



# Community Housing

INDUSTRY ASSOCIATION **VICTORIA**



## Community Housing Explained

Community housing organisations are not-for-profit organisations that own, develop and maintain rental housing for people on low incomes.

Community housing is an integral part of the housing system and aims to provide a housing option that is affordable, secure, responds to local community needs and supports tenant participation.

## **How does community housing differ from public housing?**

Public housing is owned and managed by the State Government. Community housing is managed (and possibly owned) by not-for-profit organisations. Together, public and community housing is known as social housing.

Whilst both seek to accommodate those who are facing housing stress, community housing organisations can also specialise in assisting specific groups, such as those with a disability, the elderly, or women.

Community housing tenants are also eligible to receive Commonwealth Rental Assistance (CRA), whilst public housing tenants are not. This is reflective of the fact that public housing already benefits from Commonwealth funding.

Community housing complements public housing – it is highly regulated and consistently receives high levels of tenant satisfaction.

## **What does community housing do?**

Community housing can play a range of roles in relieving people from housing stress. The core business of most community housing organisations is long-term housing.

This is rental housing that:

- is offered to eligible low-income applicants
- is at a rent which is within affordability benchmarks
- offers the tenant security of tenure, so long as tenancy conditions are met.

Community housing organisations can also provide:

- Crisis Housing: temporary emergency accommodation for periods of around 14 days
- Transitional Housing: a stepping stone to long-term housing for people experiencing or at risk of homelessness.

## **What kind of housing does community housing offer?**

Community housing organisations seek to provide housing that is well-integrated within the wider community and matched to tenant's needs. It includes:

- freestanding houses and townhouses
- apartments in multi-unit developments, including developments that mix private market and community housing
- rooming house accommodation
- accommodation linked to particular support programs, such as people who have been chronically homeless or people with a disability.

## Who can be housed in community housing?

To be offered a tenancy in community housing, households must meet [Victorian Government eligibility criteria](#). These are the same for both public housing and community housing (together known as social housing) and include income, asset and residency requirements.

The [Victorian Housing Register](#) has recently been introduced. This replaces the public housing waiting list and separate waiting lists for community housing with a single register for all people seeking social housing.

Under the Victorian Housing Register, applicants will be classified either as:

- *Priority Access*: Households with very low incomes (e.g. Centrelink benefits only) with a priority housing need because of circumstances including homelessness, family violence, special housing needs or being aged 55 or over.
- *Register of Interest*: Households eligible for social housing but without an urgent housing need.

[Government policy](#) is that 75 per cent of all vacancies in social housing that is owned or managed by community housing organisations should be allocated to Priority Access applicants.

## How is community housing funded?

Community housing has received significant government support to grow the supply of affordable rental housing. Since 2009, the number of units managed by community housing has increased from 11,700 to over 19,200 units. Significant transfers of public housing stock and growth programs in other jurisdictions have seen the industry grow nationally to own or manage over 100,000 dwellings.

Government support can take many forms, including:

- grants to fund the construction of new housing
- opportunities to manage government-owned rental housing on behalf of government
- in some cases (such as transitional housing) ongoing funding to support a particular housing program.

The ongoing cost of long-term housing programs (and debt repayments) is generally met by rental income from the properties, including the Commonwealth Rent Assistance (CRA) subsidy.

This means that community housing organisations are dependent on tenants paying rent in order to remain financially viable. This is a key difference from public housing.

One of the benefits of the community housing model is that it can complement government funding with other forms of investment, allowing more homes to be funded than could be built with government funding alone.

This additional investment can come from:

- private finance raised by the organisation (the industry in Victoria now leverages debt of \$313 million)
- the community housing organisation's own resources

- contributions by others with an interest in affordable housing such as philanthropists, local government or support providers.

As charitable bodies, community housing organisations also benefit from land tax, stamp duty and GST taxation concessions.

