

Affordable Housing Policy

Cubic Real Estate adopts the **NSW Affordable Housing Ministerial Guidelines** as the basis of its internal policies and guidelines in managing affordable housing. This policy and guideline is publicly available. Managing affordable housing in NSW involves the standard property and tenancy management requirements of managing any rental housing. However, it also involves additional responsibilities such as setting rent, letting properties to eligible households and meeting the compliance requirements of the relevant affordable housing program.

All tenancy managers of affordable housing in NSW must firstly comply with the Residential Tenancies Act 2010 and the respective Residential Tenancy Regulation. In addition, there are specific management responsibilities. The level of specific management responsibilities vary depending on the nature of the property. They may also vary depending on whether the property was developed with funding or benefits from National Rental Affordability Scheme (NRAS) or from the NSW Government only or if they were developed from planning incentives under the Affordable Rental Housing SEPP.

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. Cubic Real Estate adopts that as a rule of thumb, housing is usually considered affordable if it costs than 30% of the gross household income.

Key Policies and Guidelines references

- *Residential Tenancies Act 2010 (NSW)*
- *Residential Tenancies Regulations 2010 (NSW)*
- *NSW Affordable Housing Ministerial Guidelines*
- *Community Housing Providers National Law (the National Law) NSW*
- *Housing Act 2001 (NSW)*
- *National Rental Affordability Scheme (NRAS) Policy Guidelines and rules*
- *State Environmental Planning Policy (Affordable Rental Housing) 2009*
- *Management Agreements between the owners of affordable housing*

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Cubic Real Estate adopts the **NSW Affordable Housing Ministerial Guidelines** as the basis of its internal policies and guidelines in managing affordable housing. The are specified in the following tenancy management parts:

1. Application Process
2. Assessing Eligibility
3. Allocations
4. Rent setting and review
5. Tenure
6. Ongoing Eligibility
7. Eligibility Review
8. Right of Appeal

1. Application Process

All applications for affordable housing are to be made directly to the care of the registered housing provider managing the property, Cubic Real Estate. Applicants cannot apply through Housing Pathways. An application through Housing Pathways will not be an acceptable application for affordable housing. Affordable housing applications can be accepted from individuals who are already listed on the NSW Housing Register.

As part of the application, Cubic Real Estate will seek information from the applicant to assess if the applicant is in fact eligible. The application will require be supported by an internal procedure of requiring 100 point ID check, of which one must be a passport or drivers licence. If the application is not successful, the personal details of the applicant will be physically shredded for confidential purposes unless otherwise requested to be kept on the waiting list.

When we have properties available, we will ask people to let us know if they are interested in affordable housing. We might put eligible people who aren't housed to our waiting list so that we can contact them if we have other properties available. In some circumstances, we may contact people from the NSW Housing Register to see if they are interested in affordable housing. We will keep a waiting list of people who are eligible for a period of maximum 6 months. We will tell people if we add them to our waiting list and that prior to accepting the application, their financial details needs to be updated so that the household position on the Register is determined by the date they re-apply, not their previous position.

For more information about renting affordable housing, or to apply, we will provide factsheets and information references such For Renters of Affordable Housing Fact Sheet <http://www.housing.nsw.gov.au/centre-for-affordable-housing/for-renters-of-affordable-housing>

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2. Assessing Eligibility

Each affordable housing program has rules that applicants need to meet to be eligible. The rules are different for each program. In general, all applicants must: Be an Australian citizen or permanent resident; be a resident in New South Wales; prove their identity and be able to meet their responsibilities as a tenant, with or without support, be 18 years of age or older, and if applicable make repayments of any former debts to Housing NSW or a community housing provider. Eligibility, including income limits, can vary depending on the way a property was funded or developed, and who manages it. In general, managing affordable housing involves:

- Establishing and implementing a rental policy
- Determining household eligibility for affordable housing properties. Please note that the maximum income eligibility limits in the NSW Affordable Housing Guidelines are updated annually.
- Finding eligible tenants, managing applications and assessments as well as allocating properties
- Managing eligible tenancies, including collecting rent and maintaining properties
- Reviewing eligibilities

Income Limits

Income eligibility limits set by the NSW Government are outlined in the NSW Affordable Housing Guidelines. Income limits are different for each program and are reviewed each year. (Department of Social Services Website) see: <https://www.dss.gov.au/our-responsibilities/housing-support/programs-services/national-rental-affordability-scheme/national-rental-affordability-scheme-nras-household-income-indexation>

