

# Framework for the Provision of Housing

**ABSOLUTELY  
POSITIVELY  
WELLINGTON**

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## 1. Key Objectives for Council’s Housing Policy

- To target low-income households with particular needs
- To focus its service on those most in need of assistance
- To provide for housing needs not met by other providers
- To enable and empower people, where possible, to make positive changes in their lives
- To work in partnership with agencies already involved in providing services to tenants and to avoid duplicating services currently being delivered
- To operate as a successful business while recognising the social needs of tenants

## 2. Introduction

Eligibility for Council housing is defined by a number of filters or “gates”. These gates work to ensure that only those in genuine need receive Council assistance. Eligible persons or households pass through the gates, those not eligible do not.

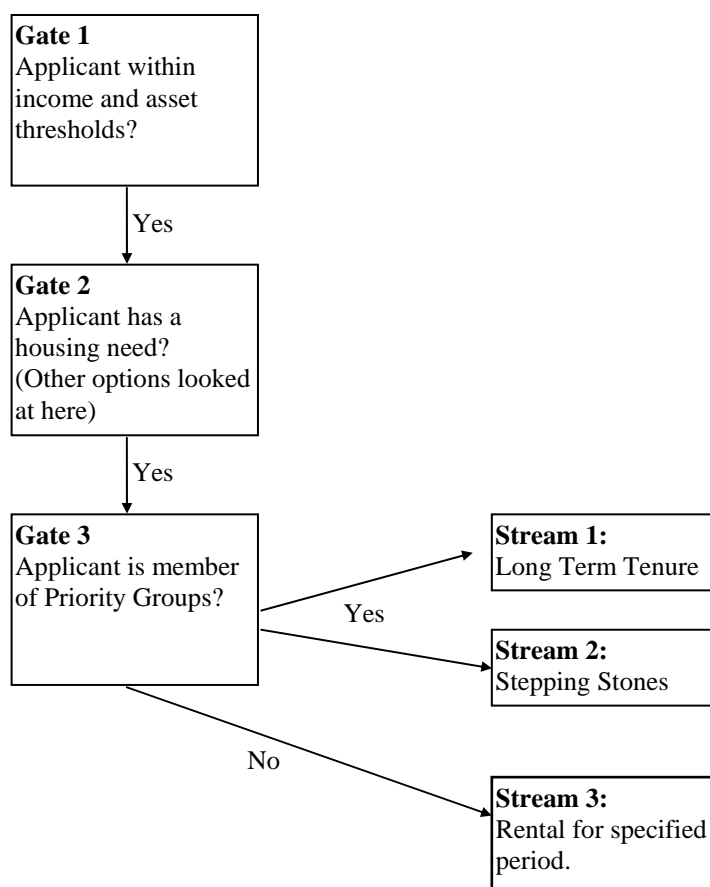
Once a person or household is assessed as being eligible Council has three “streams” or types of assistance that can be offered. These streams recognise that not everyone wants or needs the same type of support from Council. The three streams relate to:

- **long term tenure;**
- a **stepping stone approach** with the aim of the person or household becoming able to eventually leave Council housing; and
- **maximising asset use** where housing stock that is not being used for priority groups is rented to persons or households within the income and asset thresholds and with an identified housing need.

This policy framework has been developed from a series of Councillor workshops. It follows extensive research undertaken as part of the Core Service Review of Housing.

It is important to note that the framework operates in association with a number of operational policies (such as setting income and asset thresholds and rental levels) and support services (such as the work done by the Housing Advisors and links to other support agencies).

The framework is shown diagrammatically below:



### 3. Gates for Eligibility

**Gate 1** is the first “filter” and ensures that Council assistance is targeted only to those with limited means by screening out those with higher income and realisable assets (for example, ownership of a house). The key criterion is that individuals applying for assistance should have income and asset levels below some designated amount which varies according to household size. These thresholds are set by the Housing Business Unit and should be reviewed periodically so that they remain relevant. Appendix 2 contains the current thresholds.

**Gate 2** is based on Council as the landlord of last resort. The gate has a dual function.

The Housing Business Unit assesses the current housing circumstance of the applicant against a set of criteria, for example, overcrowding, substandard accommodation and rent levels. Essentially it asks whether the applicant is currently adequately housed.

The Unit explores what other, if any, housing options are available to the applicant and whether Council can offer assistance. This ensures that applicants who are adequately catered for through established sources of support do not receive Council assistance and people who Council cannot help are not placed unnecessarily on the waiting list.

