



**CREATING CONNECTIONS**

North/West Metropolitan Region

**PRIVATE RENTAL BROKERAGE (PRB)**

**PROGRAM GUIDELINES**

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[www.vinnies.org.au/prb](http://www.vinnies.org.au/prb)



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### **PRIVATE RENTAL BROKERAGE (PRB)**

#### **Overview and background**

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##### **Program guidelines**

The Private Rental Brokerage (PRB) program has been established as part of the Victorian Government's statewide *Creating Connections* Program.

These program guidelines outline the operations and eligibility criteria for the PRB being managed by the Society of St Vincent De Paul, Aged Care and Community Services, in the North/West Metropolitan Region of Melbourne.

The program commenced in April 2008 and will continue through until June 2010, with the possibility of extension based on a program evaluation and review to be undertaken by the Department of Human Services.

##### **Aim of the program**

The aim of this Private Rental Brokerage Program is to assist young people who are homeless or at risk of homelessness to secure and sustain long-term housing in the private rental market. The program will target:

- Young people who have recently entered the homeless service system and have been identified as having the potential skills to successfully manage a private tenancy.
- Young people who have developed the skills whilst in Transitional Housing to manage a private rental tenancy.

##### **Program rationale**

It is recognised that in addition to the general difficulties in accessing private rental caused by a very tight housing market, young people face a range of barriers in accessing private rental including:

- Affordability of private rental – particularly for young people on very low incomes;
- Appropriateness of available private rental – in terms of location and public transport options, amenities offered, suitability for sharing properties, support available when problems arise, etc; and
- Discrimination by real estate agents and landlords – with a common perception that young people are less desirable tenants than others in the community.



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In addition to these barriers, young people with a history or risk of homelessness often require a range of additional supports in order to establish and maintain their own independent accommodation. This may include periodic or ongoing support from a community agency, covering issues such as living and budgeting skills, mental health issues, drug and alcohol dependence, employment and education skills, family reconciliation, family violence and other forms of violence, other health and personal issues.

The PRB will assist young people who are already receiving support from a case manager, and who have stabilised their homelessness through successfully maintaining independent living in either Transitional Housing, youth refuge or other supported accommodation. The eligibility criteria for the program have been established to ensure that young people in ongoing crisis or without adequate living skills are not set up to fail by entering a private rental agreement before they are ready.

#### **Objectives of the program**

The PRB as managed by St Vincent de Paul in the North/West Metropolitan Region has seven key objectives:

1. To identify young people who can be supported to access the private rental market.
2. To provide a range of flexible financial brokerage packages to complement existing related forms of assistance and support (such as the Bond Scheme administered by the Office of Housing, and the Housing Establishment Fund administered by homelessness assistance agencies).
3. The provision of secondary consultation to Youth Services within the Region in regard to accessing the private rental market for their clients.
4. Within the Northern and Western Youth Hubs, to establish cooperative working relationship with the Local Area Service Networks (LASNs), Homeless Service System Development Project (HSSDP), entry points and other relevant services.
5. To administer Program resources efficiently and effectively.
6. To ensure equitable access to the Program resources to eligible clients across the Northern and Western Region.
7. To provide an additional resource to the youth homeless service system.



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#### **Eligibility criteria**

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The PRB is aimed specifically at young people who are already accessing the homeless service system and receiving support to address some of the underlying issues that have contributed to their homelessness. It is therefore NOT a program suitable for young people currently in crisis or who are not yet ready to take on the significant financial and legal responsibilities that are part of entering into a private rental agreement.

The following eligibility criteria have therefore been designed to ensure that young people entering the program have the greatest possible chance of success in both establishing and maintaining their private rental property and lease agreement.

In order to be eligible for the PBRP, a young person must be:

- Aged 16-25 years old and currently living in Transitional Housing, refuge or other temporary supported accommodation.
- Receiving on-going case management support by a support agency in the North-West Metropolitan Region, which includes the Cities of:
  - Banyule
  - Brimbank
  - Darebin
  - Hobsons Bay
  - Hume
  - Maribyrnong
  - Melbourne
  - Melton
  - Moonee Valley
  - Moreland
  - Nillumbik
  - Whittlesea
  - Wyndham
  - Yarra
- In receipt of a stable income (Centrelink benefit or salary/wages).
- Committed to establishing/maintaining private rental as a long term housing option and aware of their rights and responsibilities as a private renter.
- Capable of sustaining their private rental agreement once the period of brokerage assistance ceases.



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#### Application Form

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In order for the PRB Coordinator to adequately assess the eligibility of an individual young person, a comprehensive **Application Form** has been developed (available from [www.vinnies.org.au/prb](http://www.vinnies.org.au/prb)).

