

Resilient Sydney Affordable Housing Project Contributions Scheme Workshop

Helen Sloan, CEO SSROC



Acknowledgement of Country



SSROC acknowledges the Gadigal of the Eora Nation, the traditional custodians of this land and pay my respects to the Elders both past and present.



Project Partners



Supported by



Consultants



Greater Cities Commission



Jacqui Salter

Team Leader Housing, Strategic Planning

Greater Cities
Commission



Housing Affordability – the Challenge for Greater Sydney

Action 7 – Resilient Sydney Strategy

March 2023

CONNECTED. INCLUSIVE. RESILIENT.



ACTION

7

Advocate for Affordable Housing

A collaboration of local and state government with partners

RESILIENT SYDNEY



ACTION

7

Affordable Housing in Greater Sydney

Driving three actions:

- 1. Data and evidence for councils to understand local needs**
- 2. Effective use of the planning system to grow affordable housing**
- 3. Identify land and partners for local projects**





Chronic disease



Housing affordability



Employment diversity



Social cohesion



Drug & alcohol abuse



Health services demand

Sydney's Major Stresses



Inequity



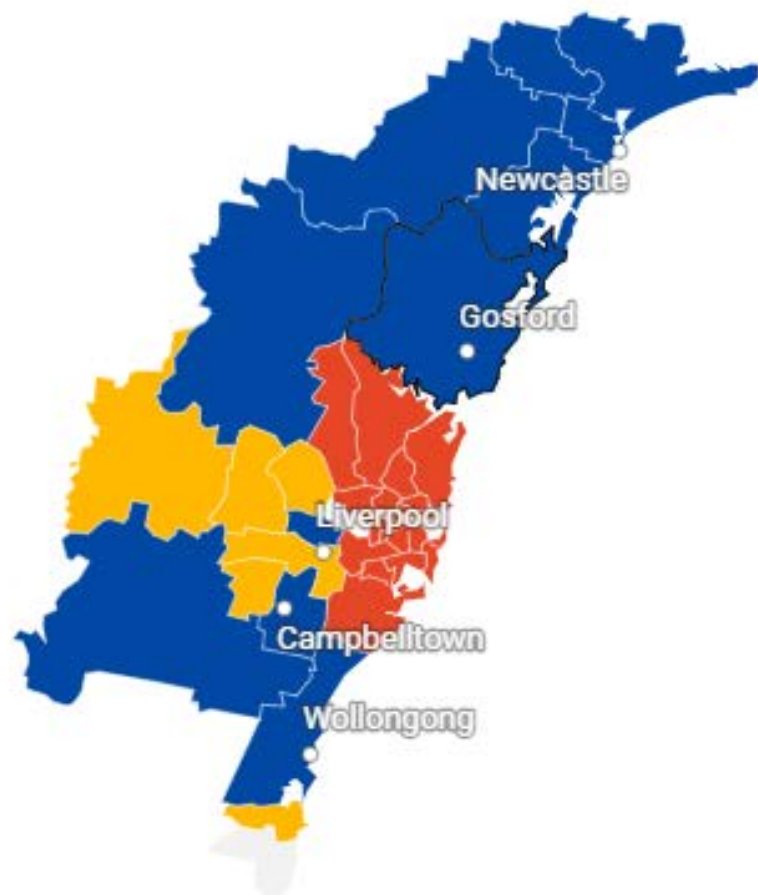
Transport diversity

Sydney is very unaffordable – to rent or buy

Rental affordability

Affordability of median priced one bedroom rental on indicative wage for a commercial cleaner.

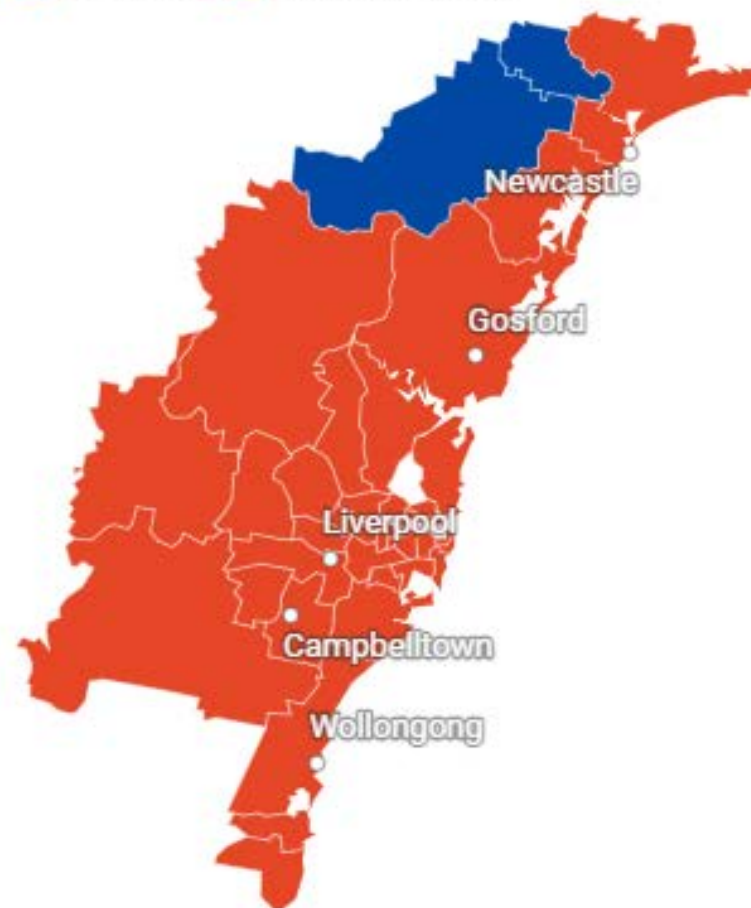
■ Affordable ■ Moderately unaffordable ■ Very unaffordable ■ Data not available



