

ATTACHMENTS DISTRIBUTED UNDER SEPARATE COVER

CCL 26/10/21 – NSW LAND AND HOUSING CORPORATION - MEMORANDUM OF UNDERSTANDING

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Attachment A

**City of Newcastle and NSW Land and Housing Corporation
Collaboration Memorandum of Understanding
Xx 2021**

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Preamble

City of Newcastle (CN) and the NSW Land and Housing Corporation (LAHC) are committed to working together to deliver improved outcomes for the residents of the Newcastle Local Government Area (LGA), particularly in relation to the provision of social and affordable housing.

This Memorandum of Understanding (MoU) formalises ideas originated by Councillor Nuatali Nelmes, Lord Mayor of the City of Newcastle, and Melinda Pavey MP, Minister for Water, Property and Housing. Their leadership has led to this new way for the organisations to collaborate, and demonstrates the commitment both organisations share to partnering to deliver better outcomes for the community.

The MoU outlines how CN and LAHC will work together to achieve their shared aspiration of new social and affordable housing in the City of Newcastle.

CN acknowledges LAHC is self-funded and is required to capture value through the recycling of existing assets.

LAHC acknowledges:

- CN is the local consent authority and their support is needed to guide built form outcomes,
- CN has a lead role in implementing the community's vision for the Newcastle LGA, however responsibility for achieving long-term goals rests with all levels of government, businesses, industry groups, community organisations and individuals.

The Minister for Housing and the Lord Mayor have endorsed this MoU to demonstrate both organisations' commitment to working together to achieve mutually beneficial outcomes for the Newcastle LGA and those that rely upon social and affordable housing.

1. Introduction

The collaboration approach outlined in this MoU establishes the intent of LAHC and CN to work together on housing issues; and specifically to expedite the delivery of new, more suitable social and affordable housing, including the exploration of a "Make Room Project" in Newcastle, while supporting urban renewal in the Newcastle LGA by renewing older social housing.

The LAHC is a NSW Government public trading enterprise (self-funded) and is responsible for the management of the NSW Social Housing portfolio of approximately 125,000 dwellings. LAHC has recently published a Portfolio Strategy to guide the direction of the NSW social housing portfolio for the next 25 years.

LAHC's business model creates a long-term cycle that takes income generated from recycling high-cost and high-value properties that are no longer fit for purpose and reinvests it into building more appropriate social housing that delivers better outcomes for tenants and value for communities. The redevelopment of existing sites is a key component of LAHC's approach to renewing the portfolio. Between June 2021 and September 2023, LAHC will complete 73 new and replacement dwellings in the Newcastle LGA using this model.

The LAHC owns 4,317 dwellings across the Newcastle LGA, with an average age of 56 years for houses and 44 years for apartments (as at June 2021). There are 1,179 households on the published waitlist for social housing in the area, and of these 98 have been identified as priority with an urgent need for housing.

CN's Housing Strategy outlines strong demand for general housing into the future, with circa 19,500 dwellings needed to meet demand to 2041, with the need to facilitate more and diverse housing as well as addressing the need for affordable and social housing delivery. Built housing is becoming smaller with over 75% of Newcastle housing approvals being for attached housing. Housing affordability is a key driver.

2. Objectives

LAHC's primary purpose is to deliver more and better social housing, especially for those on the priority wait list and to provide support to its tenants to transition those who can, through the housing system. This needs to be achieved in line with LAHC's self-funding model.

The people LAHC house today are very different to those housed 40 years ago, on which the portfolio is largely based. LAHC needs to reshape and grow its portfolio, to deliver fit-for-purpose high standard housing of a size and design in line with current tenant needs. This is achieved within a self-funded business model leveraging value from within the portfolio. LAHC's key objectives are to:

- grow the social housing portfolio,
- provide fit for purpose accommodation for those in most need,
- reduce the priority wait list,
- leverage the value of land and assets to facilitate renewal,

- better utilise existing homes so we can house more people, and
- reduce the portfolio's 'maintenance heavy' assets.

CN's Newcastle Housing Strategy and Local Strategic Planning Statement seek to grow housing by some 19,500 homes to 2041. For the growth to be sustainable, it needs to be located in identified growth areas/renewal corridors and deliver housing diversity. The key objectives of the Local Housing Strategy are to:

- maintain and encourage housing supply in the right locations,
- diversify housing type and tenure across the LGA to provide for a range of housing needs,
- increase the availability of accessible and adaptable housing,
- increase the supply of affordable rental housing,
- ensure new housing and changes to existing housing reflect the desired future local character of the area, and
- ensure homes are designed to be ecologically sustainable and to reduce the resource requirements through the life cycle of the dwelling.

