

## Item 4.

### **Grants and Sponsorship - Wesley Edward Eagar Centre and Improving Affordable Housing Opportunities for Aboriginal and Torres Strait Islander Persons**

**File No: X009742**

#### **Summary**

The Affordable and Diverse Housing Fund ('Fund') was established with \$10.35M from the sale of land at Harold Park in 2015. To date, three grants have been approved from the Fund totalling \$4.75M, as well as an additional \$0.35M for the Affordable Housing Ideas Challenge. Currently \$5.25M remains unallocated.

Since its inception, the Fund has been publically advertised and consultation undertaken with various community housing providers to promote the opportunity the Fund provides. Whilst these endeavours have been successful in encouraging the three approved grants, a high amount of funds remain unallocated and demonstrates the difficulties in securing new affordable housing projects in the local area.

The City has received two grant applications that are affordable housing related and meet some, but not all of the criteria of the Affordable and Diverse Housing Fund. The total value of requested funds under these applications is \$1.15M:

- (a) Wesley Community Services Limited (Wesley Mission) for redevelopment of the Wesley Edward Eagar Centre: \$1M - A redevelopment of the current crisis accommodation space, aligned with a change of service delivery model to provide better support to men and women experiencing homelessness in the local area. The Wesley Edward Eagar Centre has been largely unaltered since the 1970s and is no longer fit for purpose.
- (b) St George Community Housing (lead applicant), Bridge Housing and City West Housing - for a Research Project focusing on improving Affordable Housing Opportunities for Aboriginal and Torres Strait Islander Persons: \$150,000. The application is for financial support for a shared capacity development project with three of the largest generalist community housing providers in the local area: St George Community Housing, Bridge Housing and City West Housing. The project will involve training an identified Aboriginal or Torres Strait Islander person as an Affordable Housing Manager to provide targeted and culturally appropriate housing related services in the local area, conducting a research project to understand how to improve access to affordable housing opportunities and retention for Aboriginal and Torres Strait Islander people, and developing a 'register of interest' of local First Nations people interested in accessing affordable housing to be shared with all participating community housing providers. The initial contract is proposed to be 18 months.

The City recognises the broad spectrum of services that are required around affordable housing, and these proposals align with the City's position on supporting the housing supply continuum as outlined in the City's Housing Issues Paper. The Wesley Edward Eager Centre redevelopment supports the renovation of an existing facility that assists towards providing a first step out of homelessness on the path towards stable housing. The research project investigates ways to improve affordable housing opportunities for Aboriginal and Torres Strait Islander Persons. Addressing homelessness and improving housing options for Aboriginal and Torres Strait Islanders has been identified as a priority within the local area.

These proposals also align with the City's position on social sustainability to reduce homelessness, provide social and affordable housing, and supporting an equitable and inclusive city.

It is recommended that they be funded from the Affordable and Diverse Housing Fund notwithstanding that neither application creates new affordable housing dwellings.

## Recommendation

It is resolved that:

- (A) Council approve a \$1,000,000 (excluding GST) cash grant to Wesley Community Services Limited for the redevelopment of the Wesley Edward Eagar Centre referred to in Attachment A to the subject report, subject to the following conditions:
  - (i) if all necessary funding has not been secured by Wesley Community Services Limited for the agreed value of the project within 18 months of Council approval of the grant, Council reserves the right to withdraw the grant offer;
  - (ii) the grant funds are to be paid when a Construction Certificate has been awarded;
  - (iii) if Wesley Community Services Limited does not complete the redevelopment referred to in Attachment A to the subject report by 30 June 2025, the City reserves the right to require the \$1,000,000 (excluding GST) grant to be repaid;
  - (iv) all dwellings supported through this grant will remain as affordable housing in perpetuity;
  - (v) the City will require a caveat or similar instrument over the land title to protect the subsidised land use; and
  - (vi) if the use of the facility is changed from the provision of subsidised housing in the future, the grant will be repaid by Wesley Community Services, less building depreciation;
- (B) Council note a development application was approved with conditions in October 2019 for the Wesley Edward Eagar Centre redevelopment referred to in Attachment A to the subject report;
- (C) Council approve a \$150,000 (excluding GST) cash grant to St George Community Housing Limited, subject to the applicant working with the City on the proposed position description, evaluation criteria, including an Aboriginal or Torres Strait Islander person on the recruitment panel and identifying key stakeholders;
- (D) Council note that all funding approved in this report is to be drawn from the City's Affordable and Diverse Housing Fund (when it occurs this expenditure will further reduce the monies that have been set aside in the City's Affordable and Diverse Housing Fund, established as per Council's resolution of 29 June 2015 for the sale of the Harold Park affordable housing site); and
- (E) authority be delegated to the Chief Executive Officer to negotiate, execute and administer grant agreements with Wesley Community Services Limited related to the project described in clause (A) and St George Community Housing Limited related to the project described in clause (C).

