

Item 4.**Grants and Sponsorship - Affordable and Diverse Housing Fund - Amended Support for the Haymarket Foundation****File No: S118738****Summary**

The City of Sydney's Affordable and diverse housing fund aims to promote a wide range of affordable and diverse housing development in our area by community housing providers and not for profit organisations. The fund is part of our commitment to overcome financial barriers to affordable and diverse housing development.

In March 2025, the Council approved funding for Bridge Housing Limited for the purchase of a property for the use by Haymarket Foundation Limited for the purpose of subsidised accommodation and supporting facilities including crisis and transitional housing and services as per ROC 10 - 17.03.25 Grants and Sponsorship - Support for the Haymarket Foundation. The details of the property and funding amount were confidential in order to ensure the commercial negotiations for the purchase were not impacted by the funding arrangement.

In early July 2025, Bridge Housing advised City staff that the purchase of the identified property was unable to proceed and it is in negotiations for a different property for the same purposes.

The alternative property is located on Carillon Avenue, Newtown. The details of the alternative property is provided in Confidential Attachment B.

This report recommends providing a grant from the Affordable and Diverse Housing Fund for the amount outlined in Confidential Attachment A to the subject report, subject to the conditions detailed in the following recommendations.

Recommendation

It is resolved that:

- (A) Council note that Bridge Housing Limited is no longer proceeding to purchase the property proposed to Council at its meeting on 17 March 2025;
- (B) Council approve a cash grant to Bridge Housing Limited for the amount stated in Confidential Attachment B to the subject report to support the purchase of the property described in Confidential Attachment B for the use by Haymarket Foundation Limited for providing subsidised accommodation and supporting facilities including crisis and transitional housing and services as further outlined in Attachment A subject to the following conditions:
 - (i) approval of the cash grant will be withdrawn:
 - (a) if the project substantially changes from the current proposal for subsidised accommodation and supporting facilities including crisis and transitional housing and services consistent with the proposal outlined in Confidential Attachment A to the subject report; or
 - (b) if Bridge Housing Limited is not able to demonstrate that funding is available to the agreed value of the project by 31 December 2025;
 - (ii) the grant funds will only be paid in respect of the proposed acquisition of the property outlined at Confidential Attachment B to the subject report, and only after all of the following are met to the reasonable satisfaction of Council:
 - (a) Bridge Housing Limited has demonstrated that funding is or will on settlement be available for the cost of the acquisition and works to make the property fit for its intended purpose, noting this could be in the form of other grants, debt finance or partnerships;
 - (b) Bridge Housing Limited has provided Council with sufficient information to demonstrate that the property can be used for the intended purpose of subsidised accommodation and supporting facilities including crisis and transitional housing and services; and
 - (c) Bridge Housing Limited has provided Council with sufficient information to confirm that Haymarket Foundation Limited will have rights to occupy and use the property for three terms, each of five years, at the discretion of Haymarket Foundation Limited;
 - (iii) a covenant benefitting the City must be registered on the title to the property outlined at Confidential Attachment B to the subject report immediately following transfer of the property to Bridge Housing Limited to protect the land use remaining as subsidised accommodation and supporting facilities including crisis and transitional housing and services, as outlined in Confidential Attachment A to the subject report;

- (iv) until the covenant contemplated by recommendation (A)(iii) is registered on the title to the land, the City will require the grant to be repaid in full indexed annually by CPI if:
 - (a) Bridge Housing Limited does not complete its purchase the property outlined at Confidential Attachment B to the subject report by 31 December 2025; or
 - (b) the project materially changes from the current proposal as outlined in clause (B);
- (C) authority be delegated to the Chief Executive Officer to:
 - (i) finalise negotiations, execute and administer the grant agreement with Bridge Housing Limited relating to the project described and on the terms described in clause (B); and
 - (ii) otherwise make decisions and administer the other conditions relating to this grant.

