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| Application for Funding  Public Housing |

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| About this form  This form enables eligible Community Housing Providers (**CHPs**) to make an application for project-specific funding to deliver new public housing supply. This application form is only to be completed by eligible CHPs that have been approved as Public Housing Strategic Partners (via Gateway 1) of Te Tūāpapa Kura Kāinga – Ministry of Housing and Urban Development (**HUD**).  This application form covers project-specific questions and is organised by the major evaluation factors, being: Ability to Deliver, Fit for Purpose and Financial Viability. Together with the Whole of Life Cost/Investment value to HUD, these factors form HUD’s value for money evaluation framework.  Completing this form  Please complete all sections fully and accurately. HUD is looking for up-to-date information, therefore please provide the most current information possible. Brackets and italics indicate guidance notes.  Please see HUD’s website, or contact your HUD relationship manager, for further support.  Before you apply  Applications can only be considered if all of the following criteria are fulfilled:  You are a CHP registered with the [Community Housing Regulatory Authority](https://chra.hud.govt.nz/).  You responded to the HUD *Invitation to Partner – Public Housing 2018-2022*, are a member of the Strategic Partner Panel and have entered into a *Relationship Agreement for Provision of Housing and Housing Services*.  Your proposed project is creating new public housing supply.  Your proposed project meets at least one of the [four additionality criteria](https://www.hud.govt.nz/our-work/partnering-for-new-housing-opportunities/), or is creating new public housing supply in one of the [focus areas](https://www.hud.govt.nz/our-work/public-housing-plan/) identified in the Public Housing Plan 2021-2024.  Your proposed project is in a location where there is a need for public housing demonstrated by the Housing Register.  Your proposed project is supported by a current market rental assessment (instructing guidance outlined at Appendix 2) from a registered valuer.  Your proposed project relates to an identified parcel of land, either with a conditional Agreement(s) for Sale and Purchase or Agreement(s) to Lease in place, or there is an explanation as to how the land, or the interest in land, will be acquired.  Submitting your application  All completed application forms must be submitted in electronic form with a clear subject included, via e-mail to [Public\_Housing\_Panel\_Procurement@hud.govt.nz](mailto:Public_Housing_Panel_Procurement@hud.govt.nz).  Next steps  Applications for funding may be submitted at **any time during the year**. Applications will be assessed for eligibility, as well as how well the project meets the evaluation criteria. We will endeavour to evaluate your application and make a determination on funding within **20 working days** of receiving your completed application. We may take longer to evaluate your application where there is incomplete information or additional information and/or reference checks are required. One of our team will be in contact regarding your application and we will notify you of any delay in evaluating your application.  Funding agreement  If your application is successful, the information supplied as part of your application will form the basis for Services Agreements between you and HUD. The template *Capacity Services Agreements* can be found on the [HUD website](https://www.hud.govt.nz/funding-and-support/providing-public-housing/).  Public disclosure  HUD is responsible for funding the provision of public housing and related services under the *Public and Community Housing Management Act 1992*. The information supplied as part of your application constitutes public record and will be retained to the extent required by the *Public Records Act 2005*. HUD may also be required to disclose information supplied as part of your application under the *Official Information Act 1982* or to a Parliamentary Select Committee or Parliament in response to a Parliamentary Question. To the extent permitted by law, commercially sensitive and personal information will be redacted. Please identify by highlighting any information in your application that you regard as commercially sensitive or as personal information for the purposes of the *Privacy Act* *2020*. |

1. Contact Information

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| Legal name of CHP: | | Click here to enter text. | | | | Application date: | Click here to enter a date. |
|  | | | | | | | |
| Contact person for this project: | | | Click here to enter text. | | | | |
|  | | | | | | | |
| Phone: | Click here to enter text. | | | E-mail: | Click here to enter text. | | |

1. General Project Information

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| --- | --- |
| Project Address: | Project Address |

Description of land and ownership: Please include LINZ record of title number and zoning information.

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| Click here to enter text (expandable section) |

Summary of the project: Please provide a high level summary of the proposed project including the rationale behind chosen typology and any unique features deemed important.

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| Click here to enter text (expandable section) |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Typology | New Public Housing Units (Number) | Demolished Public Housing Units (Number) | Net New Public Housing Units (Number) | Accessible Public Housing Units (Number) |
| 1 Bedroom | Enter text. | Enter text. | Enter text. | Enter text. |
| 2 Bedroom | Enter text. | Enter text. | Enter text. | Enter text. |
| 3 Bedroom | Enter text. | Enter text. | Enter text. | Enter text. |
| 4 Bedroom | Enter text. | Enter text. | Enter text. | Enter text. |
| 5+ Bedroom | Enter text. | Enter text. | Enter text. | Enter text. |

Additionality criteria: *Please state which additionality criteria your proposal meets and describe how (e.g. if your proposal is providing bespoke housing solutions to meet the needs of a particular cohort, please state what the needs are and how the design addresses them).*

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| Click here to enter text (expandable section) |

Intended cohort/client group: Unless your proposal is providing public housing to the general cohort on the Housing Register, please provide details of the cohort and its particular needs.