In order to be eligible for an incentive under NRAS, approved participants must ensure that dwellings are rented to eligible tenants. The gross income limits for households of eligible tenants are specified in the NRAS Regulations. Income levels are assessed against gross income limits according to the household composition. For NRAS purposes, a household is considered to be all persons who are tenants of the dwelling. All persons who ordinarily reside in a NRAS home must have their income included as a member of the household. A household's gross income for the 12 months prior to commencement of tenancy of an NRAS dwelling must be equal to or less than the relevant income limit for the household's composition. Household income may then increase above the income limit. However, a dwelling ceases to be eligible for an incentive if the tenants' household income exceeds the applicable household income limit by 25 per cent or more in two consecutive eligibility years. Each year, household income limits are indexed according to percentage changes of All Groups Component of the Consumer Price Index so that the limits effectively maintain the same target

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group of tenants over the life of the Scheme. Income levels are assessed against gross income limits according to the household composition. For NRAS purposes, a household is considered to be all persons who are tenants of the dwelling. All persons who ordinarily reside in a NRAS home must have their income included as a member of the household. Their capacity to pay will be the number one guiding principle.

The following table (Household Median Incomes 2020-2021) and updated as per release is used to determine income eligibility of individuals and households. Where dwelling receives government financial assistance under the NRAS, the eligibility of tenants will be determined against the set income limits applied by the Australian Government's Department of Social Services (DSS).

The maximum income eligibility limits for NRAS properties are indexed annually on 1 May in accordance with the NRAS tenant income index. Eligible tenants income must be equal to or less than the initial income limit when they become a tenant of an NRAS dwelling. More information can be found on DSS website at <http://www.dss.gov.au> .

Ongoing eligible maximum income limits for tenants for affordable housing- affordable housing tenants are able to earn 25% over the maximum access income limit and still remain eligible. Ongoing eligibility maximum income limits for NRAS properties can be located on DSS's NRAS website Income eligibility limits on properties receiving National Rental Affordability Scheme (NRAS) funding are outlined on the DSS website. <https://www.dss.gov.au/our-responsibilities/housing-support/programs-services/national-rental-affordability-scheme/national-rental-affordability-scheme-nras-household-income-indexation>

Calculating household income bands by household size is determined by the following steps:

Step 1: Add up the number of adults (18 years and over) in the household;

Step 2: Add up the number of children (Under 18 years) in the household;

Step 3: For each adult and child add up the income allowance using the figure below (2020-2021):

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The 2020-2021 household income eligibility limits:

2020-21 NRAS Year	Initial Income Limit
First adult	\$52,324
First adult – sole parent	\$55,034
Each additional adult	\$20,017
Each child*	\$17,357

For ease of application purposes, a variety of **2020-21 income eligibility limits for various household compositions** are presented below:

2020-21 NRAS Year		
Household Composition	Initial Income Limit	Existing Tenant Income Limit*
One adult	\$52,324	\$65,405
Two adults	\$72,341	\$90,427
Three adults	\$92,358	\$115,448
Four adults	\$112,375	\$140,469
Sole parent with one child	\$72,391	\$90,489
Sole parent with two children	\$89,748	\$112,185
Sole parent with three children	\$107,105	\$133,882
Couple with one child	\$89,698	\$112,123
Couple with two children	\$107,055	\$133,819
Couple with three children	\$124,412	\$155,515

If the household income of an existing tenant exceeds the indicated limit (25 per cent greater than the initial income limit) in two consecutive NRAS years, the tenant will cease to be an eligible tenant. This column indicates figures which are 25 per cent higher than the household income limits for ease of reference for this purpose.

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Assets

Applicants or household members should not have assets or property which could reasonably be expected to solve their housing situation. This includes a large amount of savings, property, shares or investments.

Housing need

Applicants must be in housing need and unable to resolve this need in the medium to long term without assistance. Factors demonstrating need may include currently living in unaffordable and or unsuitable housing or needing to be relocated for employment or family reasons.

Other requirements

Other requirements may apply depending on the program. We will let people who are applying for housing know which rules apply.