Attachments

- Attachment A.** Bridge Housing and Haymarket Foundation to the City of Sydney - Letter Seeking Funding for the Purchase of a Property (Confidential)
- Attachment B.** Proposed Property and Grant Details (Confidential)

Background

1. Bridge Housing Limited is a Tier One not-for-profit community housing provider with a long history of delivering community housing in Sydney. Their key purpose is to provide housing to low- to moderate-income earners.
2. The Haymarket Foundation Ltd (the Foundation), provide crisis accommodation facilities and other services for those who are at-risk of or experiencing homelessness and were previously located at 137-139 Regent Street Chippendale.
3. The service provides a referral pathway for people sleeping rough in the City of Sydney area, particularly those with complex needs, and crisis accommodation and support for people with no residency status in Australia.
4. The Foundation is a secular and inclusive service with a strong and positive reputation within the homelessness and alcohol and other drugs (AOD) sectors. They have close networks with NSW Health, NSW Corrective Services, state peak bodies, community housing providers and corporate partners. The service is accessible by a range of priority communities, including people of diverse sexualities and genders and people with disability.
5. The Foundation works with many people that other specialist homelessness services (SHS) may not be able to support, including those with extremely complex needs. These include people with co-occurring mental health issues, poor physical health, harm related to alcohol and other drugs and/or lifelong trauma and disability.
6. The Foundation provides the only specialist homelessness service in the City of Sydney area providing dedicated accommodation and support for people living with HIV. In addition, the Foundation provides crisis accommodation and wrap around supports through intensive case management.
7. The Foundation also provide a wide range of services that support their high needs clients. These include
 - (a) a twice weekly medical and psychological clinic through the Royal Prince Alfred Virtual Hospital. This is supported by an onsite nurse to ensure appropriate follow up and triage to emergency and specialist care where required;
 - (b) neuropsychological assessments that target intervention and provide evidence for National Disability Insurance Scheme (NDIS), priority housing and income support;
 - (c) complimentary services to clients such as outreach, post crisis support, support to sustain tenancies, alcohol and other drug psychological services, residential living skills program and support groups.
8. Haymarket Foundation's operations ceased at 137-139 Regent Street Chippendale, in early February 2025, due to poor property conditions. These conditions presented significant health and safety risks to their staff and clients, many of whom live with multiple significant health comorbidities. Some clients are people with disability, and several are living with HIV. Property issues included extensive water leaks, dangerous levels of mould, drainage issues, end-of-life electrical systems and associated fire risks, risks of exposure to asbestos, and risks of exposure to Legionella.

9. The Foundation's previous location, was privately owned, and the costs associated with bringing the building up to an appropriate standard would have been prohibitive. Current residents, while continuing to receive support from the Foundation, have been temporarily housed across multiple other services providers while the Foundation has sought to secure new premises.
10. Due to the significant issues at the prior location, and the vulnerability of its clients, the Foundation approached Homes NSW earlier this year for support for a new location that would enable them to continue providing their important and valued service. Homes NSW then approached Bridge Housing, asking them to investigate property options that would enable the Foundation to continue to operate in the City of Sydney area.
11. Bridge Housing identified an available property in March this year; however, after completing a due diligence process to assess the viability of the property, it was found not to be suitable for crisis and temporary accommodation.
12. A different property, as detailed in Confidential Attachments A and B, has been identified which meets all the needs of both Bridge Housing and Haymarket Foundation.
13. All partners, including Homes NSW, have confirmed their commitment to supporting the purchase of the property detailed in Attachment A.
14. The Haymarket Foundation will pay rental of approximately \$350,000 per annum to Bridge Housing for the new location, with costs associated with repairs and maintenance included. This is the same as the previous proposal approved by Council.

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 report is aligned with the following strategic directions and objectives:
 - (a) Direction 6 – An equitable and inclusive city. The proposed new facility will provide a range of programs and services that will support people experiencing long-term homelessness, including people that other services are not able to support, including people who have co-occurring mental health issues, harm related to alcohol and other drugs and/or lifelong trauma and disability.
 - (b) Direction 7 - Resilient and diverse communities. The Haymarket Foundation's programs delivered at the new location will be an expansion of their existing services and will ensure an overall increase in service provision for people experiencing homelessness in the City of Sydney area, including people without Australian residency, people of diverse sexualities and genders and people with disability.

