

Item 3.

Grants and Sponsorship - Affordable and Diverse Housing Fund - William Booth House Redevelopment, Surry Hills

File No: S117676

Summary

The Affordable and Diverse Housing Fund ('Fund') was 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.

The City has received a grant application from The Salvation Army, a Tier 2 Community Housing provider, to support the redevelopment of William Booth House, 56-60 Albion Street, Surry Hills. William Booth House currently provides accommodation for people suffering from problems associated with alcohol and drug use. The building is in need of redevelopment to make it fit for purpose and to better support a model of individual treatment.

On 27 June 2023, the Salvation Army received development consent to refurbish William Booth House, including internal reconfiguration to provide 51 single bedrooms, communal facilities and refurbishment of signage.

The project aligns with the grant guidelines for the [Affordable and Diverse Housing Fund](#) and it is recommended that Council approve a \$3 million cash grant through the Fund to the Salvation Army for this project.

Recommendation

It is resolved that:

- (A) Council approve a \$3,000,000 (excluding GST) cash grant to The Trustee for the Salvation Army (NSW) Social Work to support the redevelopment of William Booth House located at 56-60 Albion Street, Surry Hills for the purposes of residential rehabilitation services as outlined in Attachment A to the subject report, and subject to the following conditions:
- (i) Council reserves the right to withdraw the grant offer:
 - (a) if the project changes from the current proposal for residential rehabilitation services so that, in the City's view, it is no longer consistent with the project outlined in Attachment A or otherwise no longer complies with the City's Grants and Sponsorship Guidelines; or
 - (b) if The Trustee for the Salvation Army (NSW) Social Work is not able to demonstrate that funding is available to the agreed value of the project within 18 months of Council approval of this grant;
 - (ii) the grant funds are only to be paid when all of the following are satisfied:
 - (a) no sooner than 1 July 2024; and
 - (b) when a Construction Certificate for the project has been issued;
 - (iii) the City reserves the right to require the grant to be repaid in full indexed annually by CPI if:
 - (a) The Trustee for the Salvation Army (NSW) Social Work does not achieve practical completion of the development by 27 June 2028; or
 - (b) the project changes from the current proposal for residential rehabilitation services so that, in the City's view, it is no longer consistent with the project as outlined in Attachment A or otherwise no longer complies with the City's Grants and Sponsorship Guidelines;
 - (iv) the property supported though this grant will remain as residential rehabilitation services as outlined in Attachment A to the subject report into the future to fulfil the aims of the Affordable and Diverse Housing Fund, unless Council exercises a right under paragraph (i) or (iii) above; and
 - (v) the City will require a covenant to be registered on the land title to protect the land use referred to in paragraph (iv) unless the grant funds are repaid in accordance with paragraph (iii); and
- (B) authority be delegated to the Chief Executive Officer to finalise negotiations, execute and administer a grant agreement with The Trustee for the Salvation Army (NSW) Social Work relating to the project described and on the terms described in A).

Attachments

Attachment A. Salvation Army William Booth House Redevelopment

Background

1. William Booth House, located at 56-60 Albion Street Surry Hills, is an existing residential rehabilitation service with mostly shared facilities, such as dormitories, bathrooms, living and dining areas. The current configuration is not fit for purpose for delivering a model of care focused on providing individual treatment.
2. The City has received a grant application from the Salvation Army, a Tier 2 Community Housing provider, to support the redevelopment of William Booth House.
3. The application meets the grant guidelines for the Affordable and Diverse Housing Fund.
4. The development application for the project was approved on 27 June 2023. In accordance with its development consent, the Salvation Army will increase accommodation from 45 beds with shared bathrooms and dormitories to 51 single bedrooms each with an ensuite, communal facilities, and refurbishment of signage.
5. The redevelopment will refocus shared spaces into independent living spaces to better support this new model of care for people experiencing alcohol and drug addiction and homelessness.
6. The key features of the Salvation Army's proposal include:
 - (a) 51 modern single bedrooms each with an ensuite;
 - (b) expand non-residential rehabilitation programs enabling increased community treatment;
 - (c) provide new health and wellbeing spaces to support the residential program, including a new roof top outdoor and exercise space;
 - (d) establish a new purpose-built withdrawal management (detox) space, including specialist treatment areas;
 - (e) ensure a safe staff space and provide crisis clients single room ensuite accommodation;
 - (f) dedicated new floor by floor residential kitchen, dining and lounge areas to promote self-catering and life skills;
 - (g) new ground floor welcoming entry, group meeting rooms, counselling spaces, administration and toilet; and
 - (h) ensure spaces are flexible and can be adjusted to suit changing demands in counselling, withdrawal management, non-residential rehabilitation services, and harm reduction interventions.
7. The redevelopment will include a floor for the delivery of programs offering additional community support, and is expected to support an additional 500 people every year seeking alcohol and drug treatment. This includes:
 - (a) four new multipurpose clinical rooms for improved face-to-face individual interventions;

- (b) two new large rooms with capacity for up to 15 people in group work supported by facilitators;
 - (c) services being extended beyond usual office hours;
 - (d) 24-hour secondary needle and syringe program; and
 - (e) up to seven new alcohol and drug specialists employed at the new facility enabling hundreds of additional clients to be supported every year.
8. During construction the existing William Booth House service will be relocated to other Salvation Army rehabilitation locations such as Stanmore House and Dooralong AOD service.
9. The Salvation Army estimate the project will cost \$28.6 million, with \$8.6 million covered by their own funds. The request for funding from the City of Sydney is \$3 million and \$6 million is already secured from the NSW Government. The remaining \$11 million required will be achieved through a capital fundraising campaign.

Key Implications

Strategic Alignment - Sustainable Sydney 2030-2050 Continuing the Vision

10. 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 7 - Resilient and diverse communities - the recommended grant in this report contributes to improved wellbeing, well located, inclusive and affordable services that improve social connections and embrace a safe city.
 - (b) 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.

Risks

11. Risks for the City in association with this investment have been addressed by setting the proposed conditions in the recommendations. If this grant is awarded, the applicant will be required to enter into an agreement governing the grant on terms satisfactory to the City. This includes requiring a covenant to be registered on the land title to ensure that the land continues to be used for Affordable Housing.

Social / Cultural / Community

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

Financial Implications

13. Approval of the grant will reduce the affordable and diverse housing fund internal cash restriction by \$3 million.
14. The funds for the recommendation set out in this report will be included in relevant financial year's budget.

Relevant Legislation

15. 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.

Critical Dates / Time Frames

16. 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.
17. Should the development not reach practical completion by 27 June 2028 the City reserves the right to reconsider its options and will report back to Council accordingly.

KIM WOODBURY

Chief Operating Office

Sam Wild, Manager Grants