



Housing Australia

Housing Australia Future Fund Facility (HAFFF) and National Housing Accord Facility (NHAF)

Frequently Asked Questions (FAQs)

January 2024

Q1. How many funding rounds will there be for the HAFFF and NHAF Program? If I don't make an application in a funding round, will I have the opportunity to bid in future rounds?

On 15 January 2024 Housing Australia launched the first funding round under the Housing Australia Future Fund Facility (HAFFF) and the National Housing Accord Facility (NHAF) Program. Subject to further decisions of the Federal Government, it is expected that there will be multiple funding rounds over the five-year program. All funding rounds might not be identical, for example, some may be targeted towards achieving particular or specialised housing outcomes, harder to reach areas with high housing need, housing for Aboriginal and Torres Strait Islander people, or housing for cohorts.

After the first funding round, Housing Australia expects to be able to provide further information about the timing, frequency and scope of future rounds. Each funding round is discrete, so Applicants who don't apply or who are unsuccessful in the first round will be able to apply for future rounds subject to their eligibility.

Q2. Who is eligible to apply for funding under the HAFFF and NHAF Program?

The entities who are eligible to apply for funding are defined in the *Housing Australia Investment Mandate Amendment (Social Housing, Affordable Housing and Acute Housing Needs) Direction 2023*, and are referenced in the Call for Applications document. They include:

- States and Territories;
- local governing bodies;
- local, State or Territory government owned corporations (other than utility providers);
- 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; and
- Special purpose vehicles (SPVs) with one of the other eligible entities as detailed above, as a member.

Q3. What are the requirements for the type of projects sought?

Beyond the dwelling and construction requirements outlined in the Call for Applications, Housing Australia does not prescribe the type or specification of dwellings that will be funded under the Program. Eligible Applicants are

encouraged to put forward eligible projects that support the delivery and ongoing availability of quality new rental homes aligned to housing need.

New housing projects can involve:

- the construction of a new dwelling;
- purchase of a newly built dwelling;
- renovation of an existing residential dwelling that was otherwise uninhabitable; or
- the conversion of a non-residential property to a residential dwelling.

Q4. How are States and Territories involved in the Program?

States and Territories are key partners for Housing Australia in the delivery of the Program.

State and Territory governments are eligible to apply for funding under the Program, which they can do in their own right or in collaboration with another eligible entity as detailed in Q2.

State and Territory governments can also play a role in supporting community housing providers and Aboriginal and Torres Strait Islander organisations to deliver housing through the Program. This can include through Housing Australia and jurisdictions jointly funding dwellings; jurisdictions providing land or other assistance to organisations; and jurisdictions working with their State and Territory sectors to prepare for funding rounds.

Q5. Is social and affordable housing funded under the Program expected to be preserved in perpetuity?

Housing Australia will consider the effect of each project on the supply and ongoing availability of social and affordable housing, when making funding decisions under the Program. A key objective of the Program is to encourage private investment in social and affordable housing, and thereby contribute to the development of the community housing sector.

There is no prohibition on dwellings being sold at the end of the 25-year term. However, Applicants will need to demonstrate the degree to which net equity created through the housing asset is retained within the social and affordable housing sector and system into the longer term, for example, through ownership by a registered charitable community housing provider.



Q6. What is the requirement for participation of apprentices in housing projects?

Housing Australia supports the greater participation of apprentices and the attraction and retention of women as apprentices in the building and construction industries. Applicants are encouraged to consider how they could promote the participation of apprentices, especially female apprentices and female trade apprentices, and to provide this information as part of their Application.

The Australian Skills Guarantee (ASG) is expected to be introduced by the Australian Government in mid-2024 to encourage such participation. The ASG will introduce new national targets for apprentices, trainees and paid cadets working on Australian Government funded major projects.

Q7. What are the requirements for the funded dwellings at the end of the term?

One of the key objectives of the Program is to encourage private investment in social and affordable housing, and thereby contribute to the development of the community housing sector.

There is no prohibition on dwellings being sold at the end of the 25-year term. However, Applicants will need to ensure that the tenants will continue to be accommodated in appropriate, stable and long-term housing beyond the end of the term. Applicants will also need to demonstrate the degree to which net equity created through the Government's investment and the value of the housing asset is retained within the social and affordable housing sector and system into the longer term. One example of this is through retained ownership of some or all the dwellings by a registered charitable CHP.

Q8. Are there any guidelines/restrictions on the composition of special purpose vehicles (SPVs)?

SPVs may be eligible if they have at least one of the other categories of eligible entities as detailed in Q2, as a member of the SPV. The other members of the SPV do not need to be eligible entities. Housing Australia will require the eligible entity (for example, if it is a registered charitable entity) to meaningfully participate in the governance and operations of the SPV.

Q9. Can HAFFF funding be used to purchase existing homes?

Eligible projects can include the purchase of newly built dwellings, provided they are new and have not been previously occupied.

Eligible projects can also include the construction of new dwellings, the renovation of existing residential dwellings that were otherwise uninhabitable, or the conversion of non-residential properties to residential dwellings. To be eligible in the first funding round, the Applicant must demonstrate that construction will commence by no later than 18 months after Housing Australia enters into a funding agreement with the Successful Applicant (contract close).

Q10. How will Availability Payments be made?

Availability Payments are recurring quarterly payments during the operating phase of projects to support the availability of social and/or affordable housing, over a 25-year term. They are a government-backed income source to help close the gap between the commercial cost of developing, supplying and maintaining social and

affordable housing, and the revenue received through rent and Commonwealth Rental Assistance.

Q11. Is Housing Australia debt finance available in connection with the Program?

Eligible Applicants will be able to apply through the Housing Australia Portal at the same time as applying for funding under the Program. The applications for senior debt and Availability Payments, will be considered at the same time but will be considered separately and independently by different parts of Housing Australia.

Applicants do not need to apply for Affordable Housing Bond Aggregator (AHBA) senior debt and can choose alternate sources of finance for their projects.

Q12. Can other public funding sources be applied to HAFFF and NHAFF funded projects?

Eligible Applicants may source and apply other sources of public funding or contributions from other State. Territory or Commonwealth programs, to minimise the quantum of Availability Payment or Concessional Loan required to support their project. Applicants will need to disclose these sources as part of their Application.

In addition, Applicants will need to disclose any inclusive zoning requirements, planning bonuses or other local or State or Territory requirements for the delivery of social and affordable housing which are applicable to their project. Applicants must also identify the net number of additional social and/or affordable dwellings delivered over and above any local or State or Territory imposed requirements.

Q13. What is the role for institutional capital in a project's capital structure?

It is the Applicant's responsibility to structure financing where institutional capital will be included in the stack. Applicants are encouraged to consider including private and institutional investment in projects.

Q14. How will the Concessional Loan be required to be repaid at the end of the term?

The no-interest Concessional Loan should be repaid with a bullet repayment at the end of the term. The Availability Payment may not be used to repay the Concessional Loan, either directly or as a result of the application of other project revenues towards the Concessional Loan during the term.

The Concessional Loan may be repaid by the Applicant refinancing the loan, by the Applicant selling the property or an interest in the property, or through the Applicant's other sources of funding.

For more information visit [Housing Australia Future Fund Facility and National Housing Accord Facility](#) | [Housing Australia](#)

If you are an eligible Applicant you can register through the [Housing Australia Portal](#) to progress your application.