- (c) Direction 10 - Housing for all – The planned new location will enable a move from the current outdated and inappropriate congregate care model of shared rooms to single, independent units and enable provision of wrap around supports that will provide a stable base for homeless clients to work towards their future, and sustain long term housing options.
16. This request aligns with the City of Sydney's Affordable and Diverse Housing Fund, the funding priorities of which supports requests including those that maximise the quantum of subsidised housing within the City of Sydney area, leverage additional funds from sources external to the City of Sydney and its programs, including grants from state and federal government, encourage a broad range of community housing providers to invest in and operate diverse housing within our area, and deliver positive outcomes for our diverse communities through subsidised housing within the City of Sydney area.

Risks

17. Any identified risks arising from the recommended grant are within the City's risk appetite, which states:
- (a) We make decisions that align with our corporate objectives, policies and strategies and are committed to conducting our activities in full compliance with applicable laws, regulations and relevant industry standards.
 - (b) We acknowledge that some financial risks may be necessary to achieve our goals, particularly when investing in new initiatives that align with our strategic objectives. We carefully evaluate financial options and risks and consider the potential impact on our financial position, cash flow, and overall stability and; .
 - (c) Our risk philosophy is centred around achieving a balance between innovation, community and user satisfaction and risk management, ensuring that we meet our strategic objectives to provide the levels of service that are both affordable and considered appropriate by the community.
18. Specific to delivery of an accommodation service at the property outlined at Confidential Attachment A to support services offered by the Haymarket Foundation Ltd, all funds required to complete the project have not yet been secured, however, the project lead has demonstrated experience and capability in delivery of similar projects and strong partnerships with NSW Government. This, along with the community benefits of the project, mean it is considered likely that the required funds for this project will be secured.

The grant funds will only be paid in respect of the proposed acquisition of the property outlined at Confidential Attachments A and B, and only after all conditions outlined in the recommendations of the subject report are met to the reasonable satisfaction of the City. If the acquisition of the property does not proceed, or if the City's conditions are not met by 31 December 2025, Council's approval to pay the grant will lapse and further Council approval will be sought if another suitable property is found.

Social / Cultural / Community

20. As outlined in the City of Sydney's social sustainability policy, A City For All - towards a just and resilient Sydney, the provision of innovative approaches to addressing homelessness like those outlined in the subject report are essential to aid in preventing homelessness and reducing rough sleeping in our city. In addition, this project will improve community safety through collaboration with government and nongovernment organisations to deliver improved services, programs and initiatives.
21. Haymarket Foundation provides the only specialist homelessness service in the City of Sydney area providing dedicated accommodation and support for people living with HIV. In addition, the Foundation provides crisis accommodation facilities and other services for people that other services are not able to support, including people who have co-occurring mental health issues, harm related to alcohol and other drugs and/or lifelong trauma and disability.

Financial Implications

22. Approval of the grant will reduce the Affordable and diverse housing fund internal cash restriction by the amount outlined in Confidential Attachment B.
23. The funds for the recommendation set out in this report will be included in relevant financial year's budget.

Relevant Legislation

24. 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. Public exhibition of this grant is not required because the funds are being paid to a not-for-profit organisation that is not operating for private gain.
25. Local Government Act 1993 - Section 10A provides that a council may close to the public so much of its meeting as comprises the discussion of information that would, if disclosed, confer a commercial advantage on a person with whom the council is conducting (or proposes to conduct) business.
26. Attachments A and B contains confidential commercial information which, if disclosed, would prejudice the commercial position of the person who supplied it.
27. Discussion of the matter in an open meeting would, on balance, be contrary to the public interest because it would compromise Council's ability to negotiate fairly and commercially to achieve the best outcome for its ratepayers.

EMMA RIGNEY

Executive Director City Life

Sam Wild, Manager Grants