## Attachments

**Attachment A.** Wesley Edward Eagar Centre - Adhoc Grant Application and Additional Information

## Background

1. On 29 June 2015, Council resolved to endorse the sale of land at Harold Park and reserve the money from the land sale for a dedicated affordable and diverse housing fund.
  - (a) On 26 October 2015, Council resolved to approve a \$250,000 grant to the Salvation Army for design and planning costs for an affordable housing development at 5-19 Mary Street, Surry Hills.
  - (b) On 16 May 2016, Council resolved to approve a \$1.5M grant to HammondCare for the development of an affordable housing aged care facility at 118A Darlinghurst Road, Darlinghurst.
  - (c) On 26 June 2017, Council resolved to approve a \$3.00M grant to SGCH Portfolio Limited, a subsidiary of St George Community Housing Limited for the development of 51 Youth Foyer units and up to 25 general affordable housing dwellings in Chippendale.
  - (d) On 11 February 2019, Council resolved to undertake the Affordable Housing Ideas Challenge, with the approval of a \$350,000 operational expenditure budget, with funds to be sourced from the Affordable and Diverse Housing Fund.
2. Currently, there is approximately \$5.25M remaining in the Fund for further grant allocation. Since its inception, the Fund has been publicly advertised and consultation undertaken with various community housing providers to promote the opportunity. Whilst these endeavours have been successful in encouraging the three approved grants, a high amount of funds remain unallocated and demonstrates the difficulties in securing new affordable housing projects in the local area.
3. The two recommended projects do not meet all of the criteria of the Affordable and Diverse Housing Fund as they do not create new affordable housing dwellings. These grants have been assessed outside of the Fund's criteria and against the City's public strategies relating to affordable housing. They are recommended for support as they contribute towards aiding the broader affordable housing ecosystem, recognising that to enable affordable housing to be developed and accessible for those most vulnerable in our community, there must be a wide range of supporting services and housing options in place.

**Wesley Mission**

4. The funding will provide a significant refurbishment to the Wesley Edward Eagar Centre, which will coincide with a change to their service delivery model. The redevelopment will see a change from 76 studio units in a congregate format (shared toilets, showers and dining spaces) to 40 larger sized studio units with adjoining bathrooms. The redevelopment is also designed in line with the new service delivery model and includes increased entry ways, lifts, laundry spaces and support service spaces as well as a new retail space providing training and employment opportunities for clients. This new configuration of 40 units is the maximum number that can be achieved within the current building parameters in order to comply with applicable building regulations and requirements as well as ensuring there is adequate space and facilities for best practice wrap-around services.
5. The change of service delivery model will be able to deliver a higher quality service that provides clients the best chance of transitioning into long-term secure housing. Due to service model adjustments (more pre-crisis case management work in the community), higher occupancy (92 per cent to 96 per cent), and reduced average length of stays (six weeks to four weeks), Wesley expects to accommodate the same number of clients in the Wesley Edward Eagar Centre per annum following redevelopment, approximately 350 people per year. In addition, clients will be able to access case management and other services from the Wesley Edward Eagar Centre even if they are not staying in the on-site accommodation. Wesley Mission expects to maintain its total client numbers whilst delivering a more effective service.
6. As part of the client transition plan during the renovation period, Wesley Mission will lease a site in Ashfield which will provide accommodation for 40 people. An additional site in the local area is currently being sought to meet the shortfall in required accommodation.
7. Another Affordable Housing project in the local government area with Wesley Mission currently underway is the redevelopment of a Wesley Mission site in Glebe to create 74 affordable housing units. The redevelopment of the Glebe site will support affordable housing outcomes of the refurbished Wesley Edward Eagar Centre by providing long term affordable housing transition options for clients exiting crisis accommodation.
8. Wesley Mission's budget for the redevelopment is approximately \$16M, as noted in the additional information attachment, with further funds being raised through their own direct contributions, other levels of government and public fundraising. This presents a unique opportunity for the City to secure this property as affordable housing in perpetuity, ensure the service is brought up to best practice standards and safeguard the property from possible closure.

**St George Community Housing**

9. This proposal from St George Community Housing (SGCH) as the lead applicant, Bridge Housing and City West Housing is a shared capacity development project to employ and train a dedicated Aboriginal Affordable Housing Manager to improve access to affordable housing opportunities for Aboriginal and Torres Strait Islander persons in the local area.
10. The role, to be based in an appropriate community location, will provide targeted and culturally appropriate housing related services as well as undertaking a research project to improve access to affordable housing opportunities for Aboriginal and Torres Strait Islander persons.