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| Click here to enter text (expandable section) |

Displacement of tenants: *Are there existing dwellings on the proposed site and does your proposal result in a displacement of tenants currently occupying any of these dwellings? If so, please provide details of the proposed relocation plan.*

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| --- |
| Click here to enter text (expandable section) |

Type of funding request: *Please tick below*

|  |  |
| --- | --- |
|  | **Operating Supplement** |
|  | **Early Stage Funding** (upfront payment of the Operating Supplement)  *Please refer to HUD’s website for guidance on* [*Early Stage Funding*](https://www.hud.govt.nz/funding-and-support/operating-supplement/) |
|  | **Combination of the above** |

Delivery Model: *Please tick below*

|  |  |
| --- | --- |
|  | **Build to Own** (BO)  CHP designs, builds, owns, and operates/maintains the property. |
|  | **Turnkey purchase** (TK)  A developer designs to CHP’s specification or CHP purchases design from set design plans, with ownership transferred to CHP on build completion. |
|  | **Build to Lease** (BL)  Private developer undertakes entire build process, with dwellings leased to CHP on build completion. |
|  | **Direct Lease** (DL)  HUD approved direct leasing partner (private developer) undertakes entire build process with dwellings leased to HUD and subleased to CHP on build completion. |

Term of Services Agreement: *Please state the requested length of contract term. Please note that the standard length of Services Agreements under BO, TK and DL delivery models is 25 years and 10 years under a BL delivery model.*

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| Click here to enter text (expandable section) |

Project Milestones: *Please state the proposed/actual project dates.*

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| --- | --- | --- | --- |
| Target/actual resource consent date: | Click here to enter a date. | Target/actual building consent date: | Click here to enter a date |
|  | | | |
| Target/actual construction start date: | Click here to enter a date. | Target construction end date: | Click here to select a date |
|  | | | |
| Target Code Compliance Certificate date: | Click here to select a date | Target tenanting date: | Click here to enter a date |

Legislative Requirements:

|  |  |
| --- | --- |
|  | Please confirm (by ticking the check box) that the project complies with all relevant legislative requirements (including, but not limited to, health and safety regulations, the Health and Safety at Work Act 2015, the Building Act 2004, the Building Regulations 1992, and the Residential Tenancies Act 1986, and includes all supporting Regulations) in managing the proposed projects. |

1. Organisation

3.1 Organisational Strategy

Portfolio: *Please outline your organisation’s current housing portfolio and details of public housing (in terms of no of places/ locations/typologies split between owned and leased).*

|  |  |  |  |
| --- | --- | --- | --- |
| City | Suburb | Number of units | Owned or leased |
| Enter text. | Enter text. | Enter text. | Enter text. |
| Enter text. | Enter text. | Enter text. | Enter text. |
| Enter text. | Enter text. | Enter text. | Enter text. |
| Enter text. | Enter text. | Enter text. | Enter text. |
| Enter text. | Enter text. | Enter text. | Enter text. |
| Enter text. | Enter text. | Enter text. | Enter text. |

Intentions: Please provide an outline of your organisation’s current strategy for public housing supply/alignment with the current HUD [Public Housing Plan](https://www.hud.govt.nz/community-and-public-housing/increasing-public-housing/public-housing-plan/) and evidence that these could materialise (in terms of no of places/locations/typologies/ access to land).

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| Click here to enter text (expandable section) |

1. Ability To Deliver

4.1 Organisational Delivery

Roles and responsibilities: *Describe the roles and responsibilities of all major parties involved in the project, including the CHP, developer, builder, architect, asset manager, etc. Please include brief biographies of senior management involved in the delivery of the project (including relevant experience to the project).*

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| Click here to enter text (expandable section) |

Property development experience: *List all prior new housing supply projects the organisation responsible for project delivery has led in the past five years. Please include the street addresses where the properties were built and whether the projects were delivered on time and on budget (use text box below for any additional information you consider relevant).*

Build to Own: *CHP’s prior projects*

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Type (public, transitional, market etc.) | Address/region | Number of units per typology | Date completed | If delays/cost overruns provide reasons |
| Enter text. | Enter text. | Enter text. | Enter a date. | Enter text. |
| Enter text. | Enter text. | Enter text. | Enter a date. | Enter text. |
| Enter text. | Enter text. | Enter text. | Enter a date. | Enter text. |
| Enter text. | Enter text. | Enter text. | Enter a date. | Enter text. |
| Enter text. | Enter text. | Enter text. | Enter a date. | Enter text. |

Turnkey purchase and Leasing arrangements: *Developer’s prior projects*

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Type (public, transitional, market etc.) | Address/region | Number of units per typology | Date completed | If delays/cost overruns provide reasons |
| Enter text. | Enter text. | Enter text. | Enter a date. | Enter text. |
| Enter text. | Enter text. | Enter text. | Enter a date. | Enter text. |
| Enter text. | Enter text. | Enter text. | Enter a date. | Enter text. |
| Enter text. | Enter text. | Enter text. | Enter a date. | Enter text. |
| Enter text. | Enter text. | Enter text.1 | Enter a date. | Enter text. |

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| Click here to enter text (expandable section) |

4.2 Asset Delivery

Commercial arrangements in respect of the identified parcel of land: If there is a conditional agreement to purchase the land, please provide a copy of the Agreement for Sale and Purchase and advise the expiry date for satisfaction of the conditions. If the date(s) for satisfaction of the conditions has passed, please provide written confirmation of the extension date(s) agreed (e.g. correspondence between the parties’ solicitors).

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| Click here to enter text (expandable section) |

Other commercial arrangements: Please discuss the status of any other commercial arrangements and any formal documentation on the project such as commitment letters, proposals, heads of terms, signed contracts. Please include copies of the supporting documentation.

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| Click here to enter text (expandable section) |

**Project management and governance:** Please provide details of relevant property development and project management experience of senior management and individuals responsible for the governance and delivery of the project.