Purchase affordability

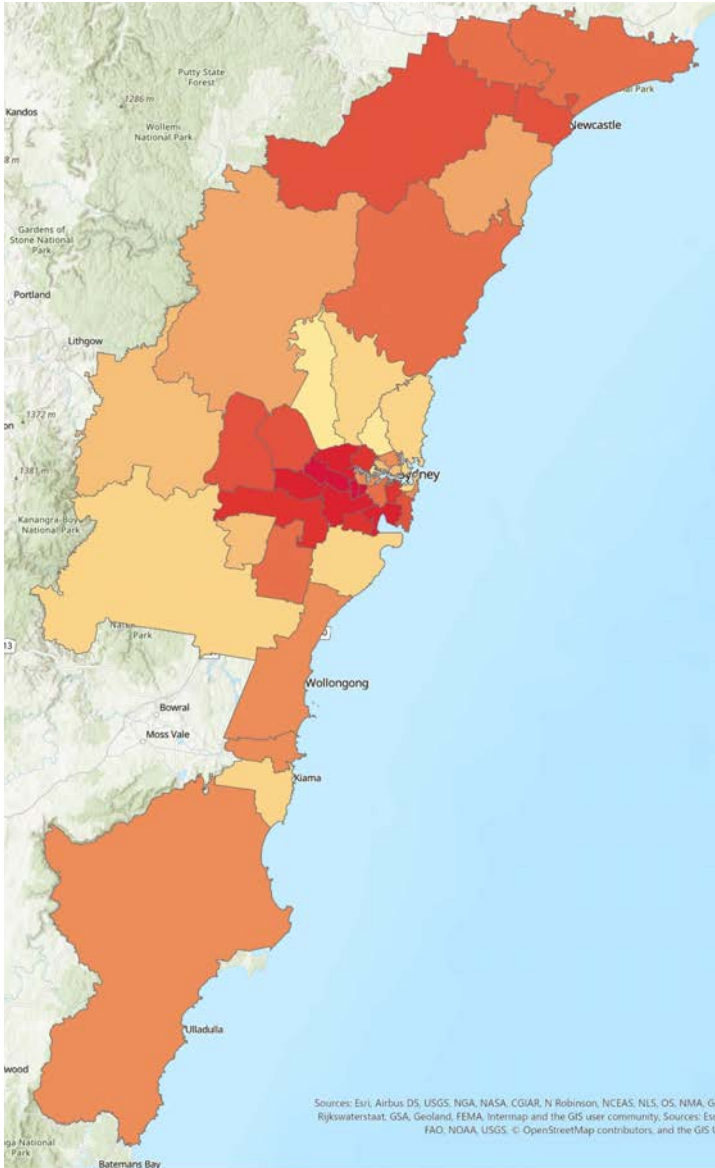
Affordability of a median priced house to purchase on indicative wage for an early career Registered Nurse.

