

Grants and Sponsorship - Ad Hoc Grant - Bridge Housing Limited/PCYC - Capital Works Funding

File No: X006614

Summary

The City received a grant request from Bridge Housing Limited for a new community facility to be delivered as part of a mixed housing project, called Redfern Place, at 600-660 Elizabeth Street, Redfern. This facility will replace an existing community building that PCYC South Sydney, a Police Citizen's Youth Clubs NSW local club, had occupied at 638 Elizabeth Street, Redfern, since 1952.

On 17 March 2025, Council provided in-principle support for a \$5M grant to Bridge Housing Limited to support the delivery of the proposed community facility, subject to approval of a State Significant Development application for the project and formal Council approval of the grant following the proper assessment process.

Development consent for the project was provided by the Minister for Planning and Public Spaces on 24 September 2025.

The City has been in regular communication with Bridge Housing. On 7 July 2026, Bridge Housing confirmed further details of the project, which has progressed to an appropriate point for Council to approve a grant for the project.

This report recommends Council approve a \$5M grant to support the building of the community facility for the benefit of the Redfern community, and in line with the City's Open space, sports and recreation needs study 2016.

Recommendation

It is resolved that:

- (A) Council approve a cash grant to Bridge Housing Limited for \$5 million (excluding GST) to support the construction of a new community facility as part of the Redfern Place development at 600-660 Elizabeth Street, Redfern, subject to the following conditions:
 - (i) approval of the cash grant will be withdrawn if:
 - (a) the project materially changes from the current proposal as outlined in recommendation (A)
 - (b) Bridge Housing does not demonstrate evidence of a construction certificate having been obtained for the project by 1 December 2027
 - (ii) the grant funds will only be paid when evidence of a construction certificate for the project is provided
 - (iii) a covenant must be registered on the title to the community facility building that limits use of the land to a community facility in perpetuity, on terms required by the City, prior to occupation or commencement of use (whichever occurs first) of the community facility
 - (iv) a subdivision certificate for the development will only be issued by the City when evidence of the instrument that will register the covenant on title required by recommendation (A)(iii) is provided
 - (v) until the covenant required by recommendation (A)(iii) is registered on title, the City will require the grant to be repaid in full indexed annually by CPI if:
 - (a) the project materially changes from the current proposal as outlined in recommendation (A), or
 - (b) the community facility at Redfern Place is not fully completed and operational (including fit-out and activation) by 1 September 2030
 - (vi) acquittal of the grant is to be provided by way of:
 - (a) evidence of registration of the covenant required by recommendation (A)(iii)
 - (b) evidence from Bridge Housing of a legally binding lease or agreement with PCYC, or similar organisation, for the activation and operation of the community facility at Redfern Place
- (B) authority be delegated to the Chief Executive Officer to:
 - (i) finalise negotiations, execute and administer the grant agreement with Bridge Housing Limited in accordance with this report
 - (ii) otherwise administer all matters relating to this grant.

Attachments

- Attachment A.** Bridge Housing to City of Sydney - Letter seeking community facility funding - July 2026
- Attachment B.** PCYC South Sydney - Equitable access
- Attachment C.** 17 March 2025 Council Resolution - City of Sydney Support for a new Police Citizens Youth Club (PCYC) in Redfern
- Attachment D.** 28 July 2026 City of Sydney's commitment to and support for the Bridge Housing project

Background

1. Bridge Housing Limited is a Tier 1 community housing provider and registered charity that has been operating in Sydney since 1984 (formerly as South-West Inner Sydney Housing Cooperative). Bridge Housing manage 3,600 properties across metropolitan Sydney and provide homes to 5,700 people.
2. Homes NSW is the NSW Government department responsible for growing and managing the supply of housing in NSW. They manage the largest portfolio of housing in Australia, with over 125,000 properties.
3. Police Citizens Youth Clubs (PCYC) NSW Ltd has been operating for over 85 years in 66 locations across NSW. They are a low-cost service provider that offers membership and access to a suite of programs and activities for young people who are disadvantaged and/or disengaged. These programs focus on building confidence, life skills and resilience to improve education outcomes and provide skills that enable young people to enter the workforce.
4. PCYC South Sydney, a PCYC local club, had occupied a site at 638 Elizabeth Street, Redfern since 1952. The club ceased operations at this site in December 2024, in advance of the renewal of the area, and the building has since been demolished. Current members able to access the PCYC Woolloomooloo club.
5. Bridge Housing Limited and Homes NSW are partnering to deliver a mixed housing project, called Redfern Place, at 600-660 Elizabeth Street, Redfern. The project will provide around 350 new social, affordable and specialist disability support homes. It will also provide a new 3,500sqm community facility to replace the PCYC South Sydney, a new head office location for Bridge Housing and a community hub.
6. The new community facility is designed to meet current and future community needs. The facility will provide for fitness, health and wellness programs as well as social enterprise ventures, with a focus on engaging all members of the community. It will include an indoor multi-purpose sports court, gymnastics space, gym (including boxing ring) and multi-purpose youth space, along with a number of multi-purpose education, meeting and community rooms.
7. The new community facility will be a standalone building in the Redfern Place precinct. The estimated total cost to deliver the community facility is \$32M.
8. On 17 March 2025, Council resolved to provide in-principle support for a \$5M grant to Bridge Housing to support the delivery of the proposed community facility which would replace the PCYC South Sydney, subject to approval of the State Significant Development application for Redfern Place and formal Council approval of the grant following the proper assessment process.
9. Development consent for Redfern Place, including the new community facility, was provided by the Minister for Planning and Public Spaces on 24 September 2025.
10. On 7 July 2026, Bridge Housing provided an update on the project and sought the City's commitment to the provision of the \$5M grant towards the delivery of the new community facility. Bridge Housing also confirmed that demolition of the former South Sydney PCYC building has been completed, and that it is currently undertaking the site investigations and other activities required under the development consent. A copy of the correspondence from Bridge Housing is at Attachment A to the subject report.

