

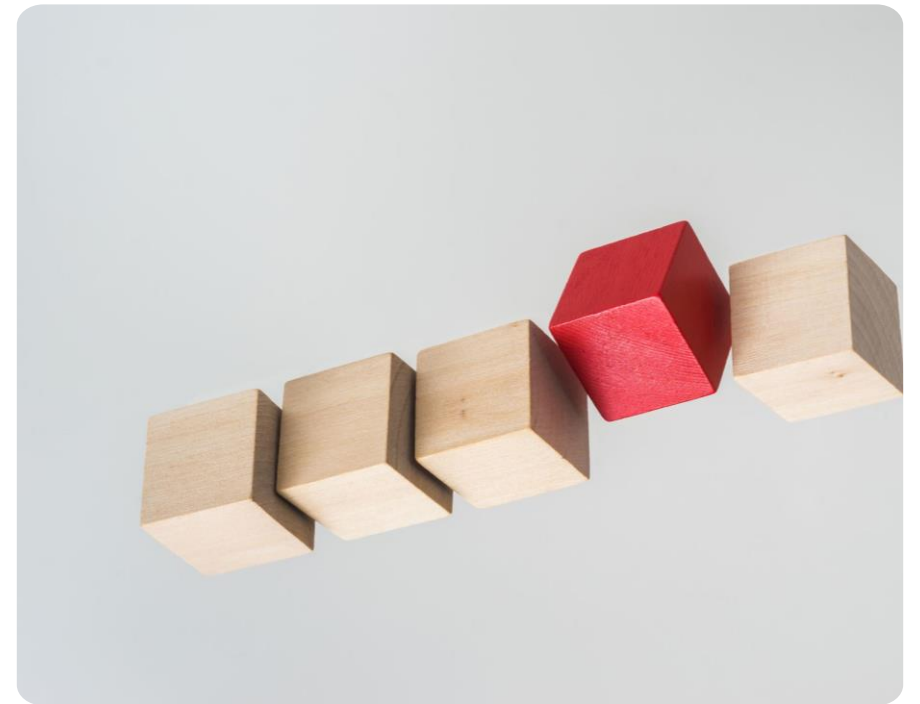
# Council Engagement

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Affordable Housing  
Contribution Scheme Project

# Focus

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



# Three workshops

23 councils

Workshop 1 – Inner/Middle	Workshop 2 – Middle/Outer	Workshop 3 – Western Sydney
Canterbury Bankstown	Burwood*	Blacktown
Inner West	Canada Bay	Camden*
North Sydney	Hornsby	Campbelltown
Randwick	Ku-ring-gai	Cumberland
Sydney City	Lane Cove	Hawkesbury
The Hills	Northern Beaches	Liverpool
Waverley	Sutherland