



**9.1 WELLINGTON STREET COMMON GROUND PROJECT**

**EXECUTIVE MEMBER: TONY KEENAN, GENERAL MANAGER, COMMUNITY WELLBEING AND INCLUSION**

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**1. PURPOSE**

- 1.1 To update Council on the Wellington Street Common Ground project and the mechanisms that will ensure the conditions for Council's funding commitment are met, including: maintaining a long term social housing use for the site, obtaining State Government commitment to an operating funding subsidy and allocation of housing to persons on the Port Phillip Zero By Name List.
- 1.2 To endorse in-principle a Partnership Deed and a project-specific Funding Deed between Council and St Kilda Community Housing (SKCH), which include an agreed schedule of funding milestones for the \$4M cash contribution committed by Council in September 2020.
- 1.3 To delegate authority to the Chief Executive Officer to finalise and execute the Deeds.

**2. EXECUTIVE SUMMARY**

- 2.1 This paper summarises the progress and next steps in progressing the Wellington Street Common Ground project, following Council's resolution in September 2020 to contribute \$4M in cash and an adjoining surplus lane (valued at \$364,980 in 2022) to the project. This was conditional on achieving a State commitment for capital funding and operational subsidy funding.
- 2.2 The Wellington Street project will address the needs of persons who are rough sleeping in Port Phillip, by providing immediate, permanent housing with on-site support services using the Common Ground housing model. The project will be delivered by St Kilda Community Housing on Director of Housing land.
- 2.3 Key progress to date includes:
  - 2.3.1 commitment of State capital funding of \$3.7M in October 2021,
  - 2.3.2 a planning permit issued in November 2021, and
  - 2.3.3 St KCH receiving in-principle agreement from Homes Victoria for a \$6M operating subsidy over four years in June 2022 (referred to in section 4.7).
- 2.4 Recent discussions with Homes Victoria and St KCH have progressed assurances sought by Council on securing operating subsidy funding, and other threshold project outcomes which ensure supported social housing is delivered to address rough sleeping in the city (detailed in section 4.5 - 4.11).



- 2.5 Homes Victoria have advised it will enter into a tripartite Memorandum of Understanding (MOU) that will outline the nature of the operating subsidy and provide assurance on the other threshold project outcomes.

### 3. RECOMMENDATION

That Council:

- 3.1 Confirms the contribution of \$4 million cash from the In Our Backyard Reserve, and the surplus Council laneway known as R3723 for \$1 plus legal costs, to enable delivery of a Common Ground facility at 28 Wellington Street, St Kilda, by St Kilda Community Housing Ltd on Director of Housing land, on the basis of:
- 3.1.1 The commitment from Homes Victoria to St Kilda Community Housing Ltd of a \$6 million operating subsidy over a four-year period, for the provision of support and concierge services, and the undertaking to complete an evaluation to consider extended recurrent funding.
- 3.1.2 The signed Funding Deed and associated Licence between the Director of Housing and St Kilda Community Housing Ltd, that guarantees the social housing use of the site for at least 20 years.
- 3.2 Endorses the staged payments of its \$4 million contribution on completion of the following project milestones:
- 3.2.1 \$1M within 14 days of Council entering into the Partnership Deed and the Funding Deed with St Kilda Community Housing Ltd.
- 3.2.2 \$1M on completion of the ground-floor slab to the satisfaction of Council's municipal building surveyor or alternatively of St KCH's appointed building surveyor.
- 3.2.3 \$1M on completion of the first-floor slab to the satisfaction of Council's municipal building surveyor or alternatively of St KCH's appointed building surveyor.
- 3.2.4 \$1M within 14 days of the Certificate of Practical Completion.
- 3.3 Notes St Kilda Community Housing has secured the balance of capital funding (\$3.7 million) required to deliver the project, being a condition of Council's cash contribution in accordance with its 2 September 2020 resolution.
- 3.4 Notes that completion of the statutory process to discontinue and transfer the adjoining road (laneway) is subject to a separate report and decision at this meeting.
- 3.5 Provides in principle approval of the overarching Partnership Deed and the project-specific Funding Deed between Council and St Kilda Community Housing Ltd (provided at Attachment 2 and 3 respectively).
- 3.6 Delegates authority to the CEO to enter a tripartite Memorandum of Understanding (MOU) between Council, Homes Victoria and St Kilda Community Housing Ltd. that details arrangements for an operating subsidy, maintenance of social housing use on the site for 20 years, and allocation of housing to persons on the Port Phillip Zero By-Name List.
- 3.7 Delegates authority to the CEO to finalise and execute the Partnership Deed and the Funding Deed with St Kilda Community Housing Ltd, subject to the finalisation of the MOU referred to in part 3.5 of this resolution.