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| Click here to enter text (expandable section) |

4.3 Property, Asset and Tenancy Management

**CHP’s property, asset and tenancy management experience:** The Community Housing Regulatory Authority (CHRA) is responsible for ensuring that all registered CHPs meet Performance Standards for property, asset and tenancy management. If your application is approved, you must inform CHRA of your project to disclose any new aspects that are material to the Performance Standards. As a pre-contracting requirement, you must provide written confirmation that CHRA has assessed all new aspects that you have disclosed and confirmed your ongoing compliance with CHRA’s Performance Standards.

If the proposed arrangements for this project differ from your current model, please summarize these below, with full details to follow to CHRA.

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| Click here to enter text (expandable section) |

Landlord asset management experience (under leasing proposals): *Please provide examples of prior experience managing residential property assets, along with a summary of the process to be implemented and the resourcing involved for the subject proposal.*

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| Click here to enter text (expandable section) |

4.4 Capacity and Capability

Operational capacity and capability: *Please indicate if you are expanding into a new region or increasing your capacity and capability for this project. If so, provide details of when these changes were disclosed to CHRA, or when you intend doing so.*

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| Click here to enter text (expandable section) |

1. Fit For Purpose

Direction on this criteria can be found in the [Public Housing Design Guidance](https://www.hud.govt.nz/assets/Public-Housing-Design-Guidance.pdf) document.

5.1 Social and Community

**Social and community facilities:** Please provide details on the proximity of the project location to town centres, supermarkets, health providers, schools, recreational facilities, parks and public transport.

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| Click here to enter text (expandable section) |

Community engagement: Please provide details of CHP involvement and engagement with local community regarding this proposal. Include detail on any engagement with local mana whenua.

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| Click here to enter text (expandable section) |

5.2 Site and Building Design

**Site and building design:**  Please provide a description of the overall complex design including site layout, orientation to sun, private and communal open space, security and Crime Prevention Through Environmental Design (CPTED), private and communal storage, washing lines, garden and landscaping features.

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| Click here to enter text (expandable section) |

**Technical building details:** Please populate the table below with key details of each unit type. Should dwellings of the same typology vary in size, please list these separately (use text box below for any additional information you consider relevant).

|  |  |  |  |
| --- | --- | --- | --- |
| Typology (by number of bedrooms) | Gross floor area (m2) | Kitchen/dining/living combined area (m2) | Each bedroom’s area i.e. master, accessory (m2) |
| Enter text. | Enter text. | Enter a date. | Enter text. |
| Enter text. | Enter text. | Enter a date. | Enter text. |
| Enter text. | Enter text. | Enter a date. | Enter text. |
| Enter text. | Enter text. | Enter a date. | Enter text. |
| Enter text. | Enter text. | Enter a date. | Enter text. |

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| Click here to enter text (expandable section) |

**Unique build features:**  Please describe any initiatives that are targeted at a specific cohort such as accessible or accessibility-ready homes, housing for older persons, housing for multi-generational families.

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| Click here to enter text (expandable section) |

**Car parking arrangement**: Please provide details of the proposed car parking including the number of car parking spaces per unit type. If the ratio of car parking spaces per unit is less than 1:1, please provide the rationale.

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| Click here to enter text (expandable section) |

5.3 Natural and Environmental

Nature and the environment: Please describe how development is intended to minimise site earthworks and landform modification including any protection of established vegetation, habitats and waterways. Please describe any waste reduction initiatives used in the design or use of recycled or environmentally certified materials.

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| Click here to enter text (expandable section) |

5.4 Affordability, Durability and Sustainability

Building design and materials: Please state what aspects of the design will make the project affordable to run, low maintenance, easily repairable, durable or innovative, including demonstrated efficiencies through third party certification (such as Homestar, passive house) or sustainable initiatives such as building thermal performance (R values), reduced energy consumption or alternative energy sources.

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| Click here to enter text (expandable section) |

Fixtures and fittings: Please provide details of any fixtures and fittings, including those within the service areas of kitchen, bathroom and laundry, that will render the dwellings more affordable to operate (e.g. heating sources, energy-efficient tapware etc.).

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| Click here to enter text (expandable section) |

Chattels: Please provide details of any chattels to be included such as curtains and carpets.

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| Click here to enter text (expandable section) |

1. Financial Viability

Funding request: Please state the level of funding requested including weekly Market Rent per unit type, the level of the Operating Supplement and, if applicable, the amount of Early Stage Funding. Please note the level of Market Rent requested must be supported by a current (no more than six months old) market rental assessment, prepared by a registered valuer and in accordance with the guidance published by HUD.

|  |  |
| --- | --- |
| Typology | Weekly Market Rent |
| 1 Bedroom | Enter text. |
| 2 Bedroom | Enter text. |
| 3 Bedroom | Enter text. |
| 4 Bedroom | Enter text. |
| 5+ Bedroom | Enter text. |

|  |  |
| --- | --- |
| Operating Supplement (% of Market Rent) | Enter text. |
| Early Stage Funding (amount in NZ$) | Enter text. |

6.1 Financing – Level of Support

Sources of development finance: Please provide details of the financing sources to deliver the assets (equity, debt etc.), including quantum of each, availability and key terms (e.g. anticipated cost of debt and term).

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| Click here to enter text (expandable section) |

**Crown funding:** While CHPs are not currently able to access grant funding for public housing purposes, please state if the project is receiving development funding from other Crown sources (including other funds available from HUD). If so, please provide details including the Crown entity and fund, status of the funding application and amount.

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| Click here to enter text (expandable section) |

Cost overruns and project scope changes: Please describe your organisation’s strategy to mitigate any project cost overruns and/or project scope increases and/or delays during the build process, including your organisation’s ability to meet such cost overruns (e.g. access to finance).

