



HOMES FOR HOMES

A social enterprise by



HOMES FOR HOMES FUNDING ROUND GUIDELINES

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FUNDING GUIDELINES

1. About these guidelines

The Homes for Homes Funding Round Guidelines (Guidelines) complement the Homes for Homes Background Document. The Guidelines outline the housing and service delivery expectations, contract management requirements associated with the Funding Round and the criteria for expressions of interest (EOI Application Process).

Throughout these Guidelines reference to affordable housing incorporates both social and affordable housing.

Homes for Homes is a new funding source that is designed to increase the supply of social and affordable housing in the applicable state. Homes for Homes is taking an open and flexible approach to the type of housing projects it will fund and invites suitable applicants to present proposals that will best address housing issues in their area, based on their knowledge and experience. Homes for Homes would like to encourage all potential applicants to take advantage of this unique funding opportunity. Organisations can submit more than one application. For further information please visit homesforhomes.org.au

2. Organisational criteria

Funding proposals will be considered and assessed taking into consideration the following criteria:

2.1 PREVIOUS EXPERIENCE

Types of housing

Previous experience should include:

- Experience in delivering a range and mix of housing types and configurations which appeal to a broad range of households, suitable for singles, couples (both young and seniors) and young families; and/or
- Experience in delivering specialist housing.

Low to moderate incomes

Providers should have demonstrated experience providing social and affordable housing property and tenancy management services to people on very low to moderate incomes.

Partnering

Providers should ideally have some demonstrated experience partnering with private/government/non-government agencies in the delivery of housing projects.

2.2 DELIVERY CAPACITY AND CAPABILITY

Personnel

Consideration will be given to the experience and skills of key personnel involved in the Proposal from design to implementation.

Financial

Consideration will be given to the Provider's demonstrated ability to meet the financial requirements of the project based on:

- Three most recent audited Financial Statements;
- Ability to provide equity or other contribution to the Proposal;
- Details of any financial commitments of a material nature which can reasonably be expected to influence or impact upon the financial performance or financial position of the Provider; and
- Details of any planned future projects and/or services that could materially impact on the Provider's financial capacity to deliver the Proposal.

Other

Consideration will be given to any other circumstances which may affect the ability of the Provider to meet its contractual obligations in relation to the Proposal.

3. Proposal overview

Please include a high-level overview of your proposal in this section including who the proposal is designed to benefit and the fit between the proposal intent and the community context.

4. Proposal criteria

Funding proposals will be considered and assessed taking into consideration the following criteria:

4.1 FINANCIAL CRITERIA

Value for money

Social and affordable housing supply will be cost effective and will leverage investment through utilising, for example, Provider, partner and philanthropic contributions of additional funding or equity, land, fee concessions and tax and planning benefits.

Affordable housing supply will make best use of assets into the future. This may be by borrowing against them to deliver additional housing

Financial sustainability

Project and operational costs need to achieve a balance between affordability and the sustainable operation of the housing (both for residents and operators), including meeting the cost of any private finance.

Reinvestment of retained earnings

Proposals that reinvest the retained earnings or surpluses (if any) from the operation of social and affordable housing into further affordable housing supply will be viewed favourably.

Retained earnings or surpluses are funds generated that are in excess of all operational costs and provision for contingent risks.

Retention of affordable housing

Proposals should ensure the retention of social and affordable housing investment in perpetuity, either in the projects proposed or into further affordable housing into the future.

4.2 SERVICE DELIVERY MODEL

Needs analysis by location

An application should include an appropriate needs analysis which could be sourced in a number of ways including:

- Reports on the level of housing stress;
- Proportion of housing that is affordable to rent by households by area; and
- ABS and other housing data sources.

Dwelling location - proximity to services

Housing locations need to consider appropriateness of access and proximity to services and amenities, for example access to:

- Schools, shops and health services;
- Employment opportunities and linkages to training / employment services; and
- Regular public transport services.

Types of dwellings / Household composition

Housing projects should be delivered in such a way as to facilitate sustainable housing outcomes and a balanced social mix in both the development as well as the local area.

To achieve a balanced social mix, projects should generally include a mix of household sizes and incomes.

Universal design principles / other measures

Consideration should be given to requirements for universal or accessible design principles or modifications that enable older persons or people with a disability or with limited mobility to be housed, such as conformance of building design to the *Liveable Housing Design Guidelines* at the gold level or above.

Resident management and housing operations

Providers should ensure that their housing operational policies and procedures are consistent with the requirements of the relevant Residential Tenancies legislation and regulatory codes e.g. the *National Regulatory System for Community Housing*.

4.3 ENVIRONMENTAL CRITERIA

Environmental sustainability

Consideration will be given to housing projects that seek to achieve the most appropriate level of environmental efficiency and sustainability (eg. *Green Star* rating) in project design as well as during the construction phase and ongoing operations.

4.4 SOCIAL CRITERIA

Social sustainability

Housing projects should be conceived, designed, located, and operated to enhance individual and community well-being.

This can include:

- Ways that will assist people to more effectively contribute to their community; and
- Improve the life and economic circumstances of disadvantaged Australians.

