

Expression of Interest Outcomes - Affordable Residential Aged Care and Public Car Parking - 49 Cope St, Redfern

File No: X110057

Summary

Providing affordable and diverse housing is a key focus of Sustainable Sydney 2030-2050 Continuing the Vision. Increasing the supply of affordable and diverse rental housing contributes directly to building an adaptable, diverse and equitable city for all ages, genders and cultural backgrounds.

The City's Local Housing Strategy - Housing for All:

- (a) recognises a growing proportion of older people in our community which is estimated to increase by 16,000 plus residents by 2036;
- (b) acknowledges that seniors housing and aged care facilities are generally a market driven product and the City has encouraged housing for older people, through grants;
- (c) acknowledges the need for housing older people at risk of being homeless with actions to increase housing diversity, universally designed dwellings, cooperative housing models and supported housing to assist people to age in place; and
- (d) provides that the City will work with Aboriginal and Torres Strait Islander communities, housing providers, the NSW Government and others to ensure development in Redfern, Waterloo and other areas in the city provide culturally appropriate affordable and social housing for Aboriginal and Torres Strait Islander peoples to prevent their displacement from the area.

The City's strategic response to the National Agreement on Closing the Gap is incorporated in the City's Community Strategic Plan (2025 Update) which was adopted by Council in June 2025. The City of Sydney and other levels of government support a strong and sustainable Aboriginal and Torres Strait Islander community-controlled sector providing high quality services to meet the needs of Aboriginal and Torres Strait Islander people in the local area.

In mid-2024, an opportunity for the City-owned property at 49 Cope Street, Redfern to contribute to the City's Local Housing Strategy and Closing the Gap actions on healthcare and housing was reported to Council.

On 29 July 2024, Council resolved to conduct an Expression of Interest for suitably qualified and experienced entities to acquire part of the City-owned property at 49 Cope Street, Redfern and deliver a minimum 50-person not-for-profit residential aged care facility and a below ground 55 space commercial public carpark

Council also endorsed the transfer of City-owned land (Lot 38 in Deposited Plan 84898) of approximately 240 square metres fronting Renwick Street and currently occupied by adjoining owner Wyanga Aboriginal Aged Care Program Inc INC3437869 (Wyanga). The transfer is in progress.

The Expression of Interest was open from 9 October 2024 to 28 February 2025 and required that applicants must:

- (a) Be or partner with a local Aboriginal controlled community organisation or Aboriginal provider/s; and
- (b) Be a registered Not for Profit organisation with the Australian Charities and Not-for-profits Commission (ACNC); and
- (c) Be a registered provider of residential aged care.

The City received 2 conforming submissions from:

- (a) Aboriginal Housing Co Ltd ACN 001 154 481 partnering with Mission Australia ACN 000 002 522 (**AHC / Mission**), and
- (b) Uniting (NSW.ACT) ABN 78 722 539 923 partnering with Wyanga Aboriginal Aged Care Program Inc INC3437869 \ (**Uniting / Wyanga**)

Both submissions were strong and complied with the Expression of Interest eligibility requirements. The submissions received were evaluated by a panel of five City staff. During the evaluation period (March to July 2025) both applicants / partners participated in two rounds of interviews to clarify and expand on their Expression of Interest submissions received on 28 February 2025.

This report provides details of the Expression of Interest process, submissions received, evaluation process and panel recommendations.

Recommendation

It is resolved that:

- (A) Council note the outcome of the Expression of Interest, including the process, submissions received and confidential assessment against the objectives and criteria as contained in Attachment B;
- (B) Council endorse the transfer of part 49 Cope Street, Redfern (being Lot 41 DP 1099220, Lot 42 DP 1099220, Lot 7 DP 84898, Lot 8 DP 84898, Lot 9 DP 84898, Lot 39 DP 84898, Lot 10 DP 1128780) to an entity to be established by Uniting (NSW. ACT) ABN 78 722 539 923 partnering with Wyanga Aboriginal Aged Care Program Inc INC 3437869 ABN 98 732 869 630 (Uniting & Wyanga) for \$1 with the terms of the transfer including the following:
 - (i) the placement of a restriction on title to the land to ensure that the property is used for affordable residential aged care in perpetuity;
 - (ii) the transfer to The Council of the City of Sydney of a future stratum comprising a 55 space public carpark for \$1 at the completion of the works; and
 - (iii) at an appropriate time, the transfer of ownership and operational management to Wyanga with the intention of self-determination;
- (C) authority be delegated to the Chief Executive Officer to enter into negotiations and progress documentation and contracts necessary for the transfer of the land, the development of the aged care facility and carpark, the transfer of a future stratum containing the public car park and the ongoing operational management as noted in Confidential Attachment B;
- (D) Council endorse publicly notifying a proposed resolution 'to classify the future stratum lot comprising the 55-space carpark as operational land in accordance with section 31 of the Local Government Act 1993 (NSW)', be publicly notified for a period of 28 days prior to or following the completion of the acquisition;
- (E) Council note that a further report to inform the outcomes of public notification and recommendation on land classification, will follow any notification period;
- (F) Council note that the City's financial records will recognise the discount on disposal from full market value less the value of the stratum carpark at completion as a grant from the Affordable and Diverse Housing Fund; and
- (G) Council to be updated on the progress of negotiations, documentation and transfers through CEO Updates.

