

**Social Housing Initiative Stage 2
Information sessions for not-for-profit organisations - April 2009**

Question	Answer
Timelines	
What is the Tenancy Management Expression of Interest due date?	2pm, Monday 6 July 2009.
What is the Capital Grants application due date?	2pm, Monday 1 June 2009.
Can the timelines be extended?	No. The Australian Government timelines must be met.
Capital grants	
It will be very difficult to get projects through local council within the timeframes. What do you suggest?	While the timeframes are very tight, this is an economic stimulus package with a primary focus on stimulating the construction industry to create and maintain jobs. Projects that can be completed within the timeframes will be supported. If development approval is required, an initial letter of support from your local council will assist your application. It is critical to commence planning and discussions with the council as early as possible.
Is the department using any of its own land for housing construction under the stimulus package?	The department will consider opportunities to develop land it owns where the strict timelines can be met.
Can a community housing organisation with a non-land contribution put forward a project on a Queensland Government site they have identified?	Yes. An organisation should forward details of any government-owned site to its Housing and Homelessness Services area office manager who will coordinate this information and obtain feedback about a site's suitability. If the site is suitable, the department may also assist with an assessment of the site's yield (e.g. 3 x 2 bed units or 8 x 1 bed units), to assist an organisation develop a capital grant application for the site.
Are not-for-profit organisations required to contribute a set percentage of the total project?	While there is no set minimum for stage 2 of the Social Housing Initiative, the contribution needs to be significant. As a guide, in some previous funding rounds the benchmark has been 20%. The usual contribution from not-for-profit organisations is land. Other options could include cash, or funds from surplus, including funds accumulated through funded programs. The 20% debt to equity ratio is a guide for social housing organisations wishing to borrow funds using assets as equity. For example, if the organisation contributes the land and the department fully funds the construction, the title to the property will remain in the organisation's name but the department will register a first mortgage for 100% of the improvements to the land.

Can I still apply if my organisation is not a developer, but has land, cash or other types of contributions?	Yes. Please be very clear in your application about what you are contributing. It may be possible for the project to be developed by Project Services (in the Department of Public Works). There are examples of where registered providers are using this approach now.
If an organisation had, for example, \$200,000, should it be put towards one or more sites of 3 x 2 bedroom units?	As multiple sites can be bundled into one proposal, the organisation could propose the contribution is towards two or more sites.
What is the benchmark for the desirable density of social housing in an area?	15%
Is the department interested in 4 and 5 bedroom houses?	Yes. However, this is subject to demand on a location basis.
What is the target number of units to be constructed by not-for-profit organisations and the target by private developers?	There is no fixed target. The department wants to look at as many proposals as possible from not-for-profit organisations. The Queensland Government aims to maximise the participation of not-for-profit organisations in both capital construction and tenancy management. Organisations will be required to meet the selection criteria set out in the information paper on www.housing.qld.gov.au . Click on 'Nation Building Economic Stimulus'.
Is there any flexibility around the \$300,000 cost per unit?	Under the Social Housing Initiative, the Australian Government has set a benchmark of \$300,000 for the average cost per dwelling. While there may be a case for some higher cost dwellings, for example 4 or 5 bedroom houses, there will need to be sufficient projects for less than \$300,000 to achieve the average cost. Land or other financial contributions assist to reduce the average cost. Costly projects will be rejected.
Given the time constraints, what will happen if local government approval is required for material change of use for a site?	The Queensland Government has limited powers to use the <i>Integrated Planning Act 1997</i> and they can only be used for developments that are 100% social housing. Not-for-profit organisations should contact the department with specific case examples to determine whether assistance is available. For more information, phone David Manzie on (07) 3225 1727.
We have found a desirable site in a good location but, while it is a medium density site, 4 x 1 bedroom units make it an impact assessable development. Can the department assist?	Organisations are encouraged to submit projects that are code assessable to assist with meeting the stringent time frames.