**Gate 3** assesses housing requirements of applicants and ranks cases with similar requirements against each other. Ranking is done according to the level of need assessed in Gate 2 and the respective priority that has been assigned to the particular target group(s) the household belongs to (refer section 2.1). This allows appropriate allocation of available units.

If people are within the income and asset limits but not a member of a priority group (that is they pass gate two but not gate three) they may be housed if other options are not available, **but for a set period of time**. At this point Council can also assist people to look at other housing options.

### **3.1 Priority Groups**

Priority groups have been identified through a series of Councillor workshops. The list of priority groups reflects:

- those groups that are disadvantaged in the private rental market
- the support already provided by specialist providers to certain groups (for example, IHC is the predominant provider of supported accommodation for those with an intellectual disability, Women’s Refuge, the health sector, Salvation Army night shelter).
- the ability for Council to adequately cater for certain groups in its housing stock (for example, dependent elderly or those with a psychiatric condition needing high levels of support)

Where specialist providers exist it is in Council’s interest to support the groups providing these services, but it is not to either duplicate effort and services or to crowd-out the voluntary or non-governmental sector. Council can support these groups through its community grants schemes.

The following represents the priority groups for those who are eligible for Council housing and who are not adequately catered for by other specialist providers.

<b>Rank</b>	<b>Group</b>	<b>Explanation</b>
1	The Fit Elderly	Those able to maintain an independent lifestyle at time of application
2	Refugees	Either arriving through the quota or asylum seekers accepted by the Immigration service as refugees
3	Low Level Psychiatric	Those people able to maintain an independent lifestyle with minimum supervision and support
4	Multiple disadvantaged	Households with a number of problems that make them vulnerable in the housing market.

5	All households with 50% rent to income	After all entitlements have been received and including single person and family type households.
6	Migrants	People entering the country under the humanitarian or family reunification categories
7	People with physical disabilities	People requiring modified accommodation.

The ranking recognises that Council resources will always be limited, and officers need direction as to which groups have higher priority when qualifying households are competing for the same resource. The ranking is on the basis of Councillors' perceptions of need and how well the private market caters for the different groups.

In practice, a unit which becomes available would be offered first to the highest ranking household whose composition matches the unit size.

#### **4. Streams (Types of Support)**

Once an applicant is deemed eligible for Council assistance the most appropriate response to meet the household's needs is determined. There are three main ways or 'streams'. This approach represents a flexible approach to Council's housing service and affects the way the service is both delivered and organised. It will result in a movement away from the current method of providing housing, to a more fluid approach that involves a number of other agencies in joint or support roles, and variations in rent levels. Appendix One gives examples of scenarios under the different streams.

##### **4.1 Stream 1: long term tenure**

This stream is for households requiring security of tenure and stable rentals. Their housing need is driven by physical circumstances that are exceedingly unlikely to change over their lifetime and, for a variety of reasons, they would be vulnerable in the private rental market.

Households in this stream are the fit elderly, people with a low level psychiatric diagnosis, and people with a physical disability requiring modified accommodation.

It is estimated that there are 1150 households in this category who are currently housed.

##### **4.2 Stream 2: stepping stone approach**

This stream is for those households needing shorter term assistance who may, with support and over time, be able to participate in the private rental market. This stream has two important aspects:

i) *providing incentives for households to examine alternative housing options.*  
Council should be proactive in informing tenants of other available housing options.

ii) *providing access to necessary support structures*

Most households will not gain independence without the help of appropriate support services. These services are generally available within the community but may be currently insufficiently resourced to extend their services to Council's tenants. Some tenants may have problems in gaining access to these services through lack of knowledge, transport, or money for example.

Council can initiate partnerships with other agencies through, for example, leasing units to appropriate service agencies, providing grants to emergency housing providers or allowing houses to be modified for those with disability. Closer liaison with social service agencies may also give more focus to the needs of Council tenants. Part of the co-ordination and liaison function would be to assist tenants in the transition from Council housing.

Fitting within this category are refugee households, households in crisis situations, households currently paying more than 50% of their income on rent, and migrants entering the country in the humanitarian or family reunification categories.

It is estimated there are 1050 households in this category currently housed.

#### **4.3 Stream 3: maximising housing stock tenancy rates**

It is feasible that at any point in time the available units and priority groups are not in alignment. In these circumstances households outside of Council's targeting mechanism may be housed (persons or households that meet the criteria for gate one and two but not three). These households will be housed on a fixed term tenure. However, it is also true that the aim is to align the stock as closely as possible to demand (in terms of the housing of priority groups). This provision acknowledges that alignment with trends is complex and may result in some degree of marginal misalignment from time to time.