Attachments

Attachment A. 29 July 2024 Resolution of Council and Report

Attachment B. Expression of Interest Evaluation Summary (Confidential)

Background

1. Providing affordable and diverse housing is a key focus of Sustainable Sydney 2030-2050 Continuing the Vision. Increasing the supply of affordable rental housing and diverse housing contributes directly to building an adaptable, diverse and equitable city inclusive of all ages, genders and cultural backgrounds.
2. The City's Local Housing Strategy - Housing for All:
 - (a) recognises a growing proportion of older people in our community which is estimated to increase by 16,000 plus residents by 2036;
 - (b) acknowledges that seniors housing and aged care facilities are generally a market driven product and the City has encouraged housing for older people, through grants;
 - (c) acknowledges the need for housing older people at risk of being homeless with actions to increase housing diversity, universally designed dwellings, cooperative housing models and supported housing to assist people to age in place; and
 - (d) provides that the City will work with Aboriginal and Torres Strait Islander communities, housing providers, the NSW Government and others to ensure development in Redfern, Waterloo and other areas in the city provide culturally appropriate affordable and social housing for Aboriginal and Torres Strait Islander peoples to prevent their displacement from the area.
3. The City's strategic response to the National Agreement on Closing the Gap strategy is incorporated in the City's Community Strategic Plan which was adopted by Council in June 2022.
4. The City of Sydney and other levels of government support a strong and sustainable Aboriginal and Torres Strait Islander community-controlled sector providing high quality services to meet the needs of Aboriginal and Torres Strait Islander people in the local area.
5. In mid-2024, two opportunities to contribute to Closing the Gap actions with regard to healthcare and housing at a local level were identified through the transfer of an approximately 2,165sqm City-owned property at 49 Cope Street, Redfern for Aboriginal aged care within Redfern.
6. The City owned property fronts both Cope and Renwick Streets and is predominantly utilised as a 55-space public carpark occupying approximately 1,925sqm adjoining Wyanga Aboriginal Aged Care Program Incorporated at 35 Cope Street, who currently licence in holdover a 240sqm portion of the City's land fronting Renwick Street.
7. On 29 July 2024, Council resolved to conduct an Expression of Interest for suitably qualified and experienced entities to acquire part of the City owned property at 49 Cope Street, Redfern and deliver a minimum 50-person not-for-profit residential aged care facility and a below ground 55 space commercial public carpark.
8. Details of the property are included within Attachment A to this report.

Expression of Interest (EOI) Objectives, Eligibility and Requirements

9. The objective of the Expression of Interest (EOI) was to identify entities to deliver:
 - (a) A new not for profit residential aged care facility to provide services to the local community with:
 - (i) a minimum 50 affordable / at cost residential aged care places serving the local community; with
 - (ii) local Aboriginal and Torres Strait Islander residents and staff to be a key part of operations.
 - (b) Access to a below ground commercial public car park to be retained on site with:
 - (i) a minimum 55 parking spaces integrated within the future development; and
 - (ii) the transfer of a stratum lot back to the City (at \$1) to own and operate as a commercial public car park.
 - (c) Design, construction, and operation of facilities to be delivered by or in partnership with local Aboriginal controlled community organisations or Aboriginal providers.
10. Eligible applicants were required to:
 - (a) Be or partner with a local Aboriginal controlled community organisation or Aboriginal provider/s, and
 - (b) Be a registered Not for Profit organisation with the Australian Charities and Not-for-profits Commission (ACNC), and
 - (c) Be a registered provider of residential aged care.
11. For-profit organisations, unincorporated community groups or individuals were not eligible to participate.
12. The Expression of Interest was offered on the following key terms:
 - (a) Required infrastructure is delivered (minimum 50-place residential aged care and 55-space below ground car park) and the stratum lot (for the car park) is transferred to the City of Sydney for \$1.
 - (b) Acceptance of a covenant registered on title that requires the land to be used for affordable residential aged care in perpetuity. A restrictive covenant will be registered on title (on terms required by the City of Sydney) to ensure the continued use of the property for this purpose.

Expression of Interest (EOI) Process

13. The Expression of Interest was pre-notified by email to more than 50 organisations following the Council resolution on 29 July 2024.

14. A dedicated page on the City's website informed the process for participating in the Expression of Interest with links to the City's Smarty Grants application page where with interested parties required to register and submit applications.
15. The Expression of Interest (EOI) commenced on 9 October 2024 with all documentation available through the City's Smarty Grants.
16. The Expression of Interest closing date was extended from 8 October 2024 to 28 February 2025 in response to feedback received from the community.
17. The Expression of Interest was open for a 143-day period during which:
 - (a) the opportunity was promoted via social media, Koori Radio interview and email notifications;
 - (b) a briefing was provided to the City's Aboriginal and Torres Strait Islander Advisory Panel on 13 November 2024;
 - (c) two information sessions were held at 119 Redfern Street on Wednesday 18 December 2024 and Thursday 23 January 2025;
 - (d) reminder notifications were issued to all registered parties.

