

# AFFORDABLE HOUSING POLICY

## 1. Why we need this policy

- 1.1 Launch Housing is a registered Community Housing Provider, regulated by the Victorian Housing Registrar.
- 1.2 This policy details how Launch Housing will manage affordable housing to meet contractual and legal obligations and to identify and describe variations to tenancy management practices for affordable housing.

## 2. Who this policy applies to

- 2.1 This policy applies to affordable housing properties in the Launch Housing portfolio.
- 2.2 This policy applies to Launch Housing staff and contractors, affordable housing applicants and tenants, managing and occupying these properties.

## 3. Which Launch Housing properties this policy applies to

- 3.1 This policy applies to all affordable housing properties owned and managed by Launch Housing.
- 3.2 This policy does not apply to the following housing programs run by Launch Housing:
  - i. Properties managed by Launch Housing under the Transitional Housing Management (THM) program, on behalf of the Department of Families, Fairness and Housing (DFFH);
  - ii. Properties managed by Launch Housing under the Long-Term Housing or Head Lease programs;
  - iii. temporary or Crisis Supported Accommodation;
  - iv. Education First Youth Foyers;
  - v. properties managed by HomeGround Real Estate.

## 4. What this policy includes

### 4.1 Policy overview

- 4.1.1 Affordable housing is designed to assist working people on very low to moderate incomes, who earn at least some of their income from regular paid employment, to access rental housing. Affordable housing rents are set at below market rent so that households can afford their rent and are able to meet other basic living costs.

### 4.2 Guiding Principles

- 4.2.1 The objectives of affordable housing are to:
  - i. contribute to the maintenance and expansion of affordable rental housing for low- and moderate-income households;
  - ii. provide affordable rental housing to low- and moderate-income households who are paying a high proportion of their income in rent;
  - iii. provide access to affordable rental housing for households who are unable to afford home ownership;
  - iv. provide equitable and non-discriminatory access to affordable rental housing for eligible households;
  - v. offer long-term secure rental tenure to Renters who meet their tenancy obligations and eligibility criteria;
  - vi. provide cost effective and efficient housing provision and management while ensuring quality client service;
  - vii. assist in maintaining a diverse social mix in areas of affordable housing;
  - viii. assist urban intensification and efficient housing supply through construction of rental housing on vacant and under-utilised land and buildings;
  - ix. provide rental housing which reflects the urban character of areas where affordable housing is located, offers diversity in housing style, and which reflects Renter needs;
  - x. achieve excellence in urban housing design, including the incorporation of principles of ecologically sustainable development;
  - xi. ensure that the Affordable Housing Program is financially self-sufficient and managed in accordance with good commercial practice which ensures the achievement of affordable housing objectives.

4.2.2 Launch Housing manages several affordable housing properties, each program has its own eligibility criteria and rent setting policies. Launch Housing manages its affordable portfolio in line with the requirements of the Victorian Housing Act 1983, Victorian Planning and Environment Act 1987, and Launch Housing Tenancy Management Policies and Procedures.

## 5. Affordable Housing Criteria

### 5.1 Eligibility

5.1.1 To be assessed as eligible for affordable housing, applicants must meet the following criteria:

- i. Have household income that falls under the gross income threshold in Table 1 below, but is not so low you would be put into rental stress (defined as spending more than 30% of your gross household income on rent);
- ii. currently live in Victoria;
- iii. be a citizen or have permanent residency in Australia;
- iv. be able to sustain a successful tenancy, without support or with appropriate support in place;
  - (a) in general, be 18 years or older.
  - (b) must not own property or assets which could realistically be used to secure affordable, appropriate housing;

**Table 1: Eligible gross income thresholds**

Location	Single	Couple*	Family group**
Melbourne	\$30,641 to \$73,530	\$45,951 to \$110,300	\$64,331 to \$154,410
Regional Victoria	\$22,231 to \$53,610	\$33,501 to \$80,420	\$46,901 to \$112,590

\* This can be made up of a couple or two singles earning a household income of up to \$110,300.

\*\* This can be made up of a family or shared group (couples/singles) earning a household income of up to \$154,410.

All income ranges are measured before tax (gross).

