**Victorian Property Fund Grants Program**

**Housing Funding Round 2018-19**

**Invitation for Expressions of Interest**

**10 September 2018**

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Definitions

|  |  |
| --- | --- |
| Assessment Criteria | Refers to the mandatory (pass /fail) and comparative (weighted) assessment criteria set out in Table 6 – Mandatory Criteria and Table 7 – Comparative Criteria in Section 4. |
| CAV | Consumer Affairs Victoria, a business unit of the Department of Justice and Regulation, Victorian State Government |
| Community Housing Organisation (CHO) | An incorporated not-for-profit organisation operating in Victoria whose primary mission is the provision of affordable housing for low income or disadvantaged persons |
| Confidential Information | Any information or data, whether or not in a material form, which is confidential to a party including confidential information acquired, collected or developed for the purpose of the EOI submission, except that which is already in the public domain |
| Development  | The Respondent’s proposed solution to increase the supply of affordable housing for low income or disadvantaged Victorians |
| DHHS | Department of Health and Human Services, Victorian State Government |
| Director of Housing (DoH) | The Director of Housing for Victoria. A body corporate established under Section 9(2) of the *Housing Act 1983* |
| EAC | The Estate Agents Council, a ministerial advisory body established under Section 6 of the *Estate Agents Act 1980* |
| EOI | Expression of Interest  |
| Funding Agreement | The funding agreement for the Development made between the grant recipient and CAV |
| Government | Victorian State Government |
| Grant Application  | A formal grant application to the Victorian Property Fund under Section 76(3) of the *Estate Agents Act 1980* |
| Grant Recipient | A Proponent whose application for a grant is successful |
| IEOI | Invitation for Expression of Interest |
| Land | The land upon which the Development is situated |
| Long term housing /accommodation | Rental accommodation for a term of one year or more, or for an indefinite term expected to exceed one year. |
| Minister | The Minister for Consumer Affairs |
| Non-RHA | A Community Housing Organisation that is not a Registered Housing Agency |
| Office of Housing Registrar | The Office of the Registrar of Housing Agencies, established under Part VIII of the *Housing Act 1983*  |
| Program | The Victorian Property Fund Grants Program Housing Funding Round 2018-19 |

|  |  |
| --- | --- |
| Proponent | A Respondent with a shortlisted proposal who is invited to participate in the Grant Application stage |
| Registrar | The Registrar of Housing Agencies appointed under the *Housing Act 1983* |
| Registered Housing Agency (RHA) | A Registered Housing Association or a Registered Housing Provider, registered with the Office of Housing Registrar |
| Respondent | An eligible Community Housing Organisation participating in this EOI process |
| Returnable Schedules | Schedules 1 to 7 to be completed and returned as part of the Respondent’s response to the IEOI |
| VCFA | Victorian Common Funding Agreement |
| VPF | Victorian Property Fund  |

# Introduction

## Invitation for Expressions of Interest

Consumer Affairs Victoria (CAV) invites Expressions of Interest from Community Housing Organisations (CHOs) for funding assistance for housing development projects that will increase the supply of environmentally sustainable community housing for low income and disadvantaged Victorians.

This Invitation for Expression of Interest (IEOI) comprises this document, the Conditions for Participation, and the Response and Certification form. All these documents provide guidance to Respondents and should be read in full before deciding whether to respond.

Following the Expression of Interest (EOI) process, CAV intends to shortlist favoured proposals and may invite formal grant applications to the Victorian Property Fund (VPF).

## Background

Under Section 76(3)(g) of the *Estate Agents Act 1980* (the Act) the Minister for Consumer Affairs (the Minister) may approve grants from the VPF for “projects providing or facilitating housing assistance for low income or disadvantaged Victorians”. Under Section 76(3)(h)(i) of the Act, the Minister may also award VPF grant funding for “projects regarding the development of environmentally sustainable housing.”

The Minister makes her or his decision on grant applications after consulting with CAV, the Estate Agents Council (EAC), and any industry associations, government departments and other bodies considered appropriate.

CAV is responsible for administering the VPF grants program, which includes evaluating grant applications, making recommendations regarding proposals to the Minister, and administering the grants awarded.

For general information on the VPF grants program, see the Consumer Affairs Victoria website [www.consumer.vic.gov.au/grants](http://www.consumer.vic.gov.au/grants)

### Purpose of Program

The VPF Housing Funding Round 2018-19 (the Program) will fund projects to increase the supply of environmentally sustainable community housing owned and managed by CHOs and used to provide long-term accommodation for low income and disadvantaged Victorians.