Expression of Interest Submissions

18. Two submissions were received from the following applicants / partners:
 - (a) Aboriginal Housing Co Ltd ACN 001 154 481 partnering with Mission Australia ACN 000 002 522 (**AHC/Mission**), and
 - (b) Uniting (NSW.ACT) 78 722 539 923 partnering with Wyanga Aboriginal Aged Care Program Inc INC3437869 (**Uniting/Wyanga**)
19. No late submissions were received.
20. Details of the submissions received are outlined in Confidential Attachment B.

Expression of Interest (EOI) Evaluation

21. The Expressions of Interest were evaluated by a panel of five City staff, including three First Nations staff.
22. All members of the Expression of Interest Evaluation Panel have signed Pecuniary Interest Declarations. No pecuniary interests were noted.
23. All submissions were assessed in accordance with the following evaluation criteria:
 - (a) Development capability including experience in the planning, design and construction of high quality not for profit residential aged care facilities.
 - (b) Operational capability including experience operating a residential aged care facility and/or programs and or services and compliance.

- (c) Aboriginal and Torres Strait Islander outcomes including experience and vision for economic and employment outcomes, community engagement, operational inclusion, collaboration and partnership.
 - (d) Funding including ability to secure finance and/or grants and manage funding for projects.
24. Details of the evaluation panels' assessment and the relative ranking of applicants / partners is provided in Confidential Attachment B.

Key Implications

Strategic Alignment - Sustainable Sydney 2030-2050 Continuing the Vision

25. 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 5 - A city for walking, cycling and public transport - retention of the carpark will ensure there is equitable access to constrained supply and support high street businesses.
 - (b) Direction 6 - An equitable and inclusive city - the opportunity for an aged care facility aims to strengthen partnerships and relationships with Aboriginal and Torres Strait Islander peoples and prioritise their cultural, social, environmental, spiritual and economic aspirations.
 - (c) Direction 7 - Resilient and diverse communities - The proposal will support a strong culture of community within The City of Sydney and other levels of government and support a strong and sustainable Aboriginal and Torres Strait Islander community-controlled sector providing high quality services to meet the needs of Aboriginal and Torres Strait Islander people in the local area meets.
 - (d) Direction 10 - Housing for all -The proposal meets Objective 10.1 Collaboration and Advocacy - Increasing the supply of non-private dwellings for aged care is critical to managing the potential path to homelessness.

Organisational Impact

26. The recommendation will require City resources in developing the transaction documentation for the transfer and redevelopment of the property including the stratum subdivision to transfer the commercial car park to the City for operational management. It is expected that this phase will take around 6 months.

Risks

27. The proposal for the delivery and management of a minimum 50 place residential aged care facility and 55 space commercial public carpark will require complex planning, design, funding and operations to realise the residential aged care facility and ongoing services. The transaction documents will be tailored to support management and delivery of the aged care facility and the commercial carpark.

29. This transaction, subject to appropriate legal documentation to ensure delivery in accordance with the resolutions of Council, is considered to be within the City's risk appetite which encourages considered risk taking that supports our strategic objectives.

Social / Cultural / Community

30. The project will have a significant positive impact in supporting the City's efforts to address aged care demand, the housing crisis and support the local Aboriginal community.
31. Aboriginal and Torres Strait Islander outcomes will include land ownership, economic and employment outcomes, community engagement, operational inclusion, collaboration and partnerships.
32. The retention of public carparking within close proximity to the retail centre of Redfern supports local retailers and commercial businesses and the local and wider area community.

Environmental

33. The City will require consideration and adoption of environmental management principles including sustainable approach in design, construction and operational management.

Economic

34. The project will deliver economic and employment outcomes for the local Aboriginal and Torres Strait Islander community. Increasing the diversity of aged care in local communities supports those the local economies.

Financial Implications

35. The City's financial records will recognise the discount on disposal from full market value, currently at \$20.23 million for the 1,925sqm portion (subject to survey) to be transferred to the entity. ,
36. The City will recognise the value of the of the stratum lot comprising the 55 space commercial carpark transferred at completion
37. The adjusted value will reflect the City's contribution to affordable and diverse housing following subdivision. The final amount will be advised to Council by CEO Update at the time of finalising the documentation for the transaction.

Relevant Legislation

38. The City's property is classified 'operational' under the Local Government Act 1993 (the Act) and as such there is no legislative impediment to Council endorsing the sale.
39. Under section 377 of the Act (which contains the general power of a council to delegate), a council may, by resolution, delegate certain functions, but not the function to sell land or other property.

40. Section 8A of the Act provides guiding principles for councils. Sections 8A(1)(g) and (h) state that councils should work with others to secure appropriate services for local community needs and that councils should act fairly, ethically and without bias in the interests of the local community.
41. Section 55(3)(d) of the Act provides that Council does not have to invite tenders before selling land.
42. The contract documentation will be prepared in accordance with the Conveyancing Act 1919.
43. 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.
44. Attachment B contains confidential commercial information which, if disclosed, would:
 - (a) confer a commercial advantage on a person with whom Council is conducting (or proposes to conduct) business; and
 - (b) prejudice the commercial position of the person who supplied it.
45. 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.

