

## **LOCAL GOVERNMENT AND COMMUNITY HOUSING PROGRAM GUIDELINES**

### **1. AIMS**

The Local Government and Community Housing Program (LGACHP) aims:-

- \* to involve local government and community groups in the identification of housing needs and the formulation and implementation of local housing policies;
- \* to involve local government and community groups in the provision of low income rental housing, and facilitate greater tenant participation in the management of dwellings by:-
  - providing financial assistance to local government, community groups, voluntary organisations, and rental housing co-operatives to purchase, construct, lease or upgrade buildings; and/or
  - purchasing, constructing or leasing of buildings which may be owned or jointly owned by the Department of Housing but managed by local government, housing co-operatives (including tenant groups) and other non-government groups.
- \* to respond to specific housing needs which have been neglected in the past;
- \* to attract local government and non-government funds and other resources into low income housing which would not otherwise be available, eg. by subsidising borrowings of co-operatives or housing trusts.

### **2. FUNDING**

NSW received \$9,800,000 in Federal funds for the three year period 1984/85 – 1986/87. \$1.5 million of this was set aside for the development of rental housing co-operatives, with the remainder to be allocated to council and community sponsored projects across the state.

The housing co-operatives did not utilise the full allocation in the initial three year period. Unutilised funds were transferred for allocation to other projects, and an amount equal to the transferred funds were set aside for housing co-operatives from the 1987/88 budget.

In 1987/88, \$4,201,000 was made available to NSW for the program. A minimum level of funding of \$4,200,000 each year for 1988/89 and 1989/90 has been guaranteed by the Federal Government.

Funds are made available as grants, however the feasibility of using loans in addition to grants is being investigated.

The program has been successful in attracting resources at the local level, both public and private.



### 3. CRITERIA FOR THE EVALUATION OF PROJECTS

For an application to receive favourable consideration it is essential that it meet the following criteria:

1. The project should provide rental housing for low to moderate income earners. Sitting tenants of purchased properties who exceed income qualifying criteria will not be expected to fall within the low to moderate income bracket. Separate guidelines shall apply to co-operatives.
2. The project should advance the aims and objectives of LGACHP.
3. It should be necessary for the submitting group to identify the target group to be housed by the project, demonstrate that housing need and show their ability to fill the proposed accommodation.
4. The application for the project must be submitted by either a local government or a community group, but an attempt must be made to involve both parties. Separate guidelines shall apply to co-operatives.
5. At the time of final funding, the proposal should conform with appropriate local council regulations.
6. The project should be directed by a management structure reflecting the interests of the parties involved, namely tenants, council and/or community group.
7. Provision should be made for effective tenant involvement in that management structure and scope should be allowed for moving towards tenant based management.
8. Tenants of the project should be given maximum possible control over design and ongoing management of their dwelling space and the project.
9. The project should display evidence of cost-effectiveness relating total outlay to the amount and quality of accommodation, to the cost of property in a particular area and, where possible, be compatible with Departmental cost structures.
10. The project should be technically feasible.
11. The project should have regard to basic design standards recommended by the Department of Housing, Department of Environment and Planning, and Local Government. Information on Departmental "design standards" may be obtained through consultation with the Regional Production Teams.
12. The project should represent an approach to design which is appropriate to the particular needs of its residents.

In addition, it is desirable that proposals:

13. Encourage forms of publicly owned housing which are innovative in their approach to design, sponsorship, cost structure, management, and target group; and which are capable of being reproduced elsewhere. Proposals which are not innovative will, however, be considered.
14. Be capable of attracting funds from sources other than LGACHP.
15. Show a sensitivity of design to the social, physical, environmental and climatic conditions of their locations.
16. Be acceptable within the local community.
17. Involve the use of local resources such as land, building, finance and labour.
18. Have a tenant development strategy which includes reference to:
  - calling for tenant participation from the start
  - full access to information regarding the proposal including explanations of decisions made.
19. Are supported by local government *and* by the community group.



#### **4. PROJECTS WHICH MAY BE FUNDED**

Proposals may be made to purchase and/or upgrade existing building stock or to construct dwellings on land which may be specially acquired or already owned by one of the applicants.

Such housing may include detached or attached dwellings of various types. It may be self contained or share communal facilities, in the form of traditional independent dwellings or expanded houses.

LGACHP is a capital program only. The cost of ongoing management and maintenance is expected to be borne locally, i.e. out of tenants' rents and, where tenants' rents are insufficient, through the resources of local government and/or the community sector.

#### **5. RESPONSIBILITIES OF MANAGEMENT BODIES**

##### **(a) Type of management structure**

The management structure should be appropriate to the project. Examples of management structures include local government committees, under Section 527 and 530A of the Local Government Act; self-managing rental housing co-operatives; or community organisations e.g. Community Tenancy Scheme and other community organisations. All management structures must be capable of developing mechanisms for tenant participation.

Management committees should be incorporated, or take steps to become incorporated, as a limited liability structure. This is not mandatory for committees constituted under the Local Government Act.

##### **(b) Administration**

The managing body should be able to take on the administration of the project, including the keeping of records and monitoring of the project over time.

##### **(c) Eligibility**

Generally, the choosing of tenants will be determined by the management committee on the basis of the local need. However, those on public housing waiting lists must have the opportunity to apply for housing provided through the project, if so desired.

##### **(d) Rent**

Residents of dwellings funded under the program shall pay rent for housing not exceeding 20% of the gross household income. Rent levels will need to be adjusted periodically to reflect changing incomes of tenants.

##### **(e) Leasing Arrangements**

The choice of the lease to be used will be the responsibility of the management committee. Tenants must be afforded as much security of tenure as possible. Accommodation provided is intended to be for long term use.

##### **(f) Maintenance**

Dwellings are expected to be maintained at a standard applicable to state-provided public housing or such other reasonable standard as is agreed between the Department of Housing and the local group concerned. The management committee will need to establish responsibility for maintenance of outside and inside of dwellings, public and private open spaces, etc.



### **(g) Tenancy Matters**

Issues such as settlement of disputes, payment of rent arrears, privacy, etc. will need to be considered and measures set up to deal with such matters.

### **(h) Accountability**

In line with federal requirements for the program, local government and community groups will be expected to provide, on a bi-annual basis, the following information to the Department of Housing:

- (i) tenant profile;
- (ii) details of development, ie. number of bedrooms, dwelling type, ownership and location;
- (iii) rent received;
- (iv) rebate formula (if applicable);
- (v) source of funding;
- (vi) additions to dwelling stock, or subtractions if portion/whole of stock disposed;
- (vii) resource workers employed.

The Department will assist with the collection of this data. In addition audited statements will be required for the period of construction and for the period spanning ongoing management of the project.

- (i) During construction, the Department will require quarterly statements of expenditure where local government/community groups are engaged in directly supervising this work.
- (ii) on completion of construction, an audited statement will be required setting out amounts expended on construction costs.
- (iii) the Department will require an annual audited statement from the managers of the project which sets out rental income, outgoings, amounts set aside for cyclical maintenance, and accumulated surpluses.
- (iv) the Department will provide a standard form spelling out information required in relation to income and outgoings.
- (v) for local government an audited statement will be required 3 months after the close of the financial year; for community groups this will be extended to 4 months after the close of the financial year.
- (vi) where organisations funded under LGACHP receive ongoing funding from the Department under other programs they may negotiate the incorporation of audit statement requirements for LGACHP in such a way as to avoid duplication.

## **6. DESIGN**

Groups submitting for funding under LGACHP are expected to have regard to basic design considerations such as:

- \* ensuring that the proposed development uses the site economically and efficiently.
- \* orientating dwellings to maximise north/north-easterly sunlight for living areas, while avoiding problems of heat loading caused by bedroom and living room windows facing west.
- \* the preservation of views.
- \* consistency with local architectural conditions in scale and materials, e.g. use of particular materials, colours.
- \* maintaining degrees of privacy, and defining private and public space.



- \* avoiding the problems of mixing incompatible household types, e.g. aged-persons and singles or aged-persons and large families in close proximity.
- \* use of low maintenance materials.
- \* management of common areas, private areas and defining boundaries between these, e.g. private gardens/communal open space.

The Department's Regional Production Teams will provide guidance on design issues, if required. This should be arranged with the Department's Regional Program Development Officers.

## 7. IMPLEMENTATION

Various methods of construction and renovation may be employed under LGACHP, e.g. by the Department of Housing, by local government, through a community group's preferred architect/builder, community labour, or a combination of any of these. Where construction/renovation is to be undertaken locally under supervision, the project should be let to tender if it involves expenditure of more than \$1,000.

Implementation of construction/renovation may be effected in the following way:-

- (a) Department of Housing calling the tenders and supervising construction;
- (b) Council calling tenders and supervising construction;
- (c) The applicant's preferred architect/builder calling tenders and supervising construction; or
- (d) Combinations of the above.

Money is also available under the program for professional consulting fees. Applicants, when submitting for funding, will be expected to indicate what services are being provided, e.g. in accordance with the RAIA fee scale, when requesting funds for architectural professional fees. Funds will be made available for construction/renovation either in the form of an upfront lump sum, or progress payments.

In the case of costs exceeding amounts originally approved, further money may be made available to applicants subject to fully documented and audited statements of cost extras incurred. Payment of cost extras will be at the Department's discretion. If the cost extras are in excess of the building inflation rate or in excess of 20% of the original amount approved then the matter will be referred to the Ministerial Advisory Sub-Committee.

## 8. DEED OF AGREEMENT

A deed of agreement will be entered into by the relevant parties to each LGACHP project. The deed will incorporate the following principles:

- \* that long term, secure rental accommodation be made available to low to moderate income earners most in need of accommodation;
- \* opportunities for tenant participation in management are to be fostered by the management body;
- \* dwellings are to be managed and maintained by local government and/or community groups;
- \* surplus of revenue over expenditure must be reapplied in accordance with program guidelines;
- \* measures will be taken which ensure that program funds remain for the benefit of program objectives should the project be wound up or should the property be sold.



## 9. TITLE ARRANGEMENTS

Title may variously be held by:-

- \* the Department of Housing;
- \* local government;
- \* community groups, or other organisations as appropriate, solely, or in association with one or more of the above, as tenants in common or jointly.

Where Program funds are the sole means of providing stock under the Program, title shall be held by the Department of Housing. Where a significant contribution has been made by local government or community groups to a project, the granting of sole title locally may be considered. Where sole title is held locally the Department will seek to hold restrictions on the Title to ensure that the property is used for the purpose intended.

## 10. THE APPLICATION PROCESS

Organisations wishing to apply for funding should complete and return the Application Form to the Regional Program Development Officer, Department of Housing

Following assessment by the Department, the Application is referred to the LGACHP Sub-Committee of the Community Housing Ministerial Advisory Committee for recommendation to the Minister.

Projects may be approved for funding, or approved pending final resolution of certain aspects of the Project, eg. its technical feasibility, cost effectiveness. Other conditions may apply.

The LGACHP is a three year rolling program, 1987/88 – 1989/90 being the current triennium.

In 1988, applications will open in April and close in July. There will only be one round of applications. In subsequent years, contact your Regional Program Development Officer for information about closing dates for applications.



## CO-OPERATIVE HOUSING PROGRAM GUIDELINES

The main source of public funding rental housing co-operatives is currently the Local Government and Community Housing Program. These guidelines should be read in conjunction with State and Federal guidelines for LGACHP.

### Definitions

Co-operative (or co-op) – for this program, a co-operative is defined as an incorporated rental housing group, self managed by tenant members according to co-operative principles. It should not necessarily be taken as implying incorporation under the Co-operatives Act 1923. The membership of a co-operative would normally be restricted to tenants and prospective tenants of a co-operative. Where a co-operative wishes to include as members persons who are not prospective tenants, for the purpose of bringing expertise and special skills, they would not normally take up office bearing or management positions.

Department – New South Wales Department of Housing.

Minister – New South Wales Minister for Housing.

### 1. AIMS

#### 1.1 Primary Aim

To develop a non-profit rental housing co-operative sector as a new form of democratic social ownership of housing.

A co-op sector would grow alongside public housing without its membership being restricted entirely to those currently eligible for public housing but any subsidies would be directed to those in need. It would also help to encourage tenant management of housing across tenure groups by developing effective forms of self-management on co-operative principles.

#### 1.2 Objectives

- i) To achieve tenant satisfaction with housing through:
  - affordable costs
  - security of tenure
  - acceptable housing standards
  - efficient maintenance
  - control over living situations
- ii) To widen choice of housing for tenants by promoting co-ops as a viable tenure form.
- iii) To maximise the effective use of public grant and loan funds for co-op development.
- iv) To attract non-government finance for co-ops at affordable rates.
- v) To develop forms of co-op housing appropriate to members needs.
- vi) To maximise the use of publicly owned building stock for housing co-operatives.
- vii) To achieve maximum autonomy and tenant control of housing while maintaining full accountability for use of public funds, both within and outside the co-op.

## 5. CO-OP PROPERTIES

### 5.1 Title

Title options available include:

- i) to hold full or part title to properties with caveats in favor of the Department, or legal agreements defining the purposes to which co-op assets may be put;



- viii) To provide effective education and training in co-operative housing issues for members.
- ix) To develop co-operation among co-operatives.
- x) To develop links with tenants groups and community housing organisations in other tenure sectors in order to promote a co-ordinated approach to community housing strategies.

vi) To establish resources

- ii) to lease properties from the Department or other bodies on terms to be negotiated; or
- iii) to enter into joint ventures with local government. Where local government has contributed money, land or other resources, it may hold interest on title commensurate with its contribution.

Co-ops should nominate their preferred option for negotiation with the Department.

In the event of a Co-operative Housing Finance Company or Trust being set up in NSW at a future time, co-ops would be encouraged to consider transferring ownership of properties to this body.

## 5.2 Standards

Co-op projects must provide housing of an acceptable standard to tenants. However, it is recognised that some co-op developments will not fall easily within definitions of standards used for mainstream public housing.

A set of minimum standards will be negotiated for the guidance of co-ops which should allow for flexibility of design and use of space while guaranteeing adequate standards and safety.

## 5.3 Disposal of Properties

### 5.3.1 Sale

Co-ops may sell properties owned by them on condition that:

- i) stock sold is replaced by new stock providing an equivalent amount of similar standard housing for their membership target groups;
- ii) any surplus capital generated from such sales is used for purposes defined in the guidelines;
- iii) the Department is informed of all such plans to sell properties in advance of any sales taking place. Departmental consent to sales will not be unreasonably withheld.

### 5.3.2 Wind-up

In the event of a co-op dissolving or being forced to wind up, the following procedures for disposal of properties would apply:

- i) Properties would be transferred in the first instance to another housing co-operative if one existed in the area and was prepared to take them on, or to a similar non-profit rental housing association. All tenants wishing to remain would become tenants of the new organisation. Others eligible for public housing may, subject to negotiation, have the option of being rehoused by the Department.
- ii) The Department would have second option to take over the properties and all tenants wishing to stay would become public tenants.
- iii) In the case of a joint venture with local government, the council or shire would have second option to buy the properties.
- iv) Where none of the above is possible, properties would be offered to sitting tenants at market value in the first instance, or sold on the private market and assets realised returned to another body, such as a local council. Tenants eligible for public housing may be rehoused by the Department.

## 6. RENTS

Co-op tenants will pay rent for housing services not exceeding that of public tenants, currently 20% of gross household income up to a ceiling rent to be determined. Rent levels will be adjusted periodically in line with tenants' changing income.



At present, rent rebates are not available to co-op tenants and operating costs must be met in full out of rent income. However, this is to be reviewed as part of a wider examination of rent structures and recurrent costs in community housing.

## **7. SURPLUSES**

### **7.1. Operating Cost Saving**

Funding agreements will define the percentage of rent payments which will be withheld by co-ops to pay for operating costs, such as rates, vacancies and arrears, insurance, management costs and day to day maintenance. It will also be necessary for co-ops to establish 'sinking funds' for future large maintenance costs.

Money withheld from rent must in the first instance be used for these purposes. However, surpluses generated through any savings on these costs once adequate, may be used for any purposes which the co-op decides, within the following broad definitions:

- i) improvements to co-op properties of benefit to the membership as a whole;
- ii) provision of services or equipment for the benefit of tenants as a whole for groups with specific needs, such as childcare;
- iii) the funding of other activities for the benefit of the co-op and/or the local community.

### **7.2 Surpluses**

Surpluses generated from rent income in excess of necessary repayments and allowable operating costs or following repayments of mortgages and/or subsidies, will return to the Co-operative Development Fund for future co-op housing.

## **8. INCORPORATION**

Co-ops will be required to become incorporated bodies before receiving funding. The main forms of incorporation for which appropriate models exist are as:

- i) Co-operatives under the Co-operation Act 1923;
- ii) Non-profit companies limited by guarantee under the NSW Companies Code;
- iii) Associations under the Associations Incorporation Act 1984.

Co-ops starting up or operating under the auspices of another already incorporated organisation will not be required to become separately incorporated as long as they can show that the structure of the parent organisation allows for adequate autonomy and self-management by the co-op.

Co-ops will need to demonstrate that their chosen form of incorporation is appropriate to their management structures and their development plans. Approved co-ops may be eligible for development grants which will include the cost of incorporation.

## **9. MANAGEMENT RESPONSIBILITIES OF CO-OPS**

Co-ops will be responsible for the following tasks of self-management:

- member selection
- building design
- building purchase, construction or leasing
- housing allocation
- maintenance
- rent collection and payment to the Department, bank, etc.
- maintaining finance systems, including book-keeping, budgeting, and preparation of accounts
- tenancy matters including rent arrears and disputes.



Co-ops will need to show that their chosen management structures:

- i) are consistent with their chosen form of incorporation;
- ii) are appropriate to their organisations goal;
- iii) will allow democratic control.