11. Pending Housing Australia Future Fund Facility support, which has been applied for as set out below, major works will commence in early 2027. Completion of the community facility cold shell is anticipated in 2029. Subject to securing the necessary fit-out funding, Bridge Housing's objective is for the facility to be operational from August 2029.
12. The project is proposed to be delivered in a single construction stage, with the first Construction Certificate expected to apply to the initial site and building works across the project, including the community facility. Based on the current program, Bridge Housing anticipate the first Construction Certificate will be issued in late 2026.
13. PCYC South Sydney intend to operate limited services from PCYC Woolloomooloo until the new community facility is complete at Redfern Place, at which time they will relocate to the new facility. The mechanism by which they will occupy this space is yet to be confirmed by Bridge Housing but is anticipated to be resolved by the end of 2026.
14. A comprehensive range of programs for all ages and interests will be provided from the new community facility at Redfern Place and will include subsidised and free programming for community. Programs will include those for young people, developed in collaboration with the NSW Police Youth and Crime Prevention commands, along with free youth drop in spaces, free school holiday activities, community room hire, and community events including weekly food support and a community Christmas barbeque.
15. The facility and services will complement programs and services the City offers in the Redfern area through the Redfern Community Centre and 119 Redfern Street, the City's Aboriginal knowledge and culture centre. The City does not operate a recreation facility in the Redfern area, with the nearest being Prince Alfred Park Pool in Surry Hills and Gunyama Park Aquatic Centre in Zetland.
16. Bridge Housing has advised that the estimated total cost to deliver the community facility is \$32M. This includes \$27M for the construction of the building and completion of the cold shell and \$5M for the fitout. No land cost is associated with the new community facility as it is being incorporated into the overall Redfern Place project.
17. In 2024, Bridge Housing applied to Housing Australia, the independent national housing agency, to utilise funding under the Housing Australia Future Fund Facility (HAFFF) and National Housing Accord Facility (NHAF) to develop the site for 100% social and affordable housing, including 3% disability support and 15% housing for Aboriginal and Torres Strait Islander households.
18. A round one application for grant funding was not successful, however, Bridge Housing advised the City on 7 July 2026 that the project has successfully progressed through the Expression of Interest stage of the Housing Australia's Housing Future Fund (HAFF) Round 3 process. Bridge Housing, in partnership with Homes NSW, has now been invited to submit a detailed application, with lodgement targeted for early August 2026. To support this application, the City provided Bridge Housing with a letter of support, reflecting Council's resolution of 17 March 2025.
19. In relation to the delivery of the new community facility, PCYC NSW has committed \$3M and the NSW Government has contributed \$13.4M of funding. Bridge Housing will also provide an in-kind contribution of approximately \$3M. A \$5M contribution by the City will largely secure the remaining funds to enable the cold shell of the facility to be completed.

20. Bridge Housing and PCYC NSW have advised they intend to continue to seek support from other NSW and federal government agencies to secure the funding required for the fit-out and activation of the new community facility. Bridge Housing is confident the community facility will gain further support from other funding sources.