Critical Dates / Time Frames

46. Subject to Council endorsing the recommendation, both parties would expect the documentation and contracts necessary for the transfer of land, the development of the aged care facility and carpark, and the transfer of a future stratum containing the public car park and the ongoing operational management to be executed within 6 months.
47. This would be followed by design, planning approvals, funding, construction, which is expected to take several years to complete. Operations of the new age care facility could commence soon after that.

Options

48. Council could decide not to endorse the recommendation and in lieu decide to undertake a further process which would require both proponents to further develop their proposals.
49. This option would require Council to provide significant funding of equal value to each party to engage consultants including town planning and architects and retain legal representation. This option would likely extend the delivery timeframe by 18 to 24 months.

50. This option is not recommended as staff have undertaken a thoroughly detailed process over the last 12 months which has resulted in a clear recommendation as proposed.

Public Consultation

51. The City's extensive engagement with our community over many years has reinforced the City's role in supporting the delivery of affordable and diverse housing.
52. There is no public consultation required for Council to endorse the disposal of the property.
53. The community will have an opportunity to comment on the proposed development as part of the planning process.

KIM WOBBURY

Chief Operating Officer

Attachment A

**29 July 2024 Resolution of Council and
Report**

Resolution of Council

29 July 2024

Item 7.3

Affordable Housing Expression of Interest - City Owned Property - 49 Cope Street, Redfern

It is resolved that:

- (A) Council note the proposals for the City owned property at 49 Cope Street, Redfern (also known as 98-106 Renwick Street, Redfern) to meet the objectives within the City's Community Strategic Plan for affordable and diverse housing and the City's Reconciliation Action Plan for Closing the Gap;
- (B) Council note 49 Cope Street, Redfern (also known as 98-106 Renwick Street, Redfern) is to be subdivided into two separate torrens title lots as follows:
 - (i) Future Lot A of approximately 240 square metres, subject to survey; and
 - (ii) Future Lot B of approximately 1,925 square metres, subject to survey;
- (C) Council endorse the transfer for \$1 of Future Lot A to Wyanga Aboriginal Aged Care Program Incorporated INC3437869 to be consolidated with their owner-occupied property at 35 Cope Street, Redfern;
- (D) Council endorse conducting an Expression of Interest, as detailed in the subject report for entry into a heads of agreement, development deed and land transfer arrangement over Future Lot B to identify suitable entities to deliver a minimum 50-person not for profit residential aged care facility and a below ground 55 space commercial public carpark;
- (E) Council support in principle the proposed transfer of Future Lot B at \$1 and the proposed acquisition by the City of the stratum lot containing the below ground 55 space commercial public carpark at \$1, noting that any proposed transfer will be the subject of a future report to Council;
- (F) authority be delegated to the Chief Executive Officer to administer the Expression of Interest process in accordance with the principles set out in the subject report; and

- (G) Council note that a further report will be brought to Council following evaluation of the Expression of Interest against the criteria as detailed in the subject report for endorsement of the final outcome.

Carried unanimously.

X110057

Relevant Information for Council

FILE: X110057 **DATE:** 25 July 2024

TO: Lord Mayor and Councillors

FROM: Kim Woodbury, Chief Operating Officer

THROUGH: Monica Barone PSM, Chief Executive Officer

SUBJECT: Information Relevant To Item 7.3 - Affordable Housing Expression of Interest – City Owned Property – 49 Cope Street, Redfern

Alternative Recommendation

It is resolved that:

- (A) Council note the proposals for the City owned property at 49 Cope Street, Redfern (also known as 98-106 Renwick Street, Redfern) to meet the objectives within the City's Community Strategic Plan for affordable and diverse housing and the City's Reconciliation Action Plan for Closing the Gap;
- (B) Council note 49 Cope Street, Redfern (also known as 98-106 Renwick Street, Redfern) is to be subdivided into two separate torrens title lots as follows:
 - (i) Future Lot A of approximately 240 square metres, subject to survey, and
 - (ii) Future Lot B of approximately 1,925 square metres, subject to survey;
- (C) Council ~~in principle support~~ **endorse** the transfer for \$1 of Future Lot A to Wyanga Aboriginal Aged Care Program Incorporated INC3437869 to be consolidated with their owner-occupied property at 35 Cope Street, Redfern;
- (D) Council endorse conducting an Expression of Interest, as detailed in the subject report for entry into a heads of agreement, development deed and land transfer arrangement over Future Lot B to identify suitable entities to deliver a minimum 50-person not for profit residential aged care facility and a below ground 55 space commercial public carpark;
- (E) Council support in principle the proposed transfer of Future Lot B at \$1 and the proposed acquisition by the City of the stratum lot containing the below ground 55 space commercial public carpark at \$1, ***noting that any proposed transfer will be the subject of a future report to Council;***

- (F) authority be delegated to the Chief Executive Officer to administer the Expression of Interest process in accordance with the principles set out in the subject report; and
- (G) Council note that a further report will be brought to Council following evaluation of the Expression of Interest against the criteria as detailed in the subject report for endorsement of the final outcome.

