

Transcript – Information Session 1.30pm-2.17pm 27 November 2024 via Microsoft Teams Webinar

Please note, this transcript has been edited to remove non-consequential elements of the presentation.

Nicholas Holt:

Good afternoon everyone and welcome today to an information session on the *Request for Expressions of Interest for Land for Community Housing and Request for Proposals for Financial Assistance for Affordable Rental*. My name is Nicholas Holt. I'm the Executive Director of Thriving Communities within the Suburban Land Agency (SLA).

Acknowledgement of Country and introductions

This information session is to assist potential respondents understand the *Request for Expressions of Interest for Land for Community Housing and Request for Proposals for Financial Assistance for Affordable Rental* (Request).

This process provides an opportunity for respondents to buy blocks of land from the SLA. We have two blocks that are available in Gungahlin and Moncrieff, for community housing. This process is also an integrated process with the opportunity for respondents to seek financial assistance to acquire, develop and operate affordable rental dwellings. This financial assistance can be applied for either SLA blocks or on your own site if you have one of those as well.

On the agenda today – we will take you through why we are running this process, the support available for Aboriginal Community-Controlled Organisations, the community housing opportunities in Gungahlin and Moncrieff, how the process works for those respondents who might have their own sites, the financial assistance available and some of the details about how the request process and evaluation will work. This will be followed by a few minutes of Q&A if you have any questions about the process.

Housekeeping

Mitch Pirie:

Hi everyone, Mitch Pirie, Coordinator-General for Housing. Really welcome and appreciate the opportunity to talk to you about this process that we're running.

We're running this process in line with the ACT Housing Strategy and Wellbeing Framework. The Government is seeking to increase the supply of affordable rental dwellings in the ACT, support Community Housing Providers and also in particular support Aboriginal Community-Controlled Organisations that are also CHPs.

The Indicative Land Release Program for 2024-25 included the sites that Nick and the team will be discussing today for community housing and we're excited about the opportunity they present to support growth of the community housing sector. The Government is also committed to the ACT Aboriginal and Torres Strait Islander Agreement 2019-2028 and the National Agreement on Closing the Gap which Chris and his team will be discussing will be discussing later today.

And lastly, this process also reflects the Government's commitments through the Affordable Housing Project Fund. The Fund was established in 2023-24 to grow the supply of affordable rental properties in Canberra and strengthen the community housing sector. The Fund was increased to a total of \$80 million in the 2024-25 ACT Budget, which included more than \$280 million in support for housing initiatives. The new government has made a commitment to increase the Fund further to \$100 million, so a really exciting opportunity highlighting the Government's commitment to supporting growth of the affordable and community housing sector.

As I mentioned at the beginning, we're excited that that this opportunity is integrating grants from the Affordable Housing Project Fund with land releases that SLA are putting out to market. It's a new frontier for us at ACT Treasury and SLA. But we're excited about what it hopefully will be able to achieve.

Chris Simpson:

Thank you, Mitch, and thank you, Nicholas.

Nma Christopher Jumpajinpa Simpson banju wakka wakka yargon. My name is Christopher Jumpajinpa Simpson, and I come from the Wakka Wakka people.

I'm also the Executive Branch Manager of the Aboriginal Service Development Branch or ASD. ASD was established in 2023 within the Community Services Directorate to support and work in partnership with the Aboriginal and Torres Strait Islander community, including new and existing Aboriginal Community-Controlled Organisations (ACCOs) and government partners to deliver on the National Agreement on Closing the Gap Priority Reform 2: Building the community-controlled sector. We work closely with new

and existing ACCOs supporting their operational capability and capacity to meet community goals to deliver across the entire human services system. This includes holistic and culturally safe wraparound services that are not siloed by Government processes and responds to individual ACCO's needs and brings partners together to collaboratively address challenges and explore opportunities.

There are currently 3 ACCOs that are NRSCH registered as housing providers operating in the ACT. We're investigating opportunities to support these ACCOs, to further build their housing stock through public housing, social housing and community housing. We also support new and emerging ACCOs in the ACT with aspirations and community led approaches to deliver housing services in the ACT, including regulatory registration processes.

A mixed mode approach is being explored as it will unlikely that 1 ACCO can provide all the different services to meet community needs across the housing continuum of crisis, traditional and emergency accommodation, short and long term public housing, short and long term social housing provided by Community Housing Providers, affordable rental, affordable home ownership and Aboriginal Enterprise development. Respondents, which are ACCOs or a consortium that is led by an ACCO, will be weighted favourably.