The Program aims to support CHOs deliver on attractive development or redevelopment opportunities with a VPF grant awarded by the Minister.

This IEOI is an opportunity for eligible applicants (Respondents) to submit responses outlining their credentials and proposals for development projects (Responses). At CAV’s sole discretion, shortlisted Respondents (Proponents) may be invited to formally lodge a VPF Grant Application for consideration by the Minister.

To be successfully shortlisted, Respondents will need to offer a compliant, competitive, value-for-money proposal and demonstrate their experience and capacity to deliver the Development within the required timeframe (i.e. by no later than June 2021).

In particular, Respondents will need to establish:

* Financial stability and capacity.
* Significant experience in developing and managing long-term affordable community housing for low income or disadvantaged persons.
* Capacity to manage and maintain the housing resulting from the Development on an ongoing basis without further Government assistance.
* Ability to leverage the VPF’s financial contribution and deliver competitive quantitative and qualitative value-for-money benefits.
* Compliance with the Program’s mandatory environmentally sustainable housing design requirements set out in Section 1.2.5.
* An ability to complete the Development by June 2021.

Respondents will also be required to indicate in their proposal how they intend to:

* provide a suitable mechanism to protect the State’s investment. (For example, a RHA that owns the land on which the Development is situated can arrange for the endorsement of the interest of the Director of Housing over the title to the land under Division 7 of Part VIII of the *Housing Act* 1983.)
* ensure that the Development is properly maintained and continues to be used for its intended purpose, and that all tenancies are fair and appropriately managed.

### Program objectives

The Government recognises the importance of affordable, safe and climate-adapted housing for the health and wellbeing of all Victorians, and is committed to providing more affordable and environmentally sustainable housing options for low income and disadvantaged Victorians.

Key Program objectives include:

* increasing the supply of long-term affordable housing available for low income or disadvantaged persons
* facilitating high value-for-money housing outcomes that leverage VPF grant funding with land, capital or other contributions from Government or non-Government sources, including CHOs, developers, local councils, churches and philanthropists
* supporting the development of environmentally sustainable community housing that will reduce operating costs and utility bills for CHOs and low-income tenants, increase accommodation thermal comfort and improve liveability and health outcomes for low income tenants, and help to demonstrate the long-term business case of building to a higher sustainability standard.

These objectives support government priorities outlined in a range of policies including *Homes for Victorians*, the *Energy Efficiency and Productivity Strategy*, and *Victoria’s Climate Change Adaption Plan 2017-20*.

### Potential grant funding available

The funding reserved for the Program from the VPF discretionary grants budget is $21 million ($7 million per year over three financial years 2018-19 to 2020-21). Actual funding awarded (if any) is subject to the discretion of the Minister and may vary from the reserved amount.

CAV is required to manage project cash flows from the funding available in each financial year. Payment arrangements are subject to agreement by CAV and will be negotiated if a grant is awarded.

Competition for the limited funding available is expected to be strong, with the total amount sought exceeding the funding available. All Responses received from eligible Respondents that meet mandatory Assessment Criteria (see Table 6 of Section 4) and key Program objectives will be fully assessed.

### Preferred proposal types

The following information is intended to provide further guidance to Respondents as to CAV’s preferred proposal types:

*Proposals that are likely to be viewed favourably include:*

* Proposals that increase the supply of new singles accommodation suitable for persons living in non-compliant rooming houses
* Proposals that will increase the supply of accommodation for women and their dependent children escaping family violence
* Redevelopment proposals that increase the supply of accommodation on underutilised properties
* Redevelopment proposals that both increase the supply of accommodation and upgrade existing housing in poor condition with limited remaining lifespan
* Proposals that involve the transfer of land to the Respondent from a non-Government source (other than a transfer between related entities) for free or a consideration substantially below market value (evidence of the agreement between the proprietor and Respondent may be required, such as a signed MOU)
* Proposals involving shovel ready (or near to) projects, where planning and building approvals are already in place or expected shortly, so that the Development can be commenced and completed rapidly
* Proposals designed to demonstrate leadership in environmentally sustainable design and construction of community housing.