#### 4. KEY POINTS/ISSUES

##### Background

- 4.1 The Wellington Street project will address Council's priority to support the needs of persons who are rough sleeping rough in Port Phillip, by providing 26 units of supported housing with on-site support and concierge services in a Common Ground housing model.
- 4.2 In September 2020, Council resolved to (summarised):
- 4.2.1 Authorise the CEO to finalise and execute a Memorandum of Understanding (MOU) with St KCH for the delivery of the Common Ground facility.
  - 4.2.2 Contribute \$4 million cash from its In Our Backyard (IOBY) Reserve, and an adjoining surplus Council lane, to the project being delivered by St Kilda Community Housing Ltd. (St KCH) on Director of Housing land.
  - 4.2.3 Make payment of the \$4M conditional on achieving the following outcomes (reflected in the MOU):
    - a) Securing funding for the balance of the construction costs.
    - b) Securing operating subsidy funding from the DFFH for the provision of 10 years of support and concierge services relating to the facility.
    - c) Make staged payments aligned to project milestones:
      - I. \$1M within 14 days of St KCH entering into a Contract for delivering the project with the Director of Housing to deliver the project.
      - II. Two payments of \$1M for construction milestones to be negotiated.
      - III. \$1M within 14 days of the Certificate of Practical Completion.
  - 4.2.4 Contribute the Council laneway abutting the property and comprising the first part of the driveway for 28 Wellington St for \$1 plus legal expenses, through a road discontinuation and transfer process.
  - 4.2.5 Enter into a section 173 Agreement under the Planning and Environment Act 1987 requiring the market value of the lane to be paid to Council if the social housing use of the adjoining property ceases or the property is sold within 30 years of completion of the project.
- 4.3 Since the September 2020 resolution of Council, the following has been achieved:
- 4.3.1 MOU with St KCH signed (September 2021).
  - 4.3.2 Capital funding of \$3.7M approved by Homes Victoria, being the balance of capital funds required to complete the project (confirmed by letter from the Minister for Housing, the Hon. Richard Wynne MP to Mayor). (October 2021).
  - 4.3.3 Funding Deed signed between St KCH and the Director of Housing for the \$3.7M capital funding (December 2021).
  - 4.3.4 Issue of a planning permit approving the use of the site for Community Care Accommodation and development of 26 units (November 2021). Attachment 1 includes a render of the façade and ground floor plan as approved under the planning permit.



- 4.3.5 Identification of appropriate construction milestones for Council's cash contribution instalments (jointly by Council officers, St KCH and Homes Victoria), that complement State capital funding instalments and support project delivery cash flow. Milestones are detailed in the Council Funding Deed with St KCH and are proposed as follows:
- a) \$1M within 14 days of St KCH entering into a Funding Deed between with the Director of Housing for delivery of the project (note: this will not be contributed until Council enters into a Partnership Deed and a Funding Deed with St KCH).
  - b) \$1M on completion of the ground-floor slab (currently estimated for January 2023).
  - c) \$1M on completion of the first-floor slab (currently estimated for April 2023).
  - d) \$1M within 14 days of the Certificate of Practical Completion (currently estimated for December 2023).
- 4.3.6 Negotiation between Council and St KCH officers to agree the terms of a Partnership Deed and Funding Deed (2020/21 - 2021/22), provided at Attachments 2 and 3).
- 4.3.7 Homes Victoria in-principle agreement with St KCH to provide \$6M operating subsidy for a four-year period (detailed in section 4.7); and agreement to enter into a tripartite Memorandum of Understanding with Council and St KCH outlining a response to five threshold outcomes listed in section 4.6 (June 2022).
- 4.3.8 Progressed road discontinuation statutory process including public consultation, with a separate report to Council scheduled for this meeting (20 July 2022) to conclude the process.

