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AFFORDABLE HOUSING POLICY-BLUECHP OWNED PROPERTIES

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AFFORDABLE HOUSING POLICY-BLUECHP OWNED PROPERTIES

1. PURPOSE

To outline how EchoRealty NSW & ACT Limited (EchoRealty) will manage affordable housing properties owned by BlueCHP Ltd.

2. SCOPE

This policy applies only to affordable housing properties managed by EchoRealty which are owned by BlueCHP Ltd.

This policy uses the NSW Affordable Housing Ministerial Guidelines as amended from time to time (the Guidelines), to inform the management of affordable housing.

3. POLICY STATEMENT

It is the policy of BlueCHP to ensure affordable housing, owned by it, is delivered:

- to households in housing stress whose housing needs cannot be met in the short to medium term in the private rental market;
- to social housing applicants, and existing social housing tenants who are eligible for Affordable Housing;
- to households with the potential to transition into home ownership in the medium term; and
- in a manner that generates sufficient income to meet associated financial and other operating costs and to enable BlueCHP to grow more affordable housing supply wherever possible.

The policy addresses the day-to-day management of:

- setting rent and rent reviews
- advertising vacant properties
- how to apply
- assessment of applications
- determining eligibility – initial and ongoing
- allocation of properties
- lease agreements
- bonds
- rent in advance
- any right of appeal
- succession of tenancy

4. NATIONAL RENTAL AFFORDABILITY SCHEME (NRAS)

The following applies where the affordable housing property has a NRAS incentive.

The Australian Government requirements for NRAS properties apply for the duration of the NRAS incentive period, regardless of whether they are more or less stringent than the Guidelines (a copy of the Regulations is here: About the National Rental Affordability Scheme (NRAS) | Department of Social Services, Australian Government (dss.gov.au)). Where Australian Government NRAS requirements are silent, the Guidelines will prevail.

5. SETTING RENT

The rent for affordable housing is to be set according to the following principles:

- the ability of households on very low and low incomes to pay no more than 25-30% of their gross income in rent. Greater flexibility in pricing may be applied to moderate income households but, in all cases, the relevant circumstances of the applicant household and their capacity to pay will be guiding principles;
- the capacity of BlueCHP to maximise CRA;
- the extent to which BlueCHP can take advantage of the Australian Taxation Office (ATO) rulings on GST tax free status; and
- that rent revenue is sufficient to cover the costs of the affordable housing portfolio, inclusive of debt repayments.

Rent will be charged at no more than 74.9% of the market rent, the properties will be marketed towards households with suitable affordability.

5.1 Determining market rent

EchoRealty will use the following methods to determine market rent:

- As reported in the NSW Government rent report
- By engaging a registered valuer to determine the market rent
- By determining rent levels in the local market

EchoRealty reserves the right to determine which approach will be applied. Regardless of the methodology, the intent is to ensure that the true market rent is established.

5.2 Rent review

The maximum rents for each property will be reviewed annually and adjusted to no more than74.9% of market rents. The application of a rent increase is to comply with the *Residential Tenancies Act 2010*.

6. ADVERTISING VACANT PROPERTIES

The vacant property will be advertised on the open market through key real estate outlets/websites detailing:

- that it is an affordable housing property;
- whether it is a NRAS property;
- the property type; and
- the household eligibility criteria for the property.

EchoRealty, on instruction from BlueCHP, may target moderate income households to ensure sufficient income to meet associated financial and other operating costs and to enable BlueCHP to

grow more affordable housing supply wherever possible. The property will continue to be advertised until such time as an eligible tenant who meets the allocation criteria has been found.

7. HOW TO APPLY

Applications for affordable housing properties owned by BlueCHP are made direct to EchoRealty, as agent.

Applicants cannot apply through the NSW Housing Register (Housing Pathways) for affordable housing. That is, an application through Housing Pathways is not an application for affordable housing.

However, applications for affordable housing can be accepted from people who are listed on the NSW Housing Register. An applicant who is listed on the NSW Housing Register, who applies for affordable housing and is successful in their application for affordable housing with a community housing provider, will be removed from the NSW Housing Register.

The Property Manager is to ensure that an applicant who falls into the above category is advised that if they accept an affordable housing tenancy, they lose their right to be on the NSW Housing Register for social housing.

8. ASSESSMENT OF APPLICATIONS

All applications will be assessed against the eligibility criteria based upon the evidence provided by the applicant. An applicant who fails to provide all the required information within the timeframe requested is not able to be assessed for that specific property.

