

Relevant Information for Council

FILE: S117676 **DATE:** 8 March 2024

TO: Lord Mayor and Councillors

FROM: Kirsten Morrin, Director Legal and Governance
Kim Woodbury, Chief Operating Officer

THROUGH: Monica Barone PSM, Chief Executive Officer

SUBJECT: Information Relevant To Item 8.3 –Grants and Sponsorship – Affordable and Diverse Housing Fund – William Booth House Redevelopment, Surry Hills

Alternative 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~~**58** 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;
 - (c) ***when the covenant referred to in (A)(v) below has been registered on title of the land;***

- (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~~ **crisis accommodation or hostel use (as defined in the Sydney LEP 2012)** ~~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).

Additions shown in ***bold italics***, deletions shown in ~~strikethrough~~.

Purpose

To provide further information about how the commitment to diverse housing will be enacted into the future and recommend a minor amendment to the proposed resolutions.

Background

At the meeting of the Housing For All Committee on 4 March 2024, further information was sought on how the commitment to diverse housing will be enacted into the future. As is the case with all proposals under this fund, the future use of the land for the purposes for which a grant is given is to be secured by the registration of a covenant on the land. The covenant can only be released with the agreement of Council. An amendment is proposed to the resolutions in the alternative recommendation above to make it explicit that the covenant is to be registered on title prior to the grant funds being paid.

At the Committee meeting the representatives of the Salvation Army confirmed that they have received development approval for the proposal. This development consent, D/2022/1243, is for the redevelopment of the property. The property currently has existing use rights as “crisis accommodation” and planning staff have assessed that the current defined use which is most similar to this description is that of a “hostel”. This is defined in the Sydney Local Environmental Plan 2012 as:

hostel means premises that are generally staffed by social workers or support providers and at which—

(a) residential accommodation is provided in dormitories, or on a single or shared basis, or by a combination of them, and

(b) cooking, dining, laundering, cleaning and other facilities are provided on a shared basis.

The current recommendation proposed that the covenant restrict the future use of the premises to “residential rehabilitation services”. It is considered more appropriate that the restriction be tied to the use of the premises as crisis accommodation or hostel as defined above. These terms reflect both the current approved use of the premises from a planning perspective and provide clarity as to the future types of diverse housing which would be expected to be provided at the site. This will not permit the use of the premises for uses such as backpacker’s accommodation or any other type of residential or short term accommodation as these are separately defined uses.

The ongoing operations at the site are required to be in accordance with Plan of Management approved by Council, in accordance with the development consent.

Memo from Kirsten Morrin, Director Legal and Governance and Kim Woodbury, Chief Operating Officer

Approved

P. M. Barone

MONICA BARONE PSM
Chief Executive Officer