

Affordable Housing Policy

Purpose

The purpose of this Policy is to set out how Housing Trust will determine eligibility and manage applications and property allocations within Housing Trust's affordable rental housing programs. Housing Trust manages affordable housing properties in accordance with the NSW Affordable Housing Guidelines.

Definition

Affordable rental housing is defined as housing that appropriately meets the needs of very low to moderate income households. Rent is priced at a discount to market rent so that these households can also meet other basic living costs such as food, clothing, transport, medical care and education.

Applications

Applications for affordable rental housing must be made directly to Housing Trust. Housing Trust only accepts applications for affordable housing when there is a current vacancy.

An application for affordable housing cannot be made through the NSW Housing Register - Housing Pathways, however applications for affordable housing may be accepted from people who are listed on the NSW Housing Register.

Housing Trust will assess affordable housing applications and evidence as provided by applicants to determine eligibility.

Eligibility

Affordable housing applicants must be able to demonstrate that they:

- are a citizen or have permanent residency in Australia
- are a resident of NSW
- are able to establish their identity
- are able to sustain a tenancy, either independently or with support
- are 18 years of age or older
- are within the income limits for affordable housing
- are able to demonstrate a connection to the local area which may include employment, education, family or a resident in the Illawarra area
- do not have assets (including property, shares or investments) which could solve their housing need
- If applicable, make repayments of any former debts to Housing NSW or a community housing provider

Income Limits

Income limits vary between affordable housing programs and according to household size.

Income limits for affordable housing not governed by the National Rental Affordability Scheme (NRAS) are outlined within the NSW Affordable Housing Guidelines.

Income limits for programs under the NRAS are detailed in the National Rental Affordability Scheme (NRAS) – household income (indexation). This information can be accessed by visiting:

<https://www.dss.gov.au/our-responsibilities/housing-support/programs-services/national-rental-affordability-scheme/national-rental-affordability-scheme-nras-household-income-indexation>

Income limits are reviewed annually to reflect Consumer Price Index (CPI) adjustments to social security pensions, and benefits or movements in average weekly earnings.

Allocations

Affordable housing properties will be allocated to a mix of very low, low and moderate income households. Decisions relating to the allocation of properties within Housing Trust's affordable housing program will be based on:

- financial eligibility
- priority needs
- connection to area
- accordance with a local allocation strategy where this exists

Housing Trust may sign affordable Housing tenants to a 12 (twelve) month fixed term tenancy agreement. The tenants eligibility to remain in affordable housing will be reviewed prior to the tenancy agreement expiring and if the tenant remains eligible, Housing Trust will re-sign an additional 12 (twelve) month fixed term tenancy agreement.

Subsidised Rent

Affordable housing rent will be set at a discount to market rent and taking into account household income and capacity to pay. Housing Trust will ensure that rent is affordable to tenants and that the program is financially viable.

Rent will be charged at up to 30% of gross household income.

When a tenancy commences in an affordable housing property, the rent will be assessed on the household's average gross income for the previous twelve (12) months. A tenant's rent cannot be reassessed for the first six (6) months of their tenancy. All future rent assessments will be based on the household's current gross income.

Housing Trust requires the payment of two (2) weeks rent in advance at the commencement of tenancy.

Market Rent

Market rent is the rent that a property would attract if rented on the private market. Housing Trust will assess the market rent of all properties on an annual basis and advise tenants of the outcome as per the requirements of the Residential Tenancies Act 2010.

For affordable housing properties under NRAS, Housing Trust will use the market rent stipulated by the National Rental Affordability Scheme.

For all other affordable housing properties, Housing Trust will apply one of the following:

- Where an independent market valuation has been completed within four (4) years of reviewing the market rent, Housing Trust will utilise the valuation to determine the market. Housing Trust may adjust the valuation by CPI. Housing Trust will use the rent component of the Housing Group CPI for the relevant state or territory.
- In instances where Housing Trust does not have an independent market valuation less than four (4) years old, Housing Trust will use the ATO's published benchmark market values.