■ Affordable ■ Very unaffordable

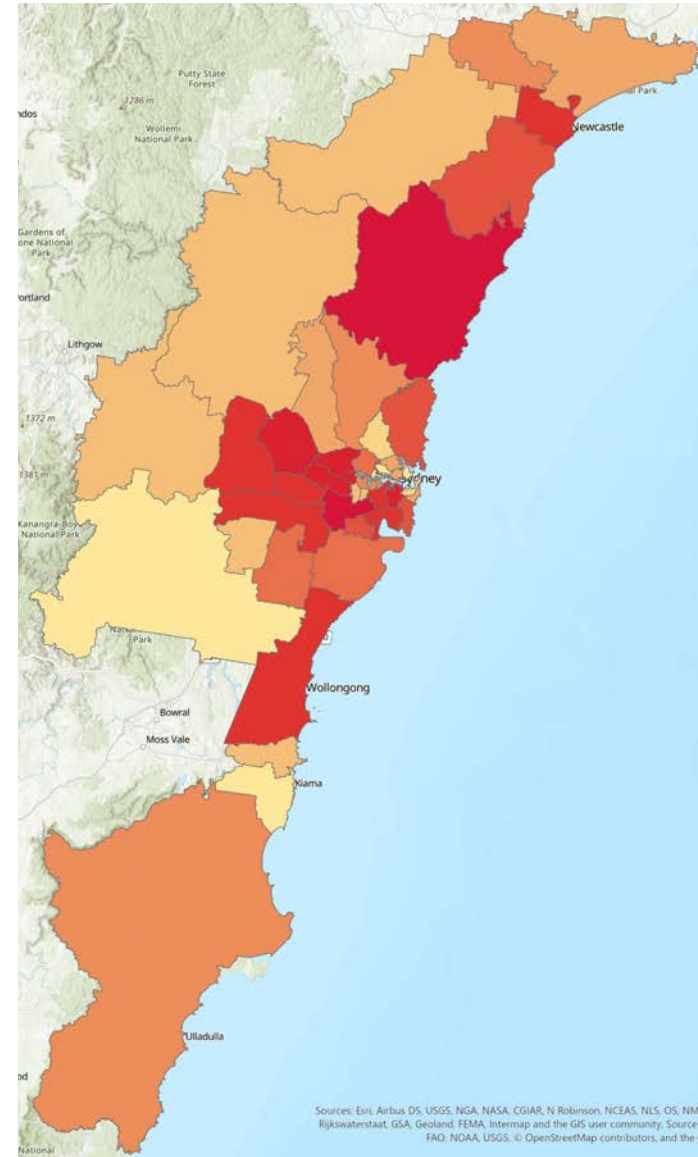
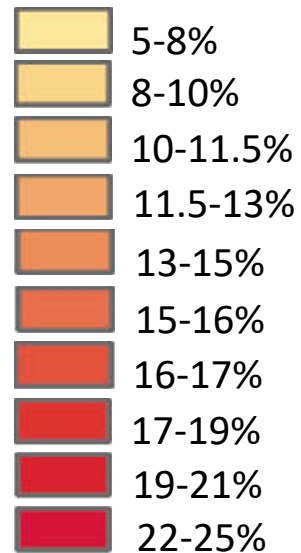


Source: AHURI
“Essential workers a long way from home”

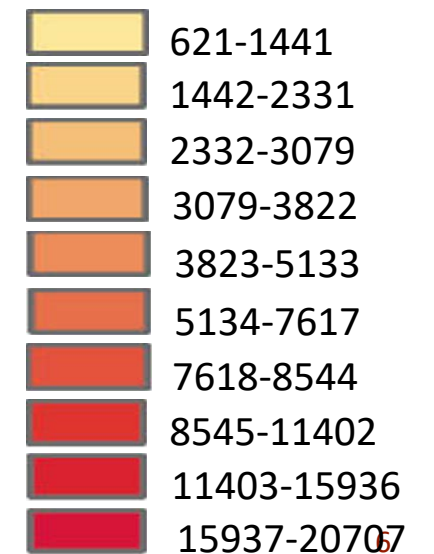
Affordability pressures are everywhere



% of very-low to moderate income households in housing stress, of all households (2016)



Number of very-low to moderate income households in housing stress (2016)



New 'poverty line' in Sydney is housing-related

- Housing stress is everywhere in Sydney
- Huge and growing need for affordable housing in Greater Sydney:
225,000 households = ~ 630,000 people
- Very low, and low income people moving away because they can't afford to live here
- Outer and middle LGAs – not enough supply for the types of households experiencing rental stress
- 7 councils with over 20% of all households in rental stress

15% of all households in rental stress

7 councils with over 20% of households in stress

~ 630,000 people need affordable housing

Who is eligible for rent controlled housing?

Threshold Below threshold for single person household

Moderate

Low

Very Low

Child carers (95%)



Health and welfare support workers (70%)



Education aides (93%)



Freight handlers and shelf fillers (91%)