#### **Legal mechanisms to protect Council's investment**

- 4.4 Three legal mechanisms will combine to protect the intended housing outcomes and therefore Council's interest and investment in this project. These comprise; a Partnership Deed and a separate Funding Deed with St KCH, and Funding Deed between Homes Victoria and St KCH:
- 4.4.1 Partnership Deed between Council and St KCH (attachment 2). This is an overarching partnership agreement which acts as the governance mechanism at establishment of a strategic partnership between Council and a community housing organisation which involves direct Council contribution (cash or land). This can cover one or multiple (and subsequent) projects with each organisation. The Partnership Deed outlines:
- a) The role and relationship to project specific *Subsidiary Agreements* - in this case the Funding Deed with SKCH for Wellington Street outlined below (clause 2.1).
  - b) The principles for the nature of the relationship under the partnership; transparency, accountability and agreed performance indicators (clause 3.1).



- c) The objects of the Deed: to ensure that Council's investment is protected through retention of the use, that quality housing is provided, and there is appropriate periodic reporting (clause 3.2).
  - d) The purposes of the Deed, ensuring:
    - I. housing is located in Port Phillip
    - II. housing addresses identified need (clause 3.3) -
      - a. under very low and low-income ranges defined in the Planning & Environment Act 1987
      - b. housing persons with significant links to the City of Port Phillip - housing allocation prioritised by length (number of years) of current or past residency, or
      - c. persons on the Port Phillip Zero By-Name List (condition for Wellington Street).
    - III. housing that is fit for purpose and suitable for the household types to be housed.
  - e) Requirement for the provision of *housing 'in perpetuity'* to ensure that the value of the social benefit created is retained in Port Phillip and captured for future generations.
  - f) This requirement will not prevent the future redevelopment or sale (but requires reinvestment in Port Phillip), if a building reaches the end of its economic life or is no longer fit for purpose / meets housing standards. This is conditional on advanced, written notification, and collaboration with Council on the target housing need, nature of an alternative project and delivery timeframe (clause 4.2). (Note: this clause is applicable where the community housing organisation owns the asset.)
  - g) Performance measures including location, type, and quality of housing; environmental sustainability; integration in the local neighbourhood; and inclusion of appropriate support services relevant to the tenant mix.
  - h) Annual reporting requirements to ensure that the objects and purposes of the Deed are being maintained (Schedule 1), including:
    - I. the housing type, number of units and composition of housing
    - II. evidence that target housing need, income profiles and allocation to persons with links to Port Phillip are being maintained
    - III. progress on any specific project leveraging, and
    - IV. trends in housing need that can inform targeting of any future Council contributions (if available).
    - V. an expectation for future leverage of Council contributions to deliver further affordable housing in Port Phillip (clause 5.3).
- 4.4.2 A project specific **Funding Deed between Council and St KCH** (Attachment 3). The Deed particular to Wellington Street:
- a) Defines the nature of the Wellington St project that St KCH will deliver and St KCH's obligations including:



- I. Council not bearing any ownership equity, or responsibility for project delivery, the provision of the operating subsidy or management and support.
  - II. St KCH being responsible for securing all permits and the operating subsidy, delivering the project, renewing the property lease, providing or sub-contracting specified support services; providing management and concierge services; and allocating housing to persons off the Port Phillip Zero By-Name List (clauses 2.1 and 2.3).
  - III. St KCH being responsible for meeting the performance measures and reporting requirements set out in the Partnership Deed (clause 2.3 (f)).
- b) Outlines the obligations of Council to contribute the \$4M cash contribution (including defining four milestone payments), and to discontinue and transfer the surplus road (adjoining lane) subject to relevant statutory processes.
- 4.4.3 **A funding Deed between Homes Victoria and St KCH.** This Deed (which has been signed):
- a) Defines the property and project type, and responsibilities of St KCH to deliver housing.
  - b) Outlines broad and ultimate step-in powers of the Director of Housing to remedy and mitigate any risk under the construction contract, including not meeting construction milestones.
  - c) Provides a 20-year Licence to use the Director of Housing owned site to develop, use and house eligible residents under the Victorian Housing Register.
  - d) Sets out extensive reporting and review requirements on St KCH.

Note: A separate service agreement between Homes Victoria and St KCH on the operating subsidy funding will be signed when the support model is fully resolved.