*Proposals that will not be viewed favourably include:*

* Proposals to purchase existing stock that do not involve development of additional housing
* Proposals to upgrade existing housing that do not increase the supply of housing
* Proposals for development of transitional housing, emergency or crisis housing, or respite housing
* Proposals from CHOs without significant property development and property management experience
* Proposals in a very early stage of development that are conditional on numerous factors beyond the Respondent’s control
* Proposals that involve demolishing existing housing units to build new accommodation, resulting in only a small net gain.

### Environmentally sustainable design standards and requirements

The following 7 mandatory environmentally sustainable housing design requirements apply to the Program:

1. Any proposal for the development of a Class 1[[1]](#footnote-1) dwelling (house) must be designed and built to reach at least a 7-star rating against the Nationwide House Energy Rating Scheme (NatHERS). Proposals with higher star ratings will be viewed more favourably.
2. Any proposal for the development of a new Class 2 building (apartment building or rooming house) must be designed and built to reach an average 7.5-star rating across the development, with no single unit less than 6.5 stars against NatHERS. Proposals with higher star ratings will be viewed more favourably.
3. Any proposals for the redevelopment of existing housing (either Class 1 or 2) must comply with the efficiency requirements of the National Construction Code. In addition to this, the NatHERS rating of the completed housing will need to be at least 5 stars. Applications should provide the NatHERS ratings of both the existing and redeveloped housing. Proposals with higher star ratings will be viewed more favourably.
4. Any proposal for the supply and installation of transportable/relocatable housing must be designed and built to reach a minimum of 6-stars against NatHERS.
5. Star ratings of plans and specifications must be determined using current accredited software within Victoria (such as FirstRate 5 House Energy Rating software or an approved equivalent), with the rating undertaken by a thermal performance assessor accredited by either the Building Design Association of Victoria (BDAV) or the Australian Building Sustainability Association (ABSA).
6. Respondents must assess the build quality at appropriate points in the build process and at completion to verify the extent to which the achieved sustainability results comply with approved design specifications and reach the approved target star rating. Examples of appropriate assessment methods may include:
	1. As-built certification inspections
	2. Insulation integrity checking (e.g. using a thermal imaging camera)
	3. Air leakage testing (e.g. blower door testing)
7. Respondents must supply evidence to CAV’s reasonable satisfaction that the approved environmentally sustainable features have been included in the build, and that the verification processes have been completed.

Respondents are required to provide in their Response detailed information regarding the proposed environmentally sustainable design features to be incorporated in their development. Examples of features to be viewed favourably include (but are not limited to):

* Optimum passive solar design and site orientation
* Good quality, effective, shading for west, north and east facing windows
* Use of high quality insulation under floors (where relevant), in walls and on ceilings
* Windows with good thermal performance, including double glazing and window frame design to minimise heat loss and gain
* Use of materials that have a lower environmental impact, including embodied energy consumption, and which are recyclable or reusable
* Energy efficient heating and cooling systems (e.g. high efficiency electric heat pump split system heating and high efficiency electric heat pump hot water systems)
* Energy efficient lighting (LED or compact fluorescent globes)
* Solar photovoltaic systems optimally sized and designed for the development
* Battery storage for new solar PV systems (the investment business case must be supported by a report from an accredited energy assessor)
* All electric buildings powered with renewable energy
* Embedded networks (for Class 2 buildings)
* Use of water sensitive urban design principles, including stormwater management systems
* Water and energy efficient appliances.

Respondents are encouraged to explore other financial incentives to include environmentally sustainable features that are available through other federal or state energy efficiency upgrade programs or schemes including the Victorian Government’s Solar Homes Package or the Victorian Energy Upgrades (VEU) Scheme. For more information see <http://www.solar.vic.gov.au/> and <https://www.veet.vic.gov.au/Public/Public.aspx?id=Home>

# Information on the EOI and Grant application Process

## A Two-Stage Process

The two-stage EOI and Grant Application process (the Two Stage Process) for the Program will consist of:

* The EOI stage, which:

commences with the issue of this IEOI;

involves the evaluation process described at Section ‎4 of this IEOI, including the potential for interaction with Respondents during evaluation; and

concludes with the notification of Respondents who submitted shortlisted Responses (Proponents);

* The Grant Application stage which:

commences with CAV inviting Proponents to lodge a formal grant application to the VPF (Grant Application);

continues with the receipt and evaluation of Grant Applications, including consultation by CAV with DHHS, the Registrar, the Department of Treasury and Finance (DTF), Sustainability Victoria (SV) and the Estate Agents Council (EAC); and

concludes with the Minister making a determination on each Grant Application, and the announcement of VPF grants to successful Proponent(s); and

* The completion stage, comprising execution of the Funding Agreement and completion of any requirements of CAV for payment of the initial advance.