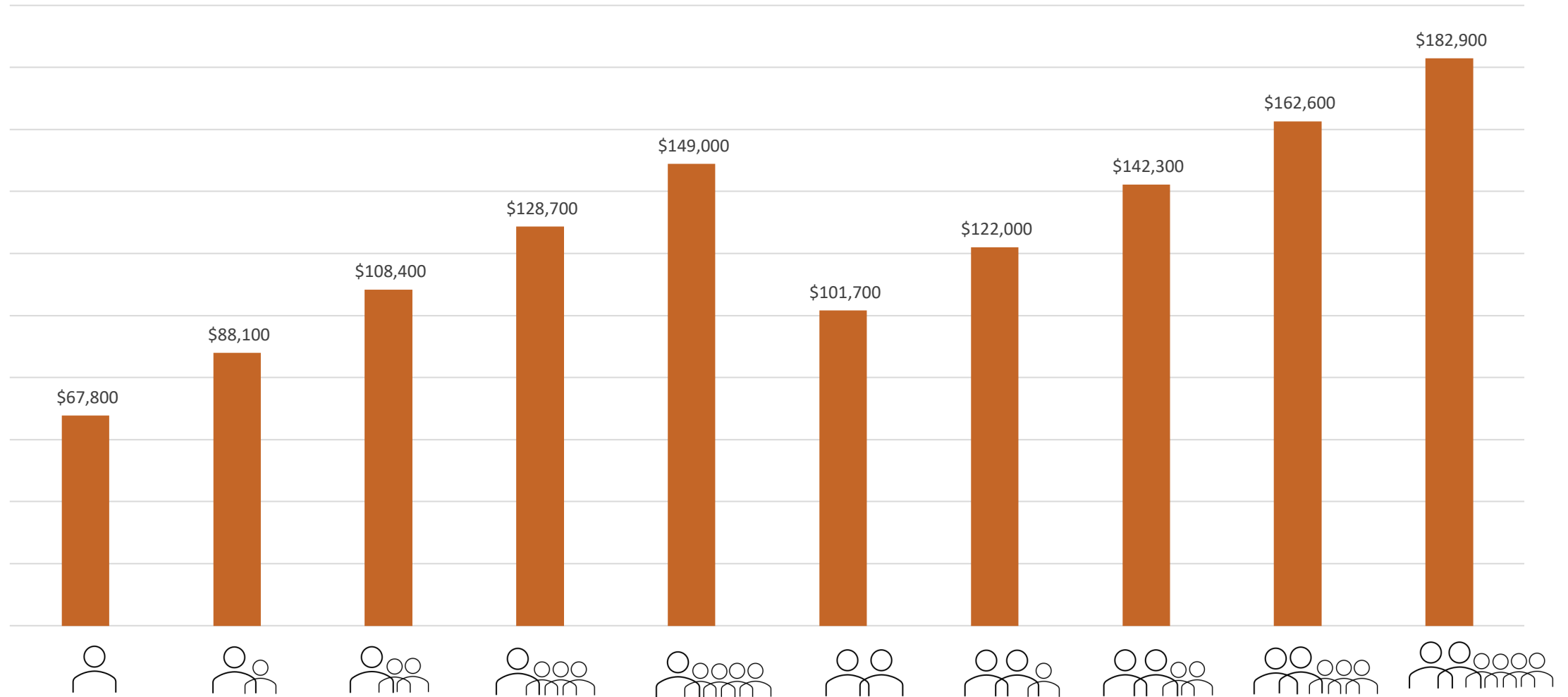
Personal carers and assistants (92%)



Cleaners and laundry workers (94%)












Every household type is eligible for affordable housing



Source: Household income eligibility limits for Greater Sydney - Department of Communities & Justice

Where can people rent in the Six Cities region?

		Weekly wage	1 	2 	3 
Laundry worker		\$790	2 LGAs*	0 LGAs*	0 LGAs*
Commercial cleaners		\$960	11 LGAs*	0 LGAs*	0 LGAs*
Delivery drivers		\$960	11 LGAs*	0 LGAs*	0 LGAs*
Fire and emergency workers (early career)		\$960	11 LGAs*	0 LGAs*	0 LGAs*
Enrolled nurse		\$1,150	17 LGAs*	6 LGAs*	0 LGAs*
ICT support technicians		\$1,150	17 LGAs*	6 LGAs*	0 LGAs*
Child carer		\$1,150	17 LGAs*	6 LGAs*	0 LGAs*

*Number of LGAs with affordable median rent – by occupation, of 43 LGAs across Six Cities Region. Source: Department of Communities and Justice 2020



SYDNEY



SSROC



AFFORDABLE HOUSING MAYORAL SUMMIT

**3PM, THURSDAY 27 OCTOBER 2022
LORD MAYOR'S RECEPTION ROOM
SYDNEY TOWN HALL**

Actions for Council

The role of local government

1. Review Council landholdings to identify a site to partner with a CHP for the delivery of affordable housing;
2. Investigate planning controls for local affordable housing and consider a targeted contributions scheme;
3. Jointly advocate to the Federal and State Governments for evidence based policies and programs for affordable housing.