#### **Assurance of threshold project outcomes and risk mitigation**

- 4.5 There are five threshold outcomes sought by Council for the Wellington Street project:
- 4.5.1 Sufficient certainty regarding sustained operating subsidy funding to support the Common Ground model (noting the original resolution sought 10 years).
  - 4.5.2 Ensuring the building has on-going use for Common Ground purposes.
  - 4.5.3 Ensuring that housing is allocated to tenants from the Port Phillip Zero By-Name List.
  - 4.5.4 Ensuring the property remains as social housing in CoPP 'in perpetuity'.
  - 4.5.5 Ensuring that if the development project fails that CoPPs investment is protected and delivers the desired housing outcome.

Assessment of these outcomes is provided in sections 4.7 to 4.11.

- 4.6 There are some limitations to guaranteeing Council's threshold outcomes, as Council cannot register its interest on Director of Housing owned land (this would create an



encumbrance on title). To resolve this, Homes Victoria will enter into a tripartite Memorandum of Understanding to provide further assurance in relation to the project outcomes sought by Council.

- 4.7 **Outcome I: Provide sufficient certainty regarding operating subsidy funding to support the Common Ground model** (noting the original resolution sought 10 years).
- 4.7.1 The aim is to ensure that there will be a process for providing recurrent operating funding to maintain long-term operation of the Common Ground model (housing with integrated support services).
- 4.7.2 Homes Victoria has agreed in-principle to provide St KCH with \$6 million in operating funding over a four-year period. This is the maximum period in which operating funding can be committed.
- 4.7.3 The agreement stipulates that Homes Victoria will work with St KCH to evaluate the project within the four-year period, to guide a decision on further recurrent funding [i.e. after the four years]. Homes Victoria has advised it cannot commit to further operating funding until an evaluation of benefits to residents is undertaken.
- 4.7.4 Homes Victoria have provided written advice to Council of these arrangements, with the intent to enter a tripartite MOU to confirm the nature of the operating subsidy funding.
- 4.8 **Outcome II: Ensure the building will be used for Common Ground purposes**
- 4.8.1 The aim is to ensure that the Common Ground model underpins the Service Model and Practice Framework of the facility.
- 4.8.2 Council's Funding Deed with St KCH and the Director of Housing's Funding Deed with St KCH both require support and concierge facilities to be provided in the facility.
- 4.8.3 Council's Funding Deed also states that the operation of the facility will broadly be informed and guided by the Common Ground Housing Model Practice Manual. The Manual was prepared by the Australian Housing & Urban Research Institute in 2021 to guide how to scale up delivery of supported social housing facilities based on 'Housing First' principles across the Inner Metropolitan Region.
- 4.8.4 Homes Victoria has written to the City confirming that the building will be used for housing using the Common Ground model over the four-year period of the operating subsidy. Council officers consider that this period is likely to be extended given the investment in the premises, subject to the evaluation of benefits of the operating subsidy (referred to in section 4.7).
- 4.8.5 The tripartite MOU will provide reassurances on the project's Common Ground model.
- 4.8.6 The service model associated with the recently committed operating subsidy funding is yet to be finalised by St KCH and Homes Victoria, including the detailed nature of support and concierge services to be provided in the facility. St KCH has given an undertaking to provide 24 hour / seven days per week concierge services from the facility's reception desk, which is likely to be staffed at night by either a security guard or night manager (e.g. possibly 8 pm to 8



am), and St KCH staff during the daytime. SKCH have indicated that operational subsidy funding is sufficient to maintain that level of service.

4.8.7 If there is an incident with a resident during the night that requires external support, the response from concierge will be to call for a Crisis Assessment & Treatment (CAT) team from a local hospital (e.g. Alfred Health), which will either stabilise the resident, admit the resident to hospital, or triage the resident to the appropriate support service.

**4.9 Outcome III: Ensure that housing is allocated to tenants from the Port Phillip Zero By-Name List**

4.9.1 The aim is to ensure:

- a) Tangible housing and support outcomes for people rough sleeping in CoPP through a 'collective impact' approach to ending homelessness (rough sleeping); and
- b) A coordinated service delivery approach to address the needs of persons who are rough sleeping, including use of the 'By-Name List' which identifies each person who is rough sleeping, their circumstances and support needs.

4.9.2 The 'collective impact' approach and use of the By-Name List builds on existing arrangements with Homes Victoria.

4.9.3 Council's Funding Deed with SKCH requires that persons to be housed in the facility are taken from the PPZ By-Name list, ensuring local benefit through targeting rough sleepers in the city.

4.9.4 Homes Victoria has confirmed in writing that residents will be selected from the Port Phillip Zero By-Name List and allocated via the Victorian Housing Register (VHR). This aligns with the outcome sought by Council, as most persons on the By-Name list would be already on the VHR, and those who are not would be eligible.

