

Policy for Affordable Rental Programme Eligibility Criteria and Parameters– 1.4

August 2016

Updated October 2017, October 2020

Background:

The primary goal of the Affordable Rental (AR) programme is to provide affordable, secure tenure in decent quality homes to low income households. This policy is also applicable to households who qualify for Senior Housing under QLCHT's Senior Housing Eligibility Criteria policy 1.3.

Policy:

Eligibility Criteria:

1. The maximum household income for the AR programme is set at Band Level 6. The targeted income ranges for applicants of this programme is Band Levels 4-6 of the AMI*.
2. The property must be used exclusively as the household's primary residence, i.e. it is not to be used as a second home or holiday house.
3. Households cannot vacate the property for more than four weeks of the year without QLCHT permission.
4. Applicants cannot own, or have a financial interest in, any other property.
5. Households must have been in the district minimum 6 months.
6. Within each household at least one member is a New Zealand resident or citizen.
7. Within each household at least one member must be employed in full time employment in the Queenstown Lakes District (minimum 30 hours per week average). This requirement is waived for households who qualify for Senior Housing.

Setting of rental

8. Rent setting will be applied uniformly across all AR Households - unless different criteria are applied and/or otherwise agreed for separate housing/rental projects.
9. AR rents will be set as follows:
 - a) For a household who meets the AR financial criteria, rent will be subsidised and set at 30-35% of gross household income, or 80% of full market rent, whichever is higher.
 - b) For those who are no longer eligible for a subsidised rent as determined by the AR financial criteria, rent will be set at full market rent.

- c) A rent review will be undertaken annually on the anniversary of joining the AR programme and the household's income reassessed to establish the new rent amount, as calculated above.
- d) Where a genuine and critical need arises, the rent may be reduced to as low as 25% of gross household income, as determined by QLCHT. Management must report to the Board on any AR households with a rent set below 30% gross household income.

Programme Parameters:

- 10. Households which qualify for Senior Housing will sign up to QLCHT's *Affordable Rental (Senior) Residential Tenancy Agreement* with an indefinite lease.
- 12. All other AR households will sign up to QLCHT's *Affordable Rental Residential Tenancy Agreement* with a 5-year fixed term lease. At the end of the 5-year lease, QLCHT will offer the tenant a progression opportunity to transition along the housing continuum to another QLCHT programme. This opportunity will be valid for a 3-month period, after which time if not accepted, the rent will be reset to full market rent.
- 13. All AR households will be subject to QLCHT's Housing Management Policies as detailed in QLCHT policy 9.3.
- 14. All AR households will have a full review of their financial situation annually and if household income has altered then rents may be adjusted accordingly.
- 15. AR tenants will be required to pay a bond equating to 4 weeks rent.
- 16. Where demand exceeds supply for AR properties, households will be prioritised on a needs basis, in line with QLCHT's Allocation of QLCHT Properties Policy (9.15).
- 17. Any changes to the Residential Tenancy Act may override the parameters and rules established within this policy.

* AMI refers to the Queenstown Lakes Area Median Income (the midpoint of the region's income distribution where half of the households in a region earn more than the median and half earn less than the median). The AMI is adjusted annually by the average wage inflation rate, or as published by Statistics New Zealand. QLCHT's household income table outlines the various Band Levels for assessing eligibility.