

Grants and Sponsorship - Housing All Australians economic study

File No: S117676

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, five grants have been approved from the Fund totalling \$5.65M, as well as an additional \$0.35M for the Affordable Housing Ideas Challenge. Currently \$4.35M remains unallocated noting that two separate reports are currently being considered by Council with recommendations to draw from the fund totalling \$1.01M. Should both these recommendations be adopted, \$3.34M will remain in the fund for future allocations.

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 six different projects from the Fund, a high amount of funds remain unallocated, demonstrating the difficulties in securing new affordable housing projects in the local area.

The City has received a grant application from Housing All Australians to part fund research into the long-term costs of not building sufficient affordable, social and public housing. Housing All Australians plan to investigate how the lack of sufficient public, social and affordable housing for Australians may result in significant unintended costs to our future society. Housing All Australians plan to raise \$200,000 from 20 organisations to fund the proposed research to identify the business logic behind advocating for a significant, and at scale, investment in more public, social and affordable housing coupled with initiatives to prompt public discussion on the issue.

The application is affordable housing related in that it meets some, but not all of the criteria of the Affordable and Diverse Housing Fund. The proposal aligns with the City's Social Sustainability Policy and Action Plan by contributing to the affordable housing ecosystem through identifying opportunities to broaden the funding opportunities for affordable housing and promoting public discussion on the issue.

It is recommended that this proposal be funded from the Affordable and Diverse Housing Fund notwithstanding that this application does not contribute directly to the building of new affordable housing dwellings in the local area.

Recommendation

It is resolved that:

- (A) Council approve a \$10,000 (excluding GST) cash grant to Housing All Australians Limited to support the Housing All Australians economic study from the Affordable and Diverse Housing Fund, subject to the following condition:
 - (i) grant funds are to be paid when Housing All Australians Limited provide written confirmation they have secured all funding required for the project; and
- (B) authority be delegated to the Chief Executive Officer to negotiate, execute and administer a grant agreement with Housing All Australians related to the project described in clause (A).

Attachments

Attachment A. Housing All Australians - Organisational Synopsis

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. Since then, Council has resolved to support six different projects from the 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. This grant was ceased, as the Development Application for the site did not progress. No money was paid.
 - (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 \$3M 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.
 - (e) On 17 February 2020, Council resolved to approve two grants totalling \$1.15M:
 - (i) \$1M was awarded to Wesley Mission for the Wesley Edward Eager Centre redevelopment; and
 - (ii) \$150,000 was approved for St George Community Housing Limited for their research and staffing project to improve affordable housing opportunities for Aboriginal and Torres Strait Islander persons.
2. Currently, there is approximately \$4.35M remaining in the Fund for further allocations noting that Council is considering the following two separate projects:
 - (i) the recommendation to support UTS and their Indigenous Residential College from the Affordable Housing Fund to the value of \$1M; and
 - (ii) the recommendation to support Housing All Australians from the Affordable Housing Fund to the value of \$10,000; and
3. If both recommendations currently being considered by Council are adopted, \$3.34M will remain in the Fund for further allocations.
4. 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 five approved grants, funds remain unallocated, demonstrating the difficulties in securing new affordable housing projects in the local area.

Housing for All Australians' Proposal

5. The City has received a grant application from Housing All Australians. Housing All Australians are a group of private sector individuals and corporates with a shared vision that it is in Australia's long term economic interest to house all Australians, including those on low incomes. The group comprises of academic partners such as Melbourne University, Monash University and RMIT, community partners such as YWCA and Red Cross Australia and other local government and fundraising partners.
6. It is Housing All Australians' belief that unless significant action is taken in this area, a significant burden will be left for future generations with devastating economic and social consequences. Their aim is to harness the goodwill that exists in the private sector to develop strategies, take actions and raise awareness in respect to the fundamental human need for shelter.
7. Their request to the City is to part fund research into the long-term costs of not building sufficient affordable, social and public housing. Housing All Australians are commissioning the study through the Australian Housing and Urban Research Institute to investigate how the lack of sufficient public, social and affordable housing for Australians may result in significant unintended costs to our future society. These unintended costs manifest themselves in the areas of family violence, mental and physical health with further consequences for the justice, policing and welfare systems. The study will quantify these costs and determine a cost benefit ratio which can be used by governments and other sectors for investment decision purposes with the ultimate aim of attracting new and diversified investment streams in to affordable housing options.
8. This study will determine evidence-based cost benefit ratios that can be used by government to improve investment decisions in housing for different cohorts of society from key workers to the homeless. The study will bring together a group of respected independent economists and subject matter experts to debate the study method, which will consider the unintended costs that future generations will have to bear if sufficient public, social and affordable housing is not provided for all Australians.
9. The study is underpinned by a Housing First approach, which identifies access to permanent housing as a first and fundamental step for all, and seeks to reposition investment in public, social and affordable housing as investment in economic infrastructure.
10. Housing All Australians plan to raise \$200,000 from 20 organisations to fund the proposed research to identify the business logic behind advocating for a significant, and at scale, investment in more public, social and affordable housing coupled with initiatives to prompt public discussion on the issue.

Strategic Alignment - Sustainable Sydney 2030 Vision

11. 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 - This proposal aligns 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 housing strategy.

Risks

12. Risks for the City in association with this investment have been addressed by setting the proposed conditions in the recommendations. The City's investment of \$10,000 is a small contribution to a project that is envisioned to raise \$200,000. If this grant is awarded, the applicant will be required to enter into an agreement governing the grant on terms satisfactory to the City and funds will not be released until Housing All Australians has secured all funding for the project.

Social / Cultural / Community

13. Housing for All, the City's Housing Strategy, is the City's vision for the City's priorities, objectives and actions for future housing delivery, guiding the design and development of all forms of housing in the area to 2036. This grant recommendation is aligned with the City's role in collaborating with other levels of government, academic institutions and non-government organisations to address the complexity of housing issues.

Budget Implications

14. Of the \$10.35M underpinning the City's Affordable and Diverse Housing Fund set aside in November 2015, \$6M has already been committed. Two reports are currently being considered by Council with recommendations relating to the Affordable and Diverse Housing Fund summarised as:
 - (i) UTS - Indigenous Residential College – Recommended for \$1M
 - (ii) Housing All Australians - Housing All Australians Economic Study – Recommended for \$10,000
15. Should both these recommendations be adopted, \$3.34M will remain in the Fund for future applications.
16. The funds for the recommendation of \$10,000 set out in this report will be drawn from the grants and sponsorship budget for the 2019/20 financial year and accounted for against the Affordable and Diverse Housing Fund. If Housing All Australians are unable to raise all required funds to release payment, provisions will be made in the 2020/21 grants and sponsorship budget.

Relevant Legislation

17. 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.
18. Housing All Australians Limited is a Public Benevolent Institution registered with the Australian Charities and Not-for-profits Commission.

KIM WOODBURY

Chief Operating Officer

Jeremy Kelshaw, Manager Grants