4.9.5 The tripartite MOU with Homes Victoria will refer to these selection and allocation arrangements.

**4.10 Outcome IV: Ensure that the property remains as social housing in CoPP in perpetuity**

4.10.1 The aim is to provide supported social housing using the Common Ground model.

4.10.2 Council's Partnership Deed with SKCH establishes the intent to maintain social housing use 'in perpetuity' where Council has contributed. However, where Council contributions are made to Director of Housing assets such as Wellington Street, alternative mechanisms will need to be relied on to maintain long term housing use.

4.10.3 The Director's Funding Deed provides a 20-year Licence (i.e. lease) to St KCH for the use and specifies the support and concierge facilities to be provided in the facility.

4.10.4 Homes Victoria has also written to the Council confirming that the property will remain as social housing use in Port Phillip for a period of at least 20 years via its Funding Deed with St KCH. This will be documented in the MOU.





4.10.5 Council officers consider that a 20-year period is sufficient to deliver long term local benefit for Council's investment in the Wellington Street project and represent s reasonable time period. The potential remains for the use to be extended after 20 years if the need for supported social housing remains, subject to renewal of the Licence.

**4.11 Outcome V: Ensure that if the development project fails that CoPPs investment is protected**

4.11.1 This aims to address potential risk during the construction process, such as the builder becoming bankrupt and going into administration prior to project completion, unfunded cost overruns, and legal disputes between St KCH and the builder.

4.11.2 Council's Funding Deed with SKCH requires full development risk to be carried by St KCH and return of unspent funds if construction is not completed. In addition, the Director's Funding Deed has extensive reporting requirements and extensive and absolute 'step-in' powers to mitigate any construction risk.

4.11.3 The Director's Funding Deed is considered adequate to mitigate construction risk.

4.11.4 Homes Victoria has written to Council confirming that if the development project fails, that CoPP's investment will be protected by the terms of the Homes Victoria Funding Deed with St KCH given the extensive 'step-in' powers for the Director of Housing to mitigate any construction related risk.

4.11.5 The MOU with Homes Victoria will reiterate the nature of these step-in powers.

**Broader risk mitigation – on-going capacity of STKCH to maintain operations**

4.12 **Risk mitigation by the Registrar of Housing Agencies** - risk mitigation also occurs through regulatory oversight of the community housing sector in Victoria under the Housing Act 1983 (Vic). Every community housing organisation (either Housing Association or Housing Provider) managing Director of Housing land or receiving State funding is required to be registered and regulated by the Registrar.

4.13 The Registrar has extensive reporting requirements and uses intervention and escalation powers if required. Its ultimate power is to deregister organisations and transfer housing assets and operational roles to another Registered Agency to ensure that housing is maintained. Since registration commenced in 2005, the Registrar's office has indicated that no Agency in Victoria has been deregistered.

4.14 The Registrar undertakes annual compliance assessments on:

a) Compliance with performance standards

b) Compliance with regulatory and legislative requirements

c) Achievement and continuous improvement against key performance measures.

4.15 **Financial viability** - the Registrar sets performance standards for financial viability, governance and management. Financial viability is assessed using information on Agencies' grants and interest-bearing debt, liquidity, balance sheets, and financial statements, to calculate financial performance indicators, such as:



- 4.15.1 Gearing ratios (measuring liquidity)
- 4.15.2 Debt to housing assets (the extent that debt is covered by the value of assets, if sold)
- 4.15.3 Working capital ratios (a measure of a company's financial solvency)
- 4.15.4 Interest cover (the ability to pay interest on outstanding debt).
- 4.16 The Regulatory Analyst at the Registrar of Housing Agencies has confirmed with Council officers that St KCH has met all its financial performance viability standards since it was registered in 2010, as well as the governance and management performance standards.
- 4.17 Overall, it is considered that Council's interests and investment in the project are sufficiently protected by the combination of Council's Partnership and Funding Deeds with St KCH, the Director's Finding Deed with St KCH, written undertakings from Homes Victoria to be reflected in the tripartite MOU, and the regulatory oversight of the Registrar of Housing Agencies.
- 4.18 It is proposed that in-principle approval be given to the Partnership Deed and Funding Deed with St KCH, and that the CEO be authorised to finalise enter into these Deeds, and the forthcoming tripartite MOU, under delegated authority.