In addition to collecting basic client data, key information for assessment will be collected in the following areas:

- **Eligibility** - compliance with program eligibility criteria
- **Readiness** - readiness for private rental (eg budgeting and living skills, interpersonal skills, community connectedness, rental history, engagement with case manager, etc)
- **Capacity** - financial capacity to establish and sustain tenancy

This application process will be used to identify the specific types and level of assistance required by the young person to gain entry to private rental, as well as determine an appropriate level and duration of ongoing financial assistance and support to maintain their tenancy.

It will also be used to ensure that the young person has adequate financial and personal support, as well as adequate living skills, to succeed in private rental. Where it is identified that the young person requires further support or skills development before entering into private rental, it is expected that their case manager will assist them with gaining this extra skills or support (such as enrolling in a life skills or budgeting program).

The assessment process is aimed at identifying the strengths and capacity of the applicant to succeed in private rental, as well as identifying any areas where they may need to improve their skills and capabilities.

Once the young person's case manager has completed the application form, they should send it directly to the PRB Coordinator for assessment. The referring agency will be advised if the application has been successful:

- Where the **application is successful**, the PRB coordinator will contact the referring agency to arrange payment of the grant amount. The case manager will then be responsible for administering and acquitting the grant, as approved.

Where the **application is not accepted**, the PRB coordinator will provide information to the case manager about why it was not accepted, and a series of recommendations for the young person and their case manager to work through in order to make a successful application in future. If the outcome of the assessment is disputed by the referring agency and/or the young person, a dispute resolution process may be entered into. (See Dispute Policy accessible on this web page.)



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### PRIVATE RENTAL BROKERAGE (PRB)

#### Assistance available through the PRB program

##### A. Assistance packages for young people

There are three types of assistance (or products) available to young people through the PRB. Case managers can apply for funds up to a maximum of \$2000, even before a particular rental property has been identified. Funds can be allocated between each product based on the following percentage guidelines and their individual needs.

Product	Assistance provided	Degree of Assistance	Guidelines for allocation
Budgeting Incentive (BI)	As a tool for budgeting and financial management purposes, this will contribute to young people's weekly rental payment, with an agreed amount of brokerage support.	This will be a fixed amount provided to the referring agency and allocated for an agreed duration of the tenancy. It may be established on a sliding scale so that over time the young person's contribution increases and the brokerage support decreases.	Maximum of 100% (\$2000) of approved grant amount  Period Min. – 3 mths Max - 12 mths
Tenancy Setup Costs (TSC)	Provision of material assistance for the purchase of essential goods, removalists and storage that are necessary for the success of the tenancy.	This will be a one off payment provided to the case management service. This will complement any funds accessed via HEF, which remains the primary source of funds for setup costs.	Maximum of 50% (\$1000) of approved grant amount.
Property Enhancement Grant (PEG)	Property enhancement grant for landlord to undertake agreed works to improve rental premises prior to commencement of the tenancy.	Provide one off lump sum payment to the landlord to improve the property in an agreed area. It may not be used for works that are part of a landlord's responsibility under the Residential Tenancies Act.	Maximum of 25% (\$500) of approved grant amount.



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It is proposed that in a 12 month period, 80 packages of assistance of up to \$2,000 will be provided (40 in the Northern Region and 40 in the Western Region). Each package may consist of either one, two or three products.

In order to ensure that the funds are spent appropriately, an **Acquittal Process** has been developed which all case managers **MUST** follow (see p.9 of these guidelines). It is intended that all grants are spent **within 6 months** of approval, or they must be returned in full to the PRB for reallocation to another young person.

The Property Enhancement Grant (PEG) can be applied for in advance, even before a rental property has been identified, on the basis that the young person's application will be enhanced by having such an amount set aside. If it ends up not being needed, this amount can be rolled into additional rental assistance, once the PRB Coordinator has approved this variation to the grant. The acquittal process must also reflect this, and any other variations to the way in which an approved grant is expended.

For further explanation of the packages available, case managers are encouraged to discuss this with the PRB Coordinator.

#### ***B. Assistance for referring agencies***

In addition to assisting referring agencies with completing application forms, the PRB Coordinator will provide the following types of assistance to referring agencies within the North/West Metropolitan Region:

- Coordinating forums to educate the sector about accessing the Program, and enhancing the success of their clients' applications;
- Secondary consultation in accessing private rental for clients;
- Coordinating and distributing information and resources for young people accessing the private rental market (for example, accessible information about legal and financial issues, coordinating lists of shared registries, contact details for sympathetic Real Estate Agents and landlords, etc)
- Promoting and facilitating local forums for local Real Estate Agents and Landlords to educate them about the program, and information about the work undertaken by local homelessness/support agencies.

A dedicated website has been established by St Vincent de Paul to host all program information, including application forms, so that they are easily accessible to referring agencies.