9. ELIGIBILITY

To be assessed for affordable housing, applicants must meet the following criteria.

9.1 General

Affordable housing applicants must:

- be a citizen or have permanent residency in Australia
- provide evidence to establish their identity
- be able to sustain a successful tenancy, with or without support
- be employed
- if applicable, make repayments of any former debts to Housing NSW, BlueCHP or EchoRealty
- in general, be over 18 years of age

Additional requirements may be set by NRAS.

9.2 Income

Income eligibility of individuals and households is determined by the Guidelines.

The Guidelines have set household income limits by income bands at very low, low and moderate. These limits are reviewed annually and published by the NSW Government.

For NRAS properties, the NRAS income limits apply.

9.3 Assets

An applicant or resident who will live in the household should not have assets, savings or property (including land) that could reasonably be expected to solve their housing situation.

The property ownership rule may be waived under certain circumstances. The Guidelines refer to the *Eligibility for Social Housing Policy* for guidance on waiving the property ownership rule.

9.4 Other – connection to the local area

Where an applicant has met all the above eligibility criteria, priority will be given to applicants who have a connection to the local area for which they have applied. For example through:

- employment;
- education;
- family; or
- currently living in the area.

The more criteria that are met through connection to the area applied for by the applicant, the stronger the case for allocation.

9.5 Ongoing eligibility

A review of household eligibility for each tenancy will be conducted annually but is not to be carried out earlier than six months before the end of the fixed term.

Tenants must continue to meet the eligibility criteria to remain in affordable housing.

9.5.1 Where review finds a tenant no longer eligible

Where a review finds a tenant is no longer eligible for affordable housing, the tenancy will be terminated in accordance with the NSW Residential Tenancies Act 2010.

A tenant will be given a reasonable period to move to alternative accommodation, depending on their circumstances, and provided with assistance to assess alternative housing options.

10. ALLOCATION OF A PROPERTY

EchoRealty will allocate a property based on the following:

a. the applicant has met all the eligibility criteria
b. priority will be given to an applicant who also meets the 'connection to the local area' criteria
c. any target group as may be determined from time to time e.g. a NSW Government policy targeting aged households
d. where there is more than one eligible household, EchoRealty may make an offer of housing at its discretion.

11. LEASE AGREEMENT

Evolve Housing will offer affordable housing on a fixed term residential tenancy agreement. Tenancy agreements are to comply with the requirements of the *NSW Residential Tenancies Act 2010*. A lease for affordable housing may be renewed for a further term as long as the tenant remains eligible.

12. BOND

Tenants are required to pay four weeks rent as bond at the commencement of the tenancy.

13. RENT IN ADVANCE

Tenants are to pay two weeks rent in advance at the commencement of the tenancy and remain two weeks in advance throughout the tenancy.

14. GENERAL INFORMATION

Tenants are not permitted to transfer to other affordable housing properties.

Tenants are not permitted to mutually exchange affordable housing properties.

Pets must be approved by the Property Manager, as advised by BlueCHP.

Property modifications must be approved by Property Manager, as advised by BlueBHP.

15. RIGHT OF APPEAL

A right of appeal for affordable housing under this policy is limited.

If an applicant believes EchoRealty has made a wrong decision regarding their eligibility, or an existing tenant believes EchoRealty has made a wrong decision regarding their ongoing eligibility, they should ask for a formal review of the decision. EchoRealty can also confirm any rights of appeal following a formal review.

16. SUCCESSION OF TENANCY

Succession of tenancy is not permitted. If a household member wishes to take over a tenancy or become the named / head tenant they will need to lodge a new application which will be subject to the eligibility criteria of a new tenancy.

DEFINED TERMS

TERM	DEFINITION
Affordable housing	Is housing that is appropriate for the needs of a range of very low to moderate income households and priced so that these households are also able to meet other basic living costs such as: food, clothing, transport, medical care and education. Housing is usually considered affordable if it costs less than 30% of gross household income.
Applicant	The person who makes the formal application for affordable housing
CRA	Commonwealth Rent Assistance
Household	The total number of all residents living in the property
Property Manager	The authorised EchoRealty employee who is responsible for managing the property
Resident	An authorised person who lives in the property on an ongoing basis
Social housing eligible	Refers to households who have been assessed as eligible for social housing under NSW Housing Pathways
Tenant	The person who signs the residential tenancy agreement with Evolve Housing

REVISION HISTORY

DATE REVIEWED	POLICY REVIEWER	KEY CHANGES
09.07.2024	Charlie Souma, GM Affordable Housing Services	Policy Adopted.