### 5.2 Affordable housing vacancies

5.2.1 Vacant affordable housing properties are advertised in a few ways:

- Advertised on realestate.com
- Listed on the Launch Housing website

5.2.2 Launch Housing does not retain a waitlist for affordable properties, when a person is interested in one of our properties, they must attend the open house, at the advertised time. Completed forms then need to be submitted before the application closing date listed on the advert, usually 72 business hours from the open home date.

5.2.3 Launch Housing will not progress any application that has not been completed in full, including providing the additional documents required.

### 5.3 Allocation Process.

5.3.1 Affordable housing properties will be allocated to a mix of very low-, low- and moderate-income households. When considering eligibility, Launch Housing will balance the needs of households in rental stress with the requirements to generate sufficient income to meet operating costs, and may include any of the following criteria for consideration:

- i. applicants must meet income eligibility limits for the program;
- ii. applicants demonstrate a need for long-term affordable rental housing;
- iii. applicants must not own property or assets which could realistically be used to secure affordable, appropriate housing;
- iv. applicants must be permanent residents or citizens of Australia;
- v. there is no conflict of interest as a result of a close association or employment with Launch Housing;

- vi. the housing need(s) of the applicant, that is, the degree to which their current housing is unaffordable or inappropriate;
- vii. ensuring that high-needs cohorts are represented in allocations;
- viii. ensuring an appropriate income mix;
- ix. the household size is appropriate to the accommodation available;
- x. specific accommodation needs related to the type of dwelling, e.g. the need for ground floor accommodation;
- xi. specific accommodation needs related to locational factors, e.g. the need for close proximity to local services and facilities;
- xii. decisions as to the compatibility mix with each development, while ensuring diversity.

#### 5.4 Ballot Process

- 5.4.1 Launch Housing have adopted a ballot process for when the number of eligible assessed applications exceeds the number of available properties. This selection process is widely used across the community housing sector for consistency and to eliminate subjective bias.
- 5.4.2 Where applicable, Launch Housing may select suitable renters for an affordable property vacancy without the use of the general ballot process due to the following reasons:
  - i. specific cohort needs e.g. a development having a funded requirement to achieve a specified renter cohort mix;
  - ii. when an appropriate number of applications have been received before closing that meet the requirements for allocation e.g. five eligible applications have been received for five available properties
- 5.4.3 When using the ballot process, only eligible applicants who have provided a completed application will be included in the ballot system. This means that each eligible applicant who applies has an equal chance of being selected through the ballot. Allocating by ballot will remove discrimination and bias and ensure a fair result amongst eligible renters. Eligible applications will enter the ballot once per dwelling. This allows all successful, eligible applicants an equal chance of securing their chosen home

#### 5.5 Lease Term

##### 5.5.1 Length of leases

- 5.5.1.1 Renters are expected to meet the requirements of a standard residential tenancy agreement. The term of the residential tenancy agreement will be five years. Renters who met their tenancy obligations and who remain eligible for the program will be invited to enter into new agreements for a further five years.
- 5.5.1.2 Eligibility reviews will be conducted prior to the expiration of the lease agreement. Renters must supply their current income details as part of the eligibility review.

##### 5.5.2 Ongoing eligibility and ineligibility

- 5.5.2.1 To remain in affordable housing, households must continue to meet the eligibility criteria, this includes the general eligibility criteria, household income remains between the relevant lower- and upper-income threshold, demonstrating an ongoing housing need, that is, Renters or household members do not have assets that could resolve their own housing requirements.
- 5.5.2.2 Ongoing eligibility reviews will be conducted prior to the expiration of the residential tenancy agreement. A Renter must provide up to date income and other information when requested for the review. When a Renter remains eligible, they will be invited to enter into new residential tenancy agreement.
- 5.5.2.3 If the eligibility review identifies the Renter is no longer eligible for affordable housing Launch Housing will work with the Renter to identify alternate housing options. A Renter may be given up to twelve (12) months to move to alternative accommodation, depending on their circumstances.