11. This project's primary focus is to enable long term change whilst also building internal capabilities within partner organisations and within the community. The City has provided a reduced land sale in Gibbons Street, Redfern to SGCH, who will provide 162 new units of social and affordable housing. As part of their contribution to this research project, SGCH have committed a minimum 25 per cent allocation of affordable housing to Aboriginal and Torres Strait persons at the Gibbons Street Development.
12. This role will deliver the following priorities over a proposed 18 month period:
  - (a) develop culturally appropriate materials to promote affordable housing to Aboriginal workers;
  - (b) increase the uptake of Aboriginal workers applying for affordable housing;
  - (c) create a 'register of interest' for Aboriginal workers seeking to access affordable housing;
  - (d) support more Aboriginal people to apply for social housing assistance; and
  - (e) develop committed targets to increase and sustain Aboriginal tenancies in social and affordable housing.
13. Across greater Sydney, seven per cent of all properties (social and affordable) managed by St George Community Housing, Bridge Housing and City West are allocated to Aboriginal and Torres Strait Islander people.
14. In line with the housing strategy priority 3: 'Increasing diversity and choice in housing', the City is encouraging Community Housing Providers (CHPs) to increase the percentage of available affordable housing to Aboriginal and Torres Strait Islander persons; as in planning for the types of new homes residents will need in the future, the challenge for the City is to support social and cultural diversity through increasing housing diversity and choice. This includes retaining and attracting residents on lower incomes and those who identify as part of the Aboriginal and Torres Strait Islander community.
15. In 'Housing for All' the City's draft housing strategy, it highlights that inner Sydney has strong historical and place associations relating to the patterns of urban migration of First Nations peoples and Redfern's legacy of fighting for Aboriginal and Torres Strait Islander self-determination and human rights. However, the number of Aboriginal and Torres Strait Islander people living in inner Sydney continues to decline. It now stands at just 3,509 individuals in the local area. Aboriginal and Torres Strait Islander communities have expressed concern that gentrification and a lack of social and affordable housing are causing further displacement and making it difficult for members of the local community to maintain links and stay in the local area.
16. As part of the project, the applicants will develop a consolidated register of interest of First Nations people seeking affordable housing. Each Community Housing Provider currently has their own register and it is envisioned the appointment of an identified Aboriginal or Torres Strait Islander person to manage the register will provide the local community with a trusted contact.

17. Further to discussions between City staff and community housing providers, it was identified that there was a significant gap in capacity and ability for housing providers to effectively support affordable housing options for Aboriginal and Torres Strait Islander Persons.
18. There is a clear opportunity for the City to encourage Community Housing Providers to meet a gap in the community and seek to build capacity to support improved housing outcomes for the Aboriginal and Torres Strait Islander community, with the potential to expand long term beyond the local area to Sydney Metro and NSW wide.
19. St George Community Housing has indicated they would consider extending the contract of the Aboriginal Housing Manager position beyond the 18 months in this proposal. Across the three agencies, they estimate their collective value-in-kind and cash contribution to this project is \$215,000. City staff will work with the applicant to identify ways this project can be funded sustainably into the future without City support.

## Key Implications

### Strategic Alignment - Sustainable Sydney 2030

20. Sustainable Sydney 2030 is a vision for the sustainable development of the City to 2030 and beyond. 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 8 - Housing for a Diverse Population - These projects align with the City's position on affordable housing, homelessness and social sustainability, as set out in A City For All, the social sustainability strategy, as well as Housing for All, the City's draft housing strategy.

### Risks

21. Risks for the City in association with these projects have been addressed by setting proposed conditions for each grant. If the grants are awarded, both applicants will be required to enter into an agreement governing the grant on terms satisfactory to the City.

### Social / Cultural / Community

22. A City For All, is the social sustainability vision for a socially just and resilient Sydney. These grant recommendations are aligned with the following strategic directions and objectives:
  - (a) Inclusive growth and opportunities:
    - (i) Prevent homelessness and reduce rough sleeping through leading and participating in innovative approaches to addressing homelessness.
    - (ii) Increase supply of housing that is universally designed for people of all ages and abilities.
    - (iii) Provide improved access to facilities, programs and services for people on all incomes.

- (iv) Enable community led solutions to local social issues.
- (b) Connect City - diverse, cohesive communities
  - (i) Improve community safety through collaboration with government and non-government organisations to deliver improved services, programs and initiatives.

### **Budget Implications**

23. Of the \$10.35M underpinning the City's Affordable and Diverse Housing Fund set aside in November 2015, \$5.10M has already been committed and the adoption of this report's recommendations totalling \$1.15M will leave \$4.10M in reserve for the funding of future applications.
24. The funds for the two recommendations will be budgeted for as follows:
- (a) Wesley Community Services Limited for the redevelopment of the Wesley Edward Eagar Centre - A provision of \$1.00M will be made in the 2020/21 budget process and drawn from the Affordable and Diverse Housing Fund. Payment is conditional on the applicant receiving a construction certificate.
  - (b) St George Community Housing Limited for the Improving Affordable Housing Opportunities for Aboriginal and Torres Strait Islander Persons research project:
    - (i) 2019/20 - \$140,000 to be funded from CEO Contingency; and
    - (ii) 2020/21 - \$10,000 (acquittal payment) to be provided in the 2020/21 budget process;
- payment amounts for both years will be drawn from the Affordable and Diverse Housing Fund.

### **Relevant Legislation**

25. Section 356(1) of the Local Government Act 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.

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