This is a priority for the Australian government, underpinned by our National Agreement on Closing the Gap and our Aboriginal and Torres Strait Islander 10-year agreement commitments. The benefits of investing in culturally appropriate housing through our ACCOs supports improved outcomes for Aboriginal and Torres Strait Islander people, noting that ACCOs must meet the National Agreement on Closing the Gap clause 44 definition, as well as demonstrating that operate and provide service delivery in the ACT or surrounding regions.

An ACCO Concierge Service has been developed. We at ASD will be the key contact for ACCOs to support them, to participate in this land and funding opportunity. This includes access to business services development through the Badji program, facilitating information requests from ACCOs through appropriate channels and probity will be managed as the concierge service will go through the usual process for submitting questions which Jess will cover in more detail later on. Jamie will now talk about the sites available.

Jamie Valdivia:

Thank you, Chris. Good afternoon. My name is Jamie Valdivia and I'm the Senior Director of the Housing Choice team in SLA. OK, let's dive into some details on these sites.

The first site is Block 4, Section 235 in Gungahlin with the size of 2895 metres squared. Over the past two decades the Gungahlin region has become home to nearly 50,000 residents. Gungahlin Town Centre is at its heart and offers key components of an active community, including schools, a library, medical services, cafes, restaurants and department stores. A future Gungahlin Town Centre development is close to this site making this place ideal for a vibrant lifestyle.

The second site is Block 4, Section 23 in Moncrieff, with a size of 4254 metres squared. This charming village-style suburb is home to around 2,200 dwellings and it's located between natural surroundings and urban conveniences. With parks, playgrounds, easy access to schools, and a proposed future Group Centre, Moncrieff has grown to be a lively and close community in Canberra's north. Just 4km north of the Gungahlin Town Centre, Moncrieff gives incredible access to all amenities. A future Moncrieff Group Centre is also underway - located just across the road of this site.

Now, let's talk about potential yields for these sites. As part of this Request process, we engaged two experts to develop yield analysis for Gungahlin and Moncrieff.

Analysis 1 is an indicative yield study prepared by Fitzpatrick Planning Services. This first analysis is a high yield investigation which pushes the planning benchmarks and increases the possible number of dwellings that could possibly be developed on the two sites. For example, this first analysis moves away from the technical specifications and assumes smaller units in comparison to other community housing developments. It assumes minimal setbacks and a higher footprint cover for development, assumes 6 storey buildings on the site, argues for reduced carparking, and it also assumes basement carparking. Please note with the underground carparking – the geotechnical reports suggest that underground basement parking is doable, but it will be expensive.

Analysis 2 is a concept and design plan prepared by Collins Pennington Architects. You can consider this a lower yield analysis. This analysis was put together in consideration of a more standard community housing building in mind (like Common Ground Dickson) but without basement parking. For example, this concept plan adheres strictly to the technical specifications for community facility zoning and it includes larger dwellings to accommodate adaptable class C requirements. It uses 6 metre setbacks

which reduces the footprint of development, it includes waste truck turning circles, it assumes podium parking – rather than underground parking, and it applies 4 storey buildings for most of the analysis. However, we did do one assessment within this analysis using 6 storeys – which gave us better yields. Interestingly, both analyses suggest that a 6 storey development is highly doable on these two sites.

As a summary the results show that in Gungahlin there could potentially be between 60 to 100 dwellings using the high-yield investigations. On a semi-conservative assessment, this shows a potential of 40 dwellings on the site, and being very conservative and strictly sticking to the technical specifications, this would yield close to about 30 dwellings.

In Moncrieff the potential yield analysis is much higher given the size and geometry of the site. Here we can see a potential yield of over 100 dwellings (pushing to about 170 dwellings at most) in the high-yield scenario. Using the semi-conservative yield assessment, we could see about 65 dwellings, and using the very conservative scenario we could see a yield of about 40 dwellings on the site.

Finally, I would like to provide you a short overview of the process of buying the blocks of land. The prices for the blocks are listed in the Request. They are \$2.47 million for Block 4 Section 235 Gungahlin and \$3.05 million for Block 4 Section 23 Moncrieff. Both prices include GST and are not negotiable.

Successful Respondents can choose to either enter into an Option Deed or progress straight away to exchanging Contracts for Sale. An Option Deed gives the Respondent the right to exercise the option and exchange contracts at a later date. The Option deed expires 12 months after execution and requires a \$1 nominal consideration.