<p>If development approval from local government is close to being confirmed, can an organisation lodge a capital grant application?</p>	<p>Timelines are tight in stage two so construction projects should not present barriers for development approval. Applications can be made if approval is pending. It would be advisable to include a letter of support from the local council and clearly show how the project can be completed within the timelines.</p>
<p>Is there any in-principle agreement between the Queensland Government and local councils?</p>	<p>While some general communication has occurred, each local council works in different ways and makes its own decisions. It is best to consult with your local council early.</p>
<p>Given the tight timelines, if an organisation has land, could the department assist with assessing site suitability, possible design, cost and yield?</p>	<p>An organisation could forward details of sites to the department to obtain a desktop assessment of cost, yield and suitability. It is possible for an organisation, which is not experienced as a developer but which has suitable land, to apply for a capital grant on the basis that it would agree for Project Services in Department of Public Works to be responsible for construction on the organisation's land. The organisation would be consulted within the time constraints of the funding. The organisation would hold title and the department would have a mortgage for the value of the government investment in the property. Organisations are encouraged to contact the department as soon as possible with suitable land sites if they want early feedback about suitability.</p>
<p>Does the department comply with car parking requirements in town plans?</p>	<p>On its own sites, the department may seek approval to reduce the amount of car parking than is specified in the town plan. This is because social housing tenants have a lower level of car ownership than the general community. As a general guide, the proportion of car parking is approximately 70% of the level specified in the town plan. If the particular tenant group requires more car parking space, department sites will have the same amount of car parking as set out in the town plan. The site and the tenancy group are always carefully considered. If reduced car parking is sought by the department, it will discuss the issue with the local council. Not-for-profit organisations that own a development site will be governed by the local town plan and should refer to their local council for more information.</p>
<p>Are boarding house concepts being considered?</p>	<p>The department has enjoyed great success providing singles accommodation under its Community-managed Housing – Studio Units program (formerly the Boarding House Program). Boarding houses or community-managed studio units can take many different forms, including shared kitchen and/or bathroom facilities, independent living units, on-site management and a lead tenant arrangement. If an organisation is putting forward a boarding house or community-managed studio unit type proposal, it is important to clearly detail the proposed service delivery model and financial modelling to cover any recurrent costs.</p>
<p>Are cluster and village models of accommodation being considered?</p>	<p>Innovative models are sought by the department and the Australian Government. The department is working with Disability Services regarding the assessment of different models and arrangements.</p>

Are respite facilities being considered?	Respite facilities cannot be funded as they do not meet the funding criteria set out in the Australian Government Social Housing Initiative Guidelines. People with disabilities are an important target group for the Social Housing Initiative and universal design is strongly encouraged for capital projects.
Rent policy	
What rent policy will apply?	Most providers will use the Community Housing Rent Policy where rent is based on 25% of assessable income. It is possible for organisations to opt to use the affordable rent policy, where the rent charged may be up to 74.9% of market rent. However, the organisation will need to show that the rent will be affordable to tenants. To be 'affordable' in the department's assessment, rent should be no more than 30% of the tenant's income.
Is Commonwealth Rent Assistance (CRA) included as assessable income when estimating rental income which might be derived from a project?	Clients in community managed housing are able to apply for and receive CRA. Under the Community Housing Rent Policy, rents are calculated on 25% of household income excluding CRA and then the full amount of CRA is added to determine the rent payable. In this way, rent parity is achieved for clients housed in either public housing or community managed housing. The amount of CRA grosses up the rent paid to community housing providers and this should be factored in when performing financial modelling of potential projects. Unregistered not-for-profit organisations can request from the department a copy of the electronic rent calculator to assist with their financial modelling.
National Rental Affordability Scheme (NRAS)	
How is market value calculated for National Rental Affordability Scheme (NRAS) properties?	On three occasions over a 10-year period, an organisation with approved projects under NRAS is required to obtain a valuation from a registered valuer to confirm the market rent.
What is the rental Consumer Price Index in Queensland for NRAS projects?	5-6%
How can we apply for the rolling initiative when we are uncertain about approval for our NRAS and Social Housing Initiative applications?	From May the Australian Government has commenced a rolling initiative asking applicants to combine NRAS and Social Housing Initiative proposals. However, it has not finalised the guidelines for the NRAS rolling initiative. Information will continue to be communicated as it is released.
Capital grant payments	
Are there guidelines for how payment will be made for the capital grants?	Not-for-profit organisations will be required to sign a Capital Assistance Agreement setting out the payment process. The usual approach is based on construction milestones. The department will discuss the proposed cash flow and payment approach with the organisation. Funds will be available for the purchase of land if that is an element of a project.