## **5. CONSULTATION AND STAKEHOLDERS**

- 5.1 Council officers undertook early engagement with the Junction Area Action Group (JAAG) in late 2020 and in 2021. This process helped to inform the building design, site management and the nature of on-going engagement with the local community during the operation of the facility.
- 5.2 The planning application process in September 2021, providing for a formal consultation process. Two objections were received with the issues raised considered prior to issue of the permit.
- 5.3 St KCH has undertaken community engagement and consultation with surrounding residents and the broader community (including JAAG), both before and after the planning process. This included receiving feedback on a draft Management Plan for the facility, which is a condition of the planning permit.
- 5.4 St KCH will undertake ongoing engagement with residents and the broader community as needed during the operation of the facility. It will hold a quarterly forum for adjoining residents and the broader community, City of Port Phillip's staff, service providers and community agencies, and the St Kilda Police, to exchange information, identify issues and responses, and report back on actions and activities.

## **6. LEGAL AND RISK IMPLICATIONS**

- 6.1 Council's interests will be protected by Council's Partnership Deed and Funding Deed with SKCH, as well as by the Director of Housing's Funding Deed outlined in section 4.4.



## 7. FINANCIAL IMPACT

- 7.1 Council's contribution to the project comprises the \$4M cash and transfer of the adjoining lane (valued at \$364,980 in 2022).
- 7.2 The \$4M is planned to be contributed from the IOBY Reserve (\$500k cash allocation per annum over 10 years totalling \$5M) in three instalments in 2022/23 and one instalment in 2023/24. This will require a temporary draw down against the General Reserve of \$244,612 in 2023/24 to cover a shortfall from the IOBY Reserve's forward commitment, with the draw down being replenished by 2024/25.

## 8. COMMUNITY IMPACT

- 8.1 Delivering supported social housing will directly address the needs of persons sleeping rough by providing the first housing project in Port Phillip based on the Common Ground housing model.
- 8.2 It will also contribute to delivery of 41% of the target 170 units from Council cash or land contributions in the IOBY strategy via:
  - 8.2.1 Marlborough St project - 46 units.
  - 8.2.2 Wellington St Common Ground - 26 units (net 14).

### ENVIRONMENTAL IMPACT

- 8.3 There are no specific environmental impacts. Social housing typically incorporates sustainable design features aimed at reducing environmental impacts and operating (living) costs over the life of the building. Sustainable design conditions in the planning permit for Wellington Street include requirements for:
  - 8.3.1 an electric vehicle charging station
  - 8.3.2 reflective roofing materials to reduce the 'heat island effect'
  - 8.3.3 water Sensitive Urban Design - retention of site stormwater in an in-ground storage tank
  - 8.3.4 bicycle storage infrastructure, and
  - 8.3.5 an ESD Implementation report, required prior to occupation of the facility.

### SOCIAL IMPACT

- 8.4 An increase in the supply of social housing will assist in reducing the homelessness in Port Phillip, and specifically address the needs of persons who are rough sleeping by allocating housing from the Port Phillip Zero program's By-Name List.
- 8.5 The provision of social housing combined with support services is the primary intervention to address increasing levels of homelessness. Permanent supported housing models have shown to significantly reduce the incidence of persons returning to homelessness.

### ECONOMIC IMPACT

- 8.6 The project creates economic benefits through establishing supported housing for persons experiencing chronic homelessness, through avoidance of health and welfare costs to Government.



**9. PROPOSED NEXT STEPS**

- 9.1 A report on the road discontinuation statutory process will be submitted to Council on 20 July 2020, following receipt of no submissions. This will enable Council to make a final decision to discontinue and transfer the road to the Director of Housing, who will arrange for the title to be consolidated into the title at 28 Wellington St.
- 9.2 St KCH will work with Homes Victoria to develop the support services model that will be funded by the \$6M operating subsidy, and enter into a service agreement relating to the operating subsidy funding.
- 9.3 St KCH will commence the construction tender process once Council has signed its Partnership Deed and Funding Deed with St KCH.

**10. OFFICER DIRECT OR INDIRECT INTEREST**

- 10.1 No officers involved in the preparation of this briefing have any direct or indirect interest in the matter.

**ATTACHMENTS**

1. Render & ground floor plans
2. Partnership Deed between Council and St KCH
3. Funding Deed between Council and St KCH