

### Item 3.

#### **Grants and Sponsorship - Amended Grant Application - Affordable and Diverse Housing Fund - RJ Williams, Glebe**

**File No: S117676**

#### **Summary**

The Affordable and Diverse Housing Fund was originally established with \$10.3 million from the sale of land at Harold Park in 2015. Since its inception, the Fund has been publicly advertised and consultation undertaken with various community housing providers to promote the opportunities the Fund provides. An additional \$10 million for Affordable and Diverse Housing has been provided for in the City's Long Term Financial Plan.

In 2019, Wesley Mission lodged a development application (DA) to completely refurbish its RJ Williams property located at 274-276 Glebe Point Road, Glebe, to provide 74 self-contained boarding house rooms.

On 14 December 2020, Council approved a \$3 million cash grant to Wesley Community Services Limited to develop the 74 new boarding house rooms in the RJ Williams property in Glebe for the purposes of affordable housing. The 74 rooms were arranged as a mix of nine four-bedroom units, 64 studio apartments (including one manager's room) to cater for a maximum of 113 residents.

On 8 September 2022, Wesley Mission submitted a modification of consent application (section 4.55 application) for the RJ Williams property and following extensive consultation with the City the final design consists of 56 rooms in 39 dwellings to cater for up to 92 residents at one time (including one manager's room).

This section 4.55 modification application was determined under delegation of Council and was granted approval on 1 August 2023.

In accordance with the Grants and Sponsorship Guidelines for the Affordable and Diverse housing fund the City will secure the use of the property as affordable housing in perpetuity through a registered positive covenant on the land used for the project.

It is recommended that Council note the modification of consent approval for the RJ Williams property and approve that the City proceed with providing a \$3 million cash grant through the Affordable and Diverse housing fund to Wesley Mission for this project as amended.

## Recommendation

It is resolved that:

- (A) Council note its resolution on 14 December 2020 to approve a \$3 million (excluding GST) cash grant to Wesley Community Services Limited to support the redevelopment of the RJ Williams building located at 274-276 Glebe Point Road, Glebe for the purpose of affordable housing provided that if the project changed from the proposal reported at that time Council reserved the right to withdraw the grant offer;
- (B) Council note the modification of consent approval for the RJ Williams property located at 274-276 Glebe Point Road, Glebe to develop 56 new rooms for the purposes of affordable housing;
- (C) Council confirm the \$3 million (excluding GST) cash grant through the Affordable and Diverse Housing Fund to Wesley Mission for the development of the RJ Williams building located at 274-276 Glebe Point Road, Glebe for the purpose of affordable housing in accordance with information contained in Attachment C to the subject report;
- (D) Council note that the grant amount is exclusive of GST;
- (E) Council confirm that the resolutions made on 14 December 2020 continue to apply;
- (F) authority be delegated to the Chief Executive Officer to negotiate, execute and administer the agreement with Wesley Mission approved for a grant under terms consistent with this resolution and the Grants and Sponsorship Policy; and
- (G) authority be delegated to the Chief Executive Officer to correct minor errors to the matters set out in this report, noting that the identity of the recipient will not change, and a CEO Update will be provided to Council advising of any changes made in accordance with this resolution.

## Attachments

- Attachment A.** Council Report - Affordable and Diverse Housing Fund - Wesley Missions RJ Williams Redevelopment
- Attachment B.** 14 December 2020 Resolution of Council - Affordable and Diverse Housing Fund - Wesley Mission RJ Williams Redevelopment
- Attachment C.** Additional Information - Wesley Mission - RJ Williams Glebe
- Attachment D.** Summary of Changes to Development - Wesley Mission - RJ Williams Glebe