### **Why do we need community housing?**

In addition to expanding the diversity and range of rental housing available to people on low incomes, community housing organisations also have a strong track record in:

- tailoring housing and services to tenants' needs
- involving tenants in decisions that affect them
- establishing strong links with local service providers to sustain tenancies
- integrating housing within local communities.

### **How safe is public investment in community housing?**

To be eligible for government financial support, community housing organisations must be registered under Victoria's regulatory system. This system is overseen by an independent statutory appointee, the Housing Registrar.

Oversight by the Housing Registrar is intended to ensure that each registered community housing organisation complies with performance standards that relate to all aspects of the organisation's business – tenancy services, asset management, community engagement, governance, probity, management and financial viability. The Housing Registrar has broad powers to investigate and request information to be satisfied that the organisation is meeting these requirements.

Regulation is designed to ensure that the substantial government investment in community housing – which now is the custodian of \$2.6 billion in housing assets – is protected for the benefit of current tenants, future generations and the community. If a registered organisation is at risk of failure because it has not met the required standards, the Registrar has powers to intervene in the management or governance of the organisation in order to protect this public investment.

Regulation also ensures that assets owned by the organisation are dedicated for use as affordable rental housing. Where government has provided funding for a registered organisation to purchase housing, an interest recorded on the title to the land prevents that organisation from selling or using the property as security without the consent of government. Registered organisations are required to include in their constitution objects and a 'wind up' clause that commits their organisation to providing affordable housing.

### **How much rent do community housing tenants pay?**

Rent charged to low income tenants by community housing organisations is generally no more than 25 or 30 percent of the combined gross incomes of all members of the household, plus any CRA to which the household is entitled.

For tenants on moderate incomes, there is flexibility for community housing to adopt different approaches, such as basing rents on a discount to market rental. There are some differences in the approach to rent-setting between organisations, and even within housing programs offered by larger community housing organisations. This is reflective of community housing's ability to respond to the needs of particular tenants and communities. Prospective tenants should check each organisation's rent policy and how it would apply to a particular tenancy.

See the [Housing Registrar's](#) website for further information on rent setting.

## **What are the rights and duties of tenants of community housing?**

Tenants of community housing organisations have the same rights as all other tenants under the *Residential Tenancies Act 1997*.

Tenants' rights are protected through the terms of their tenancy agreement (or lease) with their organisation.

The Housing Registrar monitors tenancy management as one of the seven performance standards that registered community housing organisations must meet on an ongoing basis. These standards require community housing organisations to adopt and implement policies and procedures in respect of:

- fair and transparent allocation of housing
- sustaining tenancies (with eviction as a last resort)
- linking tenants to appropriate support services
- secure tenure
- affordability of rent
- strategies for tenants in rental arrears
- access to properties
- property maintenance standards
- allowing tenants to have their say in matters that affect them.

## **How are community housing tenants supported?**

Some community housing tenants require support to be able to live independently and maintain their tenancy obligations. This includes support in relation to their experience of homelessness, mental ill- health, disability, or history with the justice system.

Community housing organisations typically do not provide support for these needs themselves, but instead form partnerships with support providers where – with the consent of the tenant - housing and support work together for a good housing outcome.

In some cases, the support and housing are provided within the one organisation but with separation of roles and responsibilities. This model provides a clear delineation of tenancy management and support so that if a tenancy is at risk, a tenant has access to support that is independent of their landlord.

## **What if a tenant is unhappy with their community housing landlord?**

Registered community housing organisations must:

- establish a complaints procedure that is open to all tenants and prospective tenants
- maintain a register of complaints
- take all reasonable steps to resolve a complaint within 30 days after it is made.

If a complaint has not been satisfactorily dealt with after 30 days, a tenant can make a complaint to the Housing Registrar, who can investigate the matter. If the complaint proceeds to an investigation, it is then referred to the Department of Health and Human Services Complaints Management Unit, to be handled in the same way as a public housing dispute.

See the [Housing Registrar's website](#) for details of the complaints process.