The Contract for Sale is a binding contract to buy the block, it includes paying the deposit and entering into the Project Delivery Deed which also has some sustainability requirements. There are specimen documents included and available online, including specimen option deeds, contracts for sale, and project delivery deeds.

I will now hand over to Jess from Treasury, who will go into more details about the process.

Jessica Hillcrest:

I'm Jess Hillcrest, the Senior Director of the Affordable Housing Policy Coordination team in Treasury.

In addition to the two blocks which are available to purchase from the SLA for community housing, respondents who have their own sites can also seek financial assistance through this process. If you have your own site, then the respondent has to either include the Crown Lessee (and this could be the sole company responding, or it could be as part of a consortium) or you need to demonstrate an exclusive right to purchase the site. This could be for example an exchange contract for sale or an option agreement.

Your own site does need to meet the requirement for the minimum number of affordable rental dwellings, which is at least 10 dwellings and 15% of the overall development dwellings.

I also note that sites which are subject to existing affordable, community or public housing requirements are not eligible, so if you have already acquired a site that has those requirements on it then you are not able to seek financial assistance.

I am now going to run through some of the details around the financial assistance that's available. Respondents can request different form and amounts of financial assistance in the Response Form. We've got here a little screen snip from the Response Form which includes the different types of financial assistance that can be requested.

This includes no financial assistance. It also includes upfront financial assistance, which might be monetary assistance to support purchase of a site or construction; upfront assistance like Lease Variation Charge assistance, which would only be applicable for those with their own sites. It includes ongoing financial assistance, which might take the form of a subsidy grant, for example, to cover the gap between market and affordable rent and ongoing financial assistance like a scheduled or availability payment and lease variation charge deferral.

Those who are looking to buy the Moncrieff or Gungahlin sites can seek financial assistance to buy the sites. ACCOs that are also a CHP or leading a consortium where a CHP will buy the land, are able to seek financial assistance for 100% of the purchase price of the land, and others will be able to be supported for 50% of the purchase price.

All responses need to demonstrate the minimum number of affordable rental dwellings, which, I'll repeat again, is 10 dwellings and 15% of the overall development dwellings.

Other uses like social housing, childcare centres, crisis and transitional accommodation will be excluded for the purposes of calculating the financial assistance as the Affordable Housing Project Fund is only able to support affordable rental housing. This is why the evaluation for the financial assistance is based on the net present value per affordable rental dwelling with other uses will be excluded from that calculation.

Successful respondents who are able to get access to financial assistance will be required to enter into a Deed of Grant. And there is a specimen Deed of Grant that's been included as part of the set of documents that are available online. And just a reminder, if you haven't yet had a chance to take a look, the QR code that's on each of the slides will take you to the website where all of the documents are available to download and read.

Jumping into a bit more detail about how the Request works. In terms of who can participate, we just wanted to reiterate some of the requirements. Any company can become a respondent by lodging a Response Form. You can form a new consortium or a new company for the request, but those who are looking to buy either the Gungahlin and/or Moncrieff sites or seek financial assistance for these sites, the entity buying the land must be a Community Housing Provider.

If you're interested in buying both blocks, two separate Response Forms must be completed. When we're talking about Community Housing Providers, we're talking about CHPs that are registered through the National Regulatory System for Community Housing, NRSCH, and we will be verifying this as part of the assessment process.

If you've already got your own site and you're interested, then I mentioned this earlier, but I'll just repeat it again, the current Crown Lessee must be included either as the sole respondents or as part of a consortium, or you must demonstrate that you've got an exclusive right to purchase. This could be an exchanged contract for sale or an option agreement. If you were going to be submitting for multiple own sites, then again you need to do separate Response Forms for each site.

We've just got a snip here of the Response Form. This is available to download off the website. Again, if you haven't already taken a look, the QR code will take you there. So you need to download the Response Form and complete it. It's designed to be completed as is with checkboxes and form fields. There are some mandatory attachments like a financial feasibility letter. There are also some optional attachments. Please note that there are some page limits applying to attachments and any

attachments do need to be referenced in the Response Form. Once you've completed the Response Form, it and any supporting attachments can be uploaded on the website.

We're just going to run through the key timeframes and process for asking questions. In terms of the timeframes, the process we released this on the 7th of November, the last day for asking questions is the 10th of January, and then the process will be closing at 2:00 PM on the 21st of January. We'll be doing our evaluation through to March and then be looking to notify successful respondents and negotiate documents between March and June 2025. This timeframe depends a little bit on the amount and type of financial assistance requested as it is linked to the Affordable Housing Project Fund.