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| Click here to enter text (expandable section) |

Changes to financial circumstances: Please provide details of any changes in your financial circumstances since your last CHRA annual review or any significant events (e.g. litigation claims, disputes, changes in credit standing or ownership). Alternatively, please indicate if these changes have already been disclosed to CHRA.

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| Click here to enter text (expandable section) |

6.2 Development Costs

Development costs: Unless the development costs submitted in the relevant Excel financial model are supported by a quote from a construction company, a quantity surveyor’s estimate or similar, please state how the project costs have been calculated.

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| Click here to enter text (expandable section) |

Goods and Services Tax (GST): Please state if any entity associated with this public housing project intends to use the property or properties for making taxable supplies e.g. claiming and paying GST? If so, please provide details.

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| Click here to enter text (expandable section) |

6.3 Cashflow Model Requirements

Cashflow: Applicable to Build to Own and Turnkey purchase delivery models – if there are negative cashflows during the requested contract term, as indicated in the CHP Build to Own Model, please describe how you will manage/mitigate this situation.

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| Click here to enter text (expandable section) |

Capital replacements: Please describe, by item (bathrooms/kitchens, etc.), your plan around replacement of capital items over the requested contract term including the timing and anticipated costs.

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| Click here to enter text (expandable section) |

Rental Adjustment Index: HUD uses the consumer price index for housing rentals published quarterly by Statistics New Zealand and the relevant regional price index will be applied on each annual Market Rent adjustment date, for the term of the Services Agreement.

|  |  |
| --- | --- |
| Series Name | Series ID (CPIQ) |
| Actual Rentals for Housing – North Island | SE404101 |
| Actual Rentals for Housing – Auckland | SE104101 |
| Actual Rentals for Housing – Wellington | SE204101 |
| Actual Rentals for Housing – South Island | SE704101 |
| Actual Rentals for Housing – Canterbury | SE504101 |

6.4 Project Funding Plan

Project funding plan: If Early Stage Funding is requested with drawdowns occurring during the Development Phase, please provide a detailed project plan with realistic timelines, including drawdown milestones:

- The amount, timing and use of each component of development finance,

- The commercial arrangements and how funds flow between HUD, the CHP, major subcontractors and financiers.

1. Proposed Services Agreements

If funding is approved, HUD and CHPs will enter into a Services Agreement for each product/service purchased by HUD. A description of HUD's contracting framework can be found on [HUD’s website](https://www.hud.govt.nz/funding-and-support/providing-public-housing/).

Please let us know in the text box below if there are any of the standard provisions in the template Services Agreement which present an issue for you, or which you anticipate you may seek to be modified. If you do not signal any issues with the standard provisions, you will be deemed to have accepted the standard terms and conditions in full.

*Please note that one of the key principles of the contracting framework (as agreed between HUD and Community Housing Aotearoa) is that HUD would not individually negotiate the terms in the Services Agreement templates – this ensures that each of the Community Housing Providers is on a level playing field. On that basis, a request for substantial changes to the provisions of the Services Agreement may result in your application not being accepted.*

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| Click here to enter text (expandable section) |

1. Declarations

By completing the details below, the applicant makes the following declarations about this application for project-specific funding to deliver new public housing (“the application”):

We have read, understood and agree to the Terms and Conditions of applying for project-specific funding to deliver new public housing which are attached as Appendix 1 and Appendix 2;

We expressly acknowledge that except for those issues we have identified at section 7 of the application, we accept in full the standard terms and conditions contained in the template *Services Agreement* pertaining to our specific project.

We confirm that the statements in the application are true and the information provided is complete and correct, and there have been no misleading statements or omissions of any relevant facts;

The signatory below is properly authorised to submit the application, to make the statements and to provide the information in the application;

We warrant that we have no actual, potential or perceived conflict of interest (except any already declared in the application) in submitting the application or (if approved) entering into a *Services Agreement* with HUD to carry out the project. Where a conflict of interest arises during the application or evaluation process, we will report this immediately to the Manager, Housing Supply at HUD via email to [Public\_Housing\_Panel\_Procurement@hud.govt.nz](mailto:Public_Housing_Panel_Procurement@hud.govt.nz);

We understand that the falsification of information, supply of misleading information, or the omission of material information, may result in the application being eliminated from the evaluation process and may be grounds for termination of any *Services Agreement* entered into as a result of this application process;

We have notified the Community Housing Regulatory Authority of any changes to our existing policies, procedures or systems resulting from this project; and

We consent to HUD undertaking due diligence, including any third party checks as may be required to fully evaluate the application.