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

Purpose

To provide an Alternative Recommendation and responses to requests for further information.

Background

At the meeting of the Corporate, Finance, Properties and Tenders Committee on 22 July 2024, further information was sought on the timing of the transfer of Future Lot A to Wyanga Aboriginal Aged Care Program Incorporated INC3437869 and on the prioritisation of Aboriginal community-controlled providers as part of the Expression of Interest (EOI) process.

The Alternative Recommendation addresses the timing. It also clarifies that the transfer of Lot B will not occur without a further report to Council, as required under the Local Government Act 1993.

The eligibility criteria clearly prioritise Aboriginal Controlled Community Organisation/s or Aboriginal providers.

Applicants may be single entities or groups (i.e. partnerships of multiple organisations) capable of planning, designing, constructing, and operating a minimum 50-place aged care facility. The focus is on delivering employment outcomes for the local Aboriginal and Torres Strait Islander community, specifically in the planning, design, construction, operations, and management of the facility and its services. Additionally, applicants must demonstrate a commitment to engaging and working meaningfully with the local community.

The outcomes of the EOI may identify suitable entities and may lead to a further Stage 2 detailed request for proposals. The City is proposing to transfer a substantial asset in exchange for the delivery of the EOI outcomes. Ensuring that entities have the maturity to deliver throughout the project's lifecycle is crucial for the City to achieve its strategic objectives and maintain effective governance in managing public land.

Memo from Kim Woodbury, Chief Operating Officer

Prepared by: Nicholas Male-Perkins, Commercial Manager

Approved

P.M. Barone

MONICA BARONE PSM

Chief Executive Officer

Affordable Housing Expression of Interest - City Owned Property - 49 Cope Street, Redfern

File No: X110057

Summary

Providing affordable and diverse housing is a key focus of Sustainable Sydney 2030-2050 Continuing the Vision. Increasing the supply of affordable rental housing and diverse housing contributes directly to building an adaptable, diverse and equitable city inclusive of all ages, genders and cultural backgrounds.

The City's Local Housing Strategy - Housing for All:

- (a) recognises a growing proportion of older people in our community which is estimated to increase by 16,000 plus residents by 2036;
- (b) acknowledges that seniors housing and aged care facilities are generally a market driven product and the City has encouraged housing for older people, through grants;
- (c) acknowledges the need for housing older people at risk of being homeless with actions to increase housing diversity, universally designed dwellings, co-operative housing models and supported housing to assist people to age in place; and
- (d) provides that the City will work with Aboriginal and Torres Strait Islander communities, housing providers, the NSW Government and others to ensure development in Redfern, Waterloo and other areas in the city provide culturally appropriate affordable and social housing for Aboriginal and Torres Strait Islander peoples to prevent their displacement from the area.

The City's strategic response to the National Agreement on Closing the Gap strategy is incorporated in the City's Community Strategic Plan which was adopted by Council in June 2022.

The City of Sydney and other levels of government support a strong and sustainable Aboriginal and Torres Strait Islander community-controlled sector providing high quality services to meet the needs of Aboriginal and Torres Strait Islander people in the local area.

This report details two opportunities that will contribute to Closing the Gap actions with regard to healthcare and housing at a local level through the transfer of an approximately 2,165 square metre City owned property at 49 Cope Street, Redfern for Aboriginal aged care within Redfern.

The City's property fronts both Cope and Renwick Streets and is predominantly utilised as a 55-space public carpark occupying approximately 1,925 square metres adjoining Wyanga Aboriginal Aged Care Program Incorporated at 35 Cope Street, who currently licence in holdover a 240 square metre portion of the City's land fronting Renwick Street.

The City proposes to conduct a public expression of interest for the redevelopment of the underdeveloped portion of the City owned property at 49 Cope Street, Redfern into a not-for-profit residential aged care facility to serve the local community.

The selected proponent will additionally be required to develop and transfer in stratum back to the City's ownership a 55-space commercial public below ground carpark.

It is proposed the City's land will be subdivided to create a future development lot and a separate portion of approximately 240 square metres; the latter to be transferred to Wyanga Aboriginal Aged Care Program Incorporated, a not for profit Aboriginal and Torres Strait Islander organisation in support of their role in providing individually tailored and culturally appropriate aged care services to the local community.

Consistent with the City's land sales for affordable and diverse housing, the conditions of sale will require a covenant to be registered on title preserving the City's contribution to affordable and diverse housing.

