

Attachment C

Housing Affordability Requirements and Definitions

Updated Income Ranges and Affordable Rents for the Lord Mayor's Charitable Foundation (LMCF) Affordable Housing Challenge (AHC) By Transforming Housing

This document details the expectations of the Lord Mayor's Charitable Foundation (LMCF) and the advisory committee of the Affordable Housing Challenge (AHC) regarding the income levels eligible for units supported by the AHC. We define three income ranges: very low income, low income, and moderate income. We allow these ranges to vary by household size per policy precedent in Australia and elsewhere. We present these income limits for the four most common household sizes in Table 1.

Table 1: Annual Income Limits for the Affordable Housing Challenge

| Income Range | Percent of Area Median Income (AMI) | Household Size | | | |
|------------------------------|-------------------------------------|---------------------|---------------------|---------------------|---------------------|
| | | 1 persons | 2 persons | 3 persons | 4 persons |
| Very Low Income (VLI) | 0% - 35% | \$0 - \$27,200 | \$0 - \$31,100 | \$0 - \$35,000 | \$0 - \$38,900 |
| Low Income (LI) | 35% - 50% | \$27,200 - \$38,900 | \$31,100 - \$44,400 | \$35,000 - \$50,000 | \$38,900 - \$55,500 |
| Moderate Income (MI) | 50% - 80% | \$38,900 - \$62,200 | \$44,400 - \$71,100 | \$50,000 - \$80,000 | \$55,500 - \$88,900 |

We anticipate that housing costs for AHC-served residents will equal approximately 30% of incomes, where housing costs include both rent and utilities. We provide guideline maximum rents that meet this criterion in Table 2. These rents include energy costs.

*Table 2: Maximum Weekly Rents +Utilities for Each Income Group for the AHC**

| Income Range | AMI of Price Point | Number of Bedrooms | | | | |
|-----------------------|--------------------|--------------------|-------|-------|-------|-------|
| | | Studio | 1 | 2 | 3 | 4 |
| Very Low (VLI) | 35% | \$157 | \$168 | \$202 | \$213 | \$257 |
| Low (LI) | 50% | \$224 | \$240 | \$288 | \$304 | \$368 |
| Moderate (MI) | 70% | \$314 | \$337 | \$404 | \$426 | \$516 |

**These maximum rents do not necessarily include Commonwealth Rental Assistance (CRA) rents. Higher contracted rents leveraging CRA are allowed provided a tenant's actual rent payment (pre-CRA) does not rise above the rent maximum for that range.*

Applicants proposing projects wherein utilities will be charged separately from rents should consult the maximum rents provided in Table 3.

*Table 3: Maximum Weekly Rents (Where Utilities Are Excluded) for the AHC**

| Income Range | AMI of Price Point | Number of Bedrooms | | | | |
|-----------------------|--------------------|--------------------|-------|-------|-------|-------|
| | | Studio | 1 | 2 | 3 | 4 |
| Very Low (VLI) | 35% | \$126 | \$128 | \$160 | \$164 | \$209 |
| Low (LI) | 50% | \$193 | \$200 | \$246 | \$255 | \$319 |
| Moderate (MI) | 70% | \$283 | \$306 | \$373 | \$395 | \$485 |

**These maximum rents do not necessarily include Commonwealth Rental Assistance (CRA) rents. Higher contracted rents leveraging CRA are allowed provided a tenant's actual rent payment (pre-CRA) does not rise above the rent maximum for that range.*

Applicants seeking to layer AHC funding with state funding should note the following:

1. Units serving Very Low Incomes (VLI) meet the requirements to serve households on the Department of Health and Human Services (DHHS) priority list for social housing.
2. Units serving households of 2 or more people at Low Incomes (LI) meet the requirements to serve households on the DHHS priority list for social housing.
3. Units serving single persons at Low Income (LI) or any households at Moderate Income (MI) meet requirements to serve DHHS General List applicants.

Estimates based on data from the Australian Bureau of Statistics, Department of Health and Human Services of Victoria, and the Australian Energy Market Operator. For detailed methodology contact Dr Matt Palm at matthew.palm@unimelb.edu.au.