Audited accounts will be required annually by the Department.

In addition, in line with Federal program requirements, co-ops will be expected to provide each year the following information:

- tenants profile
- details of housing developments
- rebate formula used
- rent received
- financial resources attracted from outside the LGACHP
- additions to or disposal of dwellings purchased with LGACHP funds
- resource workers employed (if any) and/or other information as required.

## 10. TENANTS RIGHTS IN CO-OPERATIVES

Co-operatives funded are intended to provide long term secure housing. Leases and tenancy agreements should be designed to offer maximum security of tenure appropriate to the form of housing provided. Co-ops will need to develop clear and effective procedures to deal with disputes.

Co-ops will also be expected to operate within a broad 'charter' of tenants' rights in co-ops, to be negotiated.

## 11. PROCEDURES FOR APPLICATION

Groups wishing to apply for funding should contact the Co-operative Housing Resource Unit for information on how to apply. Groups may also notify the Community Housing Unit, Department of Housing, of their expression of interest in the program.

The Co-operative Housing Resource Unit will provide information about a two stage assessment procedure that groups need to complete to be eligible for funding. Development or seeding grants will be available to groups judged to have successfully completed Stage 1 assessment. This money is made available to help cover start up costs and necessary resourcing.

Groups who have successfully completed Stage 1 and 2 of the assessment process will have their submissions referred to the Ministerial Advisory Committee for recommendation.

Please note that these program guidelines will be undergoing review.

### Further Information

Co-operative Housing Resource Unit  
Box 18 Trades Hall, 4 Goulburn Street, Sydney. Phone (02) 267 9414

Margaret Jenkins  
Co-operative Housing Development Worker  
Shelter NSW. Phone (02) 267 9414

Mark Nutting  
Program Officer for Co-ops under LGACHP  
Department of Housing. Phone (02) 261 4888, Ext.201



# Coop Housing Reservoir Unit

4/1/89

- 1/ Model Deed of Agreement
- 2/ Project Return Form (p. 0)
- 3/ Model Constitution
- 4/ Second Schedule of Management Group
- 5/ Model Sublease/Lease Terms
- 6/ Building Components to Life



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*Hamilton 1990*

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# LOCAL GOVERNMENT AND COMMUNITY HOUSING PROGRAM

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## INFORMATION KIT

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 DEPARTMENT OF HOUSING

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The Local Government and Community Housing Program is a federally funded and State managed program under the Commonwealth-State Housing Agreement. Its aim is to encourage participation by local government and community groups in the expansion of community managed housing in their local areas. The program especially encourages applicant groups to develop opportunities for tenants to become involved in the design and management of their housing. Since the inception of the program in 1984, it has achieved a number of innovative and cost effective housing projects in urban and rural areas.

The production of this kit marks an important stage in the development of this program in New South Wales. The kit is designed to provide a range of information which will assist local councils and community groups to incorporate local resources and expertise in the development of housing proposals which will meet locally identified housing needs.

It will also serve as a resource in the development of further co-operation in housing ventures between the Department of Housing, local government and community groups. It will, in addition, encourage the continuing development of the role of local government and community based housing in complementing the roles undertaken by the Department of Housing.

**April 1988**

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*Cartoons by Simon Kneebone.*

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Department of Housing.*

*Printed by All Graphics.*



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# LOCAL GOVERNMENT AND COMMUNITY HOUSING PROGRAM

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## *INFORMATION KIT*

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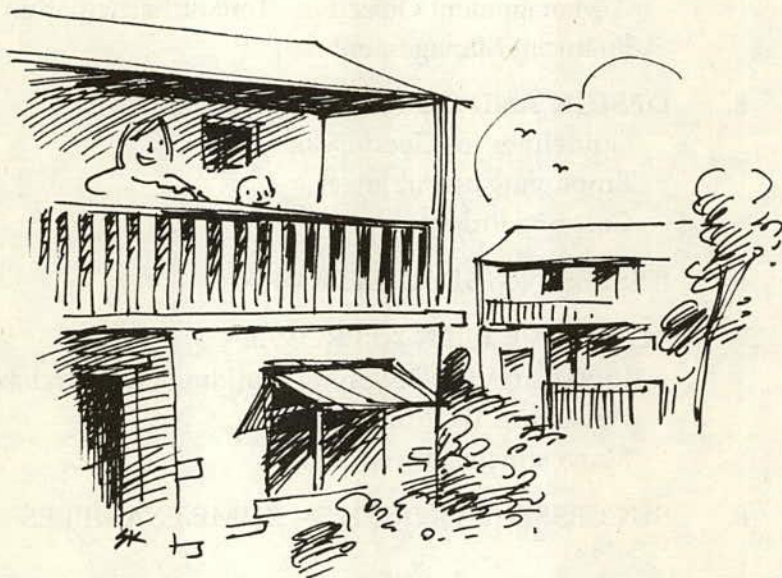


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## ATTACHMENTS

### Part Two

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# 1. INTRODUCTION: USING THIS KIT

This Information Kit introduces the Local Government and Community Housing Program (LGACHP).

The LGACHP is a federally funded housing program which is administered in New South Wales by the Department of Housing. This Kit describes how the LGACHP works. It provides information about the Program for interested councils and community groups.



The Kit is divided into two Parts. **Part One** consists of a number of sections as follows:

**The LGACHP** (Section 2): outlines the main aims of LGACHP, how much money is available, how the funds can be used, who can apply for funds and the procedures by which funds are allocated.

**Applying for Funds** (Section 3): outlines the major criteria which applicants should fulfill when submitting a proposal for funding.

**Project Management** (Section 4): looks at the important objective of tenant participation, and how it can be encouraged in practice. It also outlines issues to be addressed when planning the ongoing financial management of an LGACHP Project.

**Design and Cost** (Section 5): expands on the design guidelines which are used to assess projects. It also looks at the question of the cost effectiveness of proposals.

**Assessing Applications** (Section 6): explains what happens to an application once it is submitted – for example: the roles of the Department of Housing, the LGACHP Sub-Committee and the Minister for Housing.

**So You've Been Approved** (Section 7): outlines the options for ownership of LGACHP projects. It explains the legal and administrative arrangements which will specify ownership of projects, as well as the way in which projects are bought, built and managed.

**Approved Projects** (Section 8): briefly outlines three projects which have been funded in the last few years.



**Part Two** consists of a series of Attachments, including a copy of the LGACHP guidelines and an application form.

The page numbers for each section of Part One are included in the contents page. You will also find the complete list of the Attachments which form Part Two of the Kit. Use the contents page to guide you to the section of the Kit which will answer your particular queries.

The LGACHP is the major source of funding in New South Wales for rental housing co-operatives. For the purpose of this Program, a co-operative is defined as an incorporated rental housing group, self managed by tenant members according to co-operative principles.

The guidelines for co-operatives, being different from those for projects sponsored by councils and community groups, are included as Attachment 1(b).

This Kit does not provide information relevant to co-operatives. Existing ones, or those groups interested in setting up a co-operative and applying for LGACHP funds should contact the Co-operative Housing Resource Unit, Box 18 Trades Hall, 4 Goulburn Street, Sydney, telephone: (02) 267 9414. This Unit will provide information and assistance to groups wishing to submit for LGACHP funds which have been set aside for co-operatives.





## 2. THE LOCAL GOVERNMENT AND COMMUNITY HOUSING PROGRAM

### WHAT IS LGACHP?

The LGACHP provides funds to assist local councils, community groups and housing co-operatives to build, buy, lease or renovate housing for rental to low and moderate income earners.

The Program aims to establish community and tenant managed housing which meets a need in the applicant's local community, and which gives tenants long term, affordable and suitable accommodation. The Department of Housing, a council/community group/housing co-operative, or any two or more of these organisations may own the housing project.

The Program also aims to encourage councils and community groups to contribute resources to low income housing. Thus, applications for funding are more likely to be successful where the council or community group makes a contribution to the project, in addition to those funds made available by the LGACHP.

LGACHP funds may only be used for the construction/acquisition costs of a project, including design work, and not for recurrent costs such as administration, management, and maintenance.

### FUNDS AVAILABLE

In its first three years of operation to 1986/87, \$9.8 million of LGACHP funds was allocated across NSW to thirty-seven projects. In 1987/88, \$4,201,000 was available. The guaranteed minimum level of funds available for the remainder of the second three year funding period is \$4,200,000 for 1988/89 and \$4,200,000 for 1989/90.

Allocations to individual projects have varied from \$40,000 to \$600,000. Two thirds of approved projects have received under \$300,000. This does not include housing co-operative projects.

There are no specific requirements for a minimum applicant contribution to a project. However, projects which include a contribution from the applicant will be more favourably considered. During the last three years, approved projects have included applicant contributions varying up to 50% of the project's value, with the majority of projects involving a local contribution of 10% to 25% of the project cost. Non-financial contributions have been in addition to that – for example: provision of technical and professional staff time.

### ALLOCATING THE FUNDS

A seven member Sub-Committee advises the New South Wales Minister for Housing on the broad policy for LGACHP and recommends projects to be funded.

This Sub-Committee is called the LGACHP Sub-Committee of the Ministerial Advisory Committee on Community Housing. The Sub-Committee has the delegation to make direct recommendations to the NSW Minister for Housing on:

- the approval for the annual broad program of expenditure of LGACHP funds;
- individual project approvals;
- policy matters for LGACHP which do not affect other community housing programs.



Other matters go to the full Ministerial Advisory Committee. Matters which have been submitted directly to the Minister by the Sub-Committee are reported to the following meeting of the full Committee, for information purposes.

The Sub-Committee is appointed by the New South Wales Minister for Housing. Sectors represented on the Sub-Committee, each with one member, are as follows:

- local government,
- community housing,
- housing co-operatives,
- housing co-operative tenants,
- LGACHP tenants,
- the Department of Housing and the Federal Government.

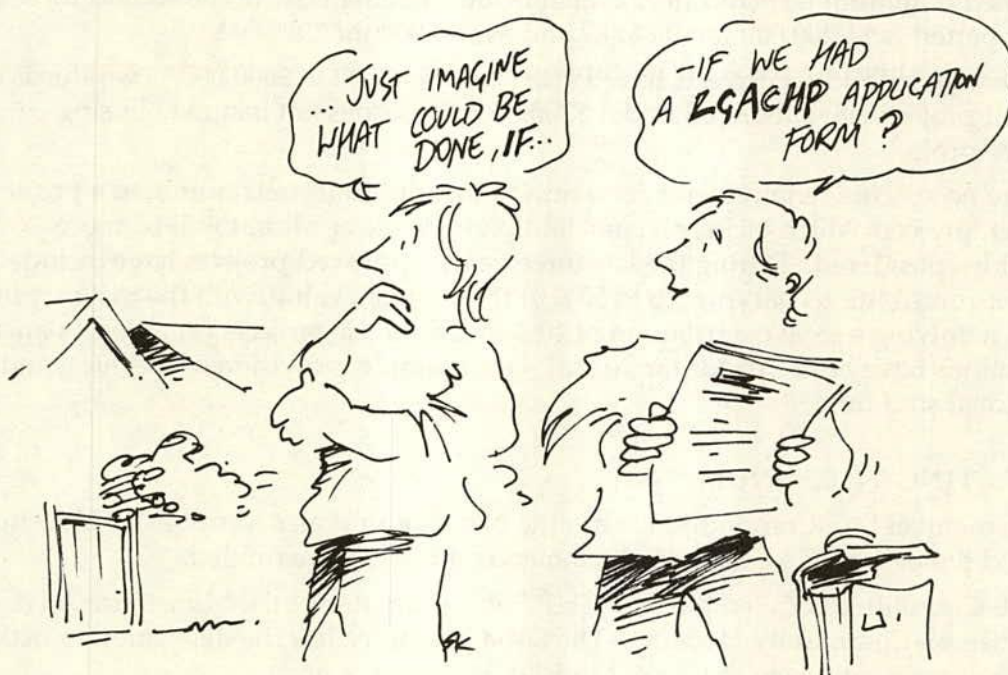
The names of current representatives are included in Attachment 8.

The Sub-Committee meets at least every three months. It calls for applications on one or more occasions each year. In 1988, the Sub-Committee has decided to invite applications in April, with a closing date of 30th June. In subsequent years, dates for submitting applications may be obtained from the Program Development Officer at your Department of Housing Regional Office.

The Department of Housing, through the Community Housing Unit, administers the LGACHP and services the Sub-Committee. In addition, there are Program Development Officers located in each of the Department's Regional Offices, who provide information and support to councils and community groups wishing to submit an application for funds. Applications for funding are forwarded to these Officers, who also co-ordinate the assessment of proposals by the Department.

Addresses and phone numbers of Regional Offices are listed at the end of Attachment 2.

The criteria used by Department of Housing and the Advisory Sub-Committee to assess applications are outlined in Section 3.





## WHO CAN APPLY?

A council and/or incorporated community group may apply together or individually for LGACHP funds.

The Sub-Committee encourages joint applications.

If a community group applies on its own, it should demonstrate its attempts to include council in the project.

Similarly, a council applying on its own should demonstrate its attempts to involve a community group in the project and its capacity and plans for ongoing community management. The joint involvement of both parties is regarded as one way of achieving the Program's aims, that is:

- attracting maximum local resources into low income housing provision (land, finance, management experience);
- maximising the potential for effective tenant participation in the project's management.

## USE OF FUNDS

A council or community group may apply for funds to:

- upgrade existing buildings owned by the applicant;
- build on land owned by one of the applicants;
- buy land and build. In this case, the Sub-Committee will require the applicants to consider alternatives to land purchase;
- purchase existing buildings or purchase and upgrade buildings or purchase, demolish and rebuild. Where demolition is involved, the Sub-Committee will not approve an application that involves an overall loss in rental accommodation.

Design work, documentation, and the supervision of contracts associated with the above will also be funded.

The following items or types of projects **will not** be considered for funding from LGACHP funds:

- recurrent housing costs, for example: daily or cyclical maintenance, administration, housing management, salary costs, rates and insurances;
- provision of capital for a supported accommodation service.

LGACHP funds may only be used for independent housing projects. Any project which is eligible for funding for a supported accommodation purpose from the Crisis Assistance Program (CAP), or Special Purpose Housing (SPH) is not eligible for funds from LGACHP. The Department of Housing also administers these other funding programs.

Projects which incorporate the provision of community based, not project based, support services to prospective tenants of the project will normally be eligible for capital funding from LGACHP – for example: HACC funded services to aged or disabled tenants.



### 3. APPLYING FOR FUNDING

Applicants must complete the standard LGACHP application form (Attachment 2). The form should be forwarded to the Program Development Officer in the Regional Office of the Department.

When considering applications, the Sub-Committee will take account of the following:

- the project must satisfy the **twelve essential criteria for evaluation** which are outlined below and in the program guidelines (LGACHP guidelines are Attachment 1).
- it is preferable for projects to satisfy some of the **seven desirable criteria for evaluation** which are outlined on page 9 and in the program guidelines.
- an assessment of the **comparative housing need** of the locality, as evidenced by the Department's waiting list and construction program, and by the housing needs indicators which the Department prepares.

The Sub-Committee will also consider preferred title options for the project.

#### ESSENTIAL CRITERIA FOR THE EVALUATION OF PROPOSALS

Section 3 of the LGACHP guidelines outline the twelve essential criteria.

As previously stated, applications may only be submitted by a council, community group or both. Applications must advance the overall aims of LGACHP.

The remainder of the essential criteria fall into four broad categories, which may be summarised as follows:

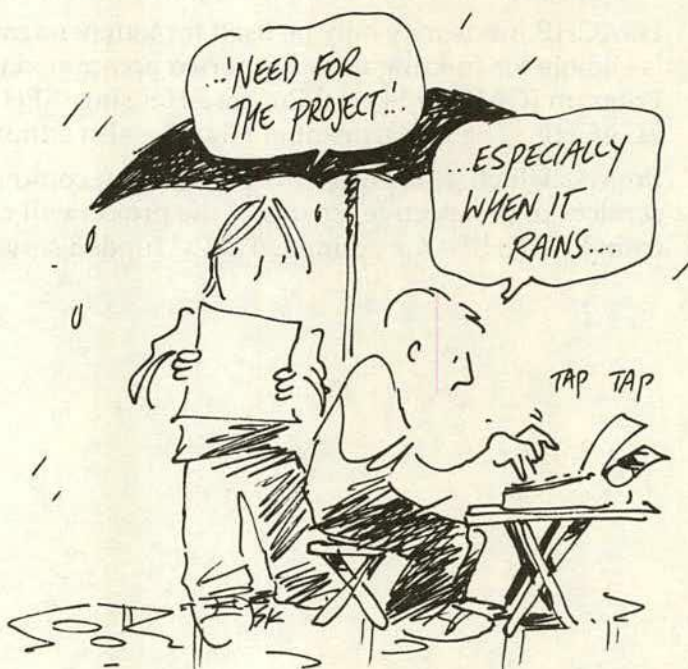
- need for the project;
- provision of low income rental housing;
- design and cost of the project;
- management structures and resources.

#### (i) Need for the project

Applicants should identify the target group to be housed – for example: Aboriginal people, aged, families – and demonstrate that the group is in housing need and would fully use the project in the long term. If the applicant has specific, prospective tenants in mind for the project, some details of those tenants should be provided.

The project should, however, be flexible enough to respond to the changing needs of the tenant group over time.

The Sub-Committee is particularly interested in projects which address the housing need of groups which have been previously neglected by public housing programs.





There are a number of ways in which applicants may demonstrate the housing need of their target group, for example:

- the length of the Department's waiting list in the area, and the wait time for allocation to specific types of housing;
- other local housing waiting lists – for example: Community Tenancy Scheme, aged housing complexes;
- local housing research, which may have been carried out – for example: by council or the local Tenancy Advice and Housing Referral Service.
- local sources of information – for example: local papers, estate agents, community groups;
- an applicant may decide to carry out its own research – for example: organise a phone-in or survey.