|  |  |
| --- | --- |
| Full Name: | Click here to enter text. |

|  |  |  |  |
| --- | --- | --- | --- |
| Title / Position: | Click here to enter text. | | |
|  | | | |
| Signature: | Click here to enter text. | Date: | Click here to enter a date. |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Mandatory supporting documents at application stage *(please tick to confirm inclusion)* | Refer Section | Build to Own  (BO) | Turnkey purchase (TK) | Build to Lease  (BL) | Direct Lease (DL) |
| Copy of a current (no more than three months old) record(s) of title for the proposed development site | 4 |  |  |  |  |
| Copy of a fully executed Agreement for Sale and Purchase (Build to Own delivery model – if applicable) | 4 |  |  |  |  |
| Copy of a draft Development Agreement and/or Agreement to Lease | 4 |  |  |  |  |
| Other formal documentation on the project of any commercial arrangements (in draft form where relevant) | 4 |  |  |  |  |
| Master project plan (including any staged delivery phases, if applicable) i.e. GANTT chart or similar | 4 |  |  |  |  |
| Development plans including location, site and floor plans, elevations and landscaping plans | 5 |  |  |  |  |
| A specification of fittings and fixtures (if available) | 5 |  |  |  |  |
| The relevant Excel financial model with all sections completed including a breakdown of development costs\* | 6 |  |  |  |  |
| A current (no more than six months old) market rental assessment, prepared by a registered valuer and in accordance with the published guidance | 6 |  |  |  |  |
| Confirmation that the required financing will be available (e.g. letters of support, pre-approval, indicative terms or commitment letters from financiers) | 6 |  |  |  |  |
| A development cost estimate prepared by a construction partner or an independent quantity surveyor | 6 |  |  |  |  |
| Market valuation of the proposed development on an “as if complete” basis | 6 |  |  |  |  |
| If Early Stage Funding is requested: a project funding plan including sources of funding and the timing of cash flows (e.g. milestones) | 6 |  |  |  |  |

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| Optional documents (at application stage) but required prior to funding *(please tick to confirm inclusion)* | Refer Section | Build to Own  (BO) | Turnkey purchase (TK) | Build to Lease  (BL) | Direct Lease (DL) |
| Resource and building consents and copies of any supporting documentation | 4 |  |  |  |  |
| A detailed specification of fixtures and fittings | 5 |  |  |  |  |
| Executed construction contract (suitable for the project) | 6 |  |  |  |  |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Additional Information HUD may request  *(please tick to confirm inclusion)* | Refer Section | Build to Own  (BO) | Turnkey purchase (TK) | Build to Lease  (BL) | Direct Lease (DL) |
| Independent Quantity Surveyor’s report | 6 |  |  |  |  |
| Market valuation of the proposed development on an “as is”, “as if complete” basis | 6 |  |  |  |  |

**\*** The following models must be completed:

CHP Build to Own Model.v4: applications under the Build to Own and Turnkey purchase delivery models

CHP Build to Lease Model.v4: applications under the Build to Lease delivery model

For applications submitted under the Direct Lease delivery model please contact your Relationship Manager for version 4 financial model

Appendix 1: Terms and Conditions of this Application

## **General**

This contains the terms and conditions which apply to all public housing funding applications.

The terms and conditions are non-negotiable and do not require a response. Each applicant that submits an application for project-specific funding to deliver new public housing supply (each an “application”) has confirmed by affixing the signature of an appropriately authorised person on the application that it accepts these terms and conditions without reservation or variation.

In preparing and submitting an application for public housing funding, you must:

Consider all risks, contingencies and other circumstances relating to the delivery of the project and include adequate provision in your application to manage such risks and contingencies;

Document in your application all assumptions and qualifications made about the delivery of the project, including any assumption that HUD or a third party will deliver any aspect of the project or incur any cost related to the delivery of the project;

If appropriate, obtain independent advice before submitting your application; and

Satisfy yourself as to the correctness and sufficiency of your application, including the requested funding and the sustainability of the pricing.

## **Reliance by HUD**

HUD may rely upon all statements made and information provided by you in an application and in correspondence or negotiations with HUD or its representatives (e.g. your application and follow-up correspondence and discussions). If your application is approved for funding, any such statements and information may be included in the *Services Agreement* to be entered into with HUD.

You must ensure all information provided to HUD is true, accurate and complete. HUD is under no obligation to check your application for errors, omissions, or inaccuracies. You will notify HUD promptly upon becoming aware of any errors, omissions, or inaccuracies in your application or in any additional information provided by you.

## **Ownership and intellectual property**

Ownership of the intellectual property rights in your application does not pass to HUD. However, in submitting your application, you grant HUD a non-exclusive, transferable, perpetual licence to use and disclose your application for the purpose of evaluating and decision-making related to the public housing funding application process.

By submitting an application, you warrant that the provision of the information to HUD, and the use of it by HUD for the evaluation of the application and for any resulting negotiation, will not breach any third-party intellectual property rights.

## **Confidentiality**

HUD is bound by the *Official Information Act 1982* (**OIA**), the *Privacy Act 2020*, parliamentary and constitutional convention and any other obligations imposed by law. While HUD intends to treat information in your application as confidential to ensure fairness during the evaluation and decision-making process, the information can be requested by third parties and HUD must provide that information if required by law. If HUD receives an OIA request that relates to information in your application, where possible, HUD will consult with you and may ask you to confirm whether the information is considered by you to be confidential or still commercially sensitive, and if so, to explain why.

## **Use and disclosure of information**

HUD requires you to provide certain information, including personal information, on application forms if you wish to apply for funding. If you do not provide all of the information that is required on an application form, HUD may be unable to process or otherwise progress your application.

HUD will generally only use personal information provided in the application process for the purposes of administering the public housing funding which includes evaluating an application you have submitted, contracting, monitoring compliance and reporting.

HUD may use personal information provided by you through the application process for other reasons permitted under the *Privacy Act 2020* (e.g. with your consent, for a directly related purpose, or where the law permits or requires it).

HUD may disclose your application and any related documents or information provided by you, to any person who is directly involved in the public housing funding application and evaluation process on its behalf including any officers, employees, consultants, contractors and professional advisors of HUD or of any Government agency. The disclosed information will only be used for the purpose of participating in the public housing funding application and assessment process, including evaluation and ongoing monitoring, which will include carrying out due diligence. Due diligence may involve HUD disclosing information to another relevant agency in order to assess the application and verify the information contained in the application and accompanying documents.