3. Priorities

CN will support LAHC's redevelopment program through the provision of an annual payment not greater than the rates paid by LAHC for its portfolio of properties in the Newcastle LGA for a period of three years.

In turn LAHC will at least match these dollars and invest these funds in new social housing over the same period in the Newcastle LGA, while also working with CN on the redevelopment of new social housing in the Newcastle LGA.

LAHC notes Community Housing Providers (CHPs) and other charitable organisations are currently exempt from paying rates in accordance with the *Local Government Act 1993* (NSW).

LAHC will establish a team to work on the redevelopment of social housing within the Newcastle LGA, ensuring appropriate time and resources are provided.

The Newcastle Housing Strategy and the Newcastle Area Analysis have many areas of commonality on which to base initial priorities for LAHC and CN. The Newcastle Housing Strategy identifies seven Catalyst Areas within the Newcastle LGA, four of which will provide housing in mixed-use centres:

1. Newcastle City Centre (additional 4,000 dwellings target),
2. Broadmeadow (additional 1,500 dwellings target),
3. Callaghan (additional 750 dwellings target), and
4. Kotara (additional 400 dwellings target).

These Catalyst Areas and LAHC's existing assets are shown in Appendix A.

CN has recognised the concept of an Affordable Housing Mandate, whereby 15% of new dwellings or floor space on privately developed land is delivered as affordable housing in new housing developments. Opportunities to deliver this housing on LAHC owned land in partnership with community housing providers are to be explored as part of this MOU.

LAHC will actively explore the need and merit for increased heights and densities on LAHC land, particularly in areas of social housing concentration. This approach is in line with LAHC's self-funded operating model and can result in mixed tenure communities, which will benefit both social housing and housing supply generally. Prioritising and sequencing these approaches will be collaboratively developed by both parties.

There are 33 refuges and 49 transitional houses within the Newcastle LGA, providing temporary, safe homes for the most vulnerable members of the community.

LAHC and CN will work together and appropriately consult with other key stakeholders, including LAHC tenants and the broader community, to identify appropriate priorities.

LAHC will consult with CN on the sequencing of work to address these priorities to ensure that resources are effectively utilised.

4. Principles

The shared principles that underpin the collaboration between CN and LAHC include:

- a) Commitment to provide a net increase in social housing across the Newcastle LGA, as well as more, high quality, and accessible social housing;
- b) Expedite the delivery of new and renewed social and affordable housing, including the exploration of a *'Make Room Project'* in the Newcastle LGA; and
- c) Redevelopment opportunities placing community outcomes at the centre of project design – considering and balancing issues such as environmental and social sustainability, public and private amenity, and development of social capital, safety, walkability and efficiency.

It is acknowledged that:

- d) CN has statutory powers and responsibilities for planning processes (planning proposals, development control plans, development applications), and these processes are guided by relevant legislation and policies;
- e) LAHC operates within its own legislation and NSW Treasury requirements for the sale or lease of Government assets; and
- f) LAHC will continue to undertake its Part 5 approvals process for smaller projects that do not require planning proposals or development consent.

Nothing in this collaboration MoU will influence, alter or restrict the exercise of these statutory powers, functions and processes – including those of the elected Council.

5. Collaboration objectives

The purpose of this MoU is to help the participants achieve their respective priorities through the following collaboration objectives:

- a) Promoting information exchange and a pathway to identify solutions to complex planning, property and community service issues;
- b) Identifying matters that require strategic clarification or response; and
- c) Providing an escalation forum to respond to technical development/property issues.

Key areas of collaboration include:

- d) Ongoing identification of priority areas;
- e) Studies, master planning, and planning proposals;
- f) Coordinating and collaborating on communications and stakeholder engagement;
- g) Management of shared spaces; and
- h) Keeping each other informed of relevant activities.

The parties will work collaboratively:

- i) in good faith,
- j) with an objective to be transparent in their dealings with one another,
- k) to provide assistance to each other, where possible, to obtain relevant approvals and to manage stakeholders,
- l) to meet deadlines, and advise in advance if key milestones cannot be met, and
- m) with a view to sharing information and data.

6. Governance structure

A governance structure is proposed to facilitate collaboration. This generally consists of the following:

- a) Oversight Group - Senior level membership responsible for overseeing the relationship under the protocol and resolving critical issues; and
- b) Working Group - Focussing on day to day management and coordination on priorities and working through technical issues.