## Purpose of the EOI Process

The purpose of the EOI process is to assist CAV identify current opportunities to fund development projects and to select the Respondents whom CAV, at its sole discretion, may choose to invite to make a formal Grant Application.

## Who Should Apply

This IEOI is extended to all Community Housing Organisations with significant experience developing and managing long-term community housing in Victoria and that meet mandatory assessment criteria set out in Table 6 of Section 4. The IEOI is not restricted to Registered Housing Agencies.

## Who Should Not Apply

The IEOI is not extended to:

* any CHO that is not financially stable, or which does not hold significant experience in the development and management of long term community housing
* any RHA that is under investigation or subject to a formal intervention action by the Registrar of Housing Agencies under Divisions 7 or 8 of the *Housing Act 1983*
* for-profit organisations
* state or federal government departments or agencies
* universities, TAFEs and other academic institutions
* churches or religious organisations
* local councils

Local councils or churches with land to contribute towards affordable housing development projects for low income or disadvantaged persons are encouraged to partner with a CHO who can submit a Response on behalf of the partnership. (For more information on Asset Ownership requirements, see Section 3.6.)

## Key Dates

Key proposed dates for the two-stage process are indicated below.

Table 1 - Target Dates

| **Milestone** | **Date** |
| --- | --- |
| Release of IEOI  | 10 September 2018 |
| End of clarification period  | 8 October 2018 |
| Response closing time and date | 6.00pm on Monday, 29 October 2018 |
| Response evaluation period  | 30 October 2018 – 17 December 2018 |
| Respondents notified whether their response is shortlisted  | 18 December 2018 |
| Invitations to apply for VPF grants issued for shortlisted Responses | 18 December 2018 |
| Grant applications required by | 21 January 2019 |
| Grant application evaluation period | January to February 2019 |
| Ministerial decisions on applications  | March 2019 |
| Execution of funding agreements | April 2019 |

CAV reserves the right to amend the key dates. If CAV decides to change any of the key dates, it will publish the new dates on the CAV website ([www.consumer.vic.gov.au/vpfhousinground](http://www.consumer.vic.gov.au/vpfhousinground)).

## EOI Response Process

### EOI response limitations

Respondents must not submit more than one Response to this IEOI.

CHOs that have applied for funding for a particular project under a Director of Housing (DoH) or Department of Health and Human Services (DHHS) funding process should not seek funding for the same project under this Program unless:

* they have received notice that their DoH or DHHS application was unsuccessful, or
* if their application to DoH or DHHS was successful, they have obtained DoH or DHHS support to seek further Government funding for the project through the VPF.

### Response documentation and submission process

To submit a Response, Respondents are required to complete and return one (1) digital copy of the completed, signed and dated Response and Certification form, including Schedules 1 to 7 (the Returnable Schedules), in accordance with the submission requirements set out below. Unsigned copies will not be accepted. A copy of the Response and Certification form can be downloaded from the CAV website. [www.consumer.vic.gov.au/vpfhousinground](http://www.consumer.vic.gov.au/vpfhousinground)

Respondents may also be required to provide additional documentary evidence to support their Response if requested by CAV. RHAs are required to provide one (1) digital copy of their latest annual Housing Registrar Report.

CAV will acknowledge receipt of Responses by return email.

Table 2 – Response Submission Requirements

|  |  |
| --- | --- |
| Email addressed to: | vpf.grant.enquiries@justice.vic.gov.au |
| Email reference: | “(Your CHO’s name) – Response for VPF Housing Funding Round 2018-19” |
| Format of digital copy of Response: | MS Word or PDF  |
| Emails with attached Response to be received by CAV no later than: | 6:00pm, Monday, 29 October 2018  |

### Response evaluation process

The completed and signed Response and Certification form (and any additional supporting documentation requested by CAV) will be the material assessed. The Response evaluation process will involve three stages, as set out in the table below:

Table 3 – Evaluation Process

| **Stage** | **Title** | **Description** |
| --- | --- | --- |
| Individual evaluation of Responses  |
| 1 | Compliance with minimum submission requirements | Compliance checks will be undertaken to identify whether the Response is correctly signed and aligns with minimum content and form to be considered conforming  |
| 2 | Pass/fail evaluation | An evaluation of Responses against the mandatory pass/fail Assessment Criteria in Section 4 of this IEOI |
| 3 | Comparative evaluation | An evaluation of Responses that have passed the pass/fail Assessment Criteria against the comparative Assessment Criteria in Section 4 |

### Respondents to be notified of results of Response evaluation process

Following completion of the Response evaluation process, CAV will notify all Respondents of the outcome of the Response evaluation process by email, including whether their Response has been shortlisted.