Regulate

Partner

Advocate

Invest

ACTION

7

Affordable Housing – Summit 2022

Progress update

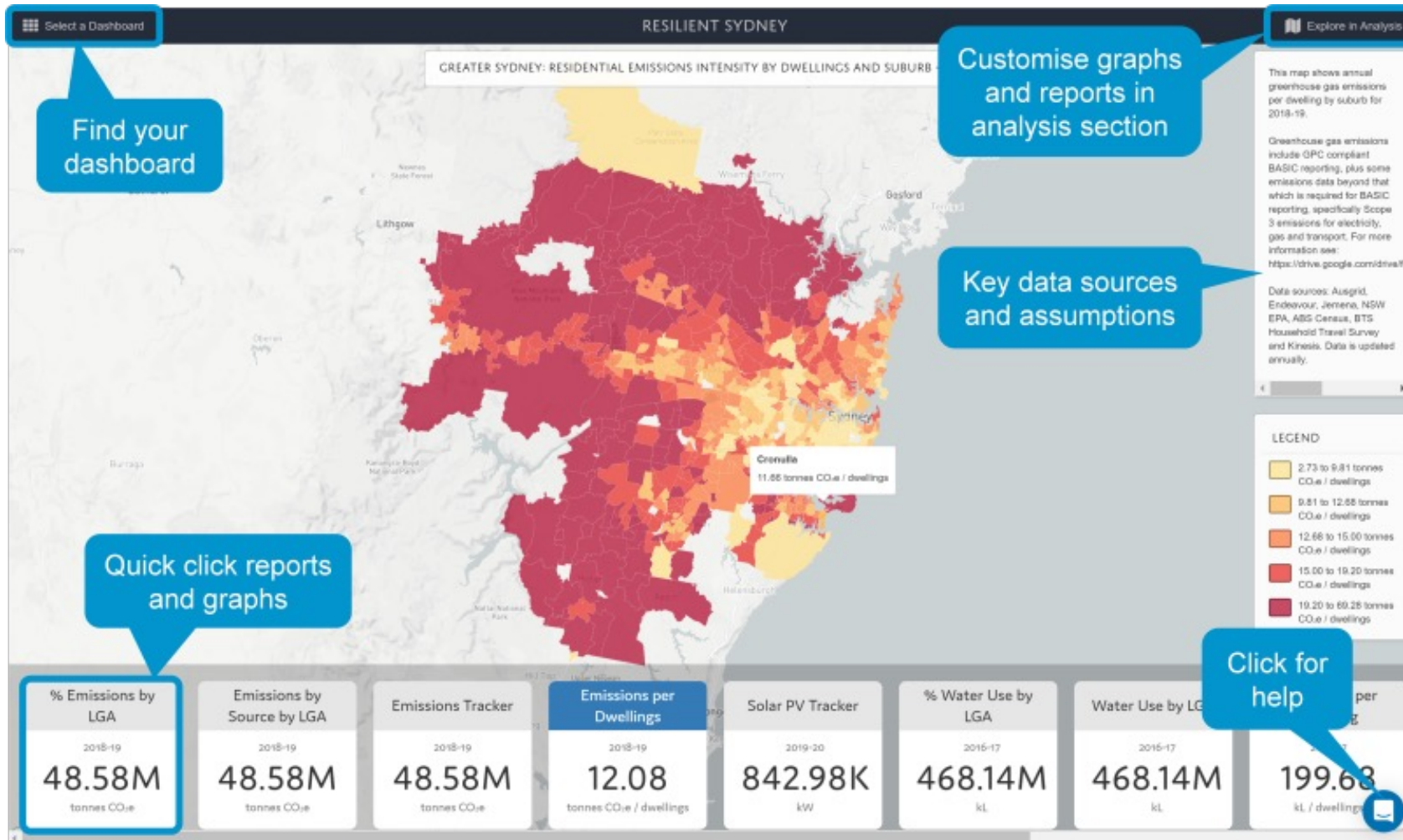
Mayoral minutes - 10 councils taking action:

- Bayside
- Campbelltown
- City of Sydney
- Fairfield
- Georges River
- North Sydney
- Randwick
- Strathfield
- Sutherland
- Willoughby
- Woollahra



Resilient Sydney Platform – measuring progress

Next steps – data for councils






Thank you

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www.resilientsydney.com.au

 [@ResilientSydney](https://twitter.com/ResilientSydney)

 [au.linkedin.com/company/resilient-sydney](https://www.linkedin.com/company/resilient-sydney)



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RESILIENT CITIES NETWORK

Resilient Sydney Collaboration

Affordable Housing Contribution Scheme Project

Finding easier pathways for councils



Project team:

Linda Blinkhorn

Reeve Cocks

Prof Peter Phibbs

Jaime McNamara

Rebecca Richardson



Outline

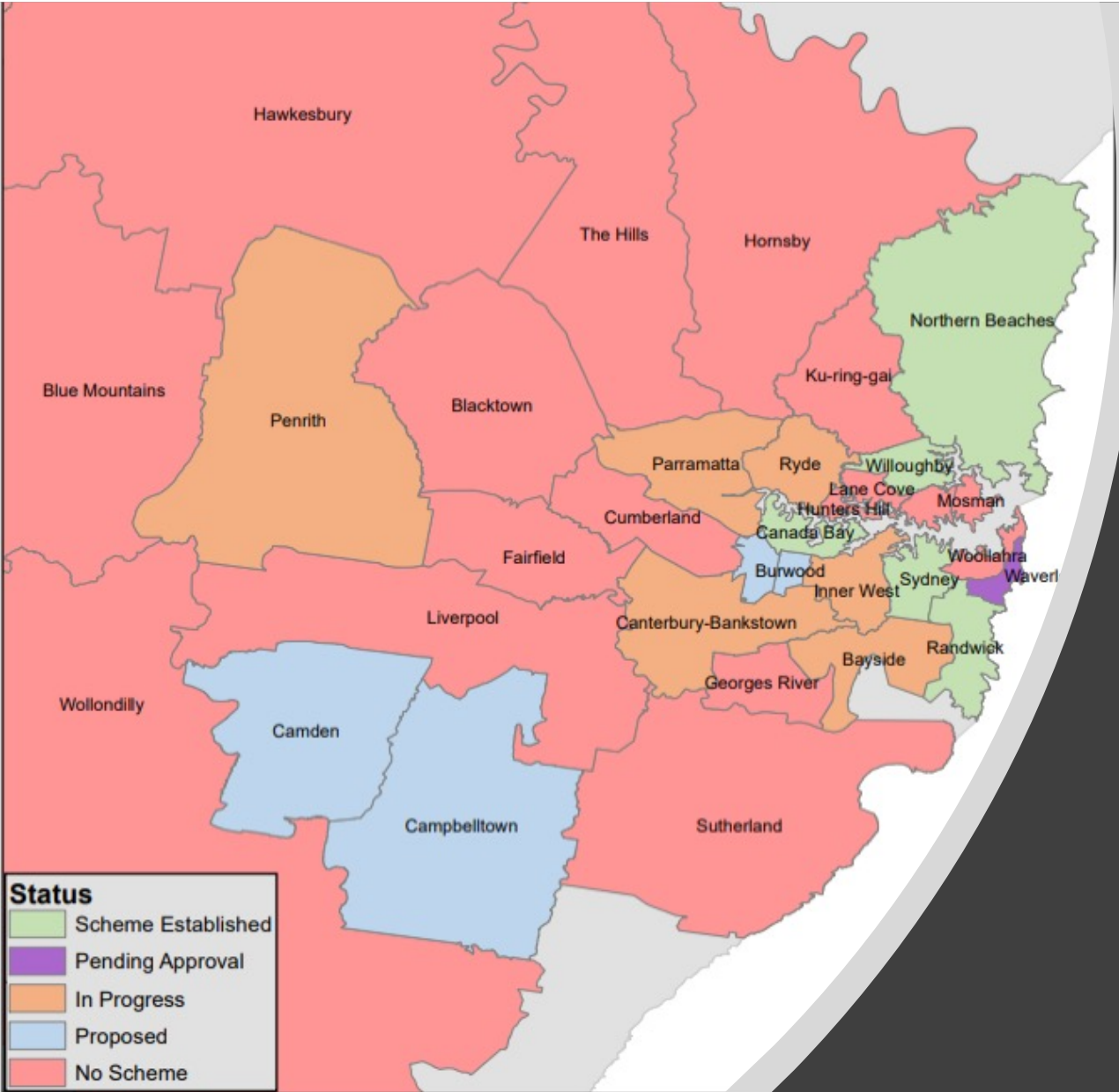
Why so few AHCSs?

- Engagement
- Key barriers

Overview of Resource Package

<https://www.urbanista.com.au/ahcs-resources>

Further enabling Councils



Why so few Schemes in place?



Engagement

- Key Barriers
- Responding to Barriers
- Templates and Tools
- Other options / issues

Wide consultation:

- Agencies – DPE, DCJ, GCC
- Community Housing – CHIA, Registrar, CHPs
- Housing Experts – Shelter, academics, individual experts

Focus on Local Government:

3 workshops, on-line questionnaire, direct engagement, WSPP, Mayoral Summit

Barriers – By council groupings

Barriers	Inner/Middle	Middle/Outer	Western Sydney
	%	%	%
Lack of elected council support	25	50	37
Community opposition	0	50	0
Limited opportunities to apply a scheme	62	50	62
Land values unlikely to support viability	50	33	87
Onerous process for gaining scheme approval	62	16	50
Difficulty understanding/using the DPE feasibility tool	50	33	12
Higher priority/competing strategic planning priorities	37.5	0	37
Resourcing constraints (e.g. staff, funding for studies)	50	33	75
Other	37.5	16	43

Barriers to Developing Schemes

Lack of political and community support

Onerous process, resource intensive

Feasibility – limited viability, complex assessment, difficulty using DPE Tool

Limited opportunities to apply schemes

Resourcing constraints

What councils thought will help

Potential Solutions	Inner/Middle	Middle/Outer	Western Sydney
	%	%	%
Simplifying and streamlining requirements for establishing a Scheme	62	16	25
A more standardised approach to feasibility assessment	75	50	62
Tools and guidance eg. templates, standard LEP clauses, conditions of consent etc.	62	66	37
DPE prioritising development of AHCSs	50	50	75
Greater alignment between AHCSs and other processes (eg. LEP Making Guideline, Local Housing Strategy Guideline)	12	33	50
Additional resourcing	25	33	62

