

Process and Conditions

Under the Policy for Community Housing Provider-led
Redevelopment of Social and Affordable Housing on LAHC-
owned Land



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CHP Redevelopment on LAHC Land – Introductory Information

Submissions by Community Housing Providers to develop on land owned by the NSW Land and Housing Corporation.

1. Introduction and Background

1.1. Policy Context

The Future Directions in Social Housing in NSW (Future Directions) strategy is the NSW Government's vision for Social Housing. It includes a focus on greater involvement of private and non-government partners in financing, owning and managing a significantly expanded stock of high quality, social and affordable housing assets.

LAHC's strategic objectives include growing, renewing and maintaining its Social Housing portfolio. LAHC renews its portfolio by delivering new supply through various delivery models, using LAHC's own funding and through partnerships with the private and not-for-profit sectors to deliver new homes on LAHC sites.

LAHC is committed to working in partnership with registered Community Housing Providers (CHPs) to increase and renew the supply of Social Housing in NSW, in line with LAHC's Portfolio and Local Government Area (LGA) strategies.

LAHC's [Policy on Community Housing Provider-led Redevelopment of Social and Affordable Housing on LAHC-owned Land](#) ('the Policy') sets out the process and governance for direct approach redevelopment submissions from any registered Tier 1 or Tier 2 CHP on land that they lease from LAHC and/or land that is adjacent to a leased property.

2. Submission Process

2.1. Submission Process Overview

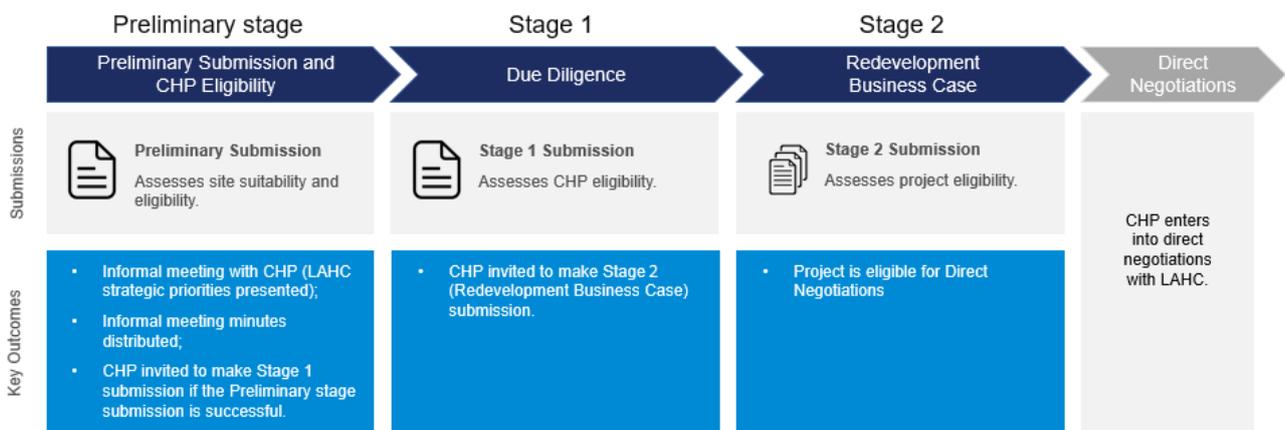
The Submission Process aims to:

- guide LAHC in responding to CHP-led direct approach proposals to redevelop social and affordable housing on LAHC-owned land;
- provide an efficient, consistent, transparent and fair process when evaluating and responding to CHP-led direct approach proposals; and
- align with NSW Government policies, ultimately provide value for money to the State.

The Submission Process is separated into a Preliminary stage and a two-stage Submission Process. The Submission Process includes (but is not limited to):

- **Preliminary stage:** The Preliminary stage considers the CHP’s eligibility under this Policy, as well as the Site’s suitability for CHP-led redevelopment. The CHP will be invited to submit a Stage 1 Submission following a successful outcome in the Preliminary Stage;
- **Stage 1 (Due Diligence):** Stage 1 considers due diligence matters. This stage will require a high-level submission that meets CHP eligibility under the Policy. Submissions that are assessed as eligible are recommended to proceed to Stage 2;
- **Stage 2 (Redevelopment Business Case):** Stage 2 will require the Stage 2 Submission Form, Business Case Excel Model and Independent Opinion of Project Feasibility. Submissions that are successful in Stage 2 are eligible to proceed to Direct Negotiations with LAHC.