HUD will generally not otherwise disclose personal information provided or collected through this application unless required or otherwise permitted by law. For example, we may seek your consent to undertake additional due diligence checks and request information from other relevant third parties. If your application is approved for funding, information provided in the application and any related documents may be used for the purpose of preparing any relevant Services Agreement(s) with HUD.

HUD is responsible under the *Public and Community Housing Management Act 1992* (PaCHMA) for:

funding the provision of public housing and related services (Part 9 PaCHMA); and

registering and regulating CHPs (Part 10 PaCHMA).

In carrying out these responsibilities, the accountable business units within HUD have agreed to an information sharing policy to improve the outcomes for tenants and to provide for compliance efficiencies. The information sharing policy is available via this link: [Information Sharing Protocol](https://chra.hud.govt.nz/assets/What-we-do/638574d8ea/Information-Sharing-Protocol-CHRA-and-FPD-final.pdf).

## **Limitation of advice**

Any advice given by HUD, any other Government agency, their officers, employees, advisors, or other representatives about the content of your application does not commit the decision-maker to make a decision about your application.

## **No binding legal relations**

No contract or other legal obligations arise between HUD and any applicant out of, or in relation to, the application and evaluation process, until a formal written *Services Agreement* (if any) is signed by both HUD and a successful applicant.

## **No process contract**

The Application for Funding - Public Housing and evaluation process does not legally oblige or otherwise commit HUD to proceed with that process or to assess any particular applicant’s application or enter into any negotiations or contractual arrangements with any applicant. For the avoidance of doubt, this application and evaluation process do not give rise to a process contract.

## **HUD’s rights**

HUD may, on giving notice to you:

amend, suspend, or cancel your application for public housing funding;

make any material change to the public housing funding application process (including any change to the timeframes, requirements and evaluation approach) provided you are given a reasonable time within which to respond to the change.

HUD may:

accept or reject any application, and waive irregularities or requirements in this application process where it considers it appropriate and reasonable to do so;

decide not to enter into a *Services Agreement* with you in respect of this application.

In particular, HUD reserves the right not to proceed with any application:

that is considered by HUD (in its sole discretion) to be unaffordable to HUD. This may be based on either, or both, the unaffordability of Early Stage Funding or Operating Supplement;

where HUD considers there is not sufficient demand from prospective tenants on the Housing Register;

where HUD determines that future supply is sufficient to satisfy demand in a particular region.

## **Costs and expenses**

HUD is not responsible for any costs or expenses incurred by any applicant in the preparation of this application and any follow-up correspondence and discussions.

## **Exclusion of liability**

Neither HUD or any other Government agency, nor their officers, employees, advisors, or other representatives will be liable (in contract or tort, including negligence, or otherwise) for any direct or indirect damage, expense, loss or cost (including legal costs) incurred or suffered by any applicant, its affiliates or other person in connection with this application and assessment process, including without limitation:

The evaluation process;

The participation of any applicant;

Any investigations of or by any applicant;

Concluding any contract and/or *Services Agreement*;

The acceptance or rejection of any application; or

Any information given or not given to any applicant(s).

By participating in this application and assessment process, each applicant waives any rights that it may have to make any claim against HUD. To the extent that legal relations between HUD and any applicant cannot be excluded as a matter of law, the liability of HUD is limited to $1.

Nothing contained or implied in or arising out of HUD documentation or any other communications to any applicant shall be construed as legal, financial, or other advice of any kind. Whilst HUD has endeavoured to ensure the integrity of such information it has not been independently verified and may not be updated. In particular, the ‘CHP Financial Model’ is provided to you strictly on the basis that it is for HUD internal assessment purposes only and must not be relied upon by you or any other recipient in any way or for any purpose. You must make your own independent financial assessment and due diligence and satisfy yourself as to all and any matters relevant to the project in respect of which you are applying.

## **Inducements**

You must not directly or indirectly provide any form of inducement or reward to any officer, employee, advisor, or other representative of HUD or any other Government agency in connection with this application and evaluation process.

## **Governing law and jurisdiction**

The Application for Funding - Public Housing and evaluation process will be construed according to, and governed by, New Zealand law and you agree to submit to the exclusive jurisdiction of New Zealand courts in any dispute concerning your application.

## **Public statements**

HUD and any other Government agency, or any relevant Minister, may make public in whole or in part this application form including the following information:

The name of the applicant(s);

A high-level description of the proposed project;

The total amount of funding and the period of time for which the funding has been approved; and

The region to which the project relates.

HUD asks applicants not to release any media statement or other information relating to the submission or approval of any application to any public medium without prior agreement of HUD.

Appendix 2: Value for Money Evaluation Process and Criteria

Te Tūāpapa Kura Kāinga – Ministry of Housing and Urban Development (HUD) will evaluate Applications for Funding from eligible Community Housing Providers (CHPs) to deliver, provide and operate new supply public housing. Gateway 2 applications will be evaluated according to a comprehensive value for money framework, comprising four main criteria: Ability to Deliver, Fit for Purpose, Financial Viability and Price. The criteria and corresponding weightings contributing to the final score are set out below. Details on the value for money framework and consideration under each criteria are provided below.

|  |  |
| --- | --- |
| Main Criteria | Weighting |
| Ability to Deliver | 20% |
| Fit for Purpose | 30% |
| Financial Viability | 30% |
| Price | 20% |

## Process Overview

Each of the four main criteria, except Price, comprise a number of sub-criteria. The evaluation team will use a scoring scale of 1-10 to assess and score each sub-criteria (except Price where the main criterion will be assigned a score). The sub-criteria scores will be weighted and added to form the total score for each main criteria. These, in turn, will be weighted (refer to the table above) and added to form the final score for the application.

