



ACT
Government

Economic Development

MINUTE

REF: BM12/2296

Proposed Direct Sale to Community Housing Canberra Limited Downer – Former School Site

To: Director-General, Economic Development Directorate and Chief Executive Officer, Land Development Agency

- Acting Deputy Director-General, Land Development, Strategy and Finance

From: Director, Sustainable Land Strategy

Date: 11 December 2012

Purpose

To secure:

1. your signature on a 'letter of comfort' (Attachment A) to Community Housing Canberra Limited (CHC) advising of the Government's intentions to complete processes necessary, to allow the direct sale of the Downer site to CHC to occur; and
2. your agreement to the expenditure of resources by LDA relating to site investigations required for the direct sale.

Background

As you would be aware, EDD has been holding discussions about this project proposal with both the local community (through a Communications and Media Unit led consultation process) and CHC. These discussions have included the potential redevelopment of the former school site in Downer for the purposes of providing a range of affordable housing options and the provision of associated small scale commercial space.

On 3 December 2012, CHC wrote to you (Attachment B) seeking confirmation that the direct sale of the Downer site would still proceed. In discussions between CHC and EDD, EDD was unable to provide the confirmation sought, given that a Territory Plan Variation is required.

Given this constraint, CHC requested that a 'letter of comfort' be provided stating that EDD did not anticipate any reason for the direct sale not to proceed.

Issues

Letter of Comfort

A 'letter of comfort' demonstrating some continuing level of commitment from the Territory regarding this project is sought by CHC, to justify further expenditure of funding required to move this project forward.

The direct sale decision actually resides with you as stated in the legislation. Under *Section 130 (1)(f)* of the *Planning and Development Regulation 2008 (ACT)*, a direct sale of a lease under *Section 240(1)(d)* of the *Planning and Development Act 2007* to CHC does not require any Ministerial or Cabinet approval. A copy of the section of the regulation is at Attachment C.

Following normal practice, your approval would be dependent upon an approved Development Application, a measure common to other direct sales of this nature.

Unfortunately, however, proceeding with the sale in this case will also depend on the agreement to a Territory Plan Variation which, of course, you have no control over. As such, the drafted comfort letter must be circumspect with regard to the level of certainty you can provide.

Site Investigation Costs

LDA's Urban Release unit is currently undertaking the various studies required to release the site and has advised that it will be required to spend approximately \$60,000 to prepare this site. One of the major issues that will need to be dealt with in the future is how the demolition of the former school building will be managed. Quotations for the demolition are currently being obtained prior to any decisions being made.

While the sales price of the site will be determined in the usual manner (by EDD obtaining three valuations and taking the highest based on the development proposal) the final sales price is likely to be impacted by the costs of demolishing the existing buildings. This will be similar to the sale of the site in Griffith to Baptist Community Services.

Recommendations

I recommended that you:

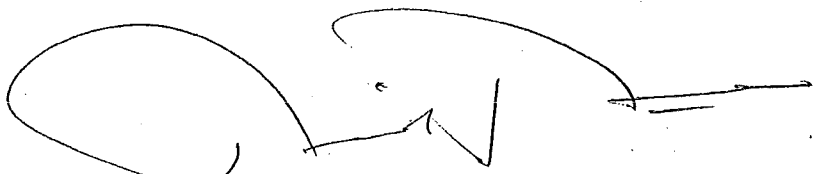
- 1. sign the 'Letter of Comfort' to Community Housing Australia Limited at Attachment A; and
- 2. agree to the LDA's Urban Release unit spending approximately \$60,000 on the site investigation for the sale to CHC.

AGREED/NOT AGREED/NOTED/PLEASE DISCUSS

AGREED/NOT AGREED/NOTED/PLEASE DISCUSS


 Greg Ellis

Action Officer: Chris Sparke
Extension: 52404

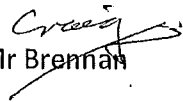

 [David Dawes] 13/12/12



ACT
Government

Economic Development

Mr Craig Brennan
Chief Executive Officer
CHC Affordable Housing
PO Box 6239
O'Connor ACT 2602


Dear Mr Brennan

Letter of Comfort

Proposed Direct Sale Downer Site to Community Housing Canberra

Thank you for your letter of 3 December 2012 in relation to the proposed direct sale of land in Downer.