### **(ii) Provision of Low-Income Rental Housing**

The project must use LGACHP funds to provide permanent rental housing for low and moderate income earners (see Attachment 4 for definition of income eligibility).

Prospective tenants must fit the income eligibility criteria at the time they are allocated housing. However, if their income later increases above the income limit, this should not effect their right to remain a tenant of the project.

Where a proposal involves the purchase of tenanted housing, the Program guidelines allow for greater flexibility when assessing the income eligibility of existing tenants. Further, if the applicant does not wish existing tenants to remain in the property, a satisfactory proposal to rehouse the tenants must be described.

Projects may include a mixture of rental and privately owned housing, provided that LGACHP funds are only applied to the rental housing component. Suitable title arrangements which separately identify the housing on the site, must also be resolved.

### **(iii) Project Design and Cost**

Design work for construction must ensure that the project will be cost-effective, appropriate for the needs of residents, technically feasible and should conform to council regulation by the time of final funding. The Department's design standards and cost structures for equivalent public housing in that locality should also be taken into account, for both design/construct projects, as well as spot purchase projects.

Section 5 provides a comprehensive outline of design standards which the Department regards as appropriate to ensure that tenants are provided with a good standard of accommodation.

It is not necessary to submit detailed design work and costings with the initial application. A sketch design or description of general design principles, with a current cost estimate, will be sufficient for the Sub-Committee to consider the application. The Sub-Committee may then recommend that the project be approved in principle, subject to completion of satisfactory design work, or may approve a grant to enable design work to continue. In the latter case, it is necessary for the project to be resubmitted to the Sub-Committee and the Minister for consideration before funds for construction will be allocated.

An applicant may submit detailed design work with the application. This could mean that the time lag between Sub-Committee consideration of the project and the allocation of construction funds is reduced. However, applicants should liaise closely with the Department's Regional Program Development Officer whilst proceeding with detailed work, so that any potential problems are overcome in the early stages.



Projects proposing spot purchase and/or renovation should include information on design requirements and philosophies in the application.

#### **(iv) Existence of Appropriate Management Structures and Resources**

In accordance with the Program's essential criteria, the Sub-Committee will consider whether the applicant:

- has developed an appropriate management structure, reflecting the interests of the parties involved in the project;
- has a commitment to, and provision for, adequate tenant participation.

With regard to **management structures**, an application must include a proposal for community or tenant based management of the project. Such management may be by way of:

- an incorporated community organisation; or
- a committee of council, established under Section 527 or 530A of the Local Government Act, provided such a committee has significant representation by tenants and community members/groups.

There are a number of options for community organisations wishing to incorporate:

- the Association's Incorporation Act, 1984, administered by the Corporate Affairs Commission;
- the Companies (NSW) Code of 1982, administered by the Corporate Affairs Commission;
- the Co-operative Act, 1923, administered by the Registrar of Co-operative Societies.

For advice about the most appropriate incorporation for community groups, applicants should contact the NSW Council of Social Services (NCOSS), 66 Albion Street, Surry Hills NSW 2010, telephone (02) 211 2599. They have several publications on this subject.

Council committees may be established under Sections 527 and 530A of the Local Government Act.

Section 527 deals with local committees and specifies:

- a committee may have the "care, control and management" of a council "undertaking", with its specific delegated powers conferred under Section 530A. Without a delegation under Section 530A, this type of committee acts mainly in an advisory capacity;
- the committee may consist of local citizens;
- it may be dissolved by council at any time;
- a committee ceases to hold office 3 months after a general election, but may be reappointed.

Under Section 530A:

- a council may delegate its function, with some exceptions, to a committee comprised wholly or in part by council officers or other persons;
- such a committee continues to carry out its functions until council revokes the delegation;
- some of the relevant functions which a committee cannot perform are accepting tenders and purchasing or selling land or property. Such matters must be referred back to full council.

Both types of committee satisfy the LGACHP guidelines for community management structures, provided as previously stated, there is significant representation of tenants and community members/groups and that the 527 committee has delegated power under Section 530A.



Section 4 deals in more detail with the management issues which applicants should take into account when preparing their submission.

It expands on the issue of appropriate management structures, looking in particular at the operation in practice of the structures and their resourcing. It also deals with the issue of **tenant participation**. Four of the twelve essential criteria for evaluation of LGACHP proposals refer to tenant participation. It is a major factor which the Department and Sub-Committee will consider when assessing an application, and applicants should adequately address it when preparing their project.

### DESIRABLE CRITERIA FOR EVALUATION

In addition to the essential criteria, the Sub-Committee will assess whether a project incorporates any of the stated desirable criteria. These are:

- (i) the project is supported by both council and a community group;
- (ii) the design work takes account of specific local conditions – for example: climatic, physical and social environment;
- (iii) resources, either local or other, are contributed to the project – for example: finance, land, labour and skills;
- (iv) the project is acceptable in the local community;
- (v) the project involves innovation, particularly in its approach to management arrangements and target group (groups neglected in the past in public housing programs). Innovative approaches to financing of projects and design work will also be taken into account. However, innovative proposals must conform to the essential criteria of the Program. Design ideas, for example, must take account of the Department's guidelines on design and cost.

### COMPARATIVE HOUSING NEED

The Sub-Committee previously divided funds into notional regional allocations across the state, based on housing needs indicators. This established upper limits for projects in each region. This procedure is no longer used. All funds remain in a single central pool for allocation.

The Sub-Committee will consider both the terms of the application, as well as the housing need of the local area compared to other areas. The Sub-Committee will also look at sub-regional and regional needs indicators, particularly if large numbers of projects are competing for funds. However, the regional indicators will be used by the Sub-Committee to assist it when considering allocations, not to determine those allocations.

The Sub-Committee will also consider, at the application stage, the preferred title options for the project.

The options which will be considered are outlined in Section 7. Applicants should nominate their preferred title arrangements, after some initial discussion and negotiation with the Department, through the Regional Program Development Officer.

Whilst title arrangements do not need to be finalised at the time an application is submitted, it is important for the applicant to address the issue. The Sub-Committee has found that resolution of this matter can be time consuming. It may constitute a substantial delay in the project if it is not in the process of resolution prior to project approval.



## 4. PLANNING FOR PROJECT MANAGEMENT

The proposed management of a completed project is one of the major factors which will be taken into account when an application is assessed. A major aim of LGACHP is to give tenants the opportunity to manage their own housing and several of the essential criteria for evaluation of proposals deal with management issues.

Applicants need to demonstrate that they have considered:

- the objective of tenant participation and its potential development in practice, via appropriate management structures;
- the financial management of the project.

This section of the Kit provides some background information about and experiences of community and tenant based management. It raises issues which applicants may find useful in formulating their management plans.

### A MANAGEMENT OBJECTIVE – TENANT PARTICIPATION

It is essential for projects to involve tenants in management, and to aim for substantial tenant management in the long term. This role could continue to be supported by a resource group or local council.

Some applicant groups or councils have had extensive experience in managing housing. However, tenant involvement in such management is still a fairly new concept, and whilst some groups will now have had some years experience in facilitating such involvement, others have not.

The current Commonwealth State Housing Agreement requires the State housing authorities to develop tenant participation policies. Most have now done so, including New South Wales. These policies are primarily in a very preliminary stage of development.

From the experience of community housing groups, it appears that there are a number of pre-requisites to the development of successful tenant management. A number of these are outlined here.

#### (i) The Constitution of the Managing Group

The Constitution or Objects and Rules should demonstrate the commitment of the organisation to involving tenants in the management of the project. The terms of the Constitution should then guide the management committee and any staff of the organisation.

It may be relevant to insert specific clauses dealing with tenant involvement in several sections of the Constitution for example:

- Aims or Objects  
"to actively promote tenant participation in the management of properties owned by this organisation"; or  
"to actively promote the development of tenant management of properties owned by this organisation".
- Membership Qualifications (if any)  
Should allow tenants to be members of the managing organisation.



- **Committee Membership**  
It is appropriate to earmark positions on the Committee for tenant representatives.
- **Quorum Rules**  
Could ensure that some tenant members are present before a management committee meeting or general meeting may proceed.

Managing groups will have different types of Constitutions based on their kind of incorporation, their total functions, etc. The above comments are suggestions only, the major point being that whatever the Constitution, it should reflect the principle of tenant involvement/tenant management in its clauses.

## **(ii) Membership of the Management Committee**

Management bodies should reflect in their membership the interests of all parties involved in the project. In the optimal situation, this will mean that council, community group and the tenants are all represented on the management committee.

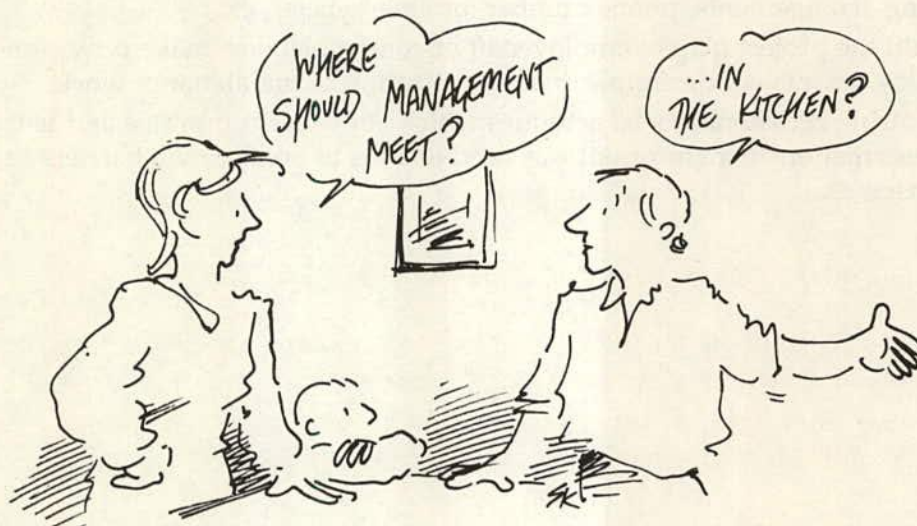
It is desirable that the management committee has a staged plan over time to increase the number of tenant representatives, so that tenants ultimately have a majority on the committee.

Tenant representatives on committees should be involved in the full range of committee work: policy development, selection procedures, budgetting, dispute resolution, decisions about repairs and maintenance, etc. Tenants should always be involved in drawing up agendas for meetings.

Different representatives on the committee will bring their own expertise, as well as access to the resources of their organisation. For example, council representatives may be able to provide access to resources like photocopying, telephone, typing, advice from technical staff on maintenance matters, etc. Community representatives similarly may be able to provide access to some resources, as well as bringing their expertise in community management and strategies for tenant participation.

Tenant representatives are obviously well placed to provide a committee with accurate information on the needs of tenants in the project.

However, their role should not be restricted to that, and they should not act as mere advisors to the other decision makers on the committee, but must also be decision makers themselves. Tenants need to take a role in the total management of the project, and to develop that role over time, through the growth of their general expertise as well as through an increase in their numbers on the committee.





### **(iii) Develop a Tenant Management Plan**

Experience has shown that tenant involvement won't necessarily develop, even when the formal mechanisms, such as reserved committee places, are put into place. Tenants need to be given the information and the opportunity to use these mechanisms effectively.

Most community managed housing groups have concluded that it is not appropriate to force tenants to be involved by, for example, making it a condition of their tenancy. However, community housing groups find that tenants do become involved when they are given the opportunity for effective, not token, involvement.

Management groups should develop a long term plan which increases tenant involvement over time. Obviously such a plan needs to take into account the specific circumstances of the tenants in the particular project. Aged or disabled tenants, for example, will require a different plan from migrant or youth tenants. Such a plan could include:

- making provision for the production of a newsheet so that tenants are kept in touch with what is happening;
- setting aside a budget allocation which could reimburse tenants for travelling expenses to meetings, phone calls or other costs associated with meetings and management;
- involving interpreters or other experts if tenants have particular needs which may be acting as a barrier to their involvement;
- organising one or more training workshops, so that tenants can learn about meeting procedures and other matters which will help them participate more fully in meetings;
- rotating the Chair's role, so that tenants learn how to chair meetings without taking on the sometimes onerous responsibilities of a full time Chairperson's role from the beginning; similarly, establish an Assistant Secretary's position;
- supporting tenant initiatives to develop collective support services – for example: food co-ops, baby sitting co-ops;
- making arrangements for tenants to have access to facilities which will help them to become an organised group – for example: meeting rooms, office facilities, transport to meetings if required;
- organising management committee and general meetings at a time and place which suits tenants;
- preparing a welcome kit for new tenants which includes the names of all management committee members, time and place of meetings, a description of the management philosophy and procedures of the project, maintenance and rent paying arrangements, phone number for emergencies, etc.;
- should the project plan to employ staff or contract labour, make provision to employ tenants – for example: in administration or maintenance work;
- organising occasional social activities which allow the committee and tenants to discuss matters in an informal way, and tenants to break down barriers between themselves.



#### (iv) Tenant Participation in Design or Spot Purchase

One way to ensure that a project will meet the needs of tenants and that it will foster tenant participation, is to involve tenants in the design process.

There are some procedural matters which need to be considered when planning tenant involvement in design:

- the lead time involved in having a project approved and up and running may be lengthy and if prospective tenants are in urgent housing need they may well have been housed elsewhere by the time the project is completed;
- designs are subject to a Departmental review process. If this is not clearly understood by prospective tenants in the early stages of the project's development, it may lead to difficulties when the project is assessed.

There are, however, examples of successful tenant involvement and suggestions for increasing such involvement in the design process. In some cases, members of a target group have been involved in initial conceptual discussions leading to sketch designs. Tenants of an existing project may be included throughout the design process if prospective tenants of a new project haven't been selected.

In order to maximise effective tenant input, it is important for tenants to be given realistic parameters to work within – for example: financial and technical design constraints. Effective input is not about choosing the colours of carpets or walls, or suggesting house sizes that would double the building costs and would never gain Sub-Committee or Ministerial approval.

Some procedures which have been used successfully by community groups to involve tenants in design are as follows:

- employ an architect who is experienced and is prepared to work in accordance with the aims of the project, particularly consultation with tenants;
- specify the role of the architect and what is expected of her/him, particularly with regard to type and length of consultations with tenants;
- initial design work should concentrate on clarifying needs and listening to tenant priorities. The architect, perhaps in conjunction with an additional resource person, should speak to tenants as individuals and in a group prior to putting pen to paper;
- the design process should not rely totally on tenants looking and commenting on drawings. Many people have problems visualising a building on the basis of a two dimensional line drawing. Ask the architect to use other methods (such as models with movable pieces, or drawings with three dimensional perspectives); drive around the locality and look at specific features of existing buildings; organise a study trip to look at a specific development in another area;





- involve interpreters or other resource people to overcome specific barriers and facilitate maximum tenant understanding of the procedures;
- when the architect is at the stage of preparing sketch plans, ensure that he/she describes the design principles beside the drawings so that tenants can understand what they mean. Photocopy and distribute copies for tenants to read at their leisure. Make sure that the drawings don't look "too perfect", so that tenants feel comfortable to suggest changes if they wish;
- make sure tenants are given informed advice about the options, and that feedback on their opinions is provided. Design options should be developed with tenants, not on behalf of them and they should be involved in decisions after being given access to the necessary information.

Attachment 9 provides an annotated list of some of the available written material on tenant participation in housing management, or more general community participation in various types of policy and program development.

## FINANCIAL MANAGEMENT

Applicants will need to prepare a budget for the ongoing financial management of their project, to be included in the application. It is recommended that successful applicants continue to prepare such budgets annually.

The budget should estimate expenditure over time, making provision for both immediate and more long term expenditure items.

The budget should identify the expected funding sources for different cost items: rental income, council funds, fund raising, etc.

LGACHP funds cannot be used for these purposes, and it is therefore important for applicants to demonstrate at an early stage the financial viability of their project.



## Income

The major regular source of income for the project will be rental income from tenants.

In accordance with the Deed of Agreement or Headlease between the Department and the applicant, the maximum rents charged to LGACHP tenants should be consistent with the maximum rents charged by the Department from time to time.

Currently, rents may not exceed 20% of the gross income of the tenant household, and 18% in the case of certain pensioners.

Attachment 3 outlines in more detail the Department's current rent policy. This policy is subject to change from time to time, and to an annual review.

Other likely income for projects could include interest from investments and council assistance. In the case of projects managed by Community Tenancy Schemes, those projects will normally form part of the Scheme's quota. This means that as part of the Scheme's annual grant, income will be available to the project for costs associated with management, administration and tenant training. Community Tenancy Schemes may take on LGACHP projects which are in addition to their quota. However, they will need to demonstrate that the project is financially viable without the use of any CTS recurrent funding.



## Expenditure

Provision should be made for the following cost items in the budget.

- (a) Administration  
This could include book-keeping, typing, stationery, telephone costs, accounting and audit costs.
- (b) Management  
This includes both tenant and property related matters – for example: tenant selection, rent collection, dispute resolution, lease preparation, maintaining rent records, organising repairs and maintenance, paying property related expenses and maintaining property records.
- (c) Insurances  
The Deed or Headlease will specify which insurances must be taken out. These are public liability, fire, storm and tempest (in certain cases) and workers' compensation, where staff are employed.
- (d) Rates  
For example: water rates; council land rates and other as relevant in the particular Local Government Area.
- (e) Vacancies / Arrears  
These will obviously vary according to the type of project and management style. It is recommended that projects budget for 3 weeks/household/year, unless the applicant has alternate figures from their existing operations for these expenses.
- (f) Tenant Involvement  
A small budget allocation may assist the project to foster tenant participation in the projects management – for example: subscriptions, news-sheet production, cost of translation of materials, reimbursement of phone costs to a tenant organising a meeting.
- (g) Maintenance  
This should include an allocation for daily repairs as they arise and cyclical repairs. This will constitute a major source of expenditure – the next section expands on recommended amounts to be budgetted to meet these costs.
- (h) Other  
This will depend on the specific project.