To advance to Stage 1, a Preliminary submission is required. A Preliminary submission will only progress to the next stage in the Submission Process i.e. move from Preliminary stage, to Stage 1, and from Stage 1 to Stage 2, with express written permission by LAHC. Stage 1 and Stage 2 submissions proposed without written permission from LAHC will not be considered. A Preliminary Submission must be submitted via the [website](#). Stage 1 and Stage 2 submissions must be submitted to CHPLedRedevelopment@facs.nsw.gov.au



2.2. More information

The following table provides links to the submission templates and other key documents relevant to the Submission Process:

Document	Description
Policy	<ul style="list-style-type: none">• The Policy sets out the rationale, benefits, guiding principles and governance arrangements for responding to direct approach submissions from registered CHPs to redevelop properties that they lease from LAHC to a project value of up to \$25 million. Submissions that include sites adjacent to leased properties may also be considered under this Policy (where inclusion through direct negotiation would enhance value for money outcomes).• The Policy allows for direct approach submissions from any registered Tier 1 or Tier 2 CHP (including Tier 1 or Tier 2 Aboriginal Community Housing Providers), that lease LAHC-owned properties and are seeking to redevelop the LAHC owned property, at their cost.
Preliminary Documents related to the Policy	<ul style="list-style-type: none">• The Submission Forms available as part of the Policy are:<ul style="list-style-type: none">○ Preliminary Stage Submission○ Stage 1 Submission○ Stage 2 Submission○ Stage 2 Financial Model

2.3. Requirements

CHPs are required to:

- (a) provide Submissions which comply with the Policy and the terms of a Submission Form;
- (b) provide Submissions that are accompanied by all the information and documents listed in the relevant Submission Form
- (c) provide Submissions that:
 - (i) reflect the outcomes stated in the Policy;
 - (ii) do not materially alter the Commercial Framework; and
 - (iii) do not materially alter the key risk allocation for the redevelopment on the Site, as set out in the Risk Allocation Matrix.

2.4. Submission Evaluation

LAHC will assess a Submission in accordance with the Policy and these Process and Conditions.

3. Commercial Framework and Risk Allocation Matrix

The tables below are the Commercial Framework and Risk Allocation Matrix applying to Submissions for a Site under the Policy. LAHC may consider a Submission that varies the Commercial Framework and/or Risk Allocation Matrix. A CHP should provide detailed reasons for any proposed variations.

Table 3. Commercial Framework.

Key Term	Description
LAHC's role	<ul style="list-style-type: none"> LAHC owns the Site throughout the entirety of the agreement. LAHC makes the Site available through a leasing arrangement not exceeding 49 years to the CHP. LAHC will negotiate elements of the Project to achieve the best outcome for the Social Housing system including but not limited to dwelling typology and mix, social / affordable / private housing ratio.
CHP's role	<ul style="list-style-type: none"> CHP bears all planning, development, construction, market and Site risks including contamination for the Project and delivery phase. CHP is responsible for the relocation of any tenants on the Site. CHP delivers the Project at its own cost including all approvals, funding, design, demolition, construction and infrastructure, in accordance with the agreed concept design and program CHP has responsibility for the care, management and security of the Site throughout the entirety of the lease. CHP is responsible for management of Social Housing (both tenancy and asset maintenance) for the Site.
Funding and revenue	<ul style="list-style-type: none"> LAHC makes no financial contribution to the Project. Security may not be taken over the land, but may be taken over the Lease (if required by the financier). CHPs are required to demonstrate the viability of their commercial and financing structure as part of their Stage 2 Submission.
Social Housing, Affordable Housing and Private Housing	<ul style="list-style-type: none"> CHP delivers Social Housing to best practice and at least to the minimum standards set out in <i>LAHC's Good Design Guides</i> being: <ul style="list-style-type: none"> Good Design for Social Housing LAHC Dwelling Requirements Social Housing is delivered to a standard comparable with at least the base level private dwellings on the Site. CHPs deliver Private Housing for the purpose of maximising the supply and sustainability of Social Housing on the Site.