5.5.2.4 In the event that the renter breaches any of the following Ongoing Eligibility Criteria, Launch Housing will issue the renter with a notice to vacate and the renter will have 90 days to relocate from the date of that notice where any of the following circumstances occurring where the renter is in breach of the Ongoing Eligibility Criteria:

- i. the primary renter listed on the residential tenancy agreement is an Australian citizen or permanent resident;
- ii. the primary renter listed on the residential tenancy agreement currently lives in Victoria;
- iii. no member of the household owns or has an interest in residential or commercial property, unless in exceptional circumstance (such as renter having a non-controlling or negligible equity stake).

### 5.5.3 Termination of leases

5.5.3.1 Launch Housing may seek to end a tenancy if there is a breach of the residential tenancy agreement or where the Renter is no longer eligible for affordable housing. Renters will be notified of any action Launch Housing intends to take.

### 5.5.4 Transfer and succession

5.5.4.1 Renters are not able to transfer to another affordable property, however, if there is a vacancy that better suits the needs of the Renter, they can apply for the property through the general application process.

5.5.4.2 If the Renter leaves the property, household members cannot apply for succession of tenancy. Household members can apply, and be assessed, for affordable housing.

### 5.5.5 Changes in Income

5.5.5.1 Where a Renter's income increases above the income eligibility limit, the following shall apply:

- i. no action will be taken where incomes are up to 10% above income limits;
- ii. Where a Renter's income exceeds the relevant Income Threshold for any two consecutive years within a lease term, then that household will be issued a notice to vacate and have 90 days to relocate from that date of that notice. During this review period, an assessment will be made of the amount of the increase in income and the permanence or otherwise of the income increase; and
- iii. If a Renter is found to be ineligible following the review period, they will be advised of the requirement to relocate. Relocation shall be at the Renter's own expense.

5.4.5.2 Where a Renter's income falls below the income eligibility limit, the following policy shall apply:

- i. There will be a 12-month review period, during which time the circumstances of the Renter will be assessed. This assessment shall include analysing the amount of the decrease in income and the permanence of the income change;
- ii. Should the renter whose household income falls below the relevant Lower Income Threshold decide they would like to move out of, or are considering moving out of, the Affordable Housing dwelling, then upon notification of such intention, the rental provider will reasonably endeavour to:
- iii. identify alternative suitable accommodation for the renter, including from within the tenancy manager's portfolio of Social Housing dwellings, where a suitable dwelling is vacant or is due to become vacant; and
- iv. refer the renter to relevant support service providers.

### 5.5.6 Changes to the household

5.5.6.1 Renters must notify Launch Housing of any changes to the household. An eligibility assessment will be completed if a person leaves or is added to the household to determine if the household remains eligible for the program.

## 5.6 Rent Setting

### 5.6.1 Rent setting

- 5.6.1.1 At the start of each lease term for each dwelling, rent must be set at no more than the lesser of:
- i. 74.99% of market rent as determined in accordance with the requirements of the Australian Taxation Office; and
  - ii. 30% of the renter's income\* (plus 100% of Commonwealth Rent Assistance, if applicable), where the renter's income is the aggregate of all gross income of all household members of the renter aged 18 years and over.
- 5.6.1.2 Where the renter exercises the option to extend the lease term (see Section 3.3), rent at the start of each new lease will be reset at no more than the lesser of:
- i. 74.99% of market rent; and
  - ii. 30% of the renter's income\* (plus 100% of Commonwealth Rent Assistance, if applicable), except where the renter's income has fallen in nominal terms between the start and end of the preceding lease term, in which case the rental provider may nominate for rent to be between:
    - a) the lesser of 74.99% of market rent and 30% of the renter's income (plus 100% of Commonwealth Rent Assistance); and
    - b) the rent per the last year of the preceding lease plus indexation of 2.5%, as nominated by Launch Housing and agreed to by the renter.

### 5.6.2 Rental bonds

- 5.6.2.1 Renters in affordable housing programs are required to pay a rental bond of four (4) weeks rent.

### 5.6.3 Rent payments

- 5.6.3.1 Rent is charged on a weekly basis and can be paid weekly or fortnightly, Renters must remain in advance with their rent payments.

### 5.6.4 Rent arrears

- 5.6.4.1 A Renter who falls into arrears with their rent payments will be given the opportunity to set up a repayment place to bring their rent account up to date. Launch Housing reserves the right to take action in the Victorian Civil and Administrative Tribunal (VCAT) where a payment plan is not adhered to, or when the account is more than 14 days in arrears.