Recommendation

It is resolved that:

- (A) Council note the proposals for the City owned property at 49 Cope Street, Redfern (also known as 98-106 Renwick Street, Redfern) to meet the objectives within the City's Community Strategic Plan for affordable and diverse housing and the City's Reconciliation Action Plan for Closing the Gap;
- (B) Council note 49 Cope Street, Redfern (also known as 98-106 Renwick Street, Redfern) is to be subdivided into two separate torrens title lots as follows:
 - (i) Future Lot A of approximately 240 square metres, subject to survey, and
 - (ii) Future Lot B of approximately 1,925 square metres, subject to survey;
- (C) Council in principle support the transfer for \$1 of Future Lot A to Wyanga Aboriginal Aged Care Program Incorporated INC3437869 to be consolidated with their owner-occupied property at 35 Cope Street, Redfern;
- (D) Council endorse conducting an Expression of Interest, as detailed in the subject report for entry into a heads of agreement, development deed and land transfer arrangement over Future Lot B to identify suitable entities to deliver a minimum 50-person not for profit residential aged care facility and a below ground 55 space commercial public carpark;
- (E) Council support in principle the proposed transfer of Future Lot B at \$1 and the proposed acquisition by the City of the stratum lot containing the below ground 55 space commercial public carpark at \$1;
- (F) authority be delegated to the Chief Executive Officer to administer the Expression of Interest process in accordance with the principles set out in the subject report; and
- (G) Council note that a further report will be brought to Council following evaluation of the Expression of Interest against the criteria as detailed in the subject report for endorsement of the final outcome.

Attachments

Attachment A. Identification Plans

Attachment B. Photos

Background

1. Affordable housing is critical social infrastructure necessary to support a diverse and well-functioning city as supported in Sustainable Sydney 2030 and Sustainable Sydney 203-2050 Continuing the Vision.
2. The City's Local Housing Strategy – Housing for All – adopted by Council in February 2020, establishes a 20-year vision for housing. It seeks to increase the diversity and number of homes available for low-income households and maintains the Sustainable Sydney 2030 social and affordable housing targets.
3. The City's ongoing review of its property portfolio aligns to the Council's resolution to identify and test the suitability of surplus or underutilised properties to be developed or utilised to meet our strategic objectives.

City's Property - 49 Cope Street (also known as 98-106 Renwick Street), Redfern (Property)

4. The Property is approximately 2,165 square metres with a frontage to Cope Street of 30.48 metres and Renwick Street of 37.96 metres.
5. The Property comprises Lots 41 and 42 in Deposited Plan 1099220, Lots 7, 8, 9, 38 and 39 in Deposited Plan 84898 and Lot 10 Deposited Plan 1128780.
6. Current uses of the Property are:
 - (a) a portion of approximately 240 square metres is leased to Wyanga Aboriginal Aged Care Program Incorporated, comprising an outdoor garden and workshop with access to Renwick Street, and adjoining the property owned by Wyanga Aboriginal Aged Care Program Incorporated at 35 Cope Street; and
 - (b) an open bitumen sealed public carpark of 55 spaces including five disabled spaces and one carshare space constructed on the balance of the site of approximately 1,925 square metres accessed from Renwick Street and exiting to Cope Street.
7. The Property is zoned B4 Mixed Use and has a base Floor Space Ratio (FSR) of 2:1 and maximum building height of 15 metres with total potential gross floor area (GFA) of 4,344.12 square metres.
8. The Housing State Environmental Planning Policy (Housing SEPP) has applied to the site from the end of December 2023 and provides incentives for the delivery of either in-fill affordable housing and/or seniors housing.
9. The proposed use of part of the Property for public carparking and seniors housing is consistent with the current zoning.
10. In 2019, the site was publicly identified as a demonstration site in the City's Alternative Ideas Housing competition. Over 1,055 participants registered for the competition, and 231 submissions were received. Seven submissions were shortlisted, and participants were paid a stipend to develop their proposals. Four shortlisted teams developed a concept proposal for the redevelopment of the Cope Street carpark site as a mixed-use development. The proposal was not developed beyond a concept proposal.

11. In May 2020, the City received a proposal from Bridge Housing to acquire this Property and several other City owned properties to redevelop for affordable rental housing in perpetuity.
12. In April 2023, the City received a proposal from HammondCare to acquire and redevelop the Property for an aged care facility with below ground parking.
13. All proposals did not proceed further.

Proposal

14. The City recognises the Property is underutilised and presents an opportunity to meet critical needs within the local community and continue to deliver on the City's objectives for increasing the supply of affordable and diverse housing and Closing the Gap.
15. It is proposed that the Property will be subdivided to create a future development lot and a separate portion of approximately 240 square metres (subject to survey); the latter to be transferred to Wyanga Aboriginal Aged Care Program Incorporated, a not for profit Aboriginal and Torres Strait Islander organisation in support of their role in providing individually tailored and culturally appropriate aged care services to the local community.
16. The City proposes to conduct a public expression of interest for the future development lot for the redevelopment and operation of a not-for-profit residential aged care facility to serve the local (Redfern) community.
17. The public expression of interest will also require that the successful applicant develop and transfer in stratum back to the City's ownership a 55-space paid public below ground carpark.
18. A further report will be brought back to Council to advise on the recommendations following the undertaking of the Expressions of Interest.
19. Consistent with the City's land sales for affordable and diverse housing, the conditions of sale will require a covenant to be registered on title of both the Wyanga Lot (Future Lot A) and the Development Lot (Future Lot B) preserving the City's contribution to not for profit aged care serving the local community in perpetuity.