Some of these cost items may be absorbed by the managing group or the sponsoring council. Others will be treated as combined costs by certain projects.

## Maintenance

Maintenance refers to the regular upkeep of a property at an accepted level. It does not include the renovation or rehabilitation of a building to a new standard.

There are two major types of maintenance for which a project should budget:

- ongoing or daily maintenance – for example: replacing tap washers, light bulbs, upkeep of landscaping;
- cyclical maintenance – for example: new carpet, rewiring, replacement of roofing or plumbing, repainting.

In the case of a new or renovated building, the daily maintenance costs will begin as relatively minor expenditures and increase over time with ageing and general wear and tear. Eventually, this type of expenditure will fail to deal with some maintenance problems, and major cyclical work will be required.



There are a large range of factors which may substantially affect the level of maintenance activity required in a building, and hence the expenditure. These factors include:

- type of construction;
- location of property;
- whether or not low maintenance design factors have been incorporated into the construction;
- usage of the property;
- how the property is managed;
- quality of minor maintenance work;
- quality of the "new" accommodation – that is, if newly built or renovated.

The last factor is a particularly significant one. It is not advisable to unrealistically minimise initial capital costs – construction or renovation – as this will simply be reflected in greater maintenance costs over time. These may be very difficult to finance from the available sources.

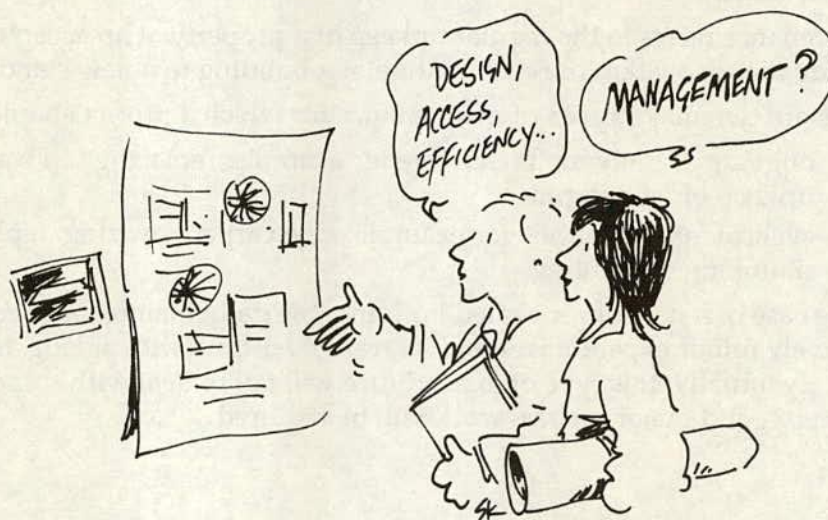
For the purpose of working out a budget, it is recommended that separate cost items be identified for daily and cyclical maintenance. In the case of daily costs, a general cash flow item should be established in the annual budget. For cyclical work, funds should be identified and set aside each year in a sinking fund, preferably invested and with interest accruing to keep pace with Consumer Price Index (CPI) increases.

It is difficult to predict accurately the appropriate amount of funds to set aside for maintenance. As well as the factors mentioned above, the actual cost of the same type of maintenance work could vary from project to project, according to availability of contractors (they may be more expensive in isolated country areas or at different times of the year if there is a lot of building work available), whether some maintenance work is organised on a voluntary basis, or whether it is part of a bigger maintenance contract let for, say, combined project and council work.

However, as a guide, the Department recommends that 2%–3% of the replacement value of the building be set aside per annum to cover maintenance costs. This would include approximately 1–1.5% for daily maintenance and 1–1.5% for cyclical maintenance. Any surplus from the daily maintenance fund should be transferred annually to the sinking fund for cyclical maintenance.

Initial construction cost may be taken as a guide to replacement value. It is recommended that this value be adjusted annually using the change in the CPI as a guide.

Attachment 10 provides in addition, some information about the average life of some common building components. The percentages outlined include provision for maintenance work which takes account of such information about the average life of buildings.





## 5. DESIGN AND COST OF PROJECTS

Applications will be assessed in part by one of the Department's Regional Production Teams prior to the preparation of recommendations for the Sub-Committee.

The Production Team will provide a financial and technical assessment of the project, including its design or the design principles described in the application.

The Department has developed guidelines about the design issues which should be addressed in the planning of community housing. Whilst **these guidelines are not prescriptive in all circumstances**, applicants should be aware that these guidelines are used during assessment.

Consideration will be given to design differences which are based on specific local circumstances. However, where a project design is substantially in contradiction to one or more of these guidelines, the applicant may wish to discuss the matter with the relevant officer of the Department prior to submitting an application. This can be arranged through the Regional Program Development Officer. In addition, an applicant may wish to explain in their submission the reasons for a particular design decision.

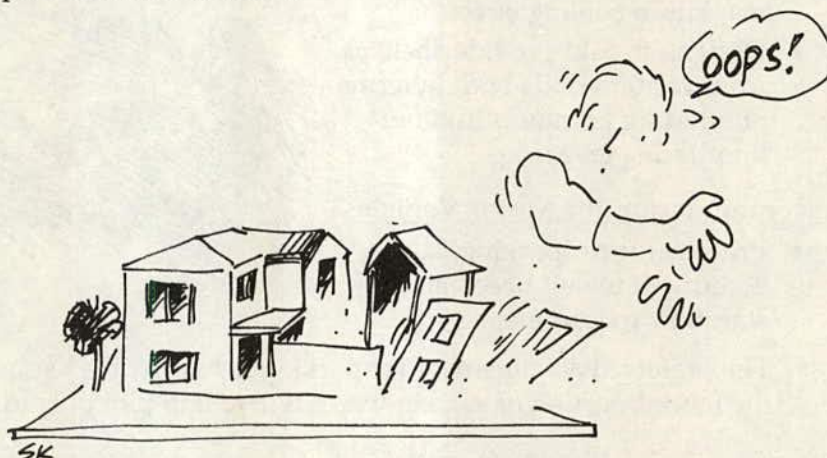
The guidelines are used in a more flexible way in the case of spot purchases as compared to design/construct projects. When assessing nominated properties for purchase, the Production Team will assess the level of general amenity of the property, taking the guidelines into account.

Where renovations are required, many of the guidelines will apply in a similar way to design/construct projects. This will become particularly important when the cost feasibility of the spot purchase is assessed – that is, is the asking price in line with a valuation of the property, and does the combination of the asking price plus estimated renovation costs mean that the project is still cost effective?

A summary of the major guidelines is included below. For more information or to obtain a copy of the complete guidelines, contact the Program Development Officer.

Further, for advice concerning matters to consider in spot purchase projects, refer to Attachment 7, an outline of the Community Property Buying Guide. The Guide deals with some issues which applicants should consider before submitting for funds. It also deals with issues which will assist successful applicants to nominate appropriate properties for the Department to purchase on their behalf. This will make the process of spot purchase a more efficient operation for all parties. A copy of the Guide can be obtained from the Program Development Officer.

The Production Team will also assess the application in terms of the Department's cost structures for similar types of accommodation.





## GUIDELINES FOR GOOD DESIGN

These guidelines are based on providing housing which is:

- suitable to the needs of residents;
- compatible with the planned site;
- in keeping with the best features of the locality;
- low maintenance, both in running costs per household and maintenance of the building.

### (i) Site Selection

Take account of:

- zoning and local government planning regulations;
- availability of services – water, gas, electricity, telephone, sewerage and drainage;
- transport and neighbourhood facilities;
- flooding, mine subsidence and drainage;
- specific environmental considerations.

### (ii) Siting of Buildings and External Finishes

#### Existing Site Features

- Incorporate natural and person-made features of the site to give the project an individual character.
- Place dwellings appropriate to the nature of the site – line slope and views.
- Existing grades should be used to best advantage to avoid excessive re-shaping of the site.
- Surface drainage should provide minimum interference with enjoyment of open spaces at all times.
- Consider the needs of disabled access onto and around the site. There should be no reduction of existing ground levels wherever possible.

#### Sun and Climate

- Access for winter sunlight into living areas (both indoor and outdoor) is important, as is protection from summer sun, especially from the east and west.
- Buildings should be sited to take advantage of the direction of prevailing summer breezes for maximum cooling effect.
- Designs should provide shelter from winter winds both in terms of building entrances and outdoor living areas.



#### Accommodation for Motor Vehicles

- Provide for car parking, taking account of tenant needs and statutory requirements.
- The preferred arrangement for parking is to provide a substantial carport within the fenced portion of each individual dwelling plot of land.



### (iii) Planning of Common Spaces and Facilities/Public and Private Open Spaces

#### Provision of Facilities

In grouping housing, especially medium density multi-unit design or the design of the sub-division, attention should be paid to:

- the logical form of access for visitors;
- the logical form of access to community facilities within or beyond the development;
- the relationship of houses to major scenic features such as reserves;
- the relationship of new housing to existing or adjoining development;
- the streetscape;
- the relationship of adjoining houses and the protection of houses and gardens from deliberate or casual vandalism;
- provision of usable open space and how it relates to the design of the development. "Usable" is defined in terms of relating to the needs of the residents – for example: playspace for children of differing age groups, recreational space for adults and aged pensioners;
- minimising noise problems with neighbourhood dwellings;
- security – allowing for adequate supervision of children and play space;
- provision of recreation equipment – for example: seating, pergola, playground equipment, landscaping;
- when aged housing is incorporated into general housing, provide reasonable separation and a group identity for those units to avoid management problems due to the conflicting interests and outdoor recreational needs of the elderly and children;
- provide signs to help people understand their surroundings and to direct visitors and medical personnel in emergencies;
- provision of privacy of the individual and a sense of security in the home. To achieve these, the project shall have an easily recognisable and progressively higher order of spaces – for example: public, semi-public, semi-private, and private spaces;
- private entrances at ground level are preferred, but where density or site design make this impractical, the smaller the number of households sharing a common entry the better;
- tenants should know clearly (by fence, kerb, path, etc.) where their territory ends, and where public or semi-public spaces start;
- privacy from the street – that is, able to see who is on the street without being on display. There should be a clear expression of the public zones and the private zones of the site.

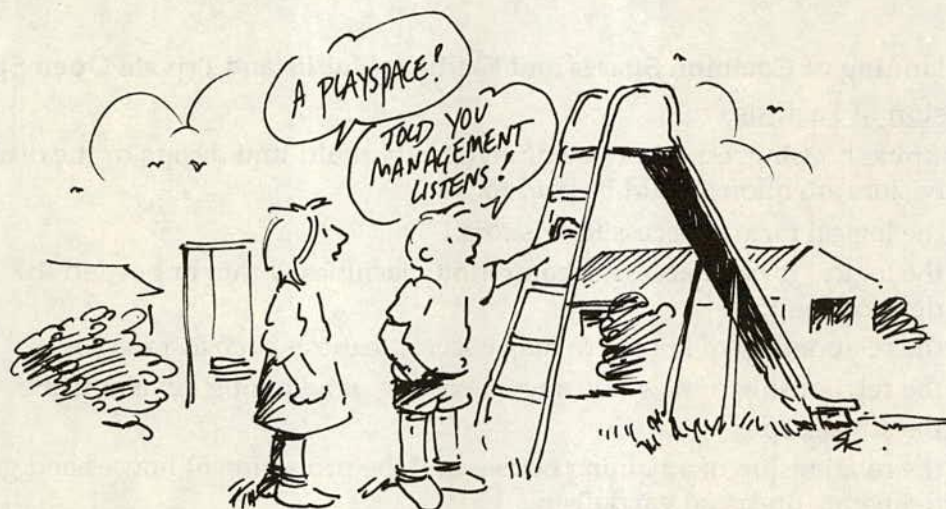
#### **Open Spaces**

##### Private Open Space

Multi-unit dwellings at ground level should include private open space – for example: courtyards, or small private gardens in aged developments. Family dwellings should always have access to ground level private open space. This area should be serviceable – with garbage storage and clothes drying areas – and should have a good degree of privacy, not overlooked by second storey windows or public open spaces.

Open space should preferably be accessible from the living area of the dwelling and north facing.





### Common Open Spaces

Common open space should be maintained by the management group of the project. In the interest of the residents and management group, it is desirable that common open spaces be of a suitable size and in an appropriate location which can be used by the residents, for example:

- active recreation – play areas for various age groups could be provided if space permits; areas for running, riding bikes, throwing and kicking balls; areas for play structures and possibly handball walls and practice cricket net. Care must be taken to protect surrounding dwellings from recreation area noise.
- passive recreation – areas for walking, sitting, talking, reading and just relaxing in the sun or shade.

Common open spaces should not be fragmented through the project into small unmanageable spaces. If these spaces occur, it is preferable for them to be allocated to an adjacent unit for private use without appearing to advantage one tenant over another. Minimum maintenance of common open space is essential.

Landscape design should allow for and encourage the active and passive recreational needs expected throughout a project. In designing the recreation facilities, a selection of activities should be provided for. Seats overlooking childrens' play areas should be provided. Minimum maintenance of landscaped areas in common open space is an important consideration.

For **aged projects** regular seating should be provided around common open spaces. Landscaping should be more elaborate, with appropriate tree planting for shady summer rest areas and provision of low growing trees and shrubs to maintain a sense of security.

### Community Rooms or Access Areas

Where a community room/space is required, appropriate concern should be paid to:

- the relationship of the community room to other dwellings to avoid undue noise (pedestrian and traffic);
- the relationship of the community room/space to open-space provision – aim for a workable integration;
- Flexibility of design – for example: removal of some internal walls to allow for bigger play spaces;
- Accessibility and use by the disabled – for example: toilet facilities;
- Minimise noise transmission;
- Common storage space for supervised storage of tenants' excess goods.

LGACHP funds may only be used to pay for a community room if such facilities are lacking in the local area and the project is still cost effective.



#### (iv) The Basic Living Unit

Particular attention should be given to the visual quality of houses, both individually and in the street scene. LGACHP housing schemes should fit in with the neighbourhood. Building materials comparable in quality and image to those in local privately owned housing should be used.

A sense of identity should be developed among dwellings in the project.

#### Safety

Fixtures and fittings should be selected with safety in mind, for example:

- Provide slip resistant floor surfaces, avoid sharp edges to appliances and fixtures and avoid hazardous doorway configurations.
- Enclose balconies with balustrades which children cannot climb up, fall through or get stuck in – 100mm maximum spacing to vertical balusters is suggested.
- Ensure that risers and treads are uniform in any one flight.
- Locate bathroom windows so that it is not necessary to climb into or on the bath to operate the window.
- Where floors of rooms are greater than 2.5m above ground level, the window sill should be not less than 850mm above floor level. Elsewhere sills should be not less than 600mm above floor level.
- Toughened or laminated glass in sliding glass doors is satisfactory provided there are safety markers in accordance with the standard for glass in doors.

#### Other Issues

- Spatial planning requirements should be considered.
- The main entry door should not open directly into living rooms but preferably off an entry hall, or lobby, with space for hanging outdoor clothes.
- A degree of “separation” between the adults and children’s areas is desirable. The more private areas of the dwelling should be subtly sheltered against the public zones commonly associated with visitors areas. Within living areas there should be opportunity for diverse activities and the different living patterns of the parents and children should be catered for.
- A sunny location is important for clothes drying areas. Open-air clothes drying facilities should be provided for all dwelling units except where buildings have lifts. In such circumstances and where adequate outdoor drying space is impracticable, clothes drying machines may be provided in laundries after consultation and with an approval, and prior to acceptance of contracts. Individual drying areas for each unit are more desirable than communal areas.
- A continuous route of access (with regard to steps, ramps, passageways and door widths) from parking area to the interior of the dwelling itself should be provided to all ground level units and others where practicable, in order to accommodate disabled tenants.
- Ensure that there is convenient access to all dwelling units for the delivery of goods and furniture.
- On multi-unit sites, grouped or partially grouped letter boxes will usually be required. Where appropriate, arrange letter boxes in small groups to suit arrangement of entrances.
- Collection points for garbage disposal should be convenient to all dwellings and yet discreetly located. Consult with council to determine garbage collection method and location of holding facilities.



- Ensure that emergency access is easily available for both fire brigade equipment and ambulance.
- A complete system of paths integral with the design and with suitable wheelchair access to the housing shall be provided but with care taken not to overpave. A major consideration in the pathway system shall be to discourage unwanted outsiders from entering or passing through the project.

#### **(v) Construction Methods**

Except where determined by Ordinance 70 and Local Government by-laws the preferred construction methods are:

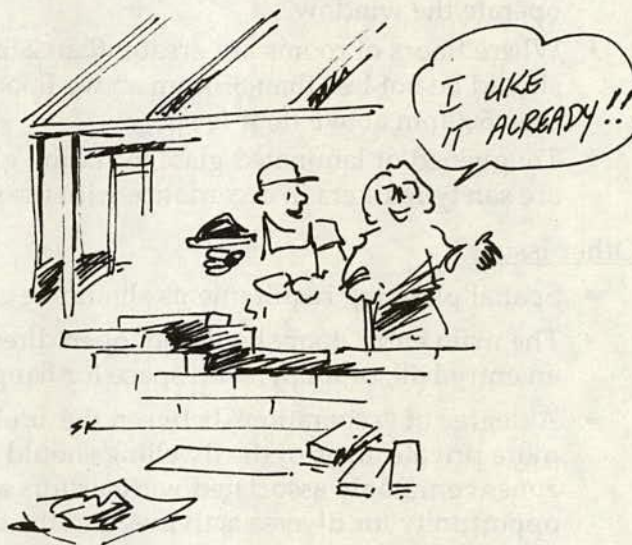
- brick or cavity brick external walls;
- tile roof or metal roofing where appropriate to local conditions;
- concrete slab floors both at ground level and above.

