

Affordable Housing Management Plan

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1. Project Overview

Planning Permit PA2403218 was issued on 28 February 2025 for 251-265 Lygon Street and 1A Pitt Street, Brunswick East, by the Department of Transport and Planning.

The approved development is for a 7-storey apartment building containing 134 apartments (78 one-bedroom and 56 two-bedroom).

Condition 22 of the Planning Permit requires an Affordable Housing Management Plan be submitted to the satisfaction of the Responsible Authority. The requirements of the condition are outlined below.

“Prior to the issue of Certificate of Occupancy or Statement of Compliance, whichever comes first, an Affordable Housing Management Plan must be submitted to and approved by the Responsible Authority in consultation with Merri-Bek City Council. The plan must:

- a) Require 25 percent of the dwellings to be in the form of affordable housing that is to the satisfaction of the Responsible Authority for a period of 15 years after the issuing of the Statement of Compliance or Certificate of Occupancy (whichever occurs first). This must include a discounted rent of at least 25 per cent below the market rent.*
- b) Collect demographic information, including age, sex and occupations of each household living in an affordable housing dwelling and use this information to inform and evaluate affordable housing and key worker policy objectives.*
- c) Provide for annual reporting to the Responsible Authority and Merri-Bek City Council for the affordable dwellings from the one year anniversary of issuing of the Statement of Compliance or Certificate of Occupancy, whichever occurs first. This reporting should be reviewed and verified by a suitably qualified entity such as a registered housing agency as agreed.*
- d) Detail the parameters of rental rate (including any associated annual increases in either) for the relevant affordable dwellings ensuring the annual cost of the rent does not exceed 30 per cent of the gross household income for households in the moderate, low or very low income ranges (as defined under the relevant provisions of the Planning and Environment Act 1987) at time of occupation.*

When submitted and approved to the satisfaction of the Responsible Authority, the Affordable Housing Management Plan will be endorsed to form part of the permit. No alterations to the Affordable Housing Management Plan may occur without the written consent of the Responsible Authority.”

In accordance with Condition 22 and 23 of the Planning Permit, 100% of the dwellings are to be in the form of affordable housing ~~to the satisfaction of the Responsible Authority~~ [TC1] for a period of 30 years from the issuing of the Statement of Compliance or Certificate of Occupancy whichever occurs first). This must include a discounted rent of at least 25 per cent below the market rent.

2. Tenancy Management Services

2.1 National Affordable Housing Victoria

National Affordable Housing Victoria (NAHV) is a participating, registered agency under the Housing Act 1983 (Vic). National Affordable Housing (NAH) is an associated entity of NAHV and the NAH Group, with over 15 years' experience in the management of affordable housing.

NAHV will be engaged to provide Tenancy Management Services in respect of the affordable housing dwellings in the development.

2.2 Communication to target audience

NAHV will contact key local employers or organizations in close proximity with links to targeted cohorts (e.g. Orange Door Services) to make their employees or networks aware of the upcoming opportunity and eligibility criteria.

~~Aboriginal Housing Victoria (AHV[TC2]) will work closely with its network of Aboriginal Community Controlled Organisations and relevant partners.~~ NAHV will also encourage prospective applicants to commence an application on Snug to check eligibility and commence collecting the data required for an application.

2.3 Ballot and Shortlisting Applicants

Applicants must be able to meet the AHPP eligibility criteria to enter the ballot. Most critically at ballot entry, applicants will be required to upload income verification documentation.

Eligible applicants will be automatically shortlisted using a randomized electronic ballot. This removes any prospect of bias or discrimination from the selection process.

~~A designated number of homes on each site will be set aside for Victorian Aboriginal households (with a target of at least 5%). These will be subject to a separate advertisement process through Aboriginal Housing Victoria and other ACCO's and a separate application, ballot, verification, and suitability determination process will be conducted in compliance with the Special Measure obligations under Victorian Equal Opportunity Act.~~

3. Eligibility Assessment

3.1 Verification of income and other eligibility criteria

As part of the verification stage of the application process, successful applicants from the ballot will be checked for eligibility, using the AHPP eligibility and policy framework agreed with Homes Victoria. The Tenancy Manager will verify the information provided by the applicant and assess eligibility for the AHPP including:

- The primary renter must be 18 years of age or over at the time of application;
- The household is able to look after the property and meet the requirements of their lease;
- The household must have very low, low or moderate income, such that household income for each member that is aged 18 years and over in aggregate is between the relevant Lower income Threshold and Upper income Threshold, as updated from time to time;
- The primary renter must be an Australian citizen or permanent resident (this includes permanent protection visas, which allow people to live and work in Australia as a permanent resident);
- The primary renter currently lives in Victoria; and
- No member of the household owns or has an interest in residential or commercial property, unless in exceptional circumstances (such as the applicant having a non-controlling or negligible equity stake).