## Background

1. In 2019, Wesley Mission lodged a development application (DA) to completely refurbish their RJ Williams property located at 274-276 Glebe Point Road, Glebe, to provide 74 self-contained boarding house rooms.
2. As part of the refurbishment process, Wesley Mission engaged with Council, industry stakeholders and the community. As part of the development application process concerns were raised by the community regarding overshadowing and noise, the size of the rooms, the operating hours of the counselling rooms and parking. Wesley Mission addressed these concerns and made some adjustments to their proposal and received DA approval in July 2020.
3. On 14 December 2020, Council approved a \$3 million cash grant to Wesley Community Services Limited to develop the 74 new boarding house rooms in the RJ Williams property in Glebe for the purposes of affordable housing. The 74 rooms were arranged as a mix of nine four-bedroom units, 64 studio apartments (including one manager's room) to cater for a maximum of 113 residents.
4. No formal grant agreement was entered into following the Council resolution of 14 December as Wesley Mission subsequently advised that it would be submitting an amendment to the approved development consent for the property.
5. Wesley Mission identified that the Covid-19 pandemic has changed the way people live and work with the need for more personal space being paramount. In addition, as with other community housing providers they have seen an increasing demand for affordable housing from low-income families as the rising cost of living is impacting on our diverse communities.
6. As a result, Wesley Mission reconsidered what they could offer affordable housing tenants and how they could incorporate a broader mix of dwelling types to accommodate a range of family types and lifecycle stages at the RJ Williams site.
7. On 8 September 2022, they submitted a modification application (section 4.55 application) to amend the approved development consent for the property. Following extensive consultation with the City the final design consists of 56 rooms to cater for 92 residents (including one manager's room) as per the following:

Quantity	Bedroom configuration	Target group
2	4 bedroom	Key worker/s with 2 children
4	3 bedroom	Key worker/s or multi-generational co-living
3	2 bedroom	Key worker/s with 1 child
25	1 bedroom	Key worker/s, youth, women +55
4	1 bedroom (accessible)	Key worker, youth, women +55

Quantity	Bedroom configuration	Target group
1	1 bedroom	Manager

8. In addition, the final design includes several communal spaces for residents including a function room, counselling room, four lounge/multipurpose rooms, rooftop garden, rooftop terrace and BBQ facility and courtyard with lounge area.
9. This section 4.55 modification application was determined under delegation of Council and was granted approval on 1 August 2023.
10. Details of the 4.55 modification application and determination have been provided to Council previously through a CEO Update on 21 August 2023.
11. Wesley Mission have revised the project costs since the initial development plans were approved with an estimated project cost of \$14,000,000. Wesley Mission has undertaken detailed project feasibilities for the modified development and is in the process of finalising the detailed funding plan with an estimated total project cost of \$16,500,000.
12. City staff will work with Wesley Mission to finalise the Affordable and diverse housing fund grant agreement and will secure the RJ Williams property as affordable housing in perpetuity through a registered positive covenant on the land used.
13. As per the Grants and sponsorship guidelines the grant funds for this project will not be released until a construction certificate is issued for the development.
14. It is currently anticipated that the Construction Certificate will be issued in March 2024 with construction to be undertaken between August 2024 to July 2025 and the property to be handed over to Wesley Mission in August 2025.

## Key Implications

### Strategic Alignment - Sustainable Sydney 2030-2050 Continuing the Vision

15. 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 6 - An equitable and inclusive city - the recommended grant project in this report contributes to community development and support active participation in civic life. They empower the community to address issues that matter to them and drive projects to create a more inclusive and resilient city.
  - (b) Direction 7 - Resilient and diverse communities - the recommended grant projects in this report contributes to improved wellbeing, well located, inclusive and affordable services that improve social connections and embrace a safe city.

Direction 10 - Housing for all - the recommended grant 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.

**Organisational Impact**

16. The grants and sponsorships contract management process will involve key staff across the City of Sydney. Identified staff will set contract conditions and performance measures for the approved project, and review project acquittals, which include both narrative and financial reports.

**Social / Economic / Cultural / Environmental**

17. The City's Grants and Sponsorship Program provides the City with a platform to support cultural, economic, environmental and social initiatives from the communities and business, within the local area.

**Financial Implications**

18. Consistent with the previous Council resolution, there are sufficient funds allocated in the 2023/24 grants and sponsorship expenditure budget, included in the City's operating budget for 2023/24 to support the recommended grant.
19. Approval of the grant will reduce the affordable and diverse housing fund internal cash restriction by \$3 million.
20. An additional \$10 million for Affordable and Diverse Housing has been provided for in the City's Long Term Financial Plan.

**Relevant Legislation**

21. Section 356 of the Local Government Act 1993 provides 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.
22. Wesley Mission is a registered not-for-profit organisation and therefore public exhibition of this grant is not required.

**Critical Dates / Time Frames**

23. As per the Grants and sponsorship guidelines the grant funds for this project will not be released until a construction certificate is issued for the development.
24. Should the development not be substantially progressed within three years, the City reserves the right to reconsider its options and will report back to Council accordingly.

**EMMA RIGNEY**

Director City Life

Julie Giuffre, Manager Grants