

Strategy and Assets Committee

Meeting Date: Tuesday, 20 March, 2018
Location: Council Chambers, City Administrative Centre, Bridge Road, Nowra
Time: 5.00pm

Membership (Quorum - 5)
Clr John Wells - Chairperson
Clr Bob Proudfoot
All Councillors
General Manager or nominee

Addendum Agenda

Reports

SA18.71 Proposed Partnership Approach- Southern Cross Housing- NSW
Social and Affordable Housing Funding - Phase 21

SA18.71 Proposed Partnership Approach- Southern Cross Housing- NSW Social and Affordable Housing Funding - Phase 2

HPERM Ref: D18/86609

Group: Assets & Works Group
Section: Business & Property

Purpose / Summary

To provide Council with an update on a proposal to facilitate affordable housing to be developed by Southern Cross Housing under the Social and Affordable Housing Fund Phase 2 (SAHF2) programme and support efforts by Southern Cross to secure funding to deliver an affordable housing program in the Shoalhaven at various sites including two Council owned properties in Nowra and Bomaderry.

Recommendation

That Council;

1. Support Southern Cross Housing's expression of interest under the NSW Social and Affordable Housing Fund (SAHF) – Phase 2 for the delivery of social and affordable dwellings in the Shoalhaven.
2. Give in principle support to the development of 42 – 46 Coomea St, Bomaderry and 11 Lamond's Lane & 81 Bridge Rd, Nowra (former Nowra Gasworks) for affordable housing sites and the inclusion of those sites in the expression of interest to be submitted by Southern Cross Housing in the SAHF Phase 2 programme.
3. Receive a future report on a detailed business case which considers the inclusion of the former Nowra Gasworks site and the Coomea Street site in the development of social and affordable housing by Southern Cross Housing and the treatment of those sites in terms of any proposed contractual agreement with Southern Cross Housing.

Options

1. Resolve as recommended.

Implications: Council can explore the opportunity to partner with Southern Cross Housing to provide affordable housing in the Shoalhaven.

2. Not resolve as recommended by excluding the former Nowra Gasworks site.

Implications: Southern Cross Housing may not be able to meet the funding application criteria in terms of development scale and number of dwellings unless another suitable site is identified.

3. Propose an alternative and provide further direction to staff.

Implications: The opportunity for Southern Cross Housing to partner with Council to apply for funding under SAHF Phase 2 for affordable housing development may be lost.

Background

Over the last year, Council has been working with Southern Cross Housing and the Property Council of Australia (Illawarra) to discuss and identify potential affordable housing solutions for Shoalhaven. In October 2017 a series of workshops with those stakeholders were held in Bomaderry to develop these ideas and the information gathered at the workshops has been considered in the finalisation of Council's Affordable Housing Strategy.

In adopting the Shoalhaven Affordable Housing Strategy on 11 December 2017 it was also resolved (MIN17.1039) that Council:

"8. Continue to advance the Bomaderry Affordable Housing project which is identified in the Strategy as an initial key short term strategy, thank the workshop participants for their involvement in the process that helped make it a success and Invite representatives from the Property Council of Australia (Illawarra) to brief Council on the collaborative design exercise and its outcomes.

9. Consider a subsequent more detailed report that presents a partnership model between Council and Southern Cross Housing to realise affordable housing on Council owned land, including 42-46 Coomea Street, Bomaderry and to enable an application to be submitted under Round No.2 of the NSW Social and Affordable Housing Fund that opens in early 2018."

Since that time, Southern Cross Housing has flagged its intention to apply for funding to develop additional social and affordable housing in Shoalhaven under the NSW Social and Affordable Housing Fund Phase 2 (SAHF2).

Whilst Council had previously resolved to pursue the possibility of utilising Council owned land in Coomea St, Bomaderry as an affordable housing site (MIN17.607(4)), Southern Cross Housing has requested that Council also agree to include 11 Lamond's Lane & 81 Bridge Rd, Nowra (former Nowra Gasworks site) as a proposed affordable housing site.

The inclusion of the former Nowra Gasworks site in any funding application under SAHF2 is considered essential by Southern Cross Housing if it is to obtain the scale of development required to meet the funding criteria.

Council staff have also been working with the NSW Office of Local Government and consulting an external legal services provider to clarify options under which agreements can be secured to provide access to the Council owned sites and the development of a working relationship with Southern Cross Housing.

Whilst this report deals only with Southern Cross Housing, Council will deal equally with any community housing provider which comes forward with an interest in SAHF2.

Preliminary Operating Model and Suitability of Sites

42 – 46 Coomea St, Bomaderry

Design, finance and ownership concepts have been drafted, with no direct cost to Council proposed. The site is currently identified in the adopted Affordable Housing Strategy.

Former Gasworks Site - 11 Lamond's Lane & 81 Bridge Rd, Nowra

- a. Ownership and Funding Model – Southern Cross Housing propose to enter into a 25 year lease of the site, with ownership of the asset transferred back to Council at the end of the term. Consideration of the proposed rental return, management model and funding for ongoing maintenance needs further consideration (Public Private Partnership may be considered).

- b. Public Car Parking – if development of this site is to be considered it may be important to establish a principle which demands that there be no loss of the public parking capacity.

As a CBD public carpark, the proposed development of this site for affordable housing requires the allocation of resources to conduct a detailed investigation and the preparation of a supporting business case before Council can make an informed decision about the suitability of the inclusion of this site for SAHF2 funding.

Southern Cross Housing will partner with Council throughout this process.

Key Dates

Invitations for Expressions of Interest for Social & Affordable Housing Fund- Phase 2 were released 7 February 2018. The key dates in the process are:

1. Initial Expression of Interest closes 21st March.
2. Request for proposals issued to shortlisted applicants May 2018.
3. Request for proposals due October 2018.
4. 3 year period to deliver.

Policy Implications

Council's Affordable Housing Strategy identified the Coomea St site to be dedicated to affordable housing and supports the identification of additional sites as part of Council's long term strategy. The Strategy notes that the most effective action in terms of the provision of additional affordable housing is the possible utilisation of public land.

Financial Implications

Budgets for any detailed investigations and development of a business case for the former Nowra Gasworks site are to be developed.