

# Community Housing FAQs

## What has Council sold to Compassion Horowhenua?

- 115 units distributed across eight complexes, approximately 97% of which are in Levin, with others in Foxton and Shannon.
- Current portfolio value (Book Value) \$7.191M. Average age of portfolio 39.7 years. Council is aware of a pending renewals consideration 50 - 60% replacement in the next 20-25 years approx. \$4.3M.
- 1.1 hectares of land adjacent to Waimairie Park. Held for the further provision of affordable housing.
- A \$5.2M outstanding loan.

## Why did Council sell its community housing?

Following a review of service levels, it was determined community housing would not be sustainable in the medium to long-term without significant operational and capital expenditure being made and therefore a more focused delivery model was required.

As well as this, due to Government requirements only community housing providers can apply for a capital grant to fund building costs and also make income relate rent subsidies available to tenants.

## What can Compassion Housing do that Council can't?

Compassion Housing is a registered community housing provider. It can access government funding to help build new housing. Its staff are in a better position to connect tenants/residents to the specialist support required by some elderly residents.

Compassion Housing is focused on the provision of social and affordable housing. Currently, about 15,000 New Zealanders are in a home owned and/or managed by a registered community housing provider.

## What comfort can you provide to residents?

Council acknowledges the sale of social housing may have been stressful. It is because of this that Council has included in the sale contract a condition of sale. The condition is the retention of all properties as community housing for the district, ensuring existing residents can stay in their units.

Another condition will ensure the same or better level of service that Council is currently providing residents with.

Compassion Housing has agreed to these conditions.

### **Who are your current residents?**

Community housing is reserved for vulnerable members of society who have limited financial income who are 65 or over and, or over 60 and living with a disability.

There are significant costs associated with the management of residents and it is forecasted that needs of residents will become more complex and require a greater level of care and assistance than Council has been able to provide.

### **Will current residents lose their homes?**

No – all existing residents will remain in their homes.

### **Will there be a change in criteria for those who seek social housing accommodation?**

A condition of sale is that the housing remains for its intended purpose, which is affordable rental housing for older people and those with a disability. Also, Council and Compassion Housing are committed to a long-term relationship which will see Council have an advocacy role.

### **Will rents go up?**

Compassion Housing is committed to retaining its housing policy of charging affordable rents.

Current rents are at the lower end of rental rates (\$135-\$170) that are currently being charged in the open market. Any future rent-setting decisions will be the responsibility of Compassion Housing. Compassion Housing follows the mission and principles of the Sisters of Compassion by:

- Respecting the dignity of older people.
- Offering quality housing that is comfortable and affordable.
- Respecting people's right to independence.
- Offering friendship, encouragement and helping them live active lives.
- Offering advocacy for access to healthcare, social and government assistance.
- Encouraging those with ill health to seek and obtain appropriate care.

It is important to note that qualifying residents may potentially be better off as they will be able to have their accommodation costs subsidised by central Government.

### **How will people apply to live in a Compassion Housing home?**

Compassion Housing welcomes people of all faiths and beliefs to become residents of its portfolio.

Prospective residents can apply by filling out an application form. The application is then assessed by the Services Manager.

Prospective residents can also apply through MSD.

**What about the land near Waimairie Park?**

The sale includes 1.1 hectares of land adjacent to Waimairie Park. Compassion Housing is committed to developing additional housing stock if there is a clear demand either on this land or by using proceeds from the sale of this land to build more community housing.

**Where are we at in the process?**

The period of due diligence is complete and legal documents have been signed. However, the process will not be completed until 27 November 2017.

**Who do I call if I have a problem with my property?**

Up until 28 November 2017, please continue to contact Council for issues regarding maintenance. Compassion Housing will be in touch with you shortly, and they will provide you with details on who you should contact in the future.

**Do I still pay rent to the Council?**

Yes, continue to pay your rent as you have been doing. Compassion Housing will be in touch with you and inform you about payment details in the future.

**Will Council have nothing to do with community housing now?**

Council is committed to taking a leadership role in advocating and facilitating for wider community issues about accessibility and affordability of quality housing.

Council and Compassion Housing are committed to a long-standing relationship.