



National Housing
Conference 2022

Local partnerships for social and affordable housing

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Policies for Direct Dealing with Community Housing Providers

**Streamlined pathways for new supply, more
resources directed to providing homes**

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Corporation

LAHC Policies for Direct Dealing with CHPs



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Acknowledgement of Country

We acknowledge that we all stand on Country that always was and always will be Aboriginal land.

We acknowledge the Traditional Custodians of the land and waters and we show our respect for elders past, present and emerging.

We are committed to building homes and communities where Aboriginal people and families are included socially, culturally and economically through thoughtful and collaborative approaches to our work.



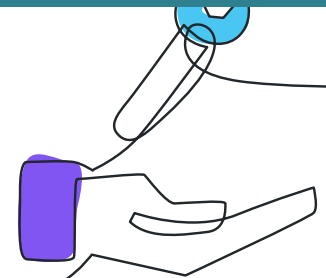
Nikita Ridgeway

LAHC's operating context

- Established under the *Housing Act 2001* (NSW) – Minister for Homes
- Homes Division, NSW Department of Planning and Environment – with Aboriginal Housing Office and Housing Policy and Innovation
- Over 125,000 properties – valued at over \$50B – 36% of all social housing nationally
- Around 25% of portfolio CHP leased = 30,000+ properties or around \$11B in housing assets
- Rest managed as public housing – tenancy management services provided by the NSW Department of Communities and Justice (DCJ) (\$100m p.a. partnership agreement)
- Crisis and transitional housing accommodation portfolio ~1,500 homes

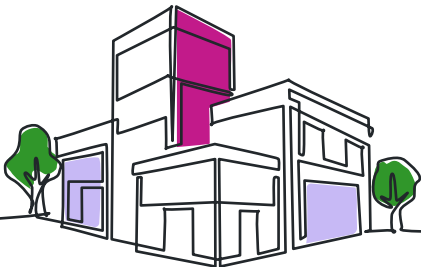
Predominantly self-funded – not generally Government-funded (aside from recent stimulus):

1. Income-based social housing rents from DCJ-managed tenancies – manage the portfolio
2. Property sales – new supply + capital upgrades



LAHC portfolio challenges – snapshot

- Most properties aged 40+ years – by 2038, two out of every three homes will be 60+ years
- Increasingly under occupied by older and single tenant households
- Around 62% of homes on superlots, often with complex titles and utility arrangements – costly to split up
- Around 38% of homes are concentrated on estates – often distinguishable as social housing
- Almost 7,000 have heritage or conservation status (average maintenance costs up to 4 times higher than other homes)
- Almost 22,000 have been modified to meet a tenant's needs
- LAHC 20-year Portfolio Strategy – grow and change the portfolio to house more people – use land more wisely – more smaller, well-designed, well-located homes matched to needs

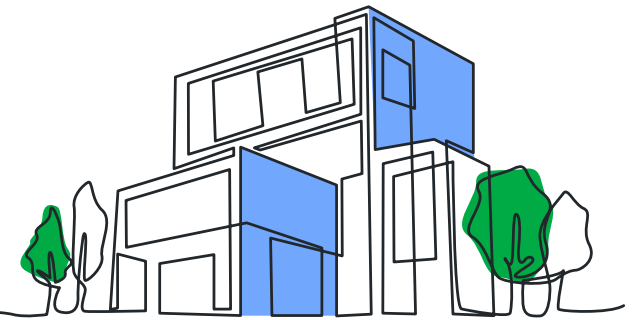


Direct dealing in NSW

- Exclusive dealings between a government agency and non-government body over a commercial proposal
- A way to create value and leverage unique and innovative ideas, projects and initiatives that provide tangible benefits for the people of NSW
- Can be solicited or unsolicited by government
- May be used when a competitive tender is not appropriate or possible
- May be appropriate where a counterparty is in a unique position to offer a solution

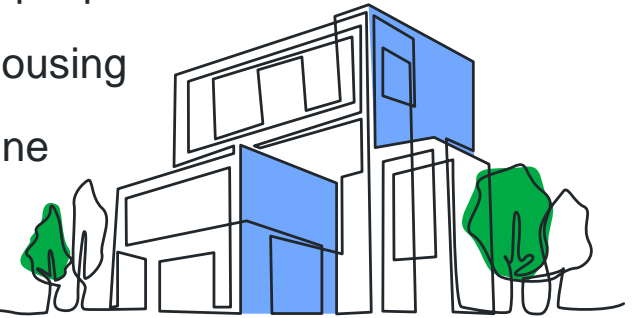
NSW Direct Dealing Guidelines – ensure direct dealing delivers value to the State and complies with probity obligations:

- Justification for direct dealing
- Robust and fit for purpose governance – with risk assessment and risk management strategy
- Comprehensive evaluation of direct deal proposals
- Appropriate approvals for key decisions



Why CHP Direct Dealing Policies

- *Housing 2041, Future Directions for Social Housing, LAHC 20-year Portfolio Strategy* – partnering more with CHPs
- Needed new pathways for CHPs to bring forward proposals – no formal policy for encouraging/managing/responding
- Previously only one pathway:
 - NSW Government Unsolicited Approvals process
 - Requires each proposal to be unique
- Many ideas didn't get past the first gateway – social & affordable housing proposals generally replicable and scalable
- Policies designed to:
 - Open up opportunities for CHPs to put forward proposals that they are in a unique position to deliver
 - Provide streamlined process – minimise bid costs so more resources go into housing
- Policies are unique so testing in first year – now looking to engage with sector to refine



Policies for direct dealing with CHPs

POLICY	SCOPE	ELIGIBILITY	ASSESSMENT
<p>CHP-led Redevelopment of Social and Affordable Housing on LAHC land</p>	<p>Redevelopment of properties leased from LAHC in exchange for a new long term lease</p> <p>Can include adjoining sites</p>	<ul style="list-style-type: none"> • Tier 1 or Tier 2 CHPs with existing lease on the property • Up to \$25m project value • Unique position to deliver a solution • Long term lease up to 49 years • Social and affordable housing – min. equal no. replacements 	<p>Clear rationale for direct dealing</p> <p>Alignment with NSW Government housing-related policies and priorities</p> <p>Benefits that outweigh the time and expense of a market approach</p>
<p>Small Scale Direct Dealing with CHPs</p>	<p>Small scale commercial propositions or proposals involving land</p>	<ul style="list-style-type: none"> • Tier 1 or Tier 2 CHP • Transactions up to \$5m • Unique position to deliver a solution • Can include sale, purchase, lease, redevelopment 	<p>Value for money</p>
<p>Unsolicited Proposal Process</p>	<p>Any unique proposal to deal directly with the Government over a commercial proposition</p>	<ul style="list-style-type: none"> • Any non-government or private sector organisation • Unique proposal • Unique position to deliver 	<p>Uniqueness + Value for money</p> <p>Whole of gov impact</p> <p>Return on investment</p> <p>Capability and capacity</p> <p>Affordability</p> <p>Risk allocation</p>

Successful proposals – small scale direct dealing with CHPs

Southern Cross Housing

Sale of land

- Constructing 7 studio apartments to provide housing for women and children escaping domestic violence
- Collaborating with Mission Australia for wrap around services
- Partly funded by a Commonwealth grant under the Safe Places Program

Housing Plus

Redevelopment

- Redevelop existing LAHC units and bedsits that are no longer fit-for-purpose
- Deliver 8 new two bedroom duplexes
- Housing Plus will manage these new dwellings under a 20-year lease

