the following reasons:*

- *More than 7% of all Council Housing units are vacant.*
- *There is a wide range of housing need in the community.*

*A study commissioned in 1996 by the Dunedin City Council, "Provision of Elderly and Special Needs Housing in Dunedin," shows there is a wide range of housing need amongst special needs groups. It is reported that the number of housing units for residents with psychiatric disabilities and older adults are generally considered satisfactory. The number of dwellings for low income earners and people with physical disabilities however are considered insufficient. It was suggested that the Dunedin City Council should continue to provide for older persons housing but to also consider the needs of other special needs groups.*

*In order to achieve the goal the Dunedin City Council needs to:*

### OBJECTIVE 1

**Carry out all of its responsibilities as a Territorial Authority with respect to The Building Act 1991, The Health Act 1956 and the District Plan under the auspices of the Resource Management Act;**

Refer to **Dunedin City Council Strategic Plan: Goal 1, Strategic Statement 4:**

"Council will separate, where practicable, its policy and regulatory functions from its service supply functions."

*Commentary: This is a statutory responsibility and a significant aspect of the Dunedin City Council's means of ensuring housing standards are adequate. These responsibilities are carried out entirely separately from the City Property Business Unit which supplies housing.*

## **OBJECTIVE 2**

**Provide accommodation for those whose needs are not otherwise adequately met in the community provided there is no direct cost to the ratepayer. Council's primary focus is on the provision of housing for older persons, particularly those with limited financial means. It also has an interest in providing housing for younger persons with disabilities and/or limited financial means. Council does not have a focus on providing housing for larger families.**

*Commentary: In the past the Dunedin City Council's policy was very restrictive as to whom it assists in this manner. The Interim Policy, adopted in 1995, allowed for the allocation of flats to those under 55 years under specific circumstances. This has had the effect of:*

- Increasing Council's ability to react readily to special individual needs; and
- Addressing the under-utilisation of resources, i.e. numerous vacant flats.

*This policy has been modified to allow persons under the age of 55 in some units, rather than all units, so that persons over the age of 55 can have the choice of living with persons of a similar age. The 52 "General Housing" flats such as Palmyra will still operate at market rental and will be available to anyone, without priorities.*

## **MECHANISM 1: REGULATORY ROLE**

**Carry out Council's responsibilities with respect to The Building Act 1991, The Health Act 1956 and the District Plan under the auspices of the Resource Management Act.**

## **MECHANISM 2: CUSTOMER SERVICES ROLE**

**2.1 Encourage an informal network of service agencies involved in seeking accommodation for their clients, providers of accommodation and any other organisations which may have current and accurate information pertinent to the identification of poorly met housing needs;**

*Commentary: As well as providing a service to the community this will also be the means of collecting information on a continuing basis in order to remain abreast of housing issues, homelessness or other housing shortfalls.*

**2.2 On a regular basis collect information, identify housing deficiencies and report them to Council;**

Refer to **Dunedin City Council Strategic Plan: Goal 1, Strategic Statement 5:**

"Council shall ensure that priorities for service provision...are formed through the systematic review and evaluation of needs and resources..."

*Commentary: This will enable early identification of new housing demands and hence the timely updating of policy to meet those demands.*

**2.3 Inform Council as to which groups are experiencing housing needs and to which Council should give priority in providing direct housing assistance;**

*Commentary: This will provide the basis for the selection system to be used in allocating flats to applicants.*

*The majority of housing ("Group One") will be available to those persons 55 years and older, according to priorities outlined in Schedule 1.*

*A portion of housing ("Group Two") will be available to persons of all ages, according to the set priorities based on need and outlined in Schedule 1.*

**2.4 Perform an advisory/referral service to individuals in need of assistance in obtaining accommodation;**

*Commentary: It is not always possible for Council to directly provide the type of accommodation an individual desires and/or requires. Some of these people also need some assistance in actually seeking out housing. This may mean referring them to someone such as a social worker or it may mean putting them in touch with a provider of accommodation of the type they need.*

**2.5 Perform an advisory/referral service to tenants in need of social support services.**

*Commentary: It is not seen as Council's role to provide social support services to tenants however it is seen as appropriate to offer advice on where to access such services or referral to tenants requiring these services.*

**MECHANISM 3: PROVISION OF ACCOMMODATION**

Refer to **Dunedin City Council Strategic Plan: Goal 1, Strategic Statement 6:**

"Council will review all its activities at least every three years to ensure that services are:

- still required;
  - efficient;
  - competitive when appropriate;
- effective in terms of a fair delivery of services."

