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.
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?

Community housing is for a range of people. Some organisations focus on the needs of particular groups or local communities. This includes organisations that focus on housing for Aboriginal people, housing for people with disabilities or women’s housing organisations.

Partnership between government and community housing organisations can ensure that new housing is located in areas of high demand and address housing needs.

Each organisation has an allocations policy, based on the focus of its activities and its contractual obligations to government. This has usually included targets for housing applicants who are on the Victorian Housing Register, the shared waiting list for public and community housing.
Eligibility for community housing as of 1 April 2020 is as follows:

- Household weekly income
- Single person $1,036
- Couple, no dependents $1,586
- Family (one or two parents) with dependent children $2,139

In addition, households may not have assets of more than $33,844 ($112,814 for households who need major or full disability modifications). These limits are updated regularly. Individual community housing organisations may apply additional eligibility criteria for their housing or for particular housing programs.

Community housing organisations seek to fill vacancies from:

- the Victorian Housing Register
- real estate listings (for certain affordable housing programs targeting low to moderate income households)
- referrals from support providers for particular programs that combine housing and support.

How is community housing funded?

Community housing has received 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 more than 20,000 units. Significant stock transfer and growth programs in other jurisdictions have seen the industry grow nationally to now 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.

How does community housing create more affordable homes?

One of the benefits of the community housing model is that government funding can be complemented with other forms of investment from the organisation’s own sources, allowing more homes to be funded than through government funding alone.

This additional investment can come from:

- debt finance raised by the organisation
- the community housing organisation’s own balance sheet
- contributions by others with an interest in affordable housing such as philanthropy, local government or support providers.
The community housing industry in Victoria now supports debt of $283 million. Community housing organisations also benefit from taxation concessions available to charitable bodies, including relation to land tax, stamp duty and GST.

The ongoing cost of long-term housing programs (and debt repayments) is generally met by rental income from the properties. Community housing organisations benefit from tenants being entitled to receive 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.

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 is public investment in community housing protected?**

To be eligible for government financial support, community housing organisations need to 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 $3.3 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?**

Rents charged by community housing organisations for low income tenants are generally required to be no more than 25 or 30 per cent of the combined gross incomes of all members of the household, plus any CRA to which the tenant is entitled.

Most community housing organisation also apply a maximum rent that is based on the property, market conditions or benchmarks set by the ATO for charitable bodies.
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 also reflects that community housing is intended as a diverse provider model that responds to the needs of particular tenants and communities. For this reason it is best to check with individual organisations about their rent policy and how it applies 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 tenants of community housing supported?

Tenants of community housing may have a range of needs for which they require support to be able to live independently and maintain their tenancy obligations. This includes support in respect of a history of homelessness, mental health issues, disability or involvement 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 investigation it is then referred to the DHHS.

Complaints Management Unit, to be handled in the same way a complaint in public housing would be handled.

See the Housing Registrar’s website for further details of the complaints process.