Expression of Interest Objectives

20. The Expression of Interest (EOI) will aim to achieve the following outcomes:
 - (a) A new not for profit residential aged care facility to provide services to the local community with:
 - (i) a minimum 50 affordable / at cost residential aged care places serving the local community; with
 - (ii) Local Aboriginal and Torres Strait Islander residents and staff to be a key part of operations.

- (b) Access to a below ground commercial public car park to be retained on site with:
 - (i) a minimum 55 parking spaces integrated within the future development; and
 - (ii) the transfer of a stratum lot back to the City (at \$1) to own and operate as a commercial public car park.
- (c) Design, construction, and operation of facilities to be delivered by or in partnership with local Aboriginal controlled community organisations or Aboriginal providers.

Expression of Interest Eligibility Criteria

- 21. To be eligible to participate in the EOI an applicant must:
 - (a) Be or partner with local Aboriginal Controlled Community Organisation/s or Aboriginal provider/s, and
 - (b) Be a registered not-for-profit organisation, and
 - (c) Be a registered provider of residential aged care.
- 22. For-profit organisations, unincorporated community groups or individuals will not be eligible.
- 23. It is envisaged that applicants will partner with other entities in responding to the Expression of Interest.

Expression of Interest Evaluation Criteria

- 24. The proposed assessment criteria for the expression of interest will include Mandatory (including Financial) and Qualitative elements.:
- 25. Mandatory criteria to include but not limited to:
 - (a) Applicant meets all eligibility criteria;
 - (b) Required infrastructure is delivered (50 place residential aged care + 55 space below ground car park) and the stratum lot is transferred to the City for \$1;
 - (c) Acceptance of covenant on title – affordable residential aged care in perpetuity.Financial capacity to undertake and sustain the project.
- 26. Qualitative criteria to include: :
 - (a) Experience in the planning, design, and construction of high quality not-for-profit residential aged care facilities
 - (b) Experience in the management and operation of high quality not-for-profit residential aged care facilities.

- (c) Employment outcomes for the local Aboriginal and Torres Strait Islander community in the planning, design and construction of the facilities.
- (d) Employment outcomes for the local Aboriginal and Torres Strait Islander community in the operations and management of the facility and services.
- (e) Ability to engage and work with the local community in a meaningful way.
- (f) Financial capacity to deliver the facilities – where funding is required to be sourced applicants must demonstrate experience in securing funding
- (g) Compliance with all Licensing/Regulatory Requirements including Insurances.

Key Implications

Strategic Alignment - Sustainable Sydney 2030-2050 Continuing the Vision

27. 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 5 - A city for walking, cycling and public transport - retention of the carpark will ensure there is equitable access to constrained supply and support high street businesses.
 - (b) Direction 6 - An equitable and inclusive city - the opportunity for an aged care facility and transfer of land to Wyanga Aboriginal Aged Care Program Incorporated aims to strengthen partnerships and relationships with Aboriginal and Torres Strait Islander peoples and prioritise their cultural, social, environmental, spiritual and economic aspirations.
 - (c) Direction 7 - Resilient and diverse communities - The proposal will support a strong culture of community within The City of Sydney and other levels of government and support a strong and sustainable Aboriginal and Torres Strait Islander community-controlled sector providing high quality services to meet the needs of Aboriginal and Torres Strait Islander people in the local area meets.
 - (d) Direction 10 - Housing for all - The proposal meets Objective 10.1 Collaboration and Advocacy - Increasing the supply of non-private dwellings for aged care is critical to managing the potential path to homelessness.

Organisational Impact

28. There is minimal organisational impact in conducting the Expression of Interest.

Risks

29. The proposal for the delivery and management of a minimum 50 place residential aged care facility and 55 space commercial public carpark presents risks. The Expression of Interest will support development of the City's risk management in the next phase.

Social / Cultural / Community

30. The proposals will have a positive beneficial impact in supporting the City's efforts to address the housing crisis and support the local Aboriginal community.

31. The retention of public carparking within close proximity to the retail centre of Redfern supports local retailers and commercial businesses and the local and wider area community.

Environmental

32. The City will require consideration and adoption of environmental management principles including sustainable approach in design, construction and operational management.

Economic

33. Increasing the diversity of housing in local communities supports those economies.

Financial Implications

34. The City's financial records will recognise the discount on disposal from full market value of \$22.75 million, to reflect the City's contribution to affordable and diverse housing following subdivision of the Property as follows:
 - (a) \$2.520 million for the 240 square metres portion (subject to survey) to be transferred by the City to Wyanga Aboriginal Aged Care Program Incorporated, and
 - (b) \$20.230 million for the 1,925 square metres portion (subject to survey) to be transferred to the successful proponent.
35. The property is not identified in the 10-year financial plan for divestment.
36. The City will receive a freehold stratum lot within which is contained a two level commercial public carpark for 55 vehicles including four disabled car spaces.
37. The City's financial records will recognise the new asset.

