



# PENSIONER HOUSING POLICY 2017

Approved by Finance and Corporate Committee

28 November 2017

## 1.0 INTRODUCTION

This policy sets out the Council's practice in regard to the provision, management and tenancy of pensioner housing within Waipa District. The policy includes 'Own your Own' pensioner housing.

## 2.0 OBJECTIVES

The objectives of this policy are:

- To provide clear guidelines on tenant eligibility for persons wanting to live in Council-owned pensioner houses.
- To provide guidelines for the level of rental, with the intention of the facilities being self-funding.
- To ensure Council meets its statutory obligations with respect to tenancies.
- To confirm Council's commitment to the provision of "Housing for the Elderly".

## 3.0 PRINCIPLES

The core principles of this Policy are:

- There is a genuine and growing need for long-term accommodation for the elderly in the Waipa District and Waipa District Council has a role in meeting this need.
- Council's investment in pensioner housing will continue to be self-funding without rates input.
- Pensioner housing is held to provide "Housing for the Elderly" and is to be regarded as a strategic asset in Council's Significance and Engagement Policy.
- Any monies generated within the activity in excess of operational needs (including the proceeds of any divestment) will remain in the activity and be utilised as considered appropriate for the maintenance, management, renewal and extension of the pensioner housing activity.
- Council will recover reasonable administration costs in the management of the pensioner housing portfolio.

## 4.0 DEFINITIONS

For the purpose of this policy:

**“Current Market Rental”** is the level of rental the houses would attract if exposed to the open market, as determined by a registered valuer.

**“Elderly”** are those people aged 65 or over.

## 5.0 BACKGROUND

The purpose of pensioner housing is to provide safe accommodation for elderly people with limited incomes. Rents are set so there is no impact on rates and are assessed at market rental. Rents are reviewed annually by way of a registered valuation.

The units were mainly constructed at a time when Central Government provided loans to Local Authorities at low concessionary interest rates to encourage Council involvement in pensioner housing. The Council owns 129 pensioner units, located in 8 complexes within the urban centres of Kihikihi, Cambridge and Te Awamutu. In addition, there are two ‘Own your Own’ units; one in Sherwin Village, Kihikihi; and one in Vaile Court in Cambridge.

There is generally a waiting list of potential tenants (usually between 10 to 30 people) with an average waiting time of 6 months for a one bedroom unit.

The units are self-contained (attached and detached) and are surrounded by other units in the various complexes. They provide for privacy and independence, while also providing a community atmosphere.

Thirteen units have carports, 10 have garages with internal access, and the majority have off-street tenant parking.

Wet area showers are provided in many of the units. Where possible, facilities for the disabled are incorporated into any upgrading.

Where possible facilities have been made available for the storage and recharging of batteries for mobility scooters.

Ground maintenance is provided by the Council, although tenants are encouraged to be responsible for the small garden area adjacent to their unit.

A standard unit is furnished with vinyl and carpet floor coverings throughout, in good to reasonable condition, full cooking/kitchen facilities, full bathroom facilities including a shower (level access showers when units are upgraded), a functioning smoke detector, clothes-line, and drapes. Outdoor storage sheds are not provided by Council but in some instances have been left behind by previous tenants. All units are weather tight and regular inspections are conducted by staff to ensure all necessary upgrades are carried out in accordance with a planned maintenance schedule.

## **Types of Accommodation**

### **Bed Sits:**

There are 21 bed-sits available in Te Awamutu. A bed-sit unit is smaller than a one-bedroom unit and includes an open plan area that serves as a lounge/bedroom with a separate bathroom.

Some bed-sit units have been converted into a single bedroom unit, as bed-sits are more difficult to tenant and many potential tenants no longer consider these units an appropriate type of accommodation.

### **One Bedroom units:**

These consist of 1 bedroom, a separate lounge, kitchen and bathroom.

### **'Own your Own' units:**

These consist of two bedrooms, lounge, kitchen and bathroom; internal decor and internal maintenance is the responsibility of the unit owner.

Ground maintenance is provided by the Council, although occupants are encouraged to be responsible for their small garden area. External maintenance is the responsibility of Council. Regular inspections are conducted to ensure all units are weather tight along with any necessary maintenance in accordance with an exterior maintenance schedule.

**Village Halls (similar to communal lounge type building):** At Sherwin Village (15 units) and Palmer Street (36 units) sites a hall is available for use by the residents. The halls may only be used by community groups if residents are allowed to participate in the activity. The frequency of hall use varies, and is dependent on the input of the residents.

## Location, Age & Condition

Table 1 below shows the location, age, and condition of Councils pensioner housing portfolio.