Other materials (such as weblinks and other resource documents) will be added to the website and made available to agencies in printed format where appropriate.



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**Allocation and management of financial packages**

St Vincent de Paul has been allocated funds by the Department of Human Services to operate the Private Rental Brokerage Program over the period January 2008 to June 2010. The program budget includes the appointment of one EFT worker (the Private Rental Brokerage (PRB) Coordinator), and administrative costs to run the program.

The amount available for brokerage on a quarterly/annual basis is \$160,000

	<b>Quarter</b>	<b>Annual</b>
Amount available for distribution/period	\$40,000	\$160,000
No. of packages available/quarter	10 Northern region 10 Western region	40 Northern region 40 Western region
Maximum amount per package	\$2,000	\$2,000

The first three months of operation (April – June 2008) are being treated as a trial period, during which the following guidelines for brokerage packages will be implemented and reviewed for ongoing operations.

	<b>Maximum Grant Allocation</b>	<b>Maximum Amount per Grant</b>	<b>Example Grant</b>
Property Enhancement Grant (PEG)	<25%	<\$500	\$300
Tenancy Setup Costs (TSC)	<50%	<\$1000	\$500
Budgeting Incentive (BI)	<100%	<\$2000	\$1200
<b>Total package</b>	<b>100%</b>	<b>&lt;\$2000</b>	<b>\$2000</b>



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Depending on the circumstances of the young person, the Budgeting Incentive may be used as a set amount each month over the 12 months of the tenancy – e.g. \$100 per month over 12 months (= \$1200 in total) or it may be tapered over time to help the young person adjust to the fact that once the grant is finished they will have to meet the full costs of the weekly rental themselves. For example:

- first 3 months - \$50 assistance per week (\$649.50)
- second 3 months - \$35 assistance per week (\$454.65)
- third 3 months - \$20 assistance per week (\$259.80)
- final 3 months - \$10 assistance per week (\$129.90)

Total Budgeting Incentive assistance - **\$1494.85** over 12 months

*Note: multiply weekly rental amounts by 4.33 to get a calendar month amount.*



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#### Acquittal Process

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Once an application has been submitted, allow five (5) working days for notification of the outcome from the PRB Coordinator. If successful, full payment of the grant will be made to the referring agency within five (5) working days.

Along with payment, the case manager will be sent an **Acquittal Form** to be completed. The following acquittal process must be completed to ensure that funds are properly spent and accounted for.

**Any agency that does not follow and complete this acquittal process will NOT be eligible for further funds from this program.**

1. All referring agencies will be provided with an Acquittal Form at the time of the grant's initial approval.
2. Funds must be spent in line with the initial application as approved by the PRB Coordinator. If there are legitimate or unforeseen reasons for varying this expenditure, the referring agency must first notify the PRB Coordinator of plans to do so and reasons for this variation.
3. Three (3) months after receiving the grant, the referring agency must complete an Acquittal Form, notifying the PRB Coordinator on whether or not the grant has been partially or fully extended. If none of the grant has yet been spent, they must provide reasons (as a written attachment to the acquittal form) for the delay in expenditure and identify steps being taken to resolve any barriers or issues.
4. Six (6) months after receiving the grant, an Acquittal Form need only be completed if the first acquittal form (at 3 months) reported a nil expenditure. If none of the funds have been expended within six (6) months after the grant was first approved, it must be returned IN FULL to the PRBP. No extensions to this time frame will be permitted.
5. Once the grant has been FULLY expended (typically 12 months after the tenancy commenced), a final Acquittal Form must be faxed to the PRB Coordinator, identifying the exact expenditure amounts and any variations that have occurred.



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#### **Program learnings and evaluation**

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As a new and innovative program within the youth homelessness service system, it will be important that the learnings and outcomes of this program are documented and shared with relevant stakeholders.

St Vincent de Paul will take responsibility for the ongoing evaluation and identification of learnings from this program, and dedicate appropriate resources to this activity. This will involve action research on young people's access to the private rental market in the North/West Metropolitan Region, and distribution of relevant findings to the youth sector and other relevant stakeholders.

It is proposed that the operations and outcomes of the PRB will be internally reviewed on a quarterly basis (based on program reporting data) in its first 12 months of operation, followed by six monthly reviews until its completion.

In order for any action research to be effective and meaningful, it is requested that all agencies accessing the program consent to involvement in research and evaluation activities, and consent will also be sought from young people accessing the program to participate in research activities as appropriate.

Referring agencies and young people applying for funds from this program will be asked to complete a consent form in order to participate in program review and evaluation exercises over the life of the program. This will not be mandatory, but consent to participate in the evaluation will assist greatly in improving the program and identifying the need for its future continuation.