## Grant Application Process

### Invitations to lodge Grant Applications

At CAV’s sole discretion, those Respondents with a shortlisted Response (Proponents) may be invited to submit a formal VPF grant application (Grant Application) regarding the proposal for formal evaluation. Following completion of the evaluation of the Grant Application, CAV and the EAC will make independent recommendations to the Minister.

The awarding of VPF grants is at the sole discretion of the Minister. No representation is made as to the likely success of a Grant Application by CAV inviting its lodgement.

### Grant Application submission requirements

CAV will supply Proponents with a copy of the VPF grant application form by email. A duly completed and signed Grant Application must be returned to CAV in accordance with the below Grant Application submission requirements.

Table 4 – Grant Application Submission Requirements

|  |  |
| --- | --- |
| Email addressed to: | vpf.grant.enquiries@justice.vic.gov.au |
| Email reference: | “(Your CHO’s name) – VPF Housing Grant Application 2018-19” |
| Format of digital copy of Grant Application: | MS Word or PDF  |
| Emails with attached Grant Application to be received by CAV by: | Monday, 21 January 2019 |

## Conditions of Participation

The terms and conditions applying to the Program are contained in this IEOI document and the accompanying *Conditions of Participation* document. Respondents are required to accept these terms and should familiarise themselves with the contents of these documents prior to submitting a Response.

## Registration, Enquiries and Feedback

CHOs interested in participating in the Program are encouraged to register by sending an email with their contact details to the following email address:

vpf.grant.enquiries@justice.vic.gov.au

with reference: “(Your CHO’s name) – Registration for VPF Housing Round 2018-19”

The Respondent’s nominated representative may seek clarification in respect of any aspect of this IEOI by submitting a written request for clarification to the Funded Services Branch of Consumer Affairs Victoria at the following email address:

vpf.grant.enquiries@justice.vic.gov.au

Clarifications can be submitted up to the End of Clarification Period specified in Table 1 - Target Dates.

CAV will have absolute discretion in determining whether to respond to a request for clarification. Subject to the confidentiality notification process below, CAV may provide the information sought to all Respondents.

If a Respondent believes that its request is confidential, it should notify CAV of this upon submitting the written request. A determination will be made by CAV, in its absolute discretion, as to whether or not the enquiry is confidential.

If CAV determines the enquiry is:

* not confidential, it will advise the Respondent of this decision. The Respondent may then withdraw the enquiry within two Business Days or proceed with the enquiry as a non-confidential enquiry, in which case CAV will respond to all Respondents; or
* confidential, the answer to the enquiry (if any) will not be issued by CAV to other Respondents.

Whether or not an enquiry is confidential or determined by CAV to be confidential or is otherwise withdrawn by a Respondent, does not limit or otherwise affect CAV’s rights under this IEOI.

CAV will supply feedback regarding an unsuccessful Response or Grant Application upon the request of the Respondent.

# Requirements

## Summary of Proposed Arrangements

The following notes form an indicative summary of the commercial and operating arrangements for delivery of the Program. In the event of an inconsistency or contradiction between this indicative summary and the Funding Agreement, the Funding Agreement shall prevail.

## Government contribution limited

If a VPF grant is approved, the Government’s contribution to the Development is limited to the value of the VPF grant awarded. The Grant Recipient is expected to meet all other costs associated with the Development and ongoing use of the housing for accommodating low income or disadvantaged persons, including the cost of maintaining or improving the housing and providing any required tenancy management or support services.

## Housing to be used for accommodating low income or disadvantaged Victorians

It is a condition of any grant that any housing developed or redeveloped with the VPF funding be used to accommodate low income or disadvantaged Victorians.

## Contractual terms

Unless CAV agrees otherwise, the Grant Recipient must deliver the Development as proposed in the Grant Application. The Grantee must seek CAV’s prior written approval for any significant change to Development, including the manner of delivery and timing of the Development.