**Table 1: Pensioner Housing Details**

	Community	No. of Units	Built (Year)	Type	Condition
Palmer Street	Te Awamutu	36 Units and 1 Hall	1976,1977,1979 &1986	Single bedroom and bed-sit/studio	Reasonable
Churchill Street	Te Awamutu	7	1991	Single bedroom	Good
Mangapiko Street	Te Awamutu	3	1991	Single bedroom	Good
Sherwin Village	Kihikihi	12 Units and 1 Hall		Single bedroom	Good
Dr Tod Court	Cambridge	13	1979 & 1986	Single bedroom	Good
Dallinger Court	Cambridge	30	1976, 1979 & 1986	Single bedroom	Good
Wallace Court	Cambridge	11	1979,1986 & 1991	Single bedroom	Good
Vaile Court	Cambridge	12	1986 & 1991	Single bedroom	Good

With the exception of Palmer Street, the units are presently being well maintained and refurbished (paint, carpets and minor alterations to kitchens and installation of showers). The level of refurbishment funding in the future will need to consider changes in the LOS (levels of service) required by tenants to ensure that the existing properties in some locations remain viable.

### Palmer Street Units

A number of the units on Palmer Street, Te Awamutu are subject to settlement of the surrounding ground as they are located on an old landfill. Extra steps have been installed to

ensure access by the elderly is not compromised as a result. Cracking is visible on some of the units' foundations but this is acceptable in the short term, and presents no health and safety risks. Ongoing settlement is monitored by Council staff.

In 2016 Council was approached by Habitat for Humanity (Central North Island), who operate the Freeman Court building adjacent to the Palmer Street Village. Interest was expressed in purchasing the site. Council completed a public consultation process and made an "in principle" decision to sell the Palmer Street complex to Habitat for Humanity. The transfer of ownership will include certain covenants that among other things will protect Council's current tenants and the future use of the site.

### **Privately Owned Units ('Own Your Own')**

Council previously permitted privately owned pensioner houses (6 units) to be built within the Council's pensioner housing areas. The Council owns the land and charges an annual ground rent to the occupier. The building structure is owned by the occupiers and all internal maintenance including redecorating is at the expense of the resident. It is intended that the remaining 2 units; 14 Sherwin Village Kihikihi and 5 Vaile Court Cambridge be purchased by Council under the terms of their license to occupy agreement, when they are available and Council has sufficient funds to enable this. Council may look at future retirement village options.

### **Social Interface**

The pensioner housing tenants are a mixture of elderly people with limited incomes. The average age of tenants is 70, with the average occupancy being 8 years.

Councils Property Advisor (Tenancy) currently provides a broader social role than normally expected in a tenant – landlord relationship with additional services provided through relationships with volunteer and central government agencies.

## **6.0 RESPONSIBILITY**

The Property Services Department has responsibility for the implementation and review of this policy with final approval by Council

## **7.0 POLICY STATEMENT**

### **7.1 Eligibility Criteria**

Councils Property Advisor (Tenancy) ascertains eligibility in accordance with the following:

Applicants qualify for a pensioner unit if:

- They are New Zealand residents; and
- they are 65 years of age or over and their total assets, including cash, investments, house and other property (but not including a car, furniture and personal effects) do not exceed \$20,000 for a single person and \$35,000 (GST Inclusive) for a couple; and
- Pensioner income must not exceed the regular Superannuation (including an accommodation supplement) plus 10%. This recognises those tenants who may have another income source such as a part-time job or interest or dividend income to supplement their pension; and
- they have a genuine housing need; and
- they are self-reliant or have the necessary support in place to live independently.

Where an applicant does not meet the above criteria, special dispensation may be granted at the discretion of the Manager, Property Services.

## **7.2 Application form**

Application forms are available on-line or at the Council office in Te Awamutu and Cambridge.

## **7.3 Priority**

Demand for pensioner housing is often in excess of the number of units available, therefore priority will be given to applicants who live in the District, and meet one or more of the following:

- Whose present housing conditions are found on inspection to be unsatisfactory
- Who have close relatives in the area
- Who have been referred by a medical professional
- Who have been referred by The Ministry of Social Development.

## **7.4 Location Options**

An applicant's preference for any particular location will be taken into account and accommodated where possible. Tenants can transfer to another Council unit or complex only in extenuating circumstances such as a doctor's recommendation.

## **7.5 Changes in Circumstances**

A tenant's eligibility to occupy a pensioner unit will be re-assessed if there are reasonable grounds to indicate a change in eligibility status.

Where it is suspected that there are existing or impending eligibility issues for medical, physical or mental health reasons; the Council will in the first instance seek to facilitate the provision of the appropriate social service support.

