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 Isander 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 WOOBBURY

Chief Operating Officer