



## **AFFORDABLE HOUSING ACTION PLAN**

### **FACT SHEET – EXPANDING THE COMMUNITY HOUSING SECTOR**

#### **How is the community housing sector being expanded?**

The Government is expanding community housing to increase the supply of affordable rental properties and dwellings in the ACT. This is being done through Community Housing Canberra (CHC) which is a not-for-profit company that operates both as a community housing tenancy manager and a provider of affordable housing.

#### **Why is the community housing sector being expanded?**

Community housing is a small but important element of the housing sector, meeting important social needs and providing critical support to people experiencing housing stress. The sector is managed by not-for-profit community-based organisations whose operations are at least partly subsidised by government. These organisations manage 286 properties. Stock developed and owned by the sector, however, is just 19 properties.

The Government is strongly committed to seeing the sector grow so it can deliver a greater number of affordable dwellings to Canberrans on low to moderate incomes. The need for more affordable housing options for this group of people has been identified in the research undertaken by the Affordable Housing Taskforce.

#### **What is the new role of CHC?**

The Government is assisting CHC to restructure as an independent supplier of affordable housing, in addition to its role as a community housing tenancy manager. It has worked with the CHC to develop an innovative growth strategy and financing model that will see it become a major provider of affordable housing in the ACT, targeting people on low incomes who are not eligible for public housing. The CHC's constitution will be reviewed to ensure appropriate governance, consistency with policy objectives and protection of public interest.



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### **How is the Government assisting the community housing sector?**

Under the new strategy, the Government is providing Community Housing Canberra with:

- an injection of equity of \$40 million (through the transfer of title of 135 properties, already under CHC's control) which the company will leverage to increase the amount of available affordable housing;
- the provision of land at market prices to enable it to increase supply of dwellings; and
- a revolving \$50 million loan facility at government borrowing rates to support growth in the sector.

Other key elements of the package include the provision of a \$3.2 million capital subsidy over three years.

### **How will CHC improve housing affordability?**

CHC will develop an additional 500 affordable dwellings over the next five years, increasing to more than 1,100 over the next ten years. Of these, CHC will retain around 250 dwellings for rental over five years, increasing to 470 over 10 years. The remaining stock will be sold to fund future developments by CHC and will add to the overall stock of affordable housing.

### **Can eligible tenants purchase a share in their properties?**

As part of the model, CHC will offer eligible tenants the opportunity to purchase a share in their dwellings through a shared equity program.

### **Why has CHC been chosen?**

CHC has been nominated as the organisation to assist in the delivery of the Government's Affordable Housing Strategy as it has demonstrated capacity and skills to deliver innovative, affordable housing solutions for people whose needs cannot be met by the market.

CHC has been operating in the market for a number of years and currently has 19 properties for affordable rental housing. The CHC is recognised nationally as a provider of community housing and is well placed to increase the supply of affordable properties for both rental and purchase in the ACT. This is not to preclude other providers entering the affordable housing market as appropriate.



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### **How is the public interest being protected?**

The constitution of CHC provides the objects of the company as to assist people in housing need through the provision of affordable housing. It has no other purpose. Ultimate protection of the public interest is through a provision that members of the company cannot benefit from its operation and in the event of closure of operations the assets of the company are required to be distributed to a “like” organisation. Any public interest represented by assets transferred or capital injections or concessional capital funding, or affordable housing developed by CHC will remain protected.

### **Will low income households currently in community housing be disadvantaged?**

The proposed strategy and the financial modelling for CHC do not preclude very low-income households from continuing to be housed by the community housing sector. Community sector organisations will also continue to provide tenancy management services for households with special or complex needs.

For more information on CHC, visit <http://www.chcaffordablehousing.com.au>