Table 4. Risk Allocation Matrix

Risk	Amplification	Who bears the risk
Due Diligence	The risk of full due diligence enquiries including any affectations on the Site (except to the extent excluded by statute).	CHP
Approvals	Procuring all planning and development approvals relating to the Site, and complying with the conditions of those approvals.	CHP
Building & Site Contamination	Contamination including but not limited to complying with statutory and other requirements.	CHP
Demolition	The risk of demolishing all Social Housing buildings and other buildings on the Site (where improvements exist).	CHP
Tenancy Relocation	Relocating existing Social Housing tenants.	CHP

The Commercial Framework and Risk Allocation Matrix are not extensive and other risks and requirements may need to be considered.

4. Submission Conditions

4.1. Non-Complying Submissions

LAHC may (in its absolute discretion) evaluate or not evaluate a Submission that does not meet the requirements of the Policy and these Process and Conditions. Where a decision is made to not evaluate a submission, LAHC will advise the CHP.

4.2. Notification of Discrepancies

If LAHC:

- finds any discrepancy, error or omission in the information in the Submission; and/or
- requires further information to make a full assessment of the Submission,

LAHC will as soon as reasonably possible, notify the CHP of any further information required.

4.3. Construction and Delivery

CHP's are required to comply with the NSW Government Policy on Aboriginal Procurement as far as that policy applies to construction.

CHP's are required to meet the NSW Government Procurement Guideline on skills, training and diversity in the construction industry in the delivery of the Project (as applicable).

4.4. LAHC's Review and Assessment of a Submission

LAHC may conduct the process for the assessment of Submissions in connection with a Project as it considers appropriate and may at any stage of the Submission Process:

- discontinue negotiations or discussions regarding a Submission from a CHP. Feedback on the reason/s for the discontinuation of negotiations/discussions will be provided, where possible;
- change the basis on which CHPs may be, or are required to, participate in the Submission Process by withdrawing, varying, replacing, amending, suspending, or discontinuing the Submission Forms, Policy, Commercial Framework and/or Risk Allocation Matrix or amending the information or requirements contained in any other ancillary documents including these Process and Conditions. Where Submissions are underway, LAHC will endeavour to discuss material changes with affected CHPs;
- provide to a CHP any further information including in response to queries and clarifications during the Submission Process;
- conduct a financial assessment of a Submission or a CHP through a financial assessment provider, and CHPs will be required to make available sufficient information for the assessment to be undertaken including current profit and loss, cashflow analysis, balance sheet or other audited financial statements; and
- extend, vary or add to any timeframes or requirements communicated to the CHP in relation to the Submissions

4.5. Change in Circumstances

CHPs must inform LAHC promptly in writing of any material change to any of the information contained in the CHP's Submission, and of any material change in circumstance which may affect the completeness or accuracy of any information provided in, or in connection with, the Submission Process.

4.6. Media and Other Communications

Neither LAHC or the CHPs may use any media or other public communication channels to comment about:

- (a) the Project or the Submission; or
- (b) matters associated with the Submission Process,

without the express written consent of the other party. Where possible, LAHC and the CHP will provide joint media releases.

4.7. Other Responsibilities

Without limiting any other provision of the Submission Process:

- (a) CHPs must not seek to influence any of the NSW Government's authorities, agencies, contractors, employees, agents or advisers; or any elected representative of the NSW Government, in relation to the Submission process for the Project;
- (b) each party must make full, frank and prompt disclosure of any actual or potential conflict of interest that exist or may exist at the time it makes a Submission and which may arise after the time of Submission is made in writing to LAHC; and
- (c) the parties must cooperate to address, eliminate, avoid and/or reduce a conflict of interest. Where a conflict of interest cannot be addressed between the parties, LAHC may issue directions on how to handle the conflict of interest, to which a CHP must comply.