The grant recipient will be required to enter a Funding Agreement with CAV in the form of the Victorian Common Funding Agreement (VCFA). The standard terms and conditions of the VCFA are not negotiable. A copy of these terms is available for download at the Victorian Common Funding Agreement page on the DHHS website (<https://providers.dhhs.vic.gov.au/victorian-common-funding-agreement>).

The VCFA Schedule details are to be negotiated with reference to the specific needs of the Development, including the payment milestones and timing. (Subject to CAV’s agreement, an initial advance of up to 40% of the grant value can be made upon execution of the Funding Agreement, with the balance of funding paid upon achievement of agreed construction milestones and CAV’s acceptance of progress and acquittal reports.) The Applicant’s grant application will be incorporated in the terms of the funding agreement.

The grant recipient will be required to report on the actual costs of the Development compared to budget and supply information to evidence project expenditure to CAV’s satisfaction, including if requested an audited financial statement of project expenditure.

In the event the Development is completed for less than the approved project budget, CAV will proportionally reduce the VPF contribution to maintain the VPF’s agreed share towards the Development.

If the value of any grant awarded exceeds a specific value ($1 million for projects in regional areas, and $3 million for projects in metropolitan areas), the Respondent will be required to meet Victorian Industry Participation Policy (VIPP) requirements. For more information see <https://economicdevelopment.vic.gov.au/victorian-industry-participation-policy>

The Grant Recipient will be required to acknowledge any financial and other support provided by the Victorian Government. CAV requires the right to publicise and report on awarding the funding to the grant recipient.

## Regulatory and environmental design requirements

The Respondent will be required to:

* comply with the Building Code of Australia, all relevant Australian Standards, and all occupational health and safety laws and regulations
* hold all relevant licences and registrations required to lawfully deliver the Development
* meet the mandatory requirements for environmental sustainability housing set out in Section 1.2.5.

If a RHA, the Respondent will be required to:

* comply with performance standards and other legislative requirements set out in Part VIII of the *Housing Act 1983*
* provide CAV with a copy of its last Housing Registrar Annual Report to evidence compliance with regulatory requirements of the Office of the Housing Registrar.

## Asset ownership

For all proposals, the Land must be owned by (or transferred to) either the Respondent or the State (via the DoH or other Government department).

Any Respondent proposing a Development involving Land owned by the State must produce evidence of this support to CAV’s satisfaction (e.g. a letter from the DoH or relevant Government department confirming the State’s willingness to use the Land for the proposed purpose).

If the Land is or will be owned by a RHA, the interest of the DoH must be endorsed over the title to the Land. CAV may make one or more grant payments via the DoH to facilitate the endorsement process.

## Delivery timeframe

Unless CAV agrees otherwise, Developments must be completed by no later than June 2021. All claims for payments should be made within this period unless CAV’s prior written approval is obtained.

## Asset management and tenancy support services

The provision of funding for tenant and asset management services, including the cost of ongoing maintenance of the Development and any wrap-around support services required for the tenants are not within the Program’s scope and no further funding can be expected or assumed to be available for these services from CAV, DoH, DHHS or any other Government department or agency. Responsibility for securing funding for these costs or services lies with the Respondent.

## Other responsibilities and risks to be assumed by Respondent

The Table below provides an indicative list of areas of responsibility and risk expected to be assumed by the Respondent. These include but are not limited to:

Table 5 –Risk to be assumed by Respondent

| **Risk** | **Summary description** |
| --- | --- |
| Site conditions | Responsibility for ensuring that the site is suitable for construction or redevelopment of dwellings including any demolition or enabling works.  |
| Planning and other approvals | Obtaining planning approval, modifying approvals, risk of delay or additional costs of planning approvals. |
| Contamination & environment | Risk of unknown pre-existing contamination being discovered that causes delay or additional costs during the delivery phase. |
| Stakeholder and community liaison | All community or stakeholder management activities, including (but not limited to) exceeding noise and/or vibration limits or other disruptions to the community at the site, causing delay to completion. |
| Design | Delivery of design packages that meet the relevant regulatory requirements, quality standards, functional specifications and/or performance outcomes.  |
| Construction | Delivery of agreed works in accordance with law, accreditation and planning requirements by either self-performing or engaging sub-contractors.Completion risk, solvency of builder/developer.Quality of housing stock. |
| Site access | Maintaining access to sites during construction. |
| Cost and time overruns | Additional costs and delays to completion.  |
| Rental assistance payments  | Collection of Commonwealth Rental Assistance payments on behalf of tenants |
| Accessing funding for provision of wrap around services (as required) | Funding source of wraparound services that are specific to the needs of the clients. |
| Raising and servicing debt finance (as required) | Arranging and obtaining a committed debt financing package by contractual/financial close and ongoing servicing of financing obligations. |
| Raising and servicing equity finance (as required) | Arranging and obtaining a committed equity financing package by contractual/financial close and ongoing servicing of financing obligations. |
| Sustainability risks  | Risks associated with the Program’s environmentally sustainable housing requirements, including equipment installation and commissioning, faulty equipment risk, warranty risk, and risk that as-built outcomes fail to meet expected performance and star rating standards |
| Reference interest rate risk  | Risk of movements in actual base rate assumptions beyond what is assumed in the base case. |
| Tax risk | Actual tax liability differs from what is assumed or changes in tax law. |
| Insurance | All costs and risk associated with maintaining insurance required for design, construction and any service delivery.Long term availability and material cost increases. |
| Dispute resolution with subcontractors | Risk of inability to resolve contractual disputes with subcontractors. |

# Response Assessment Criteria

## Overview

Responses will be assessed against ten criterion. The first four in Table 6 are mandatory pass/fail whilst the six in Table 7 are weighted and will be used to compare Responses that progress through the mandatory assessment.

**MANDATORY CRITERIA: PASS / FAIL CRITERION (UNWEIGHTED)**

Table 6 – Mandatory Criteria

| **Criteria** | **Description** | **Weighting** | **Schedule(s)** |
| --- | --- | --- | --- |
| Organisation details  | Respondent is an eligible Community Housing Organisation. If a RHA, it must not be under investigation or subject to a formal intervention by the Registrar of Housing Agencies under Divisions 7 or 8 of the Housing Act  | N/A | Schedules 1 & 2 |
| Development Details | The proposal meets:* Program objectives including increasing the supply of long-term affordable housing for low income and disadvantaged Victorians
* mandatory requirements for delivery of environmental sustainable housing outcomes specified in Section 1.2.5
* the requirement to complete the Development by 30 June 2021 (unless CAV has otherwise agreed)
 | N/A | Schedules 2 & 7 |
| Stability, experience and capacity | The Respondent demonstrates sufficient: * experience in developing and managing long-term accommodation for low income or disadvantaged persons
* financial stability and capacity to deliver and manage the Development
* experience and capacity to deliver and manage the Development
 | N/A | Schedules 3 ,4 & 5 |
| Accountability | The Respondent offers acceptable mechanisms and processes to:* protect the State’s investment
* ensure the Development continues to be used for the approved purpose
* ensure tenancies are fair and appropriately managed.

(together, ‘Accountability Processes’) | NA | Schedules 3 & 5 |

**COMPARATIVE EVALUATION CRITERIA: WEIGHTED**

Table 7 – Comparative Criteria

| **Criteria** | **Description** | **Weighting** | **Schedule(s)** |
| --- | --- | --- | --- |
| Previous experience, capability andcapacity  | The extent the Respondent demonstrates: * a successful track record of delivering housing development projects of a similar (or more complex) type to the proposed Development
* skills, capability and capacity to:
	+ successfully deliver and maintain the proposed Development
	+ manage the tenancies without ongoing Government assistance.
 | 15% | Schedules 2-5  |
| Accountability, preparation and risk | The extent to which the Respondent demonstrates:* appropriate Accountability Processes
* readiness to commence the Development and ability to complete it within the required timeframe
* suitable risk management processes
 | 15% | Schedules 2 & 5 |
| Leverage of VPF contribution | The extent that the VPF’s contribution will be leveraged by other contributions  | 10% | Schedules 2 & 6   |
| Value for money – Quantitative  | The extent the Development will deliver quantitative housing benefits (e.g. numbers of units and bedrooms, costs per unit or bedroom) | 20% | Schedules 2 & 6  |
| Value for money – Qualitative  | The extent the Development will deliver desired qualitative housing outcomes and broader social, health and environmental benefits  | 25% | Schedules 2, 6 & 7 |
| Environmentally sustainable housing outcomes | The extent the proposal will:* incorporate environmentally sustainable design features
* deliver a competitive star rating
* be tested and verified for as-built compliance
 | 15% | Schedule 7 |

1. Class references are to the National Building Code of Australia. [↑](#footnote-ref-1)