Under the *Planning and Development Regulation 2008* a direct sale to CHC does not require any further Government approvals. However, as you understand, the sale will still be dependent on the Development Application (DA) and on the passage through the Legislative Assembly of the necessary Territory Plan Variation (TPV).

Unfortunately, given that a TPV is beyond my control, I am unable to provide you with a guarantee that the sale will definitely proceed. Nonetheless, I am in a position to assure you that the Government fully intends to do what it can to expedite the process.

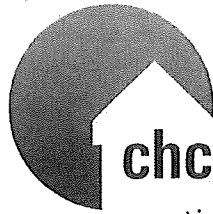
To this end, EDD has engaged the Land Development Agency (LDA) to undertake the required investigations for the site release; and will be working to facilitate the direct sale once the statutory processes are completed.

If you have any queries regarding the direct sale process please do not hesitate to contact Mr Greg Ellis, Director of Sustainable Land Strategy on 6207 5744.



David Dawes
Director-General

13 December 2012



chc affordable housing
creating homes and communities

3 December 2012

Commercial-In-Confidence

Mr David Dawes
Director-General
Economic Development Directorate
Level 7 TransACT House
470 Northbourne Avenue
DICKSON ACT 2602

By Email

Dear Mr Dawes

Downer Project – CHC Affordable Housing

Thank you for your letter of 8 October 2012 regarding the Downer project and CHC Affordable Housing's (CHC) involvement.

I note that since that time, the Working Group has moved forward with a number of key milestones including further site investigations and the submission of a Scoping Document with ACTPLA. I understand that the document has been circulated to relevant agencies with a response expected from ACTPLA prior to the end of the year.

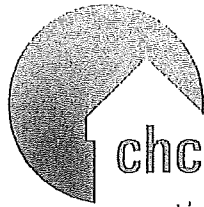
As you are aware, CHC has had preliminary discussions with the Direct Sales Unit in order to understand the process of a direct grant of the Downer site to CHC. In this regard, it appears that Regulation 130 of the *Planning and Development Regulation 2008* (ACT) will enable the direct grant process to occur.

Please confirm that the direct grant will occur pursuant to Regulation 130 of the *Planning and Development Regulation 2008* (ACT).

Should you wish to discuss this matter further, I can be contacted on telephone 6248 7716.

Yours sincerely

Craig Brennan
Chief Executive Officer
CHC Affordable Housing



chc affordable housing
creating homes and communities

3 December 2012

Commercial-In-Confidence

Mr David Dawes
Director-General
Economic Development Directorate
Level 7 TransACT House
470 Northbourne Avenue
DICKSON ACT 2602

By Email

Dear Mr Dawes *David*

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Please confirm that the direct grant will occur pursuant to Regulation 130 of the *Planning and Development Regulation 2008 (ACT)*.

Should you wish to discuss this matter further, I can be contacted on telephone 6248 7716.

Yours sincerely

Craig Brennan
Chief Executive Officer
CHC Affordable Housing

Ground Floor, Nouvelle House
216 Northbourne Avenue, Braddon ACT 2612
PO Box 6239, O'Connor ACT 2602

T: 02 6248 7716
F: 02 6248 7521
W: www.chcaffordablehousing.com.au



Division 6.1.4 Certain direct sales not requiring approval

Note For other direct sales not requiring approval, see the Act, s 240 (1) (e) to (g).

130 Certain direct sales not requiring approval—Act, s 240 (1) (d)

- (1) The direct sale of the following leases is prescribed:
- (a) a lease offered at auction but not sold;
 - (b) a lease of land (the *new lease*) if—
 - (i) a lease of the land was offered by tender but not sold; and
 - (ii) the new lease includes conditions materially similar to the conditions of the lease offered by tender, other than any conditions relevant only to the tender process;
 - (c) a lease offered at ballot but not sold;
 - (d) a lease sold at ballot but the contract of sale is rescinded or otherwise ended before the lease is granted under the contract;
 - (e) a lease of allocated land to the housing commissioner;
Note *Allocated land*—see s 100.
 - (f) a lease to Community Housing Canberra Limited, ACN 081 354 752;
 - (g) a lease of land to the Territory if the land is used or occupied by the Territory.

(2) In this section:

auction, in relation to a lease, means an auction of the lease under the Act, section 238 (1) (a).

ballot, in relation to a lease, means a ballot of the lease under the Act, section 238 (1) (c).