It is estimated there are 110 households in this category currently housed.

#### ***How will Council deal with existing tenants, in relation to the new policy?***

Since Council has been operating its housing policy over many years, it has had as its focus the housing of low-incomes families on a generic basis. There are tenants housed in Council housing stock who have been tenants for many years and for whom security of tenure – so long as they remain below the income thresholds – has been assumed to be guaranteed. With the proposed framework of “gates” and “streams”, new applicants will be dealt with on a priority basis and at Gate three individuals or

households who do not qualify as priority groups will be housed – but for a set period of time.

However existing tenants whose circumstances change – either because their household composition changes (dependants leaving home) or income changes (and exceeds thresholds) would be dealt with through transitional provisions. These transitional provisions include being moved to more appropriate accommodation for household size or supported to exit for those whose income exceeds the thresholds.

Note that all transitions must be within the policy and that any transition will be managed appropriately through the Housing Business Unit.

## **5. Stock Management**

This framework will require an approach to stock management which:

- predicts the amount of demand from higher priority groups;
- identifies the household profile of these groups; and
- over time, reconfigures the present stock so as to meet the needs of these groups.

The goal with respect to stock should be to equalise the waiting times for different household sizes within the priority groups (for example, waiting times for bedsit accommodation should be the same as a family home).

The Housing Business Unit has the responsibility for tracking the demand for housing from the priority groups and to develop proposals to match the housing stock to this demand. It will report annually on changes in stock levels and changes in stock to match demand, as well as to demonstrate that overall investment in housing has been retained.

It will also work with central government agencies to monitor overall levels of housing need, and the extent to which either party is managing such needs.

## Appendix One: Impact Scenarios

*A women aged 65 with no assets is housed with advice that her rent will be tagged to 70% of market rentals.*

*A refugee family of four is initially housed at 70% of market rental and access is provided to an English as Second Language course. After a further year the family is encouraged to find accommodation elsewhere.*

*A couple who have been evicted from a private flat are advised to approach the Salvation Army. Council is funding this agency to provide emergency accommodation.*

*Two single men apply, one has a low level psychiatric disorder and the other is a migrant. They are both assessed as paying 50% of their income on rent but, as there is currently only one bedsit available, the psychiatric male is housed because of his higher priority ranking. The migrant is placed on the waiting list after it is ensured that he is receiving his full benefit entitlements. Both are provided with information on where to obtain budgeting advice.*

*Two migrant families, each consisting of two adults and four children, have incomes below the qualifying limits. However, one family is currently housed in a 2 bedroom place, and the other in a 3 bedroom. Thus the former is experiencing overcrowding and is put on the Council's 3 bedroom waiting list while the latter is assessed to be adequately housed. It is ensured that they are receiving full benefit entitlements, have access to applicable support services and are told of other housing options that could benefit them.*

## **Appendix Two: Thresholds for Income and Assets (December 1998)**

### **MAXIMUM NET INCOME LEVELS**

The following table shows the maximum net income levels that households can currently earn and remain eligible for Council housing. These are also the net allowable income levels before market rents are charged to tenants.

### **Income Eligibility for Wellington City Council Housing**

<b>Family type</b>	<b>Weekly income (net)</b>	<b>Annual income (net)</b>
<b>1 adult</b>	\$418	\$21,736
<b>1 adult &amp; 1 child</b>	\$512	\$26,624
<b>1 adult &amp; 2 children</b>	\$592	\$30,784
<b>1 adult &amp; 3 children</b>	\$681	\$35,412
<b>1 adult &amp; 4 children</b>	\$708	\$36,816
<b>2 adults</b>	\$445	\$23,140
<b>2 adults &amp; 1 child</b>	\$538	\$27,976
<b>2 adults &amp; 2 children</b>	\$619	\$32,188
<b>2 adults &amp; 3 children</b>	\$708	\$36,816
<b>2 adults &amp; 4 children</b>	\$750	\$39,000
<b>3 adults</b>	\$708	\$36,816

### **ASSET LEVELS**

Owners of habitable dwellings are not eligible for Council accommodation.

Applicants under 50 - cash/investment assets should not exceed \$35,000.

Applicants over 50 - cash/investment assets should not exceed \$50,000.

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