~~AHV requires a household member within the home to be an Aboriginal person and as such will require a Certificate of Aboriginality to progress with anyone selected via the ballot who is to progress to allocation.~~

In addition, the Tenancy Manager will review affordability, using a customised affordable rental and income calculator. The following framework is used to assess income and suitability:

- Income will be assessed against the affordable rent. Those that would pay 30% or below of their weekly income on rent will progress automatically to References.
- ~~• If the Variable Rent Income Scheme is adopted for the project, and rent is set at more than 30% of the renter's income, then a manual suitability determination will be undertaken (outlined below). [TC3]~~
- Additionally, those in the categories above that have been unable to provide all required documentation will progress to the manual suitability determination stage outlined below.

3.2 Suitability determination

The purpose of the suitability determination process is to assess whether someone who ~~(a) would pay more than 30 per cent of their income on rent under the Variable Rent Income Scheme, and/or (b)~~ is unable to provide full supporting documentation, would still be suitable for a home.

If the applicant has progressed to the manual suitability determination stage:

- i. The applicant will be emailed the *Suitability Determination Questionnaire*. The questionnaire is a series of questions relating to affordability and supporting documentation. This will give the applicant a chance to provide

greater context to their situation and application, and an explanation for any missing documentation.

- ii. Upon the applicant returning the questionnaire, the Tenancy Manager will review the questionnaire using a *Decision Template*.
- iii. The Tenancy Manager will make a final assessment regarding the application and documents all decision making. The decision must be made having regard to the requirements of the *Victorian Charter on Human Rights*.
- iv. The Tenancy Manager will notify the applicant of the decision, using the appropriate communication template.

3.3 Annual Compliance

NAHV will issue an annual declaration to renters to confirm eligibility including:

1. Household income remains between relevant thresholds
2. Primary renter is an Australian citizen or permanent resident
3. Primary renter continues to live in Victoria
4. No member of the household owns or has an interest in residential or commercial property, unless in exceptional circumstances

NAHV will work with renters that are no longer eligible to find alternative housing in the private market.

4. Rent Setting Policy

The Rent Setting Policy will be consistently applied to relieve households from rental stress and are in accordance with Homes Victoria requirements.

4.1 Initial rent setting

At the start of each lease term for each AHPP dwelling, rent must be set at no more than the lesser of:

- 74.99% of the market rent as determined in accordance with the requirements of the Australian Taxation Office (ATO); and
- 30% of the renter's income (plus 100% of Commonwealth Rent Assistance (CRA), if applicable), where the renter's income is defined as the aggregate of all gross income of all household members of the renter aged 18 years and over.

The renter is only to be charged rent by the rental provider.

4.2 Annual rent increase

Within a lease term, rent will increase annually by no more than 2.5% in any given 12-month period within the lease term, and the revised rent must not exceed 74.99% of market rent.

4.3 Lease extension rent setting

Where the renter exercises the option to extend the lease term, rent at the start of each new lease will be reset at no more than the lesser of:

- 74.99% of the market rent, and
- 30% of renter's income (plus 100% of CRA, 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:
 - The lesser of 74.99% of market rent and 30% of the renter's income (plus 100% of CRA); and
 - The rent per the last year of the preceding lease plus indexation of 2.5%, as nominated by the rental provider and agreed to by the renter.

5. Reporting

NAH currently provides confidential monthly reports from the Snug platform to Homes Victoria on a de-identified basis on applications data including household composition, demographic data, employment, income, and the status of applications. NAH also provides confidential de-identified monthly reports from Console on renter performance.

NAH will also provide annual reporting to the Responsible Authority and Merri-Bek City Council for the affordable dwellings from the one-year anniversary of issuing the Statement of Compliance or Certificate of Occupancy, whichever occurs first.