Any questions about the Request? If they're not asked today, they need to be submitted in writing to community.housing@act.gov.au. And any matters that are raised through the ACCO Concierge Service will also be submitted via this process. We will be making available answers to questions and any addenda online on the website, and we'll also try and notify as many prospective respondents as possible via e-mail.

I have seen that there have been a couple of questions trying to clarify in the chat, the presentation slides from today will be made available online and we also will be making available details of all the questions and answers that are answered today.

We just also wanted to run through a little bit around the evaluation process that we'll be going through. After being checked for compliance, responses will be assessed against our threshold assessment criteria. Again, the details of these are in the documents, but we've just summarised them here.

For the land nomination criteria, we need you to express interest in either the Gungahlin or Moncrieff sites or tell us the details of your own site, if that's what you're applying for.

For affordable rental details, we're looking for you to tell us the number of affordable rental dwellings that you're proposing, and also the total number of development dwellings. This could be the same number depending on what kind of model you're proposing.

For the planning details criterion, we're looking for you to tell us what you plan to do on Gungahlin and/or Moncrieff if you're seeking to buy one of those blocks or if you have your own site, we're after details about your own site. Depending on the status of your site, you might need to be providing various documents, including your Crown lease or

your development application or your proposed site plans and feasibility, depending on where you're at with your own site.

The financial feasibility threshold criteria, so there's some information in the Response Form that we're asking for. But in addition to that, we're also seeking a letter from your financier or accountant. And this is basically just confirming that you've got the financial capacity to undertake the project. There is a template letter in the Response Form that can be detached, provided to your financier or accountant, tailored to your circumstances and then included as part of your response.

The built form construction experience threshold assessment criterion, we're really asking here for at least one example of your experience in built form construction and then a couple of referees who support that.

Now, if found to be satisfactory against the threshold assessment criteria, we'll proceed to assess against the weighted assessment criteria.

Each weighted assessment criteria will be scored and then the weightings will be applied. The first of these is financial response. As mentioned previously, this is based on what is being sought for financial assistance and the net present value per affordable rental dwelling. Using net present value is to make sure that all the different types and forms of financial assistance are being compared appropriately, this is weighted 35%.

The second weighted assessment criteria is for ACCOs, and ACCO-led consortia, who will be weighted favourably, receiving an extra weighting of 15%.

The proposed timeline criterion favours projects that could be delivered soon by 2025-26, followed by projects that could be delivered by 2029-30. So that's weighted 10%.

The property management experience criterion is about experience in managing properties. CHPs will be considered most highly and direct experience of operating, leasing and maintaining properties will be considered more highly. That's weighted 10%.

The intended property and tenant tenancy management processes. This is really about the systems and protocols that will be used for property and tenancy management, particularly about ensuring affordable rental dwellings are rented to eligible tenants and maintaining tenant privacy. CHPs will be considered most highly for this criterion, and it's weighted 10%.

The last weighted assessment criterion is wellbeing impact. This criterion is really about the impact on community wellbeing considering multiple different groups of people, climate change, future generations. Responses that have a positive impact across multiple groups will be considered most highly, and this criterion is weighted 20%.

So just a bit of a summary and a reminder of the next steps that you to take to participate in this process. Again, really encourage you to jump on the website if you haven't already. Read the guide to the process that's up there. Read the Request document. The guide covers similar information to what we've talked about today. The Request document is the document that forms the technical and legal basis of the Request. There are also lots of attachments available. As Jamie mentioned, we've got lots of specimen and background documents up there for each of the Moncrieff and Gungahlin sites. There's also the specimen Deed of Grant available.

If you're interested in purchasing either of those sites, it's really important to take a look at the Contracts for Sale, the Option Deeds, the Project Delivery Deeds, familiarise yourself with the site. If you've got your own site, it's still really important to read the Request itself and to take a look at the Deed of Grant.

You should download and read the Response Form. This tells you everything we're asking you to submit. We really recommend that you contact the experts. You might need to get some legal or planning advice, particularly if you're looking to buy one of the sites and you will need some support from your financier or accountant, particularly completing that letter template that we're asking to be filled out. Then you'll need to complete, sign and upload the Response Form on the SLA website – the link is here and also the QR code. You can also upload any supporting documents and a reminder that responses need to be lodged by 2:00 PM on the 21st of January. So please mark that date in your diary now.

See Questions and Answers document