7. Financial Governance

CN and LAHC will in good faith seek to develop, negotiate and agree to (subject to the parties reaching mutually agreeable terms) a separate funding agreement which will outline the purpose, amount, timing, reporting, and other responsibilities each party will be responsible for in relation to funding between the two parties.

Without pre-empting the funding agreement, nor restricting or limiting the terms to be contained therein, it is anticipated that funding will commence from 1 July 2022.

8. Discontinuation

The parties may discontinue this MoU by mutual agreement with six months' written notice.

The MoU may be ended by way of written notice if LAHC or CN experiences significant change to its structure, charter or responsibilities which result in the commitments and objectives of this MOU not being met. LAHC cannot assign or otherwise transfer its rights or obligations under this MoU.

Discontinuation of this MoU will not prejudice the rights of the parties with respect to any prior breach of this MoU nor affect any obligation or liability of a party arising before termination.

9. Non-Binding

The parties acknowledge and agree that the terms in this MoU are not binding upon CN or LAHC, unless and until such time that the parties execute a legally binding funding agreement to the effect that the obligations in this MoU are now binding upon the parties.

10. Engagement with the elected Council

CN has an obligation to keep the elected Council informed about this MoU and collaboration that occurs under it.

LAHC commits to working with CN to keep elected Councillors appropriately informed about its activities in the LGA, including the following:

- a) General updates on progress with social housing renewal in the LGA;
- b) As part of pre-lodgement engagement on any planning proposals for neighbourhood or major social housing estates;
- c) Notification of proposed land and or property sales at the time of going to market; and
- d) Responding to other matters as requested by Council if appropriate.

It should be noted that LAHC has various obligations under law and probity to maintain commercial and cabinet in confidence information and therefore cannot share this information with the elected Council or CN.

11. Public communications and engagement

Any public communications by the parties in relation to agreed projects should be in their capacity as representatives of their respective organisations and not on behalf of the other organisation.

If there is a need to undertake any shared communications, this should be endorsed by the Chief Executive Officer (CN) and Executive Director, Delivery North (LAHC).

LAHC will share communications and engagement strategies with CN to ensure alignment, leverage networks and coordinate activities where appropriate. CN will make available to LAHC its Engagement Policy and Framework including the Aboriginal Engagement Framework, as a reference to local engagement practice.

12. Conflict of Interest

The Parties agree to notify each other in writing, immediately upon becoming aware of the existence or potential of a conflict of interest and appropriately manage that conflict of interest.

13. Confidentiality

The Parties agree to share information with each other where possible, and only keep information as confidential where required pursuant to statutory roles and functions (e.g. if required as Cabinet in Confidence).

All non-public information and data shared between the parties is to be treated with the strictest confidence, is to be held securely, and is not to be shared with any third party without the express consent of the disclosing party unless required to be shared or disclosed by law.

If a party receives an access application under the *Government Information (Public Access) Act 2009 (NSW)* (**GIPA**) requesting access to any shared communication, it will inform and consult with the other party regarding that information prior to disclosure being made pursuant to the GIPA request.

It should be noted that during the early phases of projects, LAHC will be seeking to understand CN's views to determine whether it is feasible to proceed with a project. Accordingly, it is desired to keep these discussions confidential until the parties are aligned, and it is appropriate for broader consultation with other stakeholders and the community to commence.

It will be the responsibility of both organisations and key personnel to use their best endeavours to ensure adherence to confidentiality protocols.

14. Resources

The commitments under this MoU will be built into the core business activities of CN and LAHC.

No additional resources are required to establish or maintain the governance and reporting structures.