Key implications

Strategic alignment - Sustainable Sydney 2030-2050 Continuing the Vision

21. Sustainable Sydney 2030-2050 Continuing the Vision renews the communities' vision for the sustainable development of the city to 2050. It includes 10 strategic directions to guide the future of the city, as well as 10 targets against which to measure progress. This grant is aligned with the following strategic directions and objectives:
 - (a) Direction 3 - Public places for all - The planned new facility replaces a building that was occupied by the South Sydney PCYC for over 70 years. A range of programs offered through the club are designed in collaboration with the NSW Police Youth and Crime Prevention commands and focus on crime prevention, capacity building, vocational education and social responsibility to help break the cycle of disadvantage for at-risk young people in the area. The community facility will be designed to meet the needs of all members of the local community, including residents of Redfern Place, and PCYC NSW have committed to continuing to support the local community through free and low-cost access to club spaces and activities, the details of which are set out in Attachment C to the subject report.
 - (b) Direction 4 - Design excellence and sustainable development - Measures to ensure the environmental resilience and sustainability of the Redfern Place precinct include planned 5-star Green Star Design and As Built rating, increased plantings and canopies and building ventilation to increase heat resilience and reduce heat island effects. An urban solar farm is also planned for the rooftop of the new community facility.
 - (c) Direction 6 - An equitable and inclusive city - PCYC is a registered charity that provides programs in collaboration with NSW Police for at-risk youth to help break the cycle of disadvantage. The proposed facility will also provide a range of programs and services that will support the whole community including free school holiday programs, free and discounted room hire and a range of sport, fitness and recreation activities.
 - (d) Direction 7 - Resilient and diverse communities - programs at the new facility will be open to a wide range of community members, including the residents of Redfern Place and people living in other nearby social and affordable housing, young people and Aboriginal and Torres Strait Islander People.
 - (e) Direction 10 - Housing for all - Redfern Place will deliver around 350 new social, affordable and specialist disability support homes. Bridge Housing intends to develop the site for 100% social and affordable housing, including 3% disability support and 15% housing for Aboriginal and Torres Strait Islander households.

Risks

22. There are a number of risks with the recommended grant:
- (a) All funds required to complete the community facility have not yet been secured and, to reflect this, Bridge Housing's current delivery strategy is completion of the cold shell only as part of the initial construction contract. However, Bridge Housing has demonstrated experience and capability in delivery of similar projects and strong partnerships with State government. The full floor space ratio (FSR) for the social and affordable housing development can only be achieved if the community facility is delivered. This, along with the community benefits of the project, mean it is considered likely that the required funds for this project will be secured.
 - (b) Bridge Housing requires payment of the grant on provision of the first Construction Certificate for the Redfern Place project, which is anticipated to occur in late 2026. As the project will be delivered in a single construction stage, the first Construction Certificate will apply to all the works across the site; it is not specific to the community facility.
 - (c) Whilst the City's grant agreement with Bridge Housing will require the registration of a covenant on title to ensure the ongoing use of the building as a community facility, the covenant cannot be registered prior to payment of the grant and instead will need to occur when the precinct is subdivided which will not occur until later in the project.
 - (d) Bridge Housing has confirmed PCYC's commitment to the project and the operation of the new community facility. However, currently the mechanism by which they will occupy the space is yet to be confirmed by Bridge Housing, but is anticipated to be resolved by the end of 2026.
23. The identified risks arising from the recommended grant are within the City's risk appetite, which states:
- (a) We make decisions that align with our corporate objectives, policies and strategies and are committed to conducting our activities in full compliance with applicable laws, regulations and relevant industry standard.
 - (b) We acknowledge that some financial risks may be necessary to achieve our goals, particularly when investing in new initiatives that align with our strategic objectives. We carefully evaluate financial options and risks and consider the potential impact on our financial position, cash flow, and overall stability.
 - (c) Our risk philosophy is centred around achieving a balance between innovation, community and user satisfaction and risk management, ensuring that we meet our strategic objectives to provide the levels of service that are both affordable and considered appropriate by the community.

Social / Cultural / Community

24. As outlined in the City's 2016 Open space, sports and recreation needs study, provision of sport and recreation facilities is essential to support increased density and encourage healthy lifestyles. The development of a new community facility will enable access to increase individual physical and mental health and fitness and enhance social cohesion and community well-being.

25. Bridge Housing has advised that it consulted with local community service providers including Redfern Legal Centre, WEAVE Youth and Community Services, and the Women's and Girls Emergency Centre in developing plans for the facility. Four design jams were held with local Aboriginal community representatives and community feedback incorporated into the final design.

Environmental

26. The design of Redfern Place includes measures to ensure the environmental resilience and sustainability of the precinct for all residents and users of the planned community facility. Bridge Housing will be seeking to achieve a 5-star Green Star Design and As Built rating for the entire development, including the community facility as a standalone building. Street planting and canopies have been included in the facility design, while the building's façade will maximise ventilation and fresh air intake to enhance the facility's heat resilience and combat heat island effects. Bridge Housing is also proposing to deliver an urban solar farm atop the community facility to service the housing development.

Financial implications

27. The proposed \$5M grant is included in the Long Term Financial Plan adopted as part of the resourcing strategy in June 2026.

Relevant legislation

28. Section 356(1) of the Local Government Act 1993 states that a council may, in accordance with a resolution of the council, contribute money or otherwise grant financial assistance to persons for the purpose of exercising its functions. Public exhibition of this grant is not required because the funds are being paid to a not-for-profit organisation that is not operating for private gain.

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