In most cases, the evaluation team will apply minimum requirements that must be met (or exceeded) in order for projects to obtain funding (see below). The team will also confirm that the relevant pre-conditions (listed on page 1 of the Application for Funding) are in place.

The evaluation team will present the final weighted score along with the evaluation rationale to a HUD Evaluation Panel for support to proceed to final approval by delegated authority within HUD.

## Scoring Scale

|  |  |  |
| --- | --- | --- |
| Description | Definition | Score |
| EXCELLENT  Significantly exceeds the criterion | Exceeds the criterion. Exceptional demonstration by the Provider of the relevant ability, understanding, experience, skills, resources and quality measures required to meet the criterion. Proposal identifies factors that will offer potential added value, with supporting evidence. | 9-10 |
| GOOD  Exceeds the criterion in some aspects | Satisfies the criterion with minor additional benefits. Above average demonstration by the Provider of the relevant ability, understanding, experience, skills, resource and quality measures required to meet the criterion. Proposal identifies factors that will offer potential added value, with supporting evidence. | 7-8 |
| ACCEPTABLE  Meets the criterion, but at a minimal level | Satisfies the criterion. Demonstration by the Provider of the relevant ability, understanding, experience, skills, resource, and quality measures required to meet the criterion, with supporting evidence. | 5-6 |
| MINOR RESERVATIONS  Marginally deficient | Does not fully satisfy the criterion as a result of minor reservations as to the Provider’s relevant ability, understanding, experience, skills, resource and quality measures required to meet the criterion, with little or no supporting evidence. However, the application can progress to evaluation as identified minor issues and risks can be mitigated. | 3-4 |
| SERIOUS RESERVATIONS  Significant issues that need to be addressed | Does not satisfy the criterion as a result of major reservations as to the Provider’s relevant ability, understanding, experience, skills, resource and quality measures required to meet the criterion. Issues need to be addressed and resolved before progressing to final evaluation. | 1-2 |
| UNACCEPTABLE  Significant issues not capable of being resolved | Does not meet the criterion. Does not comply and/or insufficient information provided to demonstrate that the Provider has the ability, understanding, experience, skills, resource and quality measures required to meet the criterion, with little or no supporting evidence. | 0 |

A weighted score of 5 and above for the four main evaluation criteria will be considered a ‘Pass’. A score of 3 or 4 will result in HUD seeking further clarification before final assessment of the application (which may result in the application being re-assessed). A main criterion score of 0-2 will result in the application being rejected.

The weighted scores for each main criterion will be added producing an overall weighted score (out of 100).

The minimum scores indicated above will be applied to each of the main criteria, not to individual sub-criteria. However, a sub-criterion score of 0-2 may also be grounds for a proposal not being suitable for a Services Agreement (depending on the circumstances).

## Ability to Deliver

The following sub-criteria will be assessed as part of the Ability to Deliver evaluation criterion. The weighted score will be the total score for this criterion contributing 20% of the final score.

|  |  |  |
| --- | --- | --- |
| Sub-criteria | Rating | Weighting |
| Organisational Delivery | 0-10 | 35% |
| Asset Delivery | 0-10 | 35% |
| Property, Asset and Tenancy Management | 0-10 | 15% |
| Capacity and Capability | 0-10 | 15% |

Organisational Delivery: HUD is seeking to support projects that have a high probability of being delivered to scope, on time and budget. Therefore, HUD the evaluation team will analyse provider’s (or developer’s if applicable) experience of delivering similar projects. A key element of the analysis will be whether the roles and responsibilities of all of main partners are clear and delivery risks are well understood and mitigated. The evaluation team will also consider any internal governance structures that are relevant to the proposed project.

Asset Delivery: HUD is seeking to support providers/developers who have the experience and capability to deliver the specific proposal/asset. For new builds, this will include consideration of the master plan, including how the locations were selected, the programme plans identifying the timing of key milestones, and ensuring that all key parties are properly identified. HUD will also be evaluating the degree of project readiness.

Property, Asset and Tenancy Management: The evaluation team will carry out a high level review of any cyclical and lifecycle maintenance plans that are unique to the project. Any new aspects will require disclosure to CHRA and confirmation that they have confirmed ongoing compliance with their performance standards.

The evaluation team will also consider any high level tenancy management components for the proposed project that differ from the applicant’s current model, with these aspects also requiring full disclosure to CHRA for their assessment of ongoing compliance as the Regulator.

Capacity and Capability: The evaluation team will carry out an initial, high level review of the applicant’s ability to expand into a new region or increase capacity or capability for the specific project, with these aspects requiring disclosure and confirmation of ongoing compliance from CHRA.

## Fit for Purpose

The following sub-criteria will be assessed as part of the Fit for Purpose evaluation criteria. The weighted score will be the total score for this criterion contributing 30% of the final score. Direction on these criteria can be found in the Public Housing Design Guidance document.

|  |  |  |
| --- | --- | --- |
| Sub-criteria | Rating | Weighting |
| Social and Community | 0-10 | 30% |
| Site and Building Design | 0-10 | 30% |
| Natural and Environmental | 0-10 | 15% |
| Affordability, Durability and Sustainability | 0-10 | 25% |

**Social and Community:** HUD seeks to support projects that create connected neighbourhoods and communities and are served by good public transportation links, providing easy access to employment and connections to the wider community. HUD also seeks to support projects with good access to health providers and other essential services, shopping and recreational facilities. HUD also aims to support projects with community spaces, outdoor spaces and places and any other amenities appropriate to the tenant cohort. Where possible, HUD seeks to support projects with strong levels of community support and participation in the project design and/or construction.