- Connection to the area: Applicants might need to show that they have a connection to the area where the housing is. This may include family, social supports, education, training, or work in the area.
- Current housing arrangements: People that currently live in social or affordable housing or have lived in affordable housing in the past are not eligible for some programs.
- Current employment: There may be rules which prevent our employees, employees of the property owners, and their families from applying for housing. For properties that we own, or programs that allow employees to be housed, we may offer housing to employees if they meet the eligibility rules and if it is approved by our director.

Allocations

We will allocate properties to people who meet the rules for each program. In doing so, Cubic Real Estate will try to allocate to a mixture of very low, low and moderate income households. When making allocations, Cubic Real Estate shall aim to balance the needs of households in housing stress and those of most assistance. We need to make sure that the programs can keep operating and that tenants can afford their rent. Applying general affordable housing definition, we will consider it affordable if it costs less than 30% of the gross household income. In certain programs, we may allocate properties to people who are on the NSW Housing Register and have applied or is already on our waiting list.

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Setting Rent

Affordable housing rents vary, and are set either as a discount to the market rent or as a percentage of a household's income. Where rent is set as a discount of the market rent, the discount is usually between 20 and 25 per cent compared to the market rent for a similar property in the area. Our office will generally set rent at 75% of the market value, despite the maximum of 80% of the market rent permitted by legislation.

Rent reviews- may be applied in line with market trends subject to still meeting the affordable housing rent discount threshold of atleast 20% lower than market rent. The process of implementing rent increases must comply with the Residential Tenancy Act and Regulations minimal notice period of 60 days and 4 days plus postage and handling. In addition to the rent increase notice to be in writing, our office will make best endeavours to always advise them over the phone so that they are not alarmed, and also to hear about their situation in response.

Tenure

Affordable housing can be provided on a fixed or periodic basis. Where possible, our office will recommend to the owner to extend the lease provided the tenant meets ongoing eligibility criteria. During the tenancy period, our office will reserve the right to conduct routine inspections in accordance with the Residential Tenancy Act and Regulations.

Ongoing Eligibility & Eligibility Review

A review of eligibility will be conducted regularly. This review is to be conducted as part of rent review and lease renewal or NRAS review if the property is NRAS funded. When a tenant has signed a fixed term tenancy agreement and the community housing provider is a landlord, section 144(6) of the Residential Tenancy Act 2010 prohibits an eligible assessment to be carried earlier than the 6 months before the end of the fixed term. If a tenant meets the ongoing eligibility, we are likely to recommend the lease to be renewed . If in the unfortunate circumstances that they may not, we will take extra caution to ensure that the rules is explained to them and when possible try to help them with other options for them to end their tenancy. In certain circumstances, we will seek a longer termination notice period than the standard Residential Tenancy.

In assessing ongoing eligibility, we will also take into account if there is any additional household members. When we receive a request for someone else to live in the

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property, we will look at: Whether the household will still meet the rules for the program. Whether the property remains suitable.

Right of Appeal

We recognise that not every application will be approved. Hence, it is imperative that the applicant knows that fair process is used to assess their application. In doing so, the most important thing is to show and demonstrate why their application cannot be approved. All decisions must be in writing. In the written decision, the notice must also indicate that the tenant has a right of appeal and how they can exercise the appeal.

Internally, our office has a strict complaints system and it allows atleast one session of 45 minutes face to face meeting with the applicant to go through their application and to explain the shortfalls of their application. Should the feedback meeting be unsatisfactory to the applicant, a second assessor will be appointed to re-assess the application. If the second assessor also arrive at the same opinion of the first assessment. The second's assessment decision will be final. If the second assessor arrives at a different opinion to the first assessor, the matter will be escalated to the Licensee and the Licensee's decision will be final. In doing so, Cubic Real Estate must in all aspects comply with the anti-discrimination legislations of NSW.

Externally, community housing providers are subject to independent reviews of eligibility, allocation, rent setting determination appeal by the Housing Appeals Committee, Cubic Real Estate must advise tenants of their right to request independent review and the timeframe the reveal may be applied, that is 3 months is the statutory limitation of appeals of this nature.

Relevant legislation, regulations or standards in relation to appeals

- NSW Affordable Housing Ministerial Guidelines
- National Rental Affordability Scheme (NRAS) Policy Guidelines
- Anti Discrimination Act 1977 (NSW)
- Residential Tenancies Act 2010 (NSW)
- NSW Fair Trading <https://www.service.nsw.gov.au>
- Housing Appeals Committee (HAC)
- NSW Civil and Administrative Tribunal (CTTT) www.ncat.nsw.gov.au