

HOUSING AUSTRALIA FUTURE FUND & THE NATIONAL HOUSING ACCORD FACILITY



The Housing Australia Future Fund (HAFF) and the National Housing Accord Facility (NHAF) are two (2) government incentives to assist in the delivery of social and affordable housing. Both established by the Federal Government, the HAFF is a \$10 billion dollar investment fund and the NHAF is a \$2 billion dollar loan facility, which aim to deliver 40,000 new social or affordable houses.

The HAFF involves the provision of upfront concessional loans, with an interest free loan period up to 25 years, and ongoing availability payments for a period of 25 years which seek to close the gap between the cost of maintaining social housing and the rent received from tenants.

Development Directive provide below a review of the eligibility criteria and application process to lodge an application with the Federal Government to receive HAFF funding.

WHAT IS SOCIAL AND AFFORDABLE HOUSING?

Social Housing

Social Housing is a term which captures community housing and public housing, which is owned by State or Territory Governments.

As part of the HAFF, 20,000 dwellings will be dedicated to Social Housing, of which a minimum of 4,000 will be for Women and Children experiencing domestic violence or at risk of homelessness.

Affordable Housing

Affordable Housing means dwellings which are provided for rent at 74.9% or less of market rent. Tenants are required to meet the income eligibility tests, which are based on median equivalised household incomes from the Australian Bureau of Statistics (ABS).

The HAFF will provide funding to support 20,000 affordable dwellings.

WHAT PROJECTS ARE ELIGIBLE FOR HAFF FUNDING?

 HAVE COMMENCED CONSTRUCTION	 HAVE COMPLETED CONSTRUCTION	 CAN COMMENCE CONSTRUCTION IN 18 MONTHS
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HOW CAN I APPLY AS A DEVELOPER?

As a developer, it is necessary to create a 'Special Purpose Vehicle' (SPV) with one of the other eligible entities, being:

- State and Territory Governments
- Local Governing Bodies
- Local, State or Territory Government Owned Corporations
- Charitable Registered Community Housing Providers (CHPs)
- Charitable Entities with a primary Purpose of providing housing to Aboriginal and Torres Strait Islander people or members (or former members) of the Australian Defence Force

WHAT TYPE OF FUNDING CAN I RECEIVE?

There are two (2) key types of funding available as part of the HAFF, being Concessional Loans and Availability Payments.

- Concessional Loans are zero interest loans, with a 25-year loan term. The purpose of the concessional loans is to assist with upfront costs of establishing dwellings for social or affordable housing. Recipients of the concessional loans could receive funding up to 10% of the construction cost of the development.
- Availability Payments are ongoing payments, which will be paid quarterly once the development is operational for a 25-year term. The purpose of the availability payments is close the gap between the commercial cost of developing and maintaining social and affordable housing and the revenue received from rent. The availability payments will be determined on a case-by-case basis, with onus on the applicant to prepare a financial model demonstrating the suitability of the availability payments.
- An applicant can receive both an upfront Concessional Loan and ongoing Availability Payments as part of the HAFF.
- Within future funding rounds, capital grants will be available which will be for exceptional circumstances such as developments in remote communities or developments which will provide housing for the Indigenous population or Defence Force personnel (both active and retired).

WHAT FEATURES DOES MY DEVELOPMENT NEED TO BE SUCCESSFUL?

Each development will be assessed on a case-by-case merit basis, including value for money, financial suitability and the financial model provided as part of the application. In addition to financial suitability, the independent committee will assess development suitability with regard to the following:



Proximity to Community Infrastructure (such as hospitals and school)



Proximity to Public Transport Infrastructure



Proximity to Employment Opportunities



Appropriate demand within catchment



Risk Profile – Measures in place to mitigate planning and construction risks



Development Design and Quality – Seamless transition with the surrounding community

OTHER ELIGIBILITY CRITERIA

In addition to the above, the following criteria will be considered:

- Developments must be decided to meet the requirements for energy efficiency under the National Construction Code (NCC).
- Developments must be to the standards outlined in the NCC relating to liveable housing design.
- Certain evaluation benchmarks that are not mandatory for eligible applicants but are looked upon favourably include:
 - Project workforce supports greater participation of apprentices, in particular female apprentices and female trade apprentices in the building and construction industries.
 - The greater the degree of progression that applicants can demonstrate, the better they are likely to perform against the associated evaluation criteria. Examples of documents indicating project progress include:
 - Progress towards a planning or building approval.
 - Financing
 - Detailed architectural designs.
 - Agreed contract terms with builders and/or development partners.
 - Projects that support the following Charitable Entities:
 - Registered CHPs; and
 - Entities whose primary purpose is improving housing outcomes for Aboriginal or Torres Strait Islander people, members of the Australian Defence Force, or veterans.
 - Applicants applying with an SPV that include a Charitable Entity are recommended to demonstrate that the Charitable Entity is participating meaningfully in their project;
 - Projects that deliver greater dwelling yield on a total project basis, may be preferred by Housing Australia.

Applicants are required to outline details on the operational phase, including tenancy and asset management. Specifically, the following detail should be provided within the application and can likely be informed via a Community Housing Provider:

- Determining and managing eligibility and allocation of housing assistance;
- Determining and managing rents;
- Determining and complying with relevant housing service standards;
- Tenant and resident engagement strategy;
- Provision of support for social housing applicants and tenants with complex needs;
- Strategy for managing and addressing complaints;
- Strategy to maintain quality housing assistance for tenants and ensuring tenant satisfaction;
- Strategy for maintaining property condition;
- Asset maintenance, including timely and responsive maintenance and ongoing cyclical maintenance;
- Fire prevention and fire safety strategies;
- Approach for unauthorised occupants and sub-letting;
- Strategies for asset handover at the end of the 25-year term, if relevant.

HOW DO I APPLY

- The first funding round closes at 2PM (AEDT) 22 March 2024, with successful applicants to be informed in Quarter 3 of 2024. Timing of future funding rounds will be determined following the completion of the first funding round.
- To apply, an applicant is required to lodge via the Housing Australia Portal and must complete the necessary documentation (including a financial model) and provide supporting information which informs the suitability of the proposed development as part of their application.
- An application can involve one (1) project or a portfolio of projects, however they must all be wholly located within a particular State or Territory. Applicants may submit:



- A detailed how-to-guide for applicants can be found in the following link: [How To Guide](#)

HOW CAN DEVELOPMENT DIRECTIVE ASSIST?

- Development Directive can assist by:
 - Contracting and organising the required consultants and connecting the project team, with key consultants and members of the project team including:
 - A Community Housing Provider (CHP), who may form part of your Special Purpose Vehicle (SPV) and will assist with operational requirements including finding tenants.
 - A Registered Architect, who can assist in preparing a design and drawings for a development. Development Directive can connect applicants with a suitably qualified architect who can assist, as required.
 - Dependent on the site and development typology, technical experts such as Civil Engineers, Hydraulic Engineers and Landscape Architects may be required.
 - An Economic Needs Expert, to assist in proving a need for affordable or social housing within the chosen area.
 - A Builder or Contractor to assist in delivering the project through the construction phase.

The Team at Development Directive can directly assist by:

Town Planners

- Undertake a detailed assessment of the site details and identify development opportunities and site constraints applicable to the development.
- Undertake an analysis of the site against the relevant criteria identified, including location and proximity to community infrastructure.
- Identify the necessary consultant team and coordinate and engage project team.
- If required, prepare, lodge, and coordinate a Development Application (DA) with the relevant Local Government authority.

Project Managers

- Undertake a feasibility assessment of the development to address the risk associated with the proposed development and to determine the financial benefit of the project.
- Coordinate commercial arrangements with chosen Community Housing Provider (CHP).
- Prepare financial evaluation and prepare financial model for lodgement with application.
- Coordinating the Project Delivery Stage, including construction tendering and facilitating necessary approvals including Operational Works.