4.8. Confidentiality

- (a) LAHC and CHPs must keep all particulars concerning its Submission and all information that has been provided by or on behalf of a party in relation to the Submission Process or the Project (the 'Confidential Information') confidential.
- (b) Either party must not, without the prior written consent of the other party, disclose or provide to any person other than to its employees, agents, contractors, consultants, advisors or other persons engaged in the preparation of a Submission (Representatives), any Confidential Information.
- (c) If either party provides or discloses Confidential Information to its Representatives, it may only do so if it has informed the Representative that the information is confidential, and it must compel and procure the Representative to observe and comply with the obligations of confidentiality in this clause.
- (d) Notwithstanding the above:
 - a. a party may disclose Confidential Information if and to the extent that such disclosure is required to be made by law, rules of a stock exchange, or the rules of a government or regulatory authority.
 - b. CHPs acknowledge that LAHC may disclose all or part of a Submission where LAHC has an obligation at law, where disclosure is in the course of the official duties of LAHC and/or a Minister, the Treasurer, the Premier, the Attorney General, or to any other Government Agency responsible for co-delivery of housing in NSW and includes obligations of disclosure under the *Government Information (Public Access) Act 2009 (NSW)*.

- (e) A party must not use any Confidential Information for any purpose other than to prepare a Submission, assess a Submission and participate in this Submission Process as the case may be.
- (f) A party must not use any Confidential Information for its own commercial purposes or to the actual or potential competitive disadvantage of the other party.

4.9. Intellectual Property

Submissions become the property of LAHC upon submission, and will not be returned to CHPs. Any intellectual property rights contained in a Submission will remain the property of the CHP. A CHP must clearly identify intellectual property in the Submission.

4.10. Acknowledgements by CHPs – General Terms

The CHP acknowledges and agrees that:

- (a) The New South Wales Government's Supplier Code of Conduct (NSW Code) applies to the Project and CHPs will meet the requirements of the NSW Code as applicable.
- (b) No legal or other obligation in connection with this Submission Process will arise until the parties execute binding legal documentation for the Project. LAHC is not liable for any loss, damage, claim, cost, demand and/or expense of any kind whatsoever (including where LAHC exercises or fails to exercise any discretion or right) arising in connection this Submission Process.
- (c) A CHP must satisfy itself as to any of the matters or things relevant to the Project in respect of which a CHP must satisfy itself under this Submission Process.
- (d) The parties will bear their own costs and expenses incurred in any way associated with the Project or a Submission including attending meetings and discussions and providing additional information if required.
- (e) The parties irrevocably and unconditionally submit to the non-exclusive jurisdiction of the courts of New South Wales.

5. Definitions

Affordable Housing means accommodation for people on a low and moderate income managed in accordance with the NSW Affordable Housing Ministerial Guidelines 2020-21 published by the Department of Communities and Justice (or other successor document that amends or replaces these guidelines).

Business Day means a day on which trading banks, or a majority of them, are open for business in Sydney, excluding Saturdays, Sundays and public holidays.

CHP means a registered Community Housing Provider in accordance with the *Community Housing Provider (Adoption of National Law) Act 2021 NSW*.

Government Agency means any government or governmental, semi-governmental, administrative, public, regulatory or judicial entity, body, department, commission, agency or authority.

Policy refers to the Policy on Community Housing Provider led Redevelopment of Social and Affordable Housing on LAHC-owned Land.

Private Housing means any housing in the Project that is not Social Housing or Affordable Housing, and is available to the public at the market rate.

Project means the Submissions for a Site under the Policy.

Representative means any personnel, employees, contractors, agents or advisors of the CHP.

Site(s) means the Site(s) owned by LAHC for which the CHP has proposed for CHP-led redevelopment under the Policy

Social Housing and **Social Housing Dwellings** means dwellings for Social Housing purposes – to be constructed in the Project, which are capable of distinct ownership by LAHC, and which will be managed by a CHP as dwellings for Social Housing tenants.

Submission means a CHP's response to the Policy.

Submission Process means the 3-stage process (Preliminary Stage, Stage1, and Stage 2) as outlined in the Process and Conditions and the Policy.

CHP Redevelopment on LAHC Land

Process and Conditions



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