Site and Building Design: HUD seeks to fund high quality new builds that incorporate good design principles and practices. This includes appropriately sized spaces, easy and functional living, access to sunlight and peaceful, safe spaces. HUD aims to support projects that are healthy and comfortable to live in. HUD also seeks to support projects designed to offer additional facilities for targeted cohorts, for example accessible units catering for disabled persons and/or seniors.

Natural and Environmental: Where possible, HUD seeks to support projects with low environmental footprint, responsible and resourceful. HUD welcomes proposals with higher levels of waste consciousness. It also encourages the use of recycled and recyclable materials and environmentally friendly materials and finishes.

Affordability, Durability and Sustainability: HUD seeks to fund projects that are affordable to run, innovative, managed to last, and are water efficient. HUD welcomes proposals that help address the “fuel poverty” that many vulnerable people currently experience. HUD is looking to fund projects with superior durability of construction materials, as these will help ensure that our projects can continue to deliver good public housing outcomes for the duration of HUD contracts and beyond. Projects that can demonstrate sustainability or durability, either through a third party certification or other means, will be scored more highly in this category. HUD also seeks to fund projects with elements of innovation in design, construction processes, sustainability and/or commercial structures that have the potential to be replicated across the market and grow the capacity of the community housing sector.

## Financial Viability

The following sub-criteria will be assessed as part of the Financial Viability evaluation criterion. The weighted score will be the total score for this criterion contributing 30% of the final score.

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Sub-criteria | Build to Own | Build to Own w/ Early Stage Funding | Turnkey Purchase | Build to Lease | Direct Lease |
| Financing - Level of Support | 35% | 30% | 40% | 20% | 20% |
| Development Costs | 30% | 25% | 20% | 20% | 30% |
| Cashflow Model Requirements | 35% | 30% | 40% | 60% | 50% |
| Project Plan and Funding Schedule | - | 15% | - | - | - |
| **Total** | **100%** | **100%** | **100%** | **100%** | **100%** |

**Financing – Level of Support:** HUD seeks to support projects with demonstrated ability of the provider to finance the proposed development. HUD will seek to understand the financing structure including the terms of different finance sources. HUD will look for evidence of the above e.g. letters of support, pre-approval or commitment letters from recognised financiers. The evaluation team will consider the level of due diligence already conducted by these parties in order to determine the soundness of their commitments. Projects with stronger commitments will attract a higher score.

**Development Costs:** HUD seeks to support projects that are well considered and reasonably priced. HUD will benchmark development costs against observed transactional data (internally generated benchmarks) and the level of evidence/supporting documentation provided e.g. estimates from registered Quantity Surveyors, offer letters from construction contractors etc. HUD may request a copy of the final contract with selected construction partner.

**Cash Flow Model Requirements:** HUD seeks to support projects that are financially viable. The evaluation team will consider projects on a stand-alone basis and therefore requires that each project demonstrates financial sustainability and moderate riskiness. The evaluation team will also test the reasonableness of the underlying assumptions and modelling inputs against observed transactional evidence (internally generated benchmarks). The requested rents must be supported by a current (no more than six months old) market rent assessment, prepared by a registered valuer and in accordance with the following guidance:

For all developments, the rental assessment report provided at time of application is to be carried out by a registered valuer with relevant skills and expertise and must contain:

The address and legal description of the subject development, number of units, typologies.

The effective date of the valuation, which should be no more than 6 months prior to the Application date.

Reference to, and inclusion of, the plans and specifications on which the rental assessment is based, including name and date of version.

Clear statement regarding the assumed basis of the rental assessment, which will be, unless otherwise negotiated, on an unfurnished basis, exclusive of whiteware and inclusive of GST, if any.

An acknowledgement that HUD will be an intended user of the report and may rely upon it for decision making purposes, but that the client remains the commissioning agent.

Clear reference and adherence to the relevant sections of the most recent, effective International Valuation Standards (IVS) and Australia and New Zealand (ANZ) Valuation and Property Standards, Guidance Notes and Technical Information Papers (TIP). Any departures to Standards must be noted, and short form rental valuations with no, or a limited, link between market evidence and conclusions will not be acceptable.

With reference to the point above, there should be sufficient documented analysis of any market evidence used to enable the reader to connect this evidence to the valuer’s conclusions on the subject Development’s rental levels per property. Market evidence may include, but is not limited to:

the applicable MBIE Tenancy Services market rent data for the location,

recently negotiated open market rental evidence gained from local letting agencies

asking rentals on websites such as TradeMe

**Project Plan and Funding Schedule:** If an early stage payment of the Operating Supplement is requested, with drawdowns occurring prior to the issuance of a Construction Completion Certificate, HUD will require a detailed project plan including the timing and quantum (by source) of development funding.

## Price

The Price criterion does not comprise any sub-criteria. The score for this criterion will contribute 20% of the final score.

The evaluation team will consider the annual cost to HUD per unit type, which will be benchmarked against comparable transactions i.e. by typology and locations. For leasing projects, HUD will also consider and evaluate investors’ required yield on cost.

Other factors will be taken into account that would potentially increase the value for money to HUD, including (but are not limited to):

Charitable Status of the Community Housing Provider;

Contract/lease extensions/renewals;

Project’s role in building up the capacity of the CHP sector;

Any other factors that may impact the overall project risk and/or HUD’s investment in the project.