Following consultation with the appropriate social service, if the tenant is clearly unable to meet the eligibility on an on-going basis, the Council will consider giving the tenant the required notice to vacate.

All tenants will be required to sign a new eligibility form every two years.

### **7.6 Dispute Resolution**

In the event that a breach of tenancy occurs, matters will be addressed in accordance with The Residential Tenancy Act (1986). In the first instance a 14 day notice will be issued to the tenant requesting that the breach of tenancy be resolved. If the breach of tenancy is not rectified within the 14 day period, an application will be lodged with The Tenancy Tribunal to resolve the issue through mediation. Failing a successful outcome through mediation, the matter will be referred to a judge for resolution.

If the breach is not resolved, the tenant may be evicted from the unit or issued with a 90 day notice to vacate the property in accordance with The Residential Tenancy Act (1986).

### **7.7 Smoking**

Tenants and their visitors are not permitted to smoke inside the units. Existing tenants will be required to sign a new tenancy agreement which states that there will be no smoking within the unit before any upgrades are carried out.

### **7.8 Animals**

Following an application to Council for the keeping of pets such as a bird or cat, Councils Property Advisor (Tenancy) will consider the request, provided that any such animal must be well behaved, and properly cared for so they do not pose a nuisance to other tenants, or neighbours. Dogs will not be permitted under any circumstances.

### **7.9 Rent Levies**

Rentals are to be set at market rate or at 30 per cent of the gross amount of National Superannuation (after adjustment for the assessed level of the Work and Income accommodation supplement ), whichever is the lesser of the two, with rent changes taking



effect on 1 July annually. Pensioner housing will continue to be self funding without rates input. Rent increases will be limited to a maximum of \$30-00 per week each year.

Rent reviews need to be initiated as part of the annual financial planning process and provided they fall within policy, will take effect from 1 July with an advisory note to Council before any communication with tenants;

“Own your Own” unit rent rates will be reviewed annually, effective 1 July each year with ground rents reviewed and increased as outlined within the license to occupy agreement.

### **7.10 Level of Service**

Council is committed to providing a high Level Of Service (LOS) for Pensioner Housing; and this is outlined further in Councils Activity Management Plan (AMP), and Long Term Plan (LTP). The AMP meets Council’s legal obligation under the Local Government Act 2002 (LGA) to define LOS, and how these will be provided.

As part of its commitment to community welfare, Council provides a partnership and/or supporting role with emergency services and government organisations in the area of pensioner housing. The recommendation by such agencies will be prioritised to accommodate the elderly if vacancies permit.

In order to assess the LOS being provided, an annual survey of tenants is undertaken. The results from this survey are considered, and the financial and practical implications are taken into account as part of the Annual Plan process when revising budgets.

### **7.11 Marketing and Occupancy**

The Council will maintain a waiting list of prospective tenants which will be regularly reviewed and updated. If a waiting list does not exist, the Council will market and promote its pensioner housing to ensure maximum occupancy.

### **7.12 Welfare**

The Council acknowledges its role as landlord, and as such, will be accessible and diligent towards the general welfare of its tenants.

This will not extend to the provision of social services (other than that to which Council has agreed to) to tenants, as these services are better provided by other professional service providers.

The Council will however, endeavour to provide its tenants with the contact information for professional services and service providers. Council staff will consult and work with health, social welfare, and other professional service providers where tenant concerns or difficulties arise outside of the Council's expertise.

Council has a Property Advisor (Tenancy) who manages the pensioner housing portfolio and ensures that Council tenants receive a LOS commensurate with the age of the tenants, and above that of a normal landlord/tenant relationship.

### **7.13 New Pensioner Housing**

The Council will from time to time consider building new units in areas where the waiting lists are consistently high, and statistical information shows no decline in the numbers of persons over 65 years of age in the District.

Council will ensure it maintains contact with Senior Services at the Ministry of Social Development to ensure maximum use of the accommodation.

### **7.14 Management of Pensioner Units**

Council currently administers and manages the pensioner housing portfolio in-house and is committed to maintaining this level of service.

The Council may consider alternative arrangements or partnerships for the future administration and management of pensioner housing if it is in the best interests of tenants and is cost-effective

### **7.15 References and Relevant Legislation**

Council administers its pensioner housing portfolio in accordance with the Residential Tenancies Act 1986 and the Retirement Villages Act 2003.

### **8.0 DATE OF REVIEW**

Council will review this policy every 5 years, or earlier if considered necessary, with the next review being in **2022**. Any review will take into consideration, amongst other things, the current housing needs of the district, criteria for eligibility, rent levels, demographics and current waiting lists.