Relevant Legislation

38. The City's Property is classified 'operational' under the Local Government Act 1993 (the Act) and as such there is no legislative impediment to Council endorsing the sale.
39. Under section 377 of the Act (which contains the general power of a council to delegate), a council may, by resolution, delegate certain functions, but not the function to sell land or other property.
40. Section 8A of the Act provides guiding principles for councils. Sections 8A(1)(g) and (h) state that councils should work with others to secure appropriate services for local community needs and that councils should act fairly, ethically and without bias in the interests of the local community.
41. Section 55(3)(d) of the Act provides that Council, does not have to invite tenders before selling land.

42. The contract documentation will be prepared in accordance with the Conveyancing Act 1919.

Critical Dates / Time Frames

43. The new supply of diverse housing such as aged care into the market is a priority.
44. It is proposed that the expression of interest will commence in October 2024 for a period of 10 weeks.

Options

45. Council could decide not to proceed with this opportunity and retain the public at-grade carpark on the site. This option is not recommended as it does not represent the most efficient use of land to contribute to the achievement of Council's strategic aims.
46. Council could decide not to retain the carpark and sell the Property at market with the funds being allocated to the Affordable and Diverse Housing Fund. This would not deliver the same quantity of new stock in the same timeframe and would not support the City's objective to facilitate parking within proximity to retail centres.

Public Consultation

47. The City's extensive engagement with our community over many years has reinforced the City's leadership role in delivering affordable and diverse housing in the inner City and within proximity to services and amenities.
48. The community will have an opportunity to comment on the proposed development as part of the planning process.
49. There is no public consultation required for Council to endorse the disposal of the property.

KIM WOODBURY

Chief Operating Officer

Marcia Morley, Executive Manager Infrastructure Delivery

Nicholas Male-Perkins, Commercial Manager

Attachment B

Photos

49 Cope Street, Redfern



From Cope Street facing north-east – showing the public carpark.
Wyanga Aboriginal Aged Care Inc property in background to left



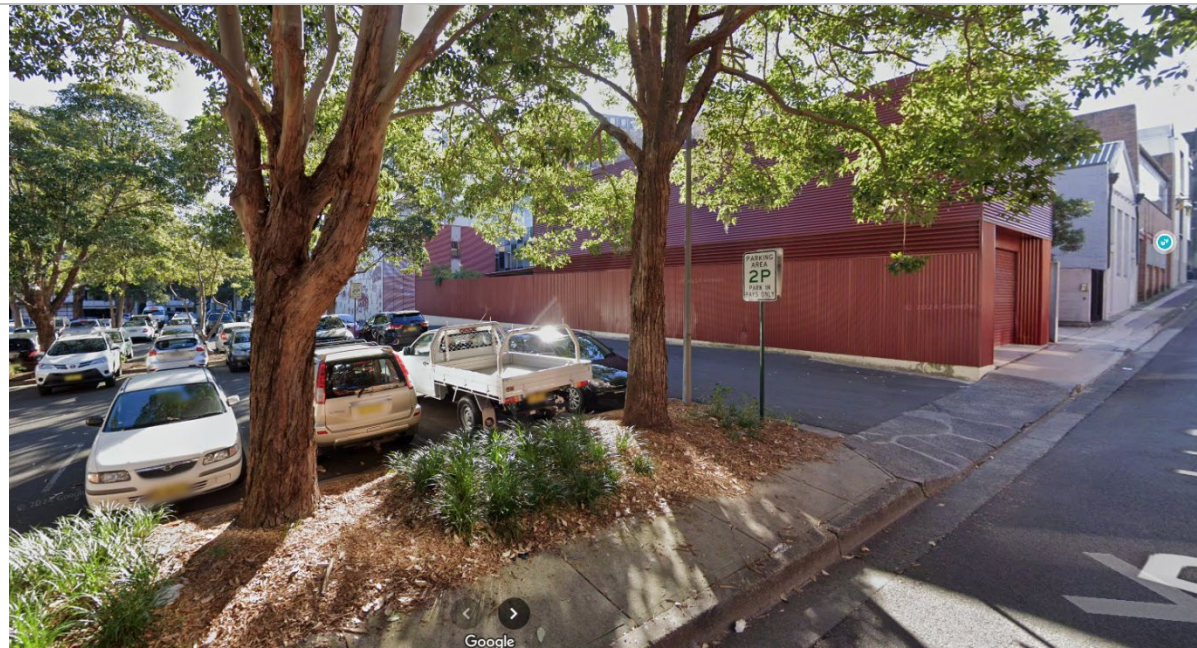
Facing south along Cope Street
Left: Wyanga 35 Cope St - Wyanga Aboriginal Aged Care Inc



Facing east to Renwick Street from within the public carpark.
Wyanga Aboriginal Aged Care Inc property to immediate left adjoining leased area
with red shaded improvements.



Facing east from Cope St – foreground showing carpark exit to Cope St.
35 Cope Street left of driveway.



From Renwick Street facing north-west – carpark entrance from Renwick Street.

Portion of City land occupied and improved by Wyanga in background



From Renwick Street carpark entrance facing west to Cope Street.

Document is Restricted