Signed for and on behalf of the City of Newcastle

Name: _____

Signature: _____

Position: _____

Date: _____

Signed for and on behalf of the New South Wales Land and Housing Corporation

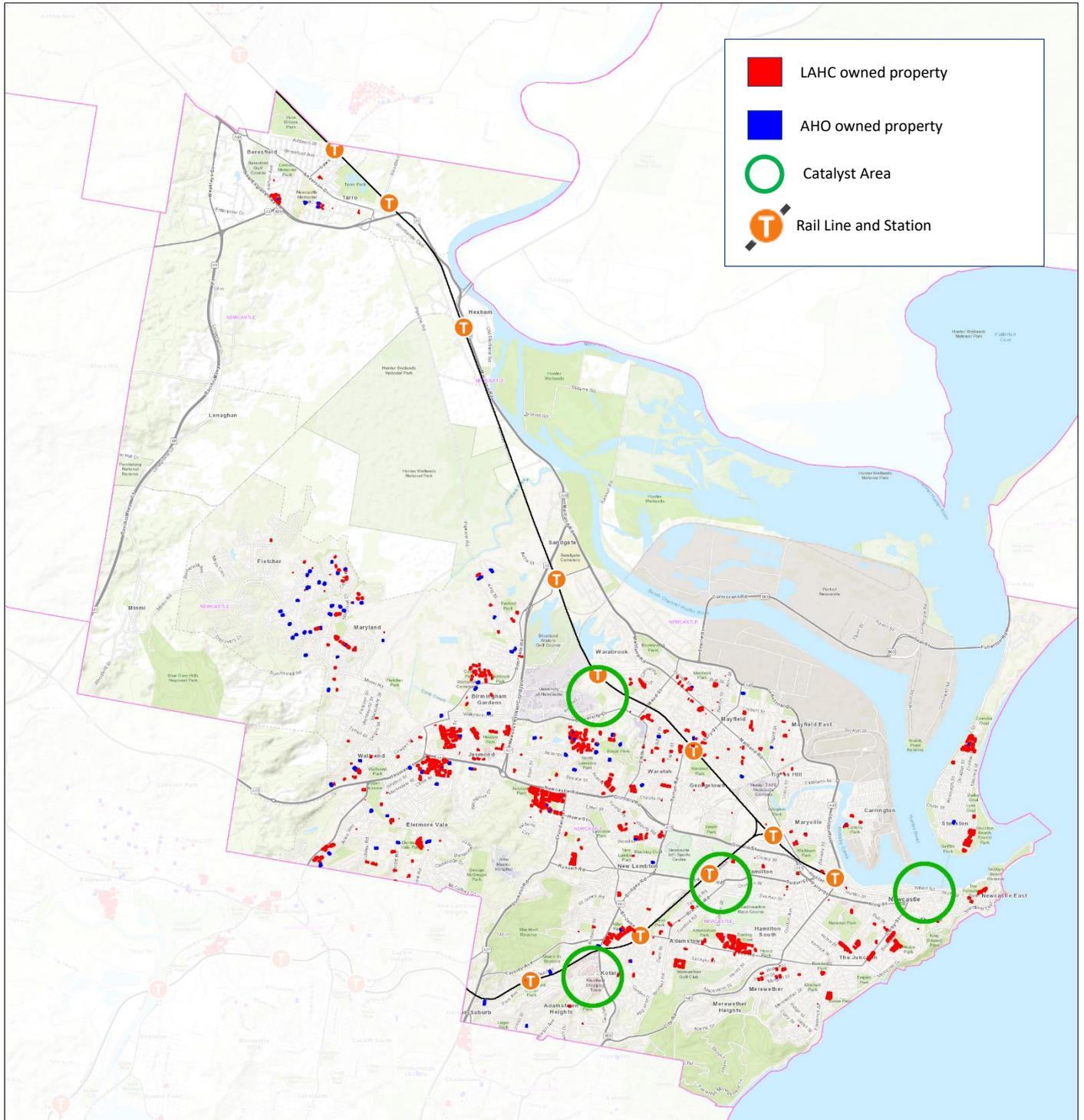
Name: _____

Signature: _____

Position: _____

Date: _____

APPENDIX A – MIXED-USE CATALYST AREAS AND LAHC ASSETS



Attachment B – NSW Land and Housing Corporation current Newcastle projects

Construction Developments in Newcastle LGA

(excludes AHO or acquisitions)

Green highlights have completed, the balance are forecasts with dates and costs subject to change
as at 30 September 2021

Address	Suburb	Social housing	Type (Senior/General)	Construction Complete (Handover)	Total Project Costs (000)'s	Project Status
24-26 Macarthur Street	Shortland	8	General	24/06/2021	3,370	DLP
2-6 Richard Street	Adamstown	14	General	6/10/2021	4,578	In Construction
1-3 Stannett Street	Waratah West	8	General	27/04/2022	3,454	In Construction
6 Stannett St	Waratah West	2	General	16/05/2022	624	In Tender / LOA
14 Alexander St	Wallsend	3	General	15/06/2022	896	In Tender / LOA
1-3 Landa Parade	Waratah West	10	General	28/11/2022	3,917	In Tender / LOA
12-14 Allowah St	Waratah West	8	General	7/08/2023	3,011	DA Lodged
3-7 Robinson Avenue & 70 Charlton Street	Lambton	20	General	25/09/2023	7,574	DA Approved

73

27,424