Applications for housing assistance for individuals and families	
Can you provide details on the assets test for people applying for social housing who have a trust fund?	There is an exemption for a limited group of people with disabilities who have financial assets in trusts. Further information is available from Housing and Homelessness Services area offices.
Some Indigenous members of our housing co-operative do not have papers to prove they are an Australian citizen. This is a barrier to them applying for social housing through the department's housing register. Is this problem going to be solved?	The Australian Citizenship criterion continues to apply to all applicants. The department can consider unusual situations where a person does not have access to a birth certificate on a case-by-case basis. Speak to your Housing and Homelessness Services area office about the difficulties experienced by specific applicants.
Most people with intellectual disabilities need a carer and other services. Are people with disabilities limited to one bedroom units?	The current allocation procedures will continue to apply. There is provision in the current policy to accommodate applicants with specific needs in accommodation with more one bedroom.
Tenancy management	
What if a developer contacts the organisation and says they have a turnkey project that they would like the community housing organisation to manage if it is approved?	It is helpful for organisations to have discussions with developers about turnkey or medium density unit projects for stage two, especially if the projects are larger developments or innovative models. To recommend projects to the Australian Government, the department will need to confirm that innovative and larger projects can be successfully managed for homeless people and people at risk of homelessness.
What if our organisation is not ready to be a developer and leverage in our own right, but we are interested in growing larger and possibly being a developer in the future?	You can apply now for more properties to lease under the Expression of Interest for Tenancy Management. When you have developed a strong plan for increasing the social housing you manage and own, you can discuss with the department opportunities to transfer title to your organisation, or possibly purchase one or more properties you are leasing.

<p>Our organisation is an Indigenous housing cooperative and our members come from a defined local area. If we were to become a registered provider under the <i>Housing Act 2003</i> and participate in the one social housing system, we would only want to take applicants who are Indigenous and from the defined local area. Is this possible?</p>	<p>This is possible within the requirements of one social housing system. Applicants would need to come from the department-managed housing register and meet the eligibility criteria. The housing organisation is given several possible applicants to consider for any vacancy and the organisation chooses a suitable applicant. For more information, please contact the manager of your Housing and Homelessness Services area office.</p>
<p>Support services</p>	
<p>Many clients on the housing register require extra support. Is there any additional funding for the provision of this support or can rent received be used to assist with funding support?</p>	<p>Stimulus package funding does not extend to the provision of support services. The use of rent and surplus program funds are governed by the community housing program under which the assistance is provided. Queensland is developing an implementation plan in response to the Australian Government White Paper on Homelessness. Further discussions are underway to plan the Queensland approach, in consultation with not-for-profit support services, including those funded under the former Supported Accommodation Assistance Program.</p> <p>Both the Queensland and the Australian Government have signalled a desire to explore new and innovative ways to address homelessness. Therefore, organisations are encouraged to provide as much detail as possible on the service delivery model proposed for a particular project.</p>
<p>Training</p>	
<p>Our organisation runs training programs. We have completed renovation and refurbishment projects but would like to build a house or apartments. Can Social Housing Initiative funds be used for training?</p>	<p>All construction projects under the Social Housing Initiative are required to have apprentices represent 10% of the total workforce on the job, and Indigenous workers represent 20% of the total workforce in designated Indigenous communities. There may be opportunities for training organisations to express interest in design and construction projects the department will advertise soon. For more information about registering as a pre-qualified organisation go to www.publicworks.qld.gov.au and click on 'Building Consultants, building contractors, trade contractors and suppliers'.</p>
<p>Legal arrangements</p>	
<p>In the proposed legal arrangement with the department, if the organisation contributes land in a capital grant project, will it have title to the property?</p>	<p>The organisation which contributed the land will hold title and the department will hold a mortgage on the government investment. In usual circumstances, the department's security would be a first mortgage. There is provision for the department to consider moving to a second mortgage if an organisation can show that it can borrow funds to increase the amount of social housing and meet repayment commitments.</p>