### 5.6.5 Review of Market Rent

- 5.6.5.1 Market rents will be reviewed and adjusted annually. Renters will be notified of any adjustments in accordance with the Victorian *Residential Tenancies Act 1997*.

## 5.7 Review of Decisions

- 5.7.1 Some decisions made by Launch Housing may be subject to a review. If a Renter or applicant does not agree with a decision Launch Housing has made, they should first discuss this with a Property Manager. If the Renter or applicant is still dissatisfied, they have the right to lodge an appeal for a formal review of the decision. Appeal Request forms are available on the Launch Housing website or by contacting Launch Housing.

## 6. Who is responsible for this policy

Who is responsible	Key activities
Executive Director Housing Solutions	<ul style="list-style-type: none"> <li>ensure all stakeholders within their area of responsibility are informed about Launch Housing Policies and Procedures,</li> <li>ensure appropriate processes and controls are implemented to enable the correct application of and adherence to relevant policies and procedures, and</li> <li>ensure appropriate processes and controls are implemented to enable breaches of approved Launch Housing's Policy and Procedures to be reported and managed.</li> </ul>
Launch Housing workers	<ul style="list-style-type: none"> <li>familiarise themselves with and ensure they have a clear understanding of Launch Housing policies and procedures,</li> <li>observe and implement such policies, and associated procedures in delivering services to Launch Housing clients,</li> <li>inform Launch Housing's clients of the impact of this policy on them and assist them to understand their rights and obligations, as required,</li> <li>identify issues that require amendment to this policy document and complete the relevant documentation to propose any amendments, and</li> <li>report breaches of Launch Housing's policies or procedures.</li> </ul>

## APPENDIX: ADMINISTRATION

### 7. Related Launch Housing Policies

Document name	Description	Type
Privacy Policy	Details how Launch Housing complies with Australian and Victorian Privacy Law, including the Australian Privacy Principles (APPs) and Health Privacy Principles (HPPs).	Policy
Rent Setting Policy	Details how rent is determined for Launch Housing renters.	Policy
Hardship and Temporary Absence Policy	Details how Launch Housing aids renters experiencing significant financial hardship.	Policy
End of Tenancy Policy	Details Launch Housing's arrangements, processes and considerations for ending tenancies.	Policy

### 8. Legislation

This policy meets the following legislative requirements:

Name	Description
Charter of Human Rights and Responsibilities Act 2006 (Vic)	The primary piece of legislation that protects 20 civil, political, and cultural rights and imposes obligations on Parliament, courts, and public authorities.
Housing Act 1983 (Vic)	The primary piece of legislation for housing law, which seeks to improve housing administration in Victoria.
Residential Tenancies Act 1997 (Vic)	The primary piece of legislation that regulates the rights and obligations of landlords and Renters in Victoria.
Planning and Environment Act 1987 (Vic)	The primary piece of legislation that establishes a framework for planning the use, development, and protection of land in Victoria.

### 9. Regulatory / accreditation standards

This policy meets the following regulatory and/or accreditation requirements:

Standard	Standard reference
Housing Registrar Performance Standards	Standard 1: Tenant and housing services (all)

## 10. Amendments to this Policy

This policy may be amended, terminated or replaced at Launch Housing's discretion. This policy will be reviewed, and updated as required, on a periodic basis.

In the event any related State or Commonwealth legislation changes, the legislation/directions will prevail to the extent of any inconsistency with this policy.

Amendments			
<b>Date last approved:</b>	18/12/2024	<b>Date of effect:</b>	18/12/2024
<b>Date last amended:</b>	18/12/2024	<b>Date of next</b>	18/12/2026
<b>Owner:</b>	Group Manager, Housing Services	<b>Approver:</b>	Executive Director, Housing Solutions
<b>Audience:</b>	Renters in Affordable Housing properties owned or managed by Launch Housing, and staff managing these properties.		

## 11. Version Control

Version	Effective Date	Amended by	Approved By	Amendment
V1.0	18/12/2024	Group Manager, Housing Services	Executive Director, Housing Solutions	First Version