

Indenture 9-13 Hocking Court, Adelaide

Tuesday, 9 August 2022
Council

Strategic Alignment - Thriving Communities

Program Contact:
Mike Philippou, Associate
Director Strategic Property &
Commercial

Public

Approving Officer:
Tom McCready, Director City
Services

EXECUTIVE SUMMARY

Council and SYC Ltd. (SYC), previously known as Service to Youth Council Inc., are tenants in common of the property at 9-13 Hocking Court, Adelaide. The parties entered into an Indenture Agreement in 1993 for a term of 10 years with two 10-year Rights of renewal. The Indenture permitted SYC to exclusively occupy and manage the land for the purpose of providing residential accommodation for disadvantaged youth.

This report requests approval from Council to enter into a new Indenture with SYC for a further term of 10 years with one extension of another 10 years.

RECOMMENDATION

THAT COUNCIL

1. Approves entering into an Indenture Agreement with SYC Ltd. for the occupation and management of the residential housing facility at 9-13 Hocking Court, Adelaide.
 2. Authorises the Chief Executive Officer to finalise the Indenture negotiations between the Corporation of City of Adelaide and SYC Ltd. and execute the Indenture Agreement and associated documentation.
 3. Authorises the Chief Executive Officer to sign and affix as necessary the Common Seal with the signature of the Lord Mayor to all legal documentation to give effect to the above-mentioned decisions.
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IMPLICATIONS AND FINANCIALS

City of Adelaide 2020-2024 Strategic Plan	Strategic Alignment – Thriving Communities We want to achieve functional zero homelessness by continued support for the Adelaide Zero Project and other initiatives to achieve functional zero homelessness.
Policy	Homelessness, Social Housing & Housing Affordability Policy 2022-2025: CoA is a facilitator and advocate in the community housing sector.
Consultation	Not as a result of this report.
Resource	Not as a result of this report.
Risk / Legal / Legislative	Risk will be managed as part of the Indenture Agreement.
Opportunities	Opportunity for Council to continue partnering with SYC making a difference in young people's lives who are homeless or in danger of becoming homeless. HYPA Housing provides the opportunity for a young person to gain stable employment and exit the homelessness crisis support system becoming a self-reliant, taxpaying resident of their community.
22/23 Budget Allocation	Not as a result of this report
Proposed 23/24 Budget Allocation	Not as a result of this report
Life of Project, Service, Initiative or (Expectancy of) Asset	10-year term with an additional Right of Renewal for a term of 10-years, subject to both parties' consent.
22/23 Budget Reconsideration (if applicable)	Not as a result of this report
Ongoing Costs (eg maintenance cost)	SYC is responsible for the cost of the program and maintenance of the property.
Other Funding Sources	Not as a result of this report

DISCUSSION

1. Council has received a request from SYC Ltd (SYC), previously known as Service to Youth Council Inc., to grant a new Indenture for a further term of 10 years (2023-2033) with an extension of another 10 Years (2033-2043) for occupation and management of the land and facility at 9-13 Hocking Court, Adelaide (Hocking Court).
2. HYPAs (Helping Young People Achieve) Housing, an affordable housing program for young people was established at Hocking Court in 1992. The physical infrastructure constructed on Hocking Court consists of 5 one bedroom and 2 two-bedroom independent living units and a common lounge, store and laundry facilities. The program running from Hocking Court by SYC provides a 12-to-18-month rental contract assisting transition from homelessness to full rental.
3. The Hocking Court Development was undertaken utilising financial assistance from State and Local Government. There is a funding agreement in place dated 10 March 1992 between the Minister of Public Works, Council and SYC. Council contributed \$184,000 in the form of land, SYC contributed \$100,000 and the Minister in the region of \$368,250. State Government's financial interest is currently protected by a caveat registered against the title.
4. Council and SYC are tenants in common with a 65 (Council)/35 (SYC) interests in the land. The parties entered into an Indenture Agreement dated 12 March 1993 for a term of 10 years with two 10-year Rights of renewal.
5. Council agreed not to exercise its right to occupy the land for the term of the Indenture (and renewal terms) and permitted SYC to exclusively occupation and managed the land for the purpose of providing residential accommodation for disadvantage youth.
6. Hocking Court is well maintained. SYC has paid for all upkeep, maintenance and renovations since the commencement of the Indenture in 1993.
7. The housing program is a benefit to the young people who tenant the property. This complex and program has supported many young people who were homeless or at risk of homelessness, establish a learning or working pathway, a stable rental history and confidence in themselves and their capabilities.
8. SYC has exercised all the Rights of Renewal available in the current Deed of Indenture with Council's approval given at its meeting of 24 June 2014. The current arrangement will expire on 11 March 2023.
9. In 2011, Council investigated the possible disposal of its share in the property to SYC. The outcome of this investigation was that the social value outweighs the residual value of CoA share after reimbursement of State Government funding calculated using a multiplication factor. Purchase by SYC can be reconsidered in the future if need be.
10. The Strategic Property Review endorsed by Council on 14 April 2020 identified the property for retention and continued use for community benefit.
11. A new Indenture Agreement is required to continue the arrangement with SYC. The request is for a 10-year term with an additional Right of Renewal for a term of 10-years. The Right of Renewal will be subject to both parties' consent.
12. A Deed of Indenture requires the placement of the Common Seal of Council authorised by formal resolution of Council to give legal status to the instrument.

ATTACHMENTS

Nil

- END OF REPORT -