Bond

Housing Trust requires the payment of four (4) weeks market rent as bond at the commencement of tenancy.

Ongoing Eligibility

To remain eligible for affordable housing, households must continue to meet the criteria as outlined above and be able to demonstrate ongoing need. The exception is income, where existing tenants are permitted to earn up to 25% above the maximum eligibility income for moderate income before they become ineligible. Ongoing eligibility income limits are outlined within the NSW Affordable Housing Guidelines.

Eligibility Assessments

Eligibility will be assessed regularly as part of Housing Trust's rent review process. Where it is found that a tenant is no longer eligible Housing Trust will terminate the tenancy under the Residential Tenancies Act 2010. Prior to issuing a notice of termination Housing Trust will notify the tenant of its intention to do so.

Housing Trust will seek to assist tenants to access alternate housing options and determine a relocation strategy which may include a reasonable period to secure alternative housing depending on individual circumstances.

Succession of Tenancy

Succession of tenancy may be approved in line with *Housing Trust's Succession of Tenancy Policy*. Any persons applying to succeed a tenancy in an affordable housing property must meet all eligibility criteria listed in this policy.

Right of Appeal

If an applicant or tenant believes Housing Trust has made a wrong decision a formal review of the decision should be requested. To do this, the applicant or tenant is required to complete a Housing Trust Appeals Form stating why they disagree with the decision. *Housing Trust's Appeals Policy* and form are available by contacting the Housing Trust office or alternatively, may be downloaded from our website: www.housingtrust.org.au

If the appellant is not satisfied with the outcome of the internal appeal they can make an appeal to the Independent Housing Appeals Committee (HAC). HAC is an independent appeals agency for all NSW Social Housing clients.

Housing Trust will advise the appellant on how to lodge an appeal with HAC. Alternatively HAC may be contacted directly by visiting www.hac.nsw.gov.au or by calling 1800 629 794.

Reference or Related Documents

Internal

1. Review of Rent Subsidies - Affordable Housing Policy
2. Privacy Policy
3. Appeals Policy
4. Affordable Housing Procedure

External

1. Residential Tenancies Act 2010
2. National Rental Affordable Scheme Regulations
3. NSW Affordable Housing Guidelines
4. NSW Community Housing Rent Policy
5. Consumer Price Index (CPI)
6. ATO's published benchmark market values

Policy Version Control

Version	Details of Improvements	Release Date	Approval/Release Details
V 1.0	New Policy	01.07.2016	Approved for release by GM:C&C
V 2.0	Updated Policy to cover all Affordable Housing Programs. This policy replaces the NRAS Affordable Housing Policy, which has been retired. The NRAS Policy was created when HT only had NRAS Affordable Housing in the portfolio. The new Policy is broader and covers all HT's Affordable Housing Programs.	23.08.2018	Approved for release by Amanda Winks Chief Housing Officer
V 3.0	Paragraph added under Rent heading to explain how a tenants rent is calculated at the beginning of their tenancy and when they are eligible to ask for re-assessment of rent.	07.02.2019	Approved for release by Amanda Winks Chief Housing Officer
V 4.0	Sentence added under applications to reflect when Housing Trust will accept applications and paragraph added under allocations to explain tenancy agreements may be signed on a 12 month fixed term. Reviewed Policy referred to the Tenant Advisory Group (TAG) Readers' Panel on 19.08.2019.	16.09.2019	Approved for release by Amanda Winks Chief Housing Officer
V 5.0	Policy updated to reflect advice on market rent setting for affordable housing. Policy endorsed by HT's Executive Leadership Team on 15.06.2020	18.06.2020	Approved for release by Amanda Winks Chief Housing Officer
V 6.0	Policy updated to include former debt repayments under eligibility and information in relation to succession of tenancy. Policy endorsed by HT's Executive Leadership Team on 21.09.2020	22.09.2020	Approved for release by Amanda Winks Chief Operations Officer