**3.1 Make available housing suited to the physical, social and financial needs of the client groups; in terms of design, location and affordability.**

*Commentary: The objective here is to provide sufficient housing which is appropriate to identified needs.*

**3.2 Prioritise applicants (if necessary referring to a needs assessment done by outside professionals) and allocate housing according to policy;**

*Commentary: This will ensure that housing is allocated to those in need first. Housing will be divided into two groups, each with a set of eligibility priorities as set out in Schedule One. The percentage of units in each group of housing is based on need and will be regularly monitored and reviewed.*

**3.3 Provide blocks of flats to professional residential care providers if suitable blocks become vacant;**

*Commentary: Because Council cannot provide social support services to tenants, leasing of blocks of units is seen as a way Council can respond to those whose needs include a level of support.*

*It is recognised by Council that this type of support should be provided by professionals capable of managing services for such tenants.*

**3.4 Operate Council Housing in an effective, efficient manner in accordance with any relevant legislation and so that there is no direct cost to the ratepayer.**

Refer to **Dunedin City Council Strategic Plan: Goal 7, Strategic Statement 1:**

"All functions of Council shall be undertaken in a transparent and efficient way to produce quality results."

Refer to **Dunedin City Council Strategic Plan: Goal 7, Strategic Statement 7:**

"Council will promote a user pays approach, where appropriate."

*Commentary: If Council is to continue to provide housing in the future it must preserve the viability of the operation.*

*It has generally been agreed that it is inappropriate for the ratepayer to subsidise Council Housing given that many of them are also financially stressed.*

## SCHEDULE 1

### PRIORITIES AND RENTALS FOR COUNCIL COMMUNITY HOUSING APPLICATIONS

#### Group One (units for older persons)

PRIORITIES	RENTALS
1.1 Top priority will be given to people aged 55 years and over, with financial resources less than the income limit and primary asset limit.	Break-even rent
1.2 Next priority will be given to those aged 55 year and over with financial resources less than the income limit and secondary asset limit.	Break-even rent
1.3 Next priority will be given to people aged 55 years and over who have greater financial resources than the aforementioned groups.	Market rent

#### Group Two (units for wider community)

PRIORITIES	RENTALS
2.1 Top priority will be given to people aged 55 years and over with financial resources less than the income limit and primary asset limit.	Break-even rent
2.2 Next priority will be given to those aged 55 year and over with financial resources less than the income limit and secondary asset limit.	Break-even rent
2.3 Next priority will be given to people aged 55 years and over who have greater financial resources than the aforementioned groups.	Market rent
2.4 Then priority will be given to those aged under 55 years who have financial resources less than the income limit and primary asset limit. Within this group, those on invalid's benefit will have higher priority.	Break-even rent

<p>2.5 Finally, if a tenant cannot be found within these priorities, consideration will be given to other applicants.</p>	<p>Market rent or break-even rent according to affordability.</p>
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**Note on Criteria**

Within each priority category in Group One and Group Two housing, those tenants who have been on the waiting list the longest will be allocated a flat first, with the exception of the application of the following criteria, which further prioritise within those priority categories.

a) Urgent Need

Where an applicant has an urgent housing need or is at risk in their current housing, Council's Housing staff will treat the application with urgency and give preference where the applicant is willing to accept accommodation in any flat.

b) Community Links

Where an applicant can show a personal or immediate or supportive family link to a community they will be given preference for a flat in that community over other applicants of the same priority category. This category only gives preference over another applicant who has been on the waiting list for a similar period.

## SCHEDULE 2 - DEFINITIONS

**"Break-even rent"** will be set at a level which ensures that income over all housing, is approximately equal to expenditure over all housing, where expenditure includes all amount to be accumulated for redevelopment and renewal. The redevelopment and renewal fund will ensure the sustainability of Dunedin City Council Housing and its ability to evolve to meet the changing needs of the community. This is the method for setting existing rents.

**"Market rent"** will be set in accordance with the Residential Tenancies Act 1986. It shall be the rent that, without regard to the personal circumstances of the landlord or the tenant, a willing landlord might reasonably expect to receive and a willing tenant might reasonably expect to pay for the tenancy, taking into consideration the general level of rents for comparable tenancies of comparable premises in the locality or in similar localities.

Market rent will be considered to be 'affordable' if either:

1. The tenant's combined assets exceed:

<u>Household Size</u>	<u>Primary Asset Limit</u> or	<u>Secondary Asset Limit</u> (ages 55+)
one person	\$20,000	\$47,000
two persons	\$23,500	\$47,000

**or**

2. The tenant's combined income exceeds:

<u>Household Size</u>	<u>Primary Limit for Combined Annual Gross Income</u> <sup>2</sup>
one person	\$20,143
two persons	\$29,516

<sup>1</sup> Based on the primary Asset Limit from existing policy.

<sup>2</sup> Based on the Income Support Income tests for the Accommodation Supplement; these criteria may change with the changing of criteria by New Zealand Income Support. Where this represents a substantial change from existing criteria, Council's Property Department will come back to Council for discussion and decisions on this matter.