

Social Housing Initiative - Stage 2

Housing and Homelessness Services
April 2009





Investment in the Not for Profit Social Housing Sector in Queensland

Key points:

- Community housing participation in capital construction and tenancy management will be maximised for organisations which meet selection criteria
- Larger community housing organisations sought
- Some organisations may double or triple the number of rental units managed
- Further information at www.housing.qld.gov.au - click on Nation Building Economic Stimulus – important information stage 2 information for providers



Investment in the Not for Profit Social Housing Sector

Paper covers:

- Types of investment
- Principles to guide investment in the not for profit sector under the initiative
- Application, approval and assessment process
- Key selection criteria
- Targeting of investment
- One social housing system
- Proposed legal arrangements
- Other assistance and initiatives
- Size and scale of the not for profit sector



Investment in the Not for Profit Social Housing Sector

Two ways not for profit organisations can participate in property development and tenancy management in stage two:

1. Capital investment (grants for construction)
 - Expectation that community housing organisations will use leveraging to further increase social housing
2. Head leasing department owned properties
 - Housing people who are homeless or at risk of becoming homeless



Types of Investment - Capital Investment

- Support the growth of a small number of organisations seeking to operate as significant developers of affordable housing
- Organisations will demonstrate the capacity to increase their social housing portfolio by construction, purchase and leveraging the organisation's assets through borrowing and donations
- It is expected that organisations would hold title to properties and would be subject to high prudential standards, such as those to be established under a future National Regulatory Framework
- These organisations will have plans to grow up to and beyond 500 - 1000 units of accommodation



Types of Investment - Tenancy Management (Headleasing arrangements)

- Must focus on:
 - sustaining tenancies for clients who are homeless or at risk of homelessness, and
 - supporting the transition of clients to secure, long term accommodation
- Directly or outsourced to suitable organisations
- Increase in properties managed by not for profit organisations
- Specialist tenancy management - large portfolios of 500+ tenancies
- Importance of business planning for success



Targeting of Investment to Housing Need

- Analysis of housing need is one factor to determine capital investment
- 72 per cent of applicants registered in February 2009 were entitled to 1 or 2 bedroom dwellings; 50% of social housing is 1 or 2 bed
- Over half the applicants for social housing are single people
- To inform **investment proposals**, access available data on the department's website
- To inform a **specific application for funding**, such as a snapshot analysis of need for a location, contact the Planning, Research and Investment team on (07) 3227 7405 or email danielle.waller@housing.qld.gov.au



Social Housing Initiative and Registration

- Not for profit organisations will be required to gain registration under the *Housing Act 2003* to participate in the Initiative
- Unregistered organisations are encouraged to develop tenancy management partnerships with experienced registered providers
- Organisations that have contributions of land, cash or significant local government contributions will be required to obtain registration to be considered for capital funding
- Registration does not guarantee funding by the department



One Social Housing System

- All registered providers in Queensland are required to operate as part of the One Social Housing System
- Organisations considering registration should become familiar with how being part of the One Social Housing System may impact on their operations
- Rent Policy - most will use community housing rent policy (25 per cent assessable income); can choose affordable rent – up to 74.9 per cent of market rent
- Further information on the One Social Housing System www.housing.qld.gov.au



Not for Profit Providers and Consolidation

Since 2006 consolidation has been encouraged as a means of:

- strengthening and growing organisations,
- improving service delivery, and
- increasing the ability of the not for profit sector to attract new sources of investment to increase housing supply

Related work is progressing on:

- policy settings,
- industry development initiatives and strategies, and
- regulatory framework required to create a mature and high functioning not for profit sector nationally



To Apply

1. Request for Offer from developers and Capital Grants Applications from not for profit organisations

Close 2:00pm Monday 1 June 2009

Email to nbjp@projectservices.qld.gov.au

2. Expressions of Interest for Tenancy Management from registered providers

Close 2:00pm Monday 6 July 2009

Email to TenancyManagementEOI@housing.qld.gov.au