

LegCo Panel on Housing

Overcrowding Relief for Public Housing Tenants

Purpose

This paper sets out the measures adopted by the Housing Authority to provide relief to overcrowded public housing tenants and the outcome of a recent review of the current policy.

Overcrowding Relief Measures

2. In line with the Housing Authority's objective to provide affordable and decent rental accommodation to households in need of housing assistance, public housing tenants with a living density of less than 5.5 m² internal floor area per person are eligible for overcrowding relief. Prior to 23 January 2001, families with a living density of less than 5.5 m² per person might apply for larger flats in the New Territories. Overcrowded households in urban or extended urban areas might apply for transfer to flats in their district of residence if their living density was below 4.5 m² per person. As at 30 September 2000, there were 19 998 overcrowding households, representing 3.4% of all public rental housing households.

3. Tenants seeking overcrowding relief were subject to an income test. If their household income exceeded the Subsidy Income Limit, i.e. two times of the Waiting List income limit, they would be required to pay additional rent upon successful re-allocation, regardless of their length of residence in public housing.

Review of Policy on Overcrowding Relief

4. A review of the policy in the provision of overcrowding relief has recently been conducted in the light of the principle of equitable utilisation of public rental housing resources for households in genuine need as enshrined in the 1998 Long Term Housing Strategy. The review also seeks to streamline the administrative and allocation arrangements for greater transparency and efficiency.

5. The outcome of the review was considered at the meeting of the Rental Housing Committee of the Housing Authority on 23 January 2001, which has approved the following enhancements to the current policy and administrative arrangements to provide relief to overcrowded public housing tenants :

- (a) **Eligibility.** The qualifying density for applying for overcrowding relief transfer is less than 5.5 m² per person. As the provision of overcrowding relief involves additional housing resources, overcrowded households will be subject to both the Domestic Property Test and the Comprehensive Means Test to ascertain whether they have a genuine need for housing assistance. Under the revised policy, the income limit will be pitched at Housing Subsidy Policy¹ level (i.e. three times the Waiting List income limit) and the asset limit at the level adopted for the Policy of Safeguarding Rational Allocation of Public Housing Resources², the current level being 90 times the Waiting List income limit. Households which are over-income and/or over-asset will not be eligible

¹ Under the Housing Subsidy Policy -

- (a) households with income exceeding two times the Waiting List income limit will have to pay 1.5 times net rent plus rates; and
- (b) those households with income exceeding three times the Waiting List income limit or who choose not to declare income, have to pay double net rent plus rates.

² Under the policy, double-rent paying households are required to declare their assets at the next cycle of declaration (two years from the last declaration). Those with assets exceeding the prescribed limits are required to move out. They may be allowed to stay in the public rental flat for one year if they have a temporary need for housing, subject to their payment of a licence fee equivalent to market rent.

for overcrowding relief since they should have adequate financial means to solve their overcrowding problem. Instead, they will be granted Second Priority Green Form Status for one year to purchase flats under subsidised home ownership schemes if they are not in possession of domestic properties.

- (b) ***Rental Arrangement.*** To ensure efficient utilisation of public housing resources, successful households will have to pay additional rent upon transfer if their family income exceeds the prescribed limits as explained in paragraph 3. In addition, upon transfer they will be required to make biennial declaration on their household income/assets under the Housing Subsidy Policy and Policy of Safeguarding Rational Allocation of Public Housing Resources irrespective of the length of their residence in public rental housing.
- (c) ***Application Arrangement.*** Previously, overcrowding relief exercises were conducted monthly by individual estates. Eligible overcrowded families were invited to select flats designated for provision of overcrowding relief within the same estate or the same district according to their priority. The flats available for selection by these families are limited, and there may be mismatch in the supply and demand of flats for provision of overcrowding relief in each district. The review recommended a new arrangement under which a centralised, territory-wide transfer exercise will be conducted three to four times a year and overcrowded families will be invited to apply. After vetting their eligibility, the Housing Department will invite the applicants to select flats in the order of their priority, which is set according to :
- (i) living density;
 - (ii) household size;
 - (iii) length of residence in existing tenancy; and
 - (iv) balloting for applicants of equal standing under (i), (ii) and (iii).

The new arrangement will offer a wider choice of flats to overcrowded families although the choice is still subject to the prevailing locality restriction³.

- (d) **Quota.** In the past, there was no specific quota for overcrowding relief, but only an annual quota for transfer (the quota in 2000-01 is 6,000). Under the new arrangement, depending on supply, an annual quota of about 4000 – 5000 flats will be set aside for the provision of overcrowding relief. This arrangement will extend overcrowding relief to cover more households. Since more resources are dedicated for provision of overcrowding relief and that a wider choice of flats are available, the waiting time of overcrowded families for relief will be improved under the new arrangement.

These arrangements took effect from 23 January 2001.

Other Concerns

6. The current review focused primarily on the circumstances justifying the provision of overcrowding relief and the ancillary administrative arrangements. The specific concerns pertaining to overcrowded elderly households and addition of family member to an overcrowded household are not covered in the current review. The current arrangements to address these special circumstances are set out in paragraphs 7-8.

7. ***Overcrowded Elderly Households.*** All public rental housing tenants, including elderly tenants, seeking transfer on ground of overcrowding are subject to the same eligibility criteria and application procedures. There is no separate arrangement for provision of overcrowding relief for elderly tenants.

³ Under the prevailing locality restrictions, households in urban areas may choose flats in estates of all locations, those in extended urban areas may choose flats in the New Territories or extended urban areas, while New Territories households can only select flats in New Territories.

8. *Addition of Family Member to an Overcrowded Household.*

The policy and procedures governing the addition of family members to tenancies of overcrowded households are the same as those applicable to non-overcrowded households. Under the current policy, the following persons may be added to a tenancy :

- (a) the tenant's spouse;
- (b) new-born babies or dependent children under 18 if both parents are authorised occupants or if one of the parents who is an authorised occupant is genuinely alone, e.g. deserted, widow or widower, etc.;
- (c) dependent parents including dependent grandparents; and
- (d) the spouse and children of one of the tenant's married children under a one-line continuation of the family, provided that the married child is an authorised occupant of the tenancy.

These overcrowded households may apply for overcrowding relief under normal arrangements. The addition of family member will have the effect of intensifying the overcrowding and as a result raising their priority for consideration of overcrowding relief.

Provision of Overcrowding Relief at Yat Tung and Fu Tai Estates

9. In July 2000, 5 140 flats in Yat Tung Estate and Fu Tai Estate were transferred from Home Ownership Scheme to public rental housing for the provision of overcrowding relief. Applications were invited in November 2000. Of the 6 302 applications received, 1 015 were from overcrowded families with a living density of less than 5.5 m² per person. The applications are being processed and flat selection will commence in mid February 2001.

Housing Department
February 2001