Projects that create direct employment opportunities for disadvantaged and unemployed Australians are encouraged.

4.5 RISK MANAGEMENT

Risk assessment factors

Detailed risk assessments will be undertaken on projects and Providers. Factors may include:

- Alignment with industry benchmarks for delivery timeframes (to obtain DA, BA construction period, etc.);
- Project specific considerations including geotechnical surveys, site gradients, site contamination, servicing, subdivision, titling issues, etc;
- Organisational governance processes; and
- Capacity to identify and manage both short and longer term operational risks.

5. Compliance and contracts

Compliance with legislation and policies

Providers will be fully responsible for obtaining all the necessary planning and building approvals to enable a Homes for Homes affordable housing project to be delivered. This includes undertaking diligent project oversight to ensure the housing is delivered on time and on budget.

Providers will be expected to ensure full compliance with any necessary or relevant legislation or government policies, guidelines and regulations for both the development and operation of any affordable housing delivered under this initiative.

For example, community housing agencies will be registered under the *National and/or State Regulatory System for Community Housing* (NRSCH). Alignment with existing best practice will also be expected to reduce complexity and compliance burdens.

Contracts

Providers will be required to enter legal contracts associated with Homes for Homes funding. These contracts set out detailed funding terms and conditions, including but not limited to:

- Relevant factors set out in the Funding Round Application EOI Application form;
- Obligations of the funding recipient(s);
- Performance and project outcome expectations; and
- Asset ownership including Intellectual Property.

Intellectual property

All rights to Homes for Homes affordable housing initiatives including Intellectual Property will remain with Homes for Homes Limited.

Communications protocol

Providers participating in Homes for Homes will be required to adhere to an agreed communications protocol to be set out in Homes for Homes funding contracts. This is to ensure open, transparent, effective and proactive communications with all stakeholders that appropriately recognise the contributions of each party.

Asset interests

Ownership of affordable dwellings / housing projects funded by Homes for Homes will be assessed and determined on a project-by-project basis.

The Homes for Homes asset interest may vary from none to full title ownership of a project. A range of factors will inform the level and extent of the Homes for Homes asset interest, including:

- The Homes for Homes contribution to a given project;
- How the Homes for Homes interests might be leveraged;
- How the Homes for Homes funding investment might be protected in perpetuity and/or reinvested over time; and
- Any debt financing arrangements.

6 Reporting and evaluation

6.1 REPORTING

Beyond Homes for Homes contract obligations, Providers will be expected to ensure full compliance with all State and Federal reporting and regulatory requirements, such as those set out in the *National Regulatory System for Community Housing*.

Specific reporting and regulatory requirements for the operation of Homes for Homes affordable housing may be varied by jurisdictions from time to time and it will be the Provider's responsibility to ensure continuing compliance.

6.2 EVALUATION

Contracts will set out the requirements for Providers to fully participate in any:

- Evaluation of Homes for Homes affordable housing – Providers will be encouraged to evaluate their social and affordable housing operations; and

- Social Return on Investment (SROI) measurement or other evaluation – Homes for Homes intends measuring and communicating outcomes of housing projects supported by Homes for Homes.

7 Conditions of participation

7.1 COSTS AND EXPENSES

A Provider's participation in the EOI Application Process is at that Provider's risk and cost and Homes for Homes does not owe any Provider any duty of care in respect of the EOI Application Process.

A Provider is responsible for all costs, expenses and liabilities incurred by that Provider or on its behalf in relation to any work relating to this opportunity (including reviewing, investigating and analysing this opportunity, or any other information, or in providing any additional documents or information). In no event will Homes for Homes or Big Issue in Australia Limited be liable to any person in respect of such costs, expenses or liabilities.

7.2 AMENDMENTS AND FURTHER INFORMATION

Homes for Homes reserves the right, in its absolute discretion, at any stage, to terminate participation in the EOI Application Process by any party and to refuse entry of any party or its advisers into the EOI Application Process. Homes for Homes also reserves the right, in its absolute discretion, to terminate or suspend the EOI Application Process, to vary any associated timetables, to change the requirements, structure, procedures and timing of the process (including the timing of provision of information to any party) and to proceed with this Funding Round through another process or processes or grant exclusively or preferred status to any party or parties, including in connection with the EOI Application Process.

For the avoidance of doubt, Homes for Homes provides no commitment to provide funding to any Provider in the manner set out in the Guidelines or in any documentation related to this Funding Round.

7.3 COMPLIANCE WITH TERMS OF THE EXPRESSION OF INTEREST APPLICATION PROCESS

Without limitation, parties who violate the terms of the EOI Application Process (or any subsequent protocol documents) may be excluded from this Funding Round at Homes for Homes' sole discretion.

Homes for Homes reserves the right, without notice and at its sole discretion, to not accept any offer related to this Funding Round. This document and any other information provided or discussions held do not and will not constitute an offer to provide funding. A legally binding commitment to provide any funding will only arise if and when a definitive transaction document is signed by Homes for Homes and a Provider.