Package of Resources



1. Streamline Evidence Base



2. Standard LEP Clause



3. Scope a brief for developing a standard approach to setting/updating contribution rates



4. Prepare framework for template scheme



5. Centralised tracking of affordable housing contributions and outcomes

See: <https://www.urbanista.com.au/ahcs-resources>

Set of core metrics designed to demonstrate to constituents and stakeholders the need for an AHCS



1. Streamline Evidence Base

Provides a set of baseline metrics to demonstrate housing needs in support of the establishment of an AHCS.

Structured to respond to three key questions:

- Q Is there a current need for affordable housing?
- Q What are the dimensions and influences of housing need?
- Q What are the housing market constraints?

Sets out the data fields needed to respond to these questions, together with the data source and the geographic level at which is available.

It is also recommended that the NSW government consider creating a **centralised data base** with functionality to generate a **standard report** which could satisfy AHCS requirements.

Standard clause that
can be adapted by
councils for inclusion
in their LEP to
activate their AHCS



2. Standard clause

Draws on existing clauses to provide the base provisions required for legal implementation of an AHCS.

The approach is to streamline the clause itself with the AHCS to provide details eg where it applies, the contribution rate, process for collecting and using contributions. (Councils can choose to include some details in the clause instead.)

A further draft standard clause has been developed to capture land as and when it is rezoned or upzoned. This would help ensure that the market is placed on notice of affordable housing contributions requirements and that opportunities are not lost because a framework is not in place at the time of a rezoning. The draft clause has been submitted to DPE for consideration.

To guide exploration
of a more
streamlined and
standardised
approach for setting
and updating
contribution rates



3. Scope a brief for developing a standard approach to setting/updating contribution rates

A better approach for feasibility assessment and setting of contributions rates emerged as a clear priority, but not possible within the scope of this project.

To advance work on this, a scoping for work to address this was prepared covering examination of:

- Alternative methodologies identified through Urbanista work or elsewhere
- Capacity to convert to standardised contribution rates
- Mechanisms for:
 - updating rates to keep pace with cost and land value increases
 - adjusting rates in response to changes in feasibility
 - tailored rates where a standardised approach is not suitable
- Supporting tools and resources.

A structured,
partially
prepopulated
Template for an
AHCS, supported by
the **AHCS**
Compendium and
AHCS Resources.



4. Prepare a template for a standard scheme

Formatted in keeping with the structure set out in the AHCS Guideline, the Template provides standard text for fields where common wording can be used across AHCS.

Includes explanatory notes for guidance on including customised local provisions or where locally relevant data is required.

Base for the Template being presented today.



AHCS Compendium

The Compendium draws on the shared knowledge of councils to provide examples of Scheme provisions, contribution rates and conditions of consent. **Implementation tools** include guidance on **partnering with a community housing provider**.



AHCS Resources

The Resources supplement the package providing a compilation of some affordable housing clauses used in LEPs and provisions applied in current AHCSs.

Recommends
enhancements to
the Planning Portal
to support tracking
of affordable
housing
contributions and
affordable housing
outcomes



5. Centralised tracking of affordable housing contributions and outcomes

Examines the need for better systems to monitor and track affordable housing contributions and outcomes.

Proposes that the Planning Portal be enhanced to:

- Provide a common framework for tracking and collecting contributions.
- Support councils to monitor affordable housing outcomes through a standard format and data base.

Tracking of the outcomes of schemes will involve developing metrics that capture the range of approaches available to councils to applying the contributions received.



WIDER
IMPROVEMENT
AND INTERVENTION
OPPORTUNITIES

Key opportunities include:

- **Strengthen policy commitment** to affordable housing in next iteration of Region and District plans and prioritise scheme preparation.
- Develop a simpler, more **standardised approach to feasibility**.
- Enable a **broad-based contribution** in areas without uplift.
- Establish a minimum requirement for affordable housing on **government land**.
- Improved guidance for collecting contributions, **ownership and management** opportunities e.g. role of CHPs.
- **Support for councils**, e.g. practitioners network, mobile expert resources, dedicated team within DPE.

Thank you

Resource Package:

<https://www.urbanista.com.au/ahcs-resources>



Urbanista

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SYDNEY



Affordable housing
contribution
schemes –
supplementary
implementation

guide and template

Agenda

- Background
- Purpose
- Tools for local government planners
 - supplementary implementation guide
 - template for contribution scheme plans
- Resources
- Next steps

Affordable housing contributions schemes project

- Increase the amount of affordable housing, by way of increasing the amount of affordable housing contribution schemes in LEPs
- Urbanista engaged late 2021 to:
 - identify barriers
 - develop tools to assist councils
 - make recommendations about how future policy setting to encourage take up

Barriers to contribution schemes

Barriers	Number	Percentage
Lack of elected council support	8	36
Community opposition	3	13
Limited opportunities to apply a scheme	13	59
Land values unlikely to support viability	13	59
Onerous process for gaining scheme approval	10	45
Difficulty understanding/using the DPE feasibility tool	7	32
Higher priority/competing strategic planning priorities	6	27
Resourcing constraints (e.g staff, funding for studies)	12	54
Other (please specify)	7	32

What will help?

Potential Solutions	Inner/Middle		Middle/Outer		West.Sydney	
	No.	%	No.	%	No.	%
Simplifying and streamlining requirements for establishing a Scheme	5	62	1	16	2	25
A more standardised approach to feasibility assessment	6	75	3	50	5	62
Tools and guidance eg. templates, standard LEP clauses, conditions of consent etc.	5	62	4	66	3	37
DPE prioritising development of AHCSs	4	50	3	50	6	75
Greater alignment between AHCSs and other processes (eg. LEP Making Guideline, Local Housing Strategy Guideline)	1	12	2	33	4	50
Additional resourcing	2	25	2	33	5	62

Tools for local government

- Supplementary implementation guide (Resilient Sydney)
- Template for contribution scheme plans (Resilient Sydney)
- Affordable Housing Contribution Scheme resources (Urbanista):
 - Evidence Base
 - Compendium
 - Resources
 - Tracking of Contributions and Outcomes

Supplementary implementation guide - purpose

- Supplement info provided by Department Guideline
- Simplify the process for implementing a contribution scheme under the existing policy settings
- Provide resources for council planners
 - links to key documents and other council examples
 - Urbanista's discussion papers

Supplementary implementation guide - key elements for implementing a 'contribution scheme'

- Initial planning proposal (affordable housing component only)
 - needs analysis
 - drafting instruction
 - establish a contribution requirement (justified with feasibility analysis)
 - 'contribution scheme plan' (the template)
- Successive planning proposals

Supplementary implementation guide - needs analysis

- Housing SEPP recognises need on all LGAs in NSW
- Housing need also recognised in Housing 2041, the Region Plan, Six Cities Discussion Paper, local housing strategies ... not to mention the zeitgeist
- Working with Department to develop better data for local government
- Urbanista's "Affordable Housing Contribution Scheme Evidence Base"

Supplementary implementation guide - drafting instruction

- Various options for your LEP clause. The clause will determine:
 - appropriate triggers for the local area
 - how feasibility approached
 - what goes in the LEP clause, and what goes in the contribution scheme plan
- Urbanista “Affordable Housing Contribution Scheme Resources” provides existing examples in council LEPs
- Urbanista recommendation for a more standardised approach that councils can utilise

Supplementary implementation guide - contribution requirement and feasibility

- Region Plan target is 5%-10% of new residential floor area provided as affordable housing
- Council's task is to establish contribution rate and demonstrate feasibility
- Urbanista recommendation to Department to explore different approaches
- Department's Guideline includes guidance, as well as online feasibility tool
- Some councils recommend site/precinct specific studies

Template for contribution scheme plans – what is a contribution scheme plan

- Contains the detailed requirements for the operation and ongoing administration of the contributions scheme
- Most existing LEP provisions refer directly to a contribution scheme plan, as dated
- The reference in the LEP gives the contribution scheme plan legislative weight
- Changes to the contribution scheme plan require a planning proposal

Template for contribution scheme plans – what's in the template

- Strategic context
 - overview of needs analysis
 - legislative considerations
- Administration
 - different ways to satisfy a contributions requirement
 - explanation of development application processes
- Using contributions

Template for contribution scheme plans – using and managing contributions

- The issue of managing contributions is likely to become more important
- Councils approach can sit in the contribution scheme plan, or be a separate policy of council
- The template provides information about the options, points to different examples, and provides a framework of considerations for councils to make decisions

Comments, examples and resources

- Comment invited on implementation scheme and template by **14 April**
- Request for councils to provide examples and/or links to:
 - council reports / planning proposals / contribution scheme plans
 - feasibility studies
 - standard conditions of consent
 - process maps for administration of funds / agreements with CHP's
 - other examples of how affordable housing is being leveraged through the planning system

Email: ssroc@ssroc.nsw.gov.au

Limitations

- Ongoing update of the implementation scheme and template are not currently resourced
- Department policy liable to change
- Implementation scheme and template are not endorsed – councils should always seek the advice of the Housing Policy team
- Implementation scheme and template are not legal advice

Email: housingpolicy@planning.nsw.gov.au

Local government affordable housing network

- Network with other local government planners on affordable housing issues
- Share experiences and learnings
- Access implementation tools
- Access resources

Email: ssroc@ssroc.nsw.gov.au



Questions