This preference is for reasons of durability, low maintenance and safety.

In some districts, councils will allow the walls of the uppermost floor of aged dwelling units to be of brick veneer construction.

The Department requires that the floor of upper and lower levels be of concrete construction and the external, load bearing and party walls to ground level of two storey units be of masonry construction. Brick veneer construction may be used for the walls of the topmost floor of multi-unit buildings where permitted by councils.

Other types of construction will be considered.



#### **(vi) Thermal Comfort, Daylighting and Energy Efficiency**

All dwelling units should be built to energy efficient principles as set down in the Five Star Design Rating Manual.

The Manual is available from the Energy Information Centre, Playfair Street, The Rocks, telephone (02) 234 4470.

In the assessment process, consideration will be given to projects where living areas are oriented to face in a northerly direction, and western and eastern windows are kept to a minimum. It is preferred that there be no west facing windows, although it is recognised that that may not always be practicable.

It has been found that summer overheating is directly proportional to the size of unprotected windows; on the other hand windows that are too small restrict the available daylight and ventilation.

As a guide, windows to habitable rooms should not exceed approximately 20% of the floor area of the room being served in temperate climates. In districts that experience hot summers and where windows must face east or west in temperate climates, this maximum should be reduced to approximately 15% of the floor area of the room being served.



Daytime living areas and their windows should face in a northerly direction (between 20° east of north and 20° west of north). A western aspect should be avoided as far as possible, while eastern aspects should be used sparingly.

Adequate external shading must be provided to all windows to ensure that summer sun is excluded from mid-October until mid-February. Ensure that shading allows winter sun to penetrate northern windows.

To enable the tenants to make the best use of cooling breezes in the summer, cross ventilation between rooms within each dwelling is considered important.

Provide separation of living and sleeping areas to minimise heating required for individual uses.

Circulation within each dwelling unit should be arranged so that it is direct and efficient.

Entrances should be protected externally and screened internally, cross circulation through living areas or around furniture arrangements should be avoided and service areas should have direct access to external spaces. Relate family room to backyard play areas.

#### **(vii) Special Needs of the Aged**

When planning groups of aged units, entries should not face each other directly across a corridor, nor where possible should they be isolated at the end of corridors.

Housing units for the aged should offer the opportunity for individual tenants to personalise their dwellings by decorations.

The floor plans of aged units should provide flexibility for different furniture layouts in both living rooms and bedrooms.

In designing dwellings for the aged there should be a direct and unobstructed route from the bedroom to the bathroom. The use of cavity sliding doors is preferred.

Units at ground level should be designed to be suitable for wheel chair access to all rooms. All fixtures and fittings should be designed for easy conversion for use by the disabled. It is suggested that shower recesses be designed so that they can be converted for wheel chair access without floor hob and facility to extend the screen to provide an opening 1200mm wide.

All fixtures and fittings should be selected to be free of sharp edges; easy to grasp and operate with one hand. Large level and "D" type handles are preferred. Select fittings that are easy to operate; particular attention should be paid to sliding doors, door locks, cupboards, taps and appliances.

As overhead cupboards are difficult to reach, ideally they should not comprise more than 10% of total storage capacity within the kitchen. Overhead cupboards where used should be installed 100mm lower than the standard height.



## EMPLOYING AN ARCHITECT

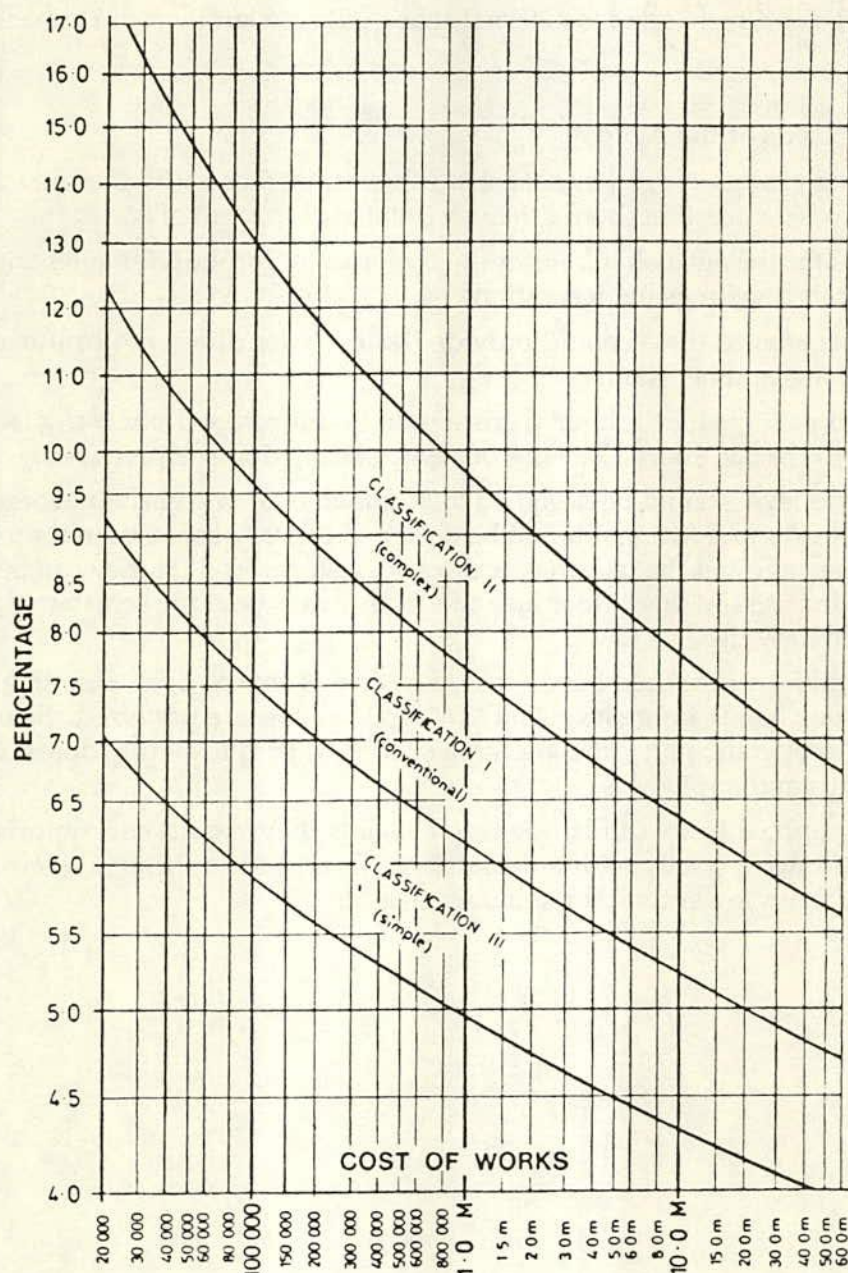
Applicants often contribute their own resources to cover the design costs of a project. However, they may request funding to employ an architect and sub-consultants for a project. Funding is only granted for the employment of architects who are registered Chartered Architects.

Fees which are in line with the fee guide specified by the Royal Australian Institute of Architects will normally be funded.

This fee guide provides a range within which percentage fees will commonly fall for various classifications of building type according to the total cost of the works.

Classification I (Conventional) includes apartment and flat blocks.

Classification II (Complex) includes individual houses.



RAIA Fee Guide



The Department recommends payment to architects in the following way:

Stage	% of Fee
Schematic design	15% ) of the estimated cost of
Design development	15% ) project endorsed by Department
Documentation	40% of lowest acceptable tender
Contract administration	30% of the final cost

It is recommended that sub-consultants for a project be under the supervision of the architect. These fees may also be funded by LGACHP.

Example: an apartment building with a total construction cost of \$300,000.

Expected cost of architect for design, documentation and contract administration is 5.25%–6.5% of \$300,000, that is: \$15,750–\$19,500.

### COST OF A PROJECT

When assessing a project application, the Department's Production Team will examine the current cost structure for similar projects which are being built or acquired for the Department's mainstream public housing program. For spot purchases, the cost of required renovations will also be considered.

Applicants should seek guidance from the Program Development Officer about these costs.

During this assessment, the Production Team will take account, if required, of rising costs since the date of the original application, and will revise an applicant's cost estimates if necessary.





## 6. ASSESSING APPLICATIONS

The Department of Housing has responsibility for the day to day administration of LGACHP. This includes servicing the Sub-Committee and receiving applications, on its behalf, which are assessed by the Department prior to consideration by the Committee.

Before preparing an application a council/group should:

- **read this Kit**, in order to become as familiar as possible with the Program and its guidelines;
- **contact the Program Development Officer** at the Regional Office of the Department. It is the role of the Officer to promote the LGACHP in the region and to encourage its development. This officer can assist a council or community group to formulate their project and to prepare their application if this is necessary.

The Program Development Officer will provide any necessary information to the applicant, and will be the applicant's contact officer in the Department. He/She can also arrange for interested councils/groups to meet with other Departmental officers if this is needed – for example: an architect to discuss design matters.

The Program Development Officer reports regularly to the staff of the Community Housing Unit about the progress in the development of applications.

When the application is prepared, it should be forwarded by the due date to the Regional Program Development Officer. It will then be assessed in the following way.

### Stage 1: Assessment by the Department of Housing

The Regional Program Development Officer will co-ordinate the initial assessment of the project. Initial assessment will include:

- (i) the Regional Production Team providing a technical and financial assessment of the project;
- (ii) the Program Development Officer considering the project in terms of the Program guidelines, particularly the essential and desirable criteria for evaluation. He/she will report on other relevant information from the application, such as preferred title arrangements. This officer will also establish a priority list of projects from the region;
- (iii) the Community Housing Unit considering the project in terms of State priorities, comparative housing need of the locality and policy implications of the project.

Should any problems arise during this initial assessment, the Program Development Officer will negotiate with the applicant in an attempt to resolve them.

The initial assessment will be compiled by the Program Development Officer and forwarded to the Community Housing Unit. Staff of this Unit will then develop recommendations for the Sub-Committee based on the initial assessment, taking account of the funding available, the quantity of submissions across the State, and the Regional priorities which have been submitted by the Program Development Officers.



### Stage Two: Consideration by the Sub-Committee

The application will be tabled at a meeting of the Sub-Committee and the Department's assessment report will be presented for the Sub-Committee's consideration.

The Sub-Committee may make one of a number of possible decisions. It may:

- (i) defer a decision and request additional information from the applicant. A deferral may also occur when funds are not available;
- (ii) allocate a preliminary grant to allow detailed design work to be completed for a project. The project would need then to be re-submitted to a later meeting for the Sub-Committee to recommend an allocation of capital funds;
- (iii) recommend that the Minister approve the project, subject to satisfactory resolution of specified matters which are delegated to the Department to resolve – for example: final design matters, completion of incorporation by applicant;
- (iv) recommend that the Minister approve the project according to conditions specified in the Sub-Committee's report;
- (v) recommend that the application is not approved.



### Stage Three: Ministerial Approval

The Department will prepare a submission to the NSW Minister for Housing based on the recommendation of the Sub-Committee. In the event of a difference of opinion with the Sub-Committee, the Department may submit separate advice to the Minister. Such advice must be tabled at the next meeting of the Sub-Committee.

The Minister may then accept or reject the Sub-Committee's recommendations on individual projects, having previously obtained the Federal Minister's approval of the broad program of expenditure.

The Department will notify the applicant of the decision. It normally takes 6-8 weeks from the date of the Sub-Committee meeting before the applicant receives this notification. Funding cheques are not included with this notification, but will be forwarded by the Department once all necessary issues are resolved and documents prepared and signed.

Lump sum or progress payments may be made, as arranged. In certain cases, spot purchases for example, the Department will deal directly with and pay the vendor.



#### Stage Four: Approved Projects – The Department and the Sub-Committee

In cases where the Minister has given an approval subject to conditions, the Program Development Officer has the task of resolving these matters with the applicant. Further, if an initial design grant is provided, the Department through the Program Development Officer, will liaise with the applicant during the design stage and then prepare a further assessment of the project for the Sub-Committee to consider.

In the case of a complete approval by the Minister, documents requiring signature prior to the release of funds – the Deed of Agreement, for example – will be co-ordinated by the Program Development Officer.

If it is necessary to resubmit a project to the Sub-Committee, it will usually be three months until the next meeting.

Where the Minister has granted approval to the project pending resolution of certain matters, it can take between two weeks and twelve months to finalise matters. It is therefore desirable to resolve major matters prior to submitting an application to avoid lengthy delays at a later stage. The impact of such delays on escalating costs and the involvement of tenants can be considerable.

Where a project has received complete Ministerial approval, the Department will prepare standard documents for signature and then organise for funds to be released or for the Department to commence spot purchase procedures.

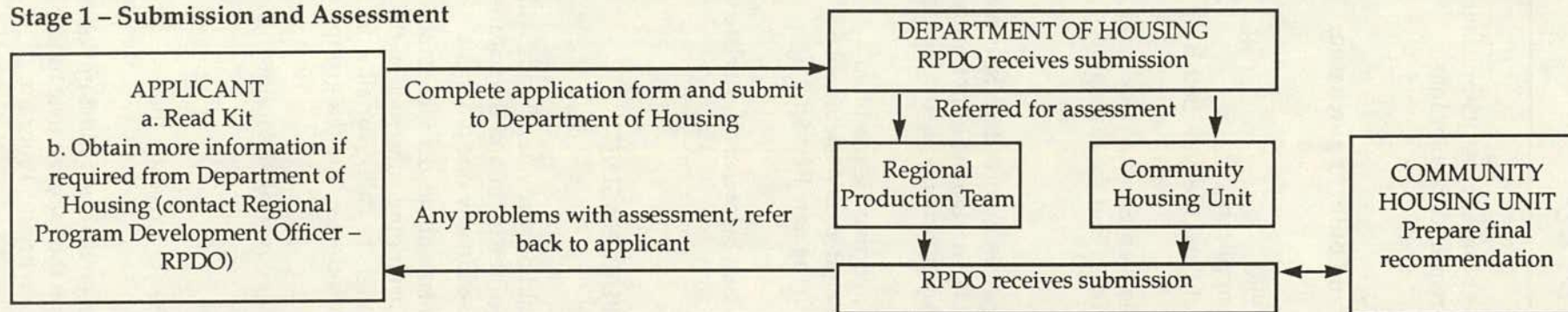
Depending on the size of the grant, funds will be released to applicants in one or more payments. Up to \$300,000 may be released as a single payment.



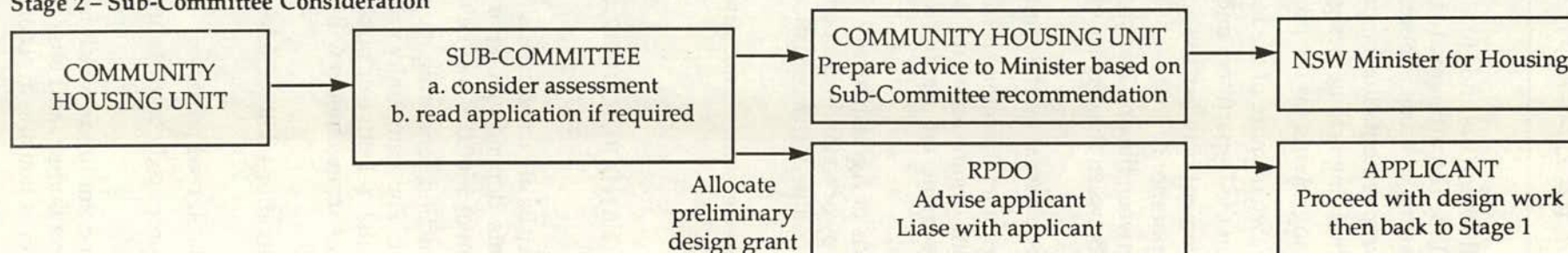


## APPROVAL PROCESS FOR APPLICATIONS

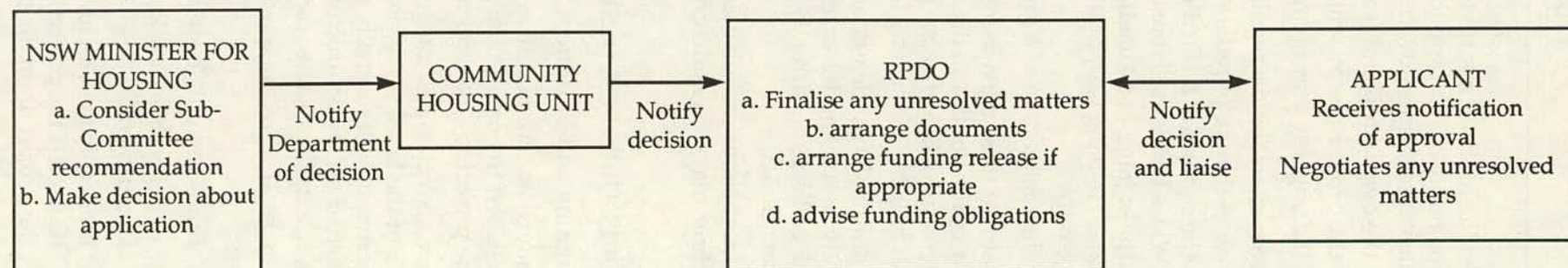
### Stage 1 – Submission and Assessment



### Stage 2 – Sub-Committee Consideration



### Stage 3 and 4 – Ministerial Decision and Department Implementation, if approved





## 7. SO YOU'VE BEEN APPROVED

When the Minister approves the allocation of funds to a project the successful applicant will be notified. The applicant and the Department are then required to enter into various agreements governing three major areas. These are:

- the **ownership and leasing arrangements** for the project;
- the procedures by which the building is to be **designed and built**, or **purchased**;
- the ongoing **management arrangements** for the project.

These matters will be regulated by two or more of the following:

- an **exchange of letters** between the Department and the applicant;
- the signing of a **Deed of Agreement** between the applicant and the New South Wales Land and Housing Corporation;
- the signing of a **Headlease** between the applicant and the New South Wales Land and Housing Corporation; or between the owners of a project and the managing group.
- the registration of a **mortgage or caveat** on the property.

The aim of these agreements is to protect the interests of all parties involved in the project – that is, the applicant, the managing organisation, the LGACHP and, most importantly, the tenants of the project. The agreements ensure that the project remains as low income rental housing in the long term.

Standardised Headleases and Deeds of Agreement are used, and may be modified slightly to suit specific cases. A copy of a standard Deed is included as Attachment 5. The Headlease is currently being modified in accordance with the new Residential Tenancies Act.

The most significant clauses of these agreements are summarised below, as they relate to the three major areas described.

### PROCEDURES FOR DESIGNING AND BUILDING, OR PURCHASING

#### Designing and Building

A council or community group may be allocated funds to build or renovate. Funds will be released in one or more payments, depending on the size of the grant and the nature of the project. A maximum amount of \$300,000 will be released in any one payment.

Where council is to arrange construction, tendering requirements are as per Ordinance N<sup>o</sup> 23 of the Local Government Act. For community groups arranging construction the Department will normally require that selective or public tenders be called for all work to be carried out by contractors. Other arrangements will be considered should a group wish to carry out some works itself.

The Deed of Agreement in these situations will include clauses covering the following points:

- (i) funds can only be used for the agreed purpose;
- (ii) all plans, specifications and proposed contracts are to be approved by the Department;
- (iii) interest gained on lump sum grant funds which have been invested must initially be used if the project runs over budget, and after that, on the maintenance fund for the project or on the provision of housing in accordance with this Program;



- (iv) quarterly financial statements and an annual audit are to be provided to the Department during the construction period;
- (v) the Department can inspect the site at reasonable times;
- (vi) when building work is completed, a 317A Certificate is to be provided. A valuer nominated by the Department will then inspect and provide a valuation of the finished project;
- (viii) cost overruns must be documented and may be met by the Department provided the overruns are justified;
- (ix) an Arbitrator may be appointed to resolve major conflict between the applicant and the Department;
- (x) the Department may require the repayment of the grant by the sale of the property if the council/group defaults on the conditions in this Agreement.

An alternative way to organise construction is for the successful applicant to request the Department to undertake building work on its behalf. In these cases, the Department will organise for design work to be completed either by its own staff or consultants. Tenders are then let by the Department in the normal way.

Verbal negotiations with the Department and an exchange of letter will determine the specific arrangements and timetable for these projects.

No Deed of Agreement is prepared to regulate the construction phase of these projects. However, if an applicant council or community group makes a contribution to the project – of land or finances, for example – then a Deed of Agreement and a Mortgage or Caveat will be prepared to formalise title arrangements. A Lease will also be utilised for the purpose of ongoing management of the property.

### **Buying an Existing Property**

When a community group or council is allocated funds to spot purchase an existing building or land, the purchase will always be organised by the Department.

In these cases, the actual funds stay within the Department and are set aside for the nominated project. The applicant may, and usually does, search the local market for suitable property. Once a property is identified, the Department's officers will do a structural assessment and valuation, taking account of the renovations necessary for the property. It is also assessed in terms of the suitability of the property to the applicant's needs. A Title Search and other reports as necessary are completed. Departmental officers then negotiate directly with the vendor.

The Department's procedures, with regard to spot purchases for community housing projects, are outlined in detail in a Departmental document "Capital Purchase Procedures under Regionalisation". Successful applicants should obtain that paper from their Regional Program Development Officer.

In these cases, and where no applicant contribution is made to the project, there will be no Deed of Agreement. A Lease will regulate management arrangements.

In the event that council makes a financial contribution, a Deed will not be used during the purchase phase, but rather at a later stage to describe ownership arrangements, should joint title be proposed.



## WHO OWNS THE PROJECT?

The Department will consider three options for ownership of property purchased or built using LGACHP funds. The option which is agreed between the applicant and the Department will be included in the Deed of Agreement.

The major aim of the Department in negotiating title/tenure arrangements is to ensure that the project remains as low income rental housing in perpetuity, in line with the Program's guidelines.

The ownership options are:

### (i) Project remains solely in the ownership of the Department of Housing

This would normally occur when LGACHP funds have been used to totally fund the project.

The applicant, or nominated managing group, will sign a long term Headlease on the property with the Department, effectively transferring the usage and management of the Property to that group.

Currently, some LGACHP projects have a modified version of the standard Headlease used by the Community Tenancy Scheme. In certain situations, another standardised Lease format has been used. All Departmental Leases are in the process of re-drafting to comply with the new Residential Tenancy Act, which will come into operation during 1988.

Headleases provide secure tenure to the managing organisation (Lessee) for a nominal rental. Rates, taxes and insurances and maintenance are the responsibility of the Lessee. Reporting procedures from the Lessee to the Department are prescribed. A second schedule or annexure to the lease will cover management requirements as outlined in Section 7C.

### (ii) Tenants in Common

The property is owned jointly by the Department and the council/community group.

In these cases, each party will own a share of the property in accordance with their relative contributions to the project.

For example:

Council contribution	\$ 80,000 (land)
LGACHP contribution	<u>\$160,000 (construction)</u>
Total value of project	<u>\$240,000</u>

In this example, council will own one-third and the Department two-thirds. These shareholdings are referred to as the "grant ratios".

A contribution in the form of labour ("sweat equity") will also be taken into account when calculating grant ratios, if this is adequately documented.

The Deed of Agreement will specify the relevant share ownership in the property.

A mortgage will not be required, as the Department contribution to the project will be protected by the Tenancy in Common arrangements. However, the Department will lodge a caveat on the title to prevent any transfer or dealings with the title.

The Deed will include conditions governing proposed sale of the project. For example, should council intend to dispose of its share of the property, it is required to offer that share initially to the Department and then to the project's tenants. The property would be valued and the sale take place at market value. In the example above, the Department would have the first option to purchase council's share for one-third of the valuation.



If the Department is entering into a Tenancy in Common agreement with a public authority, including a council, that arrangement is regarded as a joint venture under Section 16(2) of the Housing Amendment Act (1982). The consent of the Treasurer and the relevant Departmental Minister is required, in addition to the Housing Minister. The Department arranges these consents.

Finally, in addition to the Deed, there would be a Lease from both the Department and the applicant to the community organisation which will be responsible for the ongoing management of the project. Lease conditions are as outlined previously.



### (iii) Project is owned solely by the applicant group

The applicant may take sole title of the project. This would only occur in cases where the applicant made a substantial contribution to the project.

A Deed of Agreement will specify the title arrangements for a project to be owned in this way. It will also include clauses regulating the possible sale of the property. The Department will also require a mortgage in its favour to be held over the whole project. A standard mortgage format under the Real Property Act is used.

Standard Deed of Agreement conditions, as previously outlined, will apply during the construction phase of projects to be owned in this way.

## MANAGEMENT PROCEDURES

In order to receive funding, an applicant must outline proposed management procedures for the project which are in line with the principles specified in the LGACHP guidelines.

The Deed of Agreement will tie applicants in to certain management arrangements. In the absence of a Deed, a Second Schedule of the Lease will deal with these matters.

The major clauses dealing with management practices cover the following points:

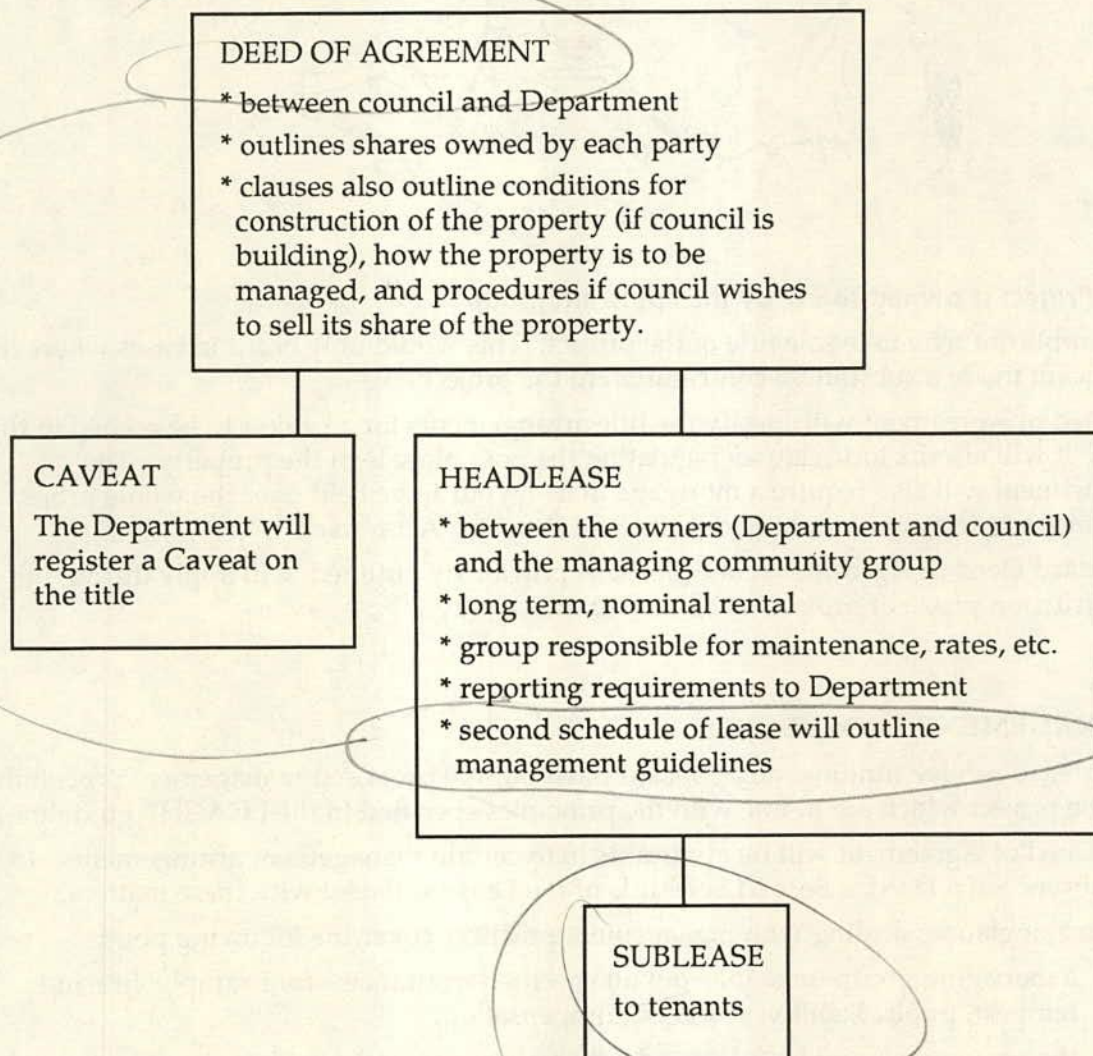
- (i) a managing group must take out all specified insurance – for example: fire and tempest, public liability, workers' compensation;
- (ii) the property should be fully used – that is, vacancies should be kept at a minimal level and the property should be used in a manner appropriate to its bedroom capacity;
- (iii) the Department is to be provided with the sub-lease signed between the tenants and the managing group, which should be consistent with the Program's guidelines;



- (iv) an audited income and expenditure statement shall be provided each year to the Department (see Attachment 6). Other information including an annual management return, shall be provided on request;
- (v) tenant participation must be fostered;
- (vi) public housing applicants should have the opportunity to apply for housing;
- (vii) properties are to be maintained at a reasonable standard;
- (viii) maximum rents charged should be consistent with the Department's rental policies;
- (ix) any surplus income from rental or other sources shall be used for housing purposes in accordance with this Program.

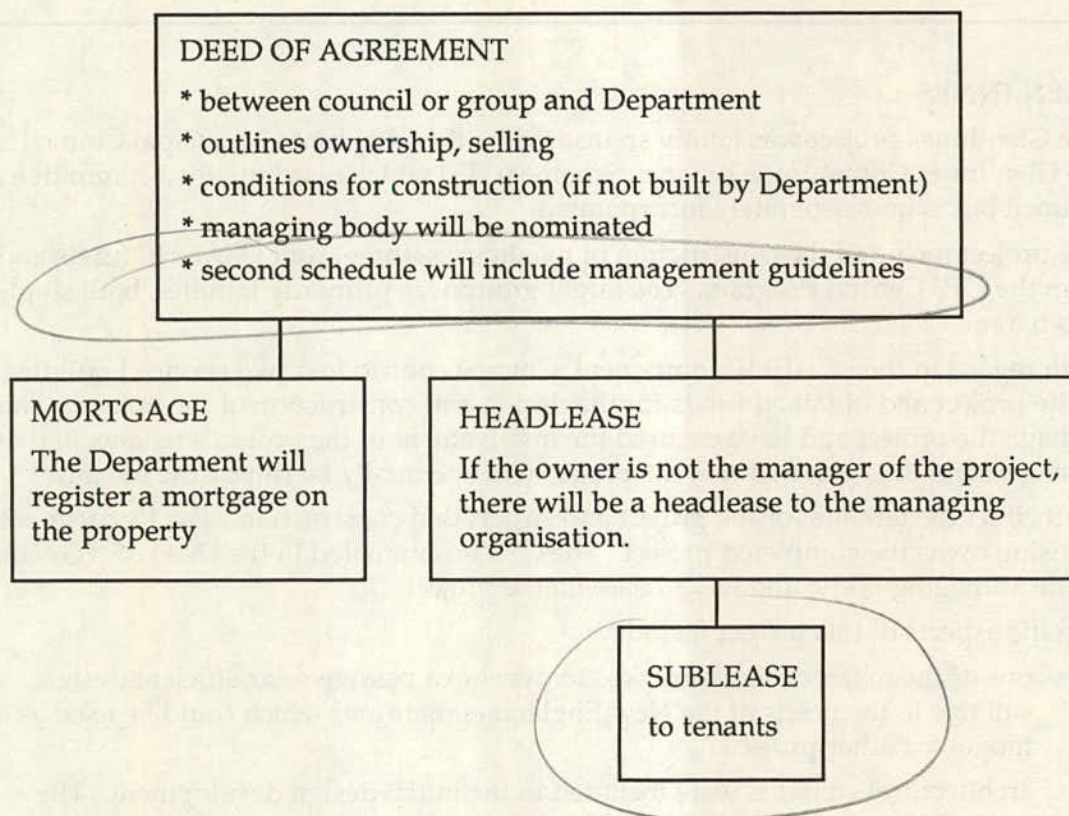
### SOME TITLE OPTIONS AND HOW THEY WORK (for design and construct projects)

#### Example 1 – Joint Title Council and the Department of Housing

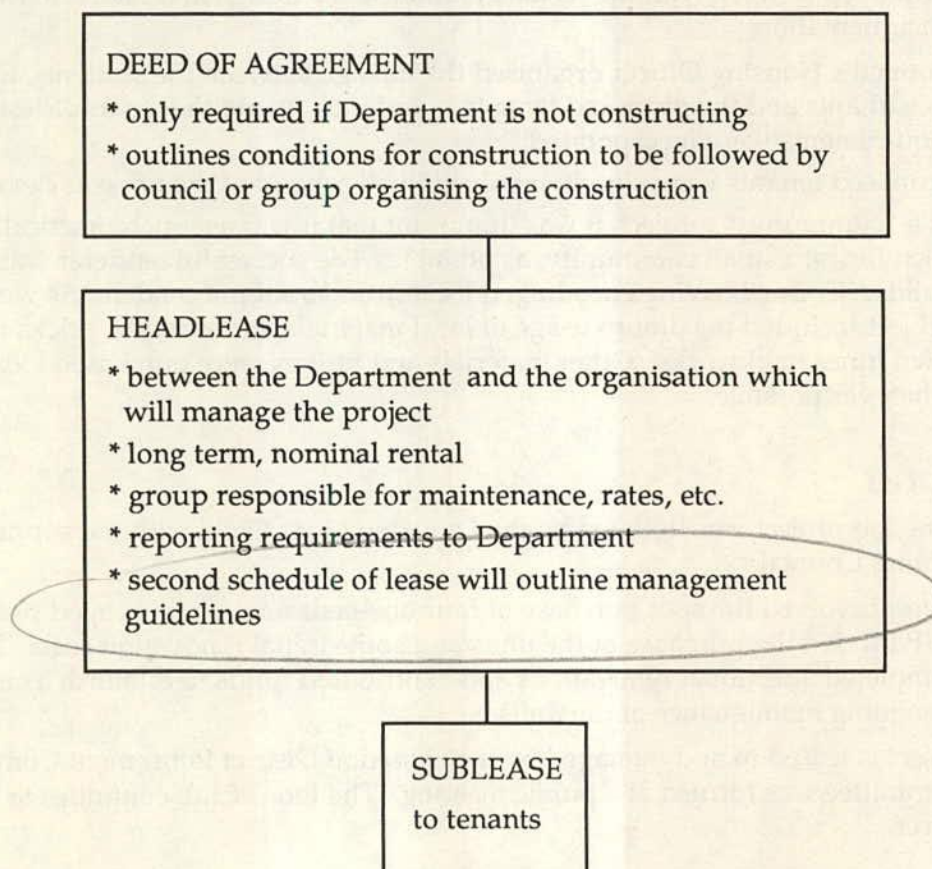




### Example 2 – Local Title Council or Group to Own



### Example 3 – Department of Housing Retains Title





## *8. APPROVED PROJECTS – SOME EXAMPLES*

### **GLEN INNES**

The Glen Innes project was jointly sponsored by the Glen Innes Municipal Council and the Glen Innes Community Tenancy Scheme (CTS) which was initially a committee of Council but is now separately incorporated.

The project included the construction of five houses, three from LGACHP funds and two from the CTS Central Program. The target group was primarily families, both single and two parent.

With regard to the LGACHP component, Council contributed two serviced building lots to the project and obtained funds for the design and construction of the houses. The CTS manage the project and have ensured the involvement of the project's tenants in that management. It is planned that the project will eventually be run by the tenants.

Council let the tenders for the project and supervised construction. The Department of Housing owns the completed project. The CTS is nominated in the Deed of Agreement as the Managing Body, and has a Lease on the project.

Specific aspects of this project include:

- one of the major design aims was to develop a passive solar efficient design, suitable to the needs of the New England climate and which could be used as a model for other projects;
- architectural students were included in the initial design development. They worked closely with the proposed tenants of the project and developed design options, incorporating their needs and other design aims. Consultants were later employed to work with the tenants to finalise the design and take it to full documentation;
- Council's Housing Officer organised the linkage between the students, final design consultants and the proposed tenants in order to ensure the tenants' design requirements were incorporated;
- proposed tenants were closely involved in all aspects of the projects development;
- as a "community" project, it was important that it was as much practical value to Glen Innes, a small community, as possible. The successful tenderer was a local builder, Council having encouraged local firms to submit tenders. As well, the project included maximum usage of local materials, for example: bricks from the Glen Innes brickworks. Other materials and fittings were purchased locally wherever possible.

### **DUNEDOO**

The Dunedoo project was initiated by the Dunedoo Lions Club, with the support of the Collah Shire Council.

The project involved the spot purchase of four one-bedroom units for aged people. The LGACHP funded the purchase of the units and some initial renovation costs. The Lions Club completed additional renovations and contributed funds to establish a sinking fund for the ongoing maintenance of the units.

The project is leased to and managed by the Dunedoo District Retirement Committee. This Committee was formed at a public meeting. The Lions Club continues to support the project.



Council provided assistance to the project in the form of staff assistance. A Council Officer will continue to serve on the managing committee, with a particular view to assisting with assessment of ongoing maintenance needs. The Council has also offered to establish the Committee as a committee of Council, with the formal backup of Council resources.

## DUNGOG

Dungog Shire Council received funds from the LGACHP to construct eight one-bedroom units for aged people.

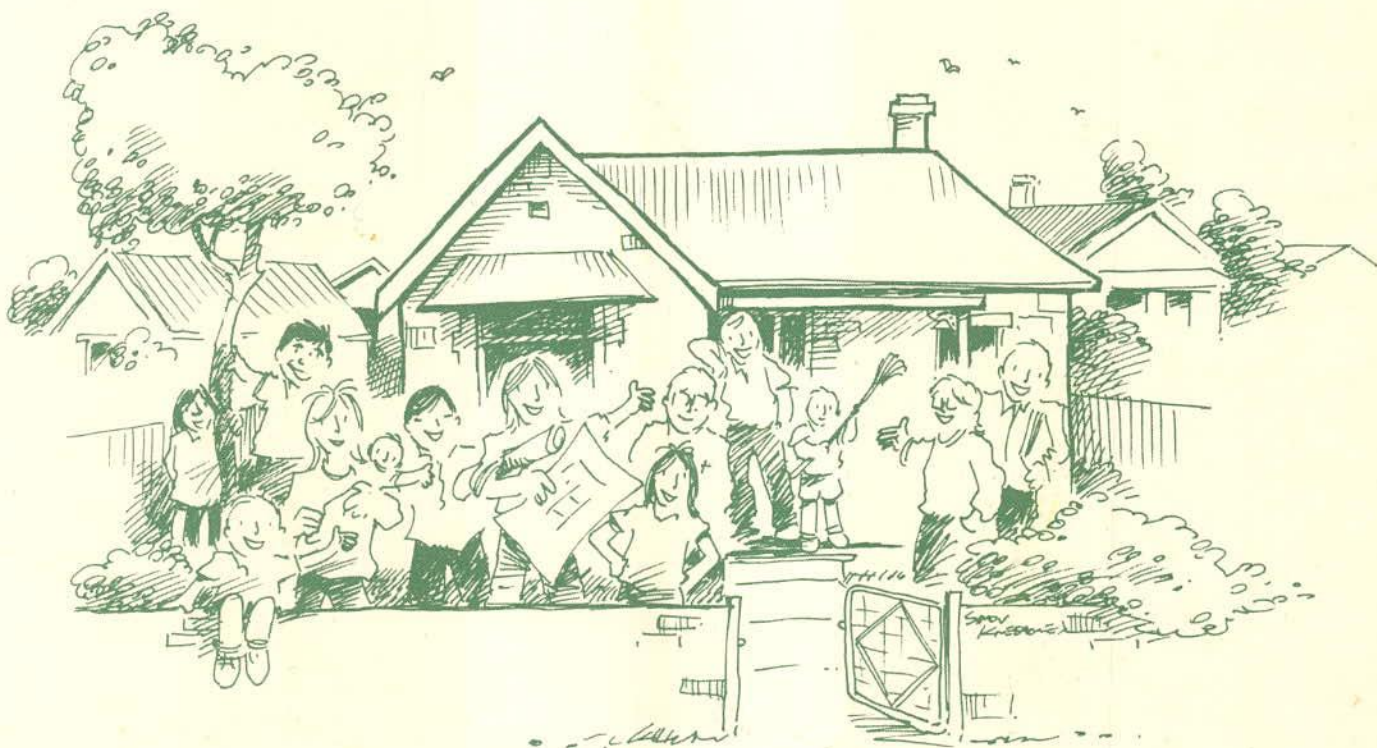
This project was built on Council owned land. These were already ten units on the site, which had been built previously with Council and Federal Government funds. These units were managed by a 527 Committee of Council, which included tenant representatives from the units.

Council contributed the land to the project and, as with the original ten units, covers the maintenance costs of the new units. Council owns the completed project, and the Department of Housing holds a mortgage on the development. The 527 Committee also manages the new eight units, with tenant representatives from those units as members of the Committee.

Council now intends to build two resident funded units on the same site.









*A Guide to*  
**HOUSING SERVICES**  
IN NEW SOUTH WALES

HOUSING ADVISORY SERVICE  
PUBLIC HOUSING  
ASSISTANCE FOR HOMEBUYERS  
LAND AND HOUSE SALES  
COMMUNITY HOUSING PROGRAMS  
PRIVATE RENTAL



**DEPARTMENT OF HOUSING**



*A Guide to*

# **HOUSING SERVICES**

**IN NEW SOUTH WALES**

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**DEPARTMENT OF HOUSING**



This booklet is an introduction to the services and programs provided by the New South Wales Government to help meet the housing needs of all New South Wales residents, whether they are home owners or purchasers, private renters, or public tenants.

The booklet has been prepared by the Department of Housing. It is the Department of the NSW Government responsible for most of the State's housing services.

The Department of Housing was formed in 1986 when all the housing functions of the NSW Government were brought under one administration. It replaced the Housing Commission of NSW and the Land Commission.

The main services of the Department of Housing are:

- providing and managing all the public rental housing in the State;
- giving free advice and information to tenants and homebuyers;
- providing housing finance;
- providing land and houses for sale;
- funding community based housing organisations.

If you want more information about any of the services mentioned in the booklet, please use the contact addresses provided, or call your nearest Housing Advisory Service (see the addresses and telephone numbers at the back of this booklet).

*2nd edition, June 1988*

*Some of the amounts, addresses, or phone numbers mentioned in this booklet may change, so please check for current information as required.*



# HOUSING ADVISORY SERVICE

The Housing Advisory Service (HAS) provides free advice and information to the public on a wide range of housing matters. It has three offices – in Sydney, Parramatta, and Newcastle – and toll-free telephone numbers (008) 42 2021 or (008) 42 4242, to call from anywhere in NSW outside the Sydney area.

The Housing Advisory Service can provide information about:

- buying a home and obtaining home finance, including Government home purchase assistance schemes;
- Landcom house and land packages;
- Government schemes which may be able to assist if you are having trouble with your mortgage repayments;
- public rental housing; and
- private rental and tenants' organisations.

Advisors from the HAS also give talks to interested groups, including community and migrant groups, schools, colleges, and industry groups.

The Service conducts Home Buyers Nights and Housing Information Seminars in various parts of the State on a regular basis. These are advertised in the local papers, and in the ethnic press for those activities which are presented in a community language.

You can call at any of the HAS offices for more information or you can make an appointment for an interview with an advisor. If you have difficulty in speaking or understanding English they can arrange for an interpreter to attend your interview. They can also arrange to use the Telephone Interpreter Service if you wish to talk by telephone, or are unable to get to one of the HAS offices.

*The addresses and phone numbers of the Housing Advisory Service are listed on the back cover of this booklet.*



# ASSISTANCE FOR HOMEBUYERS

Buying or building your own home is an expensive and often confusing process for many people. The Department of Housing helps make it easier by:

- providing advice and information on all aspects of home purchase, through the Housing Advisory Service;
- providing financial assistance to homebuyers through a number of home purchase assistance schemes; and
- buying and developing land and selling it as homesites or as land and house packages.

## AFFORDABLE HOME LOANS

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Affordable Home Loans are Government housing loans that help low income people purchase a home of their own.

Any Australian citizen or permanent resident can apply for a Loan if they meet the income test and other conditions which determine eligibility. As a guide, you may qualify if your gross family income is less than \$26,000 per year (\$500 per week). Family applicants can be married or defacto couples or single parents. Single applicants earning less than \$15,500 (just under \$300 per week) may also apply.

The maximum loan presently available is \$70,000 and the price of the house, townhouse, or unit you are buying can be up to \$100,000. You will need to have a deposit of at least 5% of the purchase price. This can include any money you receive under the First Home Owners Scheme.

Like other home loans, Affordable Home Loans must be paid back in regular repayments. Your repayments are set at 27% of your gross household income. A subsidy may be arranged if that amount is not enough to cover the loan interest.

Because a lot of people apply for these Loans, eligible applicants may be placed on a waiting list. The length of waiting time normally depends on the date of your application, but some people with an urgent housing need may be given a loan immediately.



*You can apply for an Affordable Home Loan at any Co-operative Housing Society – see their listing in the Yellow Pages of the telephone book or contact the Co-operative Housing Societies Association on (02) 29 8132 for their addresses.*

## **PREMIER LOW START HOME LOANS**

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Premier Low Start Home Loans are designed to assist people whose incomes are too high for an Affordable Home Loan but too low to borrow enough money from banks or building societies.

The scheme assists eligible applicants borrow up to \$70,000 at a fixed interest rate to buy a home costing up to \$140,000. How much you can borrow is worked out in relation to your gross income: for example, with around \$470 per week gross income you could qualify for the maximum loan of \$70,000.

You need a minimum deposit of 10% of the purchase price of the home you wish to buy. Your deposit may include money received from the First Home Owners Scheme. The home you buy with a Premier Low Start Home Loan need not be your first home, but it must be your only home. You can also use these loans to refinance an existing mortgage.

Repayments start at 27% of gross income regardless of the size of the loan. That means your repayments are much lower in the early years of the mortgage than they would be for the same-sized bank loan. After this low start, repayments are increased by a small percentage each year until the loan is paid off.

*You can apply for a Low Start Home Loan at any branch of the State Building Society or St George Building Society, or at any Co-operative Housing Society – see their listing in the Yellow Pages of the telephone book or contact the Co-operative Housing Societies Association on (02) 29 8132 for their addresses.*

*The Housing Advisory Service can also give you further information about these Loans.*

*Note: The income and loan limits quoted in this booklet are updated regularly so check with the HAS or your lending body for current rates.*



## DEFERRED STAMP DUTY SCHEME

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The NSW Government Deferred Stamp Duty Scheme allows you to take five years to pay the stamp duty which is charged on all home purchases. You will be eligible if you are buying your first home and its price is not more than \$125,000. Prior to 2 June 1988, the limit was \$105,000.

The five annual payments are interest free and the first one is not due until twelve months after the date of purchase of your home.

*Phone (02) 685 2122 for further information from the Stamp Duties Office at 132 Marsden Street, Parramatta, or 65 Elizabeth Street, Sydney.*

*There are also offices in Newcastle – 384 Hunter Street, phone (049) 26 1166; and Wollongong – 84-88 Crown Street, phone (042) 26 8111.*

## MORTGAGE RELIEF SCHEME

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The Mortgage Relief Scheme is designed to help people keep the home they are already buying. It is only available to applicants who are in serious financial difficulty as a result of some unforeseen change in their circumstances, such as losing a job or illness.

The scheme provides an interest free loan of up to \$5,000 to pay mortgage arrears and/or subsidise mortgage repayments. The money is paid directly to the lending organisation and you have to ask them for help before you can apply for assistance from the Mortgage Relief Scheme. The lender also has to complete part of the application form.

Loans from the Mortgage Relief Scheme do not have to be repaid until your circumstances have improved, or you sell your house. Repayment arrangements will be assessed about six months after the loan is made.

*Application forms are available from your lending organisation or from the Department of Housing. The Department administers the Mortgage Relief Scheme from its Parramatta Office, telephone (02) 891 8111.*



## FIRST HOME OWNERS SCHEME

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The First Home Owners Scheme is a Commonwealth Government scheme which helps low to moderate income earning people buy or build their first home.

The Scheme has been in operation since October 1983, and people who have bought or built their first home at any time since then may still be eligible. The present conditions were introduced in May 1988.

The rates of payment under the Scheme are now:

- up to \$3,000 if you do not have dependent children;
- up to \$4,500 if you have one dependent child;
- up to \$5,000 if you have two or more dependent children.

Applicants with dependent children can take the money partly in a lump sum and partly as a subsidy paid monthly over five years, or the entire amount can be taken in instalments over five years to help with mortgage payments. Applicants without dependants are no longer eligible for the lump sum payment.

*Application forms for the First Home Owners Scheme are available from the Housing Advisory Service, the Home Ownership Assistance Office, banks, building societies, real estate agents and builders.*

*For further information contact the Home Ownership Assistance Office, 1 Alfred Street, Circular Quay, phone (02) 236 0022, or telephone toll-free from outside Sydney on (008) 42 2615.*



# LAND AND HOUSE SALES

The Department of Housing buys and sells land under the name of Landcom. Through its Landcom program, the Department buys land, subdivides and develops it, then sells it as homesites for realistic market prices. This helps to keep land prices stable.

The emphasis in Landcom developments is to build communities rather than just housing estates. These communities are planned to include amenities such as schools, shopping centres and recreational facilities.

Anyone can purchase a Landcom block, but they must plan to have their home built on it within three years. Extensions to the building period can be granted in special circumstances. There is no means test and people who have previously owned a home or a Landcom block are not excluded. Purchasers are discouraged from re-selling vacant land by the requirement that it must first be offered back to the Department.

Usually land is sold on a first come first served basis. A deposit of \$100 (or 1,000<sup>th</sup> of the purchase price, whichever is greater) reserves your chosen homesite while finance, contracts, and building plans are finalised. Sales consultants are available to advise you about all aspects of buying a Landcom block or a land, house and finance package.

Most of the Landcom land now being developed for housing is in the west of Sydney, and in the Gosford, Wollongong and Hunter Valley regions.

*For further information about Landcom estates and house and land packages, contact one of the Housing Advisory Service offices (see back page) or telephone Landcom on 675 1230 (Minchinbury office), 634 1231 (Castle Hill), or (043) 40 1488 (Kariong).*

*Landcom also sets up Sales and Information Offices at the main estates they are selling. Information about their location is usually advertised in the Real Estate section of the Friday and Saturday papers.*



# PUBLIC HOUSING

One of the most important jobs done by the Department of Housing is providing and managing all the public rental housing in New South Wales.

Before the Department was established in 1986, the organisation responsible for public housing was the Housing Commission of NSW. Although some people still talk about Housing Commission houses or estates, they are now all Department of Housing properties.

The Department currently rents over 110,000 homes in New South Wales. They include flats, town houses, and cottages with one to five bedrooms. They are in the inner cities and suburbs, and in country towns; they are grouped in estates or one by one; there are older style homes and modern architect-designed homes. There is as much variety in public housing as in privately owned or rented housing.

*This section of the booklet gives you general information about being a Department of Housing tenant. To apply for public housing or to get further information, please call or write to the Regional or District Office nearest to where you live now.*

## Who Can Apply for Public Housing?

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Anyone with a low to moderate income who is living in New South Wales may be eligible for public rental housing. If you were born overseas you are eligible if you are a permanent resident or have Australian citizenship.

The combined income of a household and the number of people dependant on that income is taken into account in assessing eligibility. Household income is the total gross income (before tax), including wages, pensions, benefits and interest on investments.

The value of any assets you own will also be taken into account. If you own property in Australia, your eligibility will depend on whether the property can be used to house you.



The income limits set for access to public housing are adjusted regularly to keep up with changes in average weekly earnings and the cost of housing in the private market. To give you an idea, the present limits range from around \$370 gross per week for a single person, to \$695 per week for a six person household, including children. When more than six people apply to be housed together, household income limits are increased by \$45 per person per week.

### **How do I apply?** \_\_\_\_\_

Application forms for public housing are available from any Department of Housing office. You may phone, write or call personally to obtain a form.

Whether you hand in your application or post it, you will be given an acknowledgement slip as proof that you have applied. If you don't receive an acknowledgement slip within one month of returning your application you should contact the Department in writing or by going to the Department of Housing office nearest to where you live.

When you ask for an application form, it is stamped with the date. As long as you return the form within three months, that date is the date of your application. If your application is approved your date of application will determine your place on the waiting list.

### **What happens after I have applied?** \_\_\_\_\_

Soon after you lodge your application you will be required to attend an interview at a Department of Housing office near where you live.

You will be sent a letter telling you where and when your interview will be. The letter will also tell you what information and documents you should bring to your interview to ensure that your application can be processed as quickly as possible.

If you are unable to attend the interview because of your age or because you have a disability you should notify the Department as soon as possible and the interview can be held at your home.

If you have difficulty speaking or understanding English, an interpreter can attend the interview with you. The Department can



arrange for an interpreter if you ask at least ten days in advance at the office where your interview will be held.

At the interview the information you gave on your application will be checked. You will also be given information about the different types and different areas of public housing, and the probable waiting times. You can then decide what type of housing and which area you want.

### **How long will I have to wait?** \_\_\_\_\_

You will be told within three months if your application has been successful. You will be put on the Department's waiting list for suitable housing in the area you choose. The waiting time for accommodation varies according to:

- the type of housing and the location you requested;
- the number of vacancies and the rate of construction of new homes in the area; and
- the number of people with similar requirements who have been waiting longer than you.

If the waiting time for your preferred area is very long, you may wish to change your preference to an area in which you may be housed more quickly. You can change your preference at any time while you are on the waiting list by writing to or calling at the nearest Department of Housing office.

*Make sure you tell the Department your new address if you move while you are still on the waiting list.*

### **What if I can't wait that long?** \_\_\_\_\_

Some applicants in extreme circumstances have to be housed ahead of their turn. If you need to be considered for housing ahead of your turn you can apply for what is known as "priority housing". This means you will be offered a tenancy ahead of the normal waiting time.

Because giving priority housing to some people means that other applicants have to wait much longer, it can only be given in extreme cases. Most applicants have to wait in turn to be housed.



Some of the circumstances where you might be given priority housing assistance include:

- being homeless or threatened with homelessness and not able to afford to rehouse yourself in the private rental market (this includes people who are living in a refuge);
- living in housing which is very overcrowded or is in a dangerous or very poor condition;
- if you or a member of your family have very serious health problems made worse by your present housing;
- if you or a member of your family have a disability which makes living in your present housing difficult;
- if you or a member of your family is subject to violence, including incest or serious harassment, where you currently live.

In situations of immediate crisis, like homelessness, where an overnight solution is necessary, temporary or “crisis” housing may be provided. This means a house or flat will be offered to you straight away, to ease the crisis and enable the Department to review your needs for long-term housing.

### **What is the rent?** \_\_\_\_\_

Department of Housing tenants pay a maximum of 20% of their household income in rent. Some pensioner tenants pay only 18%.

Rents on Department of Housing properties vary according to the size and area, much the same as private rental housing. However, if the rent set for your house is more than 20% of your household income you can apply to have it reduced.

This reduction is called a “rent rebate” and it ensures that the rent you pay is no more than 20% of your household income.

### **What sort of house can I get?** \_\_\_\_\_

The Department of Housing has a number of different types of accommodation available for applicants. Most Department homes are family accommodation, and these are spread throughout NSW. Other types of housing may not be available in all areas.



## **Family Accommodation**

Single parents, couples and families with one or more children will be offered accommodation depending on the number of people in their household.

The accommodation offered will be either a single or double storey house or town house which is attached to other houses of the same type; a free-standing house or cottage; or a flat in a block of flats.

## **Pensioner Housing and Housing for Elderly People**

The Department has a range of self-contained bedsitter and one bedroom units for single pensioners and couples where at least one person is in receipt of an aged or invalid pension or whose income is derived from superannuation payments.

Most of the Department's pensioner housing is in self-care units. Recently the Department has become involved in a number of retirement housing projects providing housing with on-site nursing support and other care services.

## **Housing for Singles**

The Department has accommodation for all types of households including non family groups. As with all applicants, total household income is taken into account in assessing eligibility.

Singles housing provides assistance for single people, usually over 18 years old. Applicants under 18 will be considered if they can demonstrate that they can live independently or that adequate help is available.

Single applicants can apply either on their own or as a group wishing to be housed together. Singles can choose between self-contained, independent bedsitters or one-bedroom apartments; singles apartments with self-contained and communal areas; or shared housing for groups of two or more people wishing to be housed together.

Non family groups are individually responsible for their own rooms and jointly responsible for any areas which are shared. All members of non family groups are entitled to their own bedrooms. Each person pays their own rent.



### **Housing for People with Disabilities**

A special policy to improve the access of people with disabilities to the housing of their choice is in operation in the Department of Housing.

Because of the extra expenses and other restrictions involved, every effort is made to ensure that applicants with disabilities are housed in the area they request. When no suitable housing exists the Department may purchase or modify a dwelling in the preferred location.

Some applicants with disabilities who have reached their turn for housing may still have to wait some time to be allocated a home that is suitably located or modified. Where appropriate, people in this situation may be granted a temporary subsidy to help cover the cost of private rental.

### **Housing for Aboriginals**

Aboriginal people can apply for public housing in the same way as other applicants and have their names placed on the general waiting list. As well, there are a number of Department of Housing homes which have been built or bought under a special Housing for Aboriginals scheme. These are allocated to eligible households where at least one member is of Aboriginal background.

Aboriginal people may also be housed in accommodation built on land owned by Aboriginal Land Councils. These houses are built by the Department of Housing but then handed over to the Land Councils for allocation and management.



# COMMUNITY HOUSING PROGRAMS

Community housing programs have been developing in NSW since the early 1980s as a way of expanding public housing provision and increasing housing options for low income people.

Under these programs, the Department of Housing provides capital and, in some cases, recurrent funding to locally managed community organisations and local governments to provide and manage low cost housing and housing services.

As a result, up to 1,000 large and small organisations and local governments throughout New South Wales are now involved in the direct provision of low cost or subsidised housing, and in the provision of other housing related services, including information, advice and research.

Specific programs include:

**Community Tenancy Scheme** – provides low cost housing managed by community groups who lease homes bought for the Scheme by the Department of Housing. Each local Scheme manages the letting of the houses in their area.

*The Community Programs Worker based at the nearest Regional Office of the Department of Housing will know the addresses of any local Community Tenancy Schemes.*

**Local Government and Community Housing Program** – aims to involve local government and community groups in the provision of rental housing, in particular through developing housing co-operatives. The Department of Housing funds these groups to purchase or build accommodation to house their members.

*Information about the co-operative program can be obtained from the Co-operative Housing Resource Unit, Trades Hall Building, 4 Goulburn Street, Sydney, phone (02) 267 9414.*

**Local Government Housing Initiatives Program** – encourages local councils to play a greater role in identifying and addressing the housing needs of their area. The Program provides funding for



short-term research projects, and shares funding for Community Housing Officers and joint ventures in building low income rental housing.

**Supported Housing Unit** – administers community-based emergency or supported accommodation programs. These are:

- Women's Housing Program – provides housing with support services to women and their dependent children, to help them between crisis housing and long-term independent housing over a period of three to twelve months. The Department of Housing funds the scheme through locally based and managed community groups. Refuges or welfare agencies will know the contact addresses for any schemes operating in your area.
- Crisis Accommodation Program – provides short-term housing for women, youth, and homeless persons;
- Special Purpose Housing – funds community groups providing housing for people with disabilities, drug or alcohol dependence, or psychiatric problems; and
- Surplus Government Property – leases government properties to community organisations for provision of short to medium term accommodation.

*Inquiries about getting housed under any of these community programs should be made direct to the organisations which run the accommodation – ask at refuges or welfare agencies, or when you apply for public housing at any office of the Department of Housing.*

*If you want other details about the programs, check with program staff at the Head Office of the Department of Housing, 23-31 Moore Street, Liverpool, phone (02) 821 6111.*



# PRIVATE RENTAL

In New South Wales over a quarter of the population rent their homes. A large proportion of these rent from private landlords – well over 300,000 households.

In recent years finding – and staying in – suitable affordable rental accommodation has become increasingly difficult. In response, the NSW Government has developed policies and services to address some of the problems of the private rental market.

The State Government presently operates a number of services and also funds some community groups to assist renters of privately owned properties.

These services include:

- Rental Bond Board;
- Housing Information and Tenancy Services;
- Rental Assistance Scheme;
- Strata Titles Office; and
- Tenancy Service.

## RENTAL BOND BOARD

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When you rent a house or flat you are asked to pay a bond as well as the first rent payment. The bond is paid so that the landlord is protected against costs such as damage to the property or the tenant moving out while behind with the rent. These are usually covered in the written lease you sign when you rent the property.

The amount of the bond is limited by law for properties renting for up to \$250 per week. The most you can be charged is 6 weeks rent for furnished premises and 4 weeks for unfurnished premises. If the rent is \$100 pw, for example, the most the bond can be is \$600 if the place is furnished or \$400 if it is unfurnished.

Your landlord or agent can't keep the bond money. They have to deposit it with the Rental Bond Board within a week of getting it from you. The Rental Bond Board is like a bank for rental bonds: they keep the money safe until you move out.



## Claiming Your Bond

The Rental Bond Board refunds the bond money according to the details on a form called a Claim for Refund of Bond Money. The form is usually completed by the landlord or agent after you have moved out and they have looked at the property to see what condition it is in.

All the bond money can be refunded to you, or all of it to the landlord, or some to each of you. That depends on how well you have kept the property and complied with the lease. If you don't agree with what the landlord/agent says about the bond refund, do not sign the claim form they have prepared. Also do not sign a blank or incomplete form.

If you are in a dispute with the landlord/agent, you can make a claim yourself and fill out the form without their signature, saying how much of the bond you think you should get back. You can get help and information about doing this from the Rental Bond Board.

*Make sure you tell the Rental Bond Board your new address when you move, so that it can send you the bond money or contact you if the claim is disputed.*

*For further information contact: The Rental Bond Board, 12th Floor, 1 Oxford Street, Darlinghurst 2010, phone (02) 266 8944 or telephone toll-free from outside Sydney on (008) 42 2021.*

## HOUSING INFORMATION AND TENANCY SERVICES

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Under the Housing Information and Tenancy Services program (HITS), the Department of Housing and the Rental Bond Board provide funds for more than twenty community-based tenants' advice and housing referral services around the State.

The services provided by HITS groups include providing advice to private tenants on their rights and obligations, playing an advocate role on behalf of tenants, and advising people in housing need of the options available.

*The Tenants' Union of NSW is an important contact for information and advice on tenancy issues – call the Tenant's Hotline on (02) 251 6590 or the Union on (02) 27 3813. They can also provide addresses and phone numbers of local HITS groups.*



## RENTAL ASSISTANCE SCHEME

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This scheme used to be run by the Department of Youth and Community Services and was called the Bond and Relocation Scheme. It is now administered by the Department of Housing.

If you are a private tenant and you are forced to move for the sorts of reasons listed below, this scheme may be able to help with money for the bond, first rent payment, and moving expenses.

The circumstances where you might be given rental assistance include:

- being homeless or threatened with homelessness and not able to resolve the situation without assistance;
- living in temporary accommodation such as a refuge or hostel, or having your family split up because of inadequate housing;
- having a serious health problem or a disability which makes living in your present housing difficult;
- living in violent or grossly overcrowded conditions.

If you qualify for rental assistance, it can pay your bond and up to two weeks rent in advance. There is also provision for assistance with removal expenses and the cost of connecting services like gas and electricity.

The same income test applies as for public housing (see the section on Public Housing in this booklet).

*Contact your nearest Department of Housing office for more information about rental assistance or to make an appointment.*

There is also a Commonwealth Government benefit called Rent Assistance which is paid to people on pensions or benefits or those receiving the Family Income Supplement and who pay rent or board, whether for private or public housing. Apply for this assistance at your nearest Department of Social Security office.



## **STRATA TITLES OFFICE**

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The Strata Titles Office provides assistance to tenants, owners, agents, and other interested people on issues affecting strata title home units. It is also the administrative office for the Strata Titles Commissioner and Board: they adjudicate in disputes that people in strata schemes have been unable to settle themselves. Most of the matters dealt with by the Strata Titles Office are between residents: disputes between tenants and landlords should be referred to the Tenancy Service.

*Further information from: Strata Titles Office – Information Service,  
Level 12, 1 Oxford Street, Darlinghurst 2010, phone (02) 266 8933.*

## **TENANCY SERVICE**

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The Tenancy Service was attached to the Department of Consumer Affairs until April 1988 when it was transferred to the Department of Housing. It provides information and mediation on the landlord and tenant laws in NSW to landlords, tenants, agents, and other interested people.

Tenants can seek the advice of the Tenancy Service on any matter to do with their tenancy. Matters which come under the jurisdiction of the Residential Tenancies Tribunal may be referred to the Tribunal for settlement.

At present the Residential Tenancies Tribunal is only empowered to hear excessive rent claims, but this will be expanded when new legislation is brought into effect.

If your rent has been increased by an unreasonable amount or without the 60 day's notice required by law, you should seek the advice of the Tenancy Service about your legal rights.

*For further information contact: Department of Housing Tenancy Service,  
Level 10, 301 George Street, Sydney, phone (02) 229 0011 or toll-free on  
(008) 45 1301.*



If you want more information about any of the services and programs mentioned in this booklet, please use the contact addresses provided inside, or call your nearest Housing Advisory Service or Department of Housing Regional Office.

There are Regional Offices in Sydney, Parramatta, Liverpool, Newcastle, Wollongong, Orange, Wagga Wagga and Coffs Harbour, and many district and local offices in other suburbs and towns. Check in the NSW Government section of the phone book for the address and telephone number of the office nearest to you or contact:

**Department of Housing Head Office**

23-31 Moore Street, Liverpool 2170

Phone (02) 821 6111

**Department of Housing Advisory Service**

725-731 George Street, Sydney 2000

Phone: 264 3399

106-108 Church Street, Parramatta 2150

Phone: 689 8199

9 Darby Street, Newcastle 2300

Phone: (049) 29 4977

For free phone calls from anywhere in NSW outside Sydney

Phone Homeline: (008) 42 2215 or (008) 42 4242

If you don't speak English and you want more information about any of the housing services mentioned in this booklet, you can first ring the Telephone Interpreter Service. Give them the language you speak, the telephone number of the service you want them to ring, and they will assist you with your enquiries. Contact:

**Telephone Interpreter Service**

Sydney (02) 221 1111

Newcastle (049) 26 2912

Wollongong (042) 28 3044



# *GOVERNMENT HOUSING ASSISTANCE SCHEMES*



**DEPARTMENT OF HOUSING**  
**ADVISORY SERVICE**



## GOVERNMENT HOUSING ASSISTANCE SCHEMES

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**T**he New South Wales and Federal Governments operate a range of schemes to assist homebuyers. If you receive a moderate or low income you may be eligible for financial assistance to help you purchase a home of your own.

Government Housing Assistance Schemes are designed to assist with home finance, deposits, additional costs and repayment difficulties. The following brochure includes details of the various schemes available.

### **AFFORDABLE HOME LOAN**

NSW Government housing loans are available to assist eligible low income earners to purchase a home of their own. Loans are administered by Co-operative Housing Societies.

#### **Details:**

- \* an income test applies,
- \* the maximum loan is \$85,000,
- \* concessional interest rates,
- \* where interest charges exceed repayments you may qualify for a rebate, depending upon income,
- \* repayments will be geared to your income,
- \* eligible applicants' names are placed on a central loan request list (length of waiting time depends on application date and degree of need),
- \* the loan can be used to purchase a new or existing house,



W. 2/3/89

**Details** regarding service eligibility for a loan, application forms and information booklets may be obtained from:

Defence Service Homes Corporation,  
Grace Building,  
77 York Street,  
Sydney.

Telephone: 290 7777, 290 7481 or

2 Pacific Street,  
Newcastle.

Telephone: (049) 262 7333.

### **FIRST HOME OWNERS SCHEME**

This is a Commonwealth Government scheme which helps low to middle income earning people buy or build their first home. The Scheme has been in operation since October 1983, and people who have bought or built their first home at any time since then may still be eligible.

#### **To qualify** you must:

be buying or building your first home in Australia,

\* be planning to live in the home,

\* be an Australian citizen or allowed to live in Australia,

\* pass an income test.

If you meet the conditions of the scheme you may be eligible for:

\* up to \$3,000 over 5 years if you do not have dependent children,

\* up to \$4,500 over five years if you have one dependent child,

\* up to \$5,000 over five years if you have two or more dependent children.

These details apply if you bought or commenced to build your home on or after 26 May 1988. If you bought or built your home before that date but later than October 1983 you may still be eligible – contact the office listed below for more information.

#### **Enquiries:**

Application forms are available from banks, building societies, real estate agents and builders. For further



information contact:

Home Ownership Assistance Office,  
Ground Floor,  
Gold Fields House,  
1 Alfred Street,  
Circular Quay, NSW 2000.

Telephone (02) 236 0022 or toll free (008) 42 2615.  
or

9 Darby Street,  
Newcastle, NSW 2300.  
Telephone (049) 26 5205.

or for southern NSW:  
113 London Circuit,  
Canberra City, ACT 2600.  
Telephone (062) 47 2066 or toll free (008) 046052.

*For information and advice on all  
your housing needs contact the:*



## **DEPARTMENT OF HOUSING** **ADVISORY SERVICE**

**106 Church Street, Parramatta**  
**(02) 689 8199**

**725 George Street, Sydney**  
**(02) 264 3399**

**9 Darby Street, Newcastle**  
**(049) 29 4977**

**Or phone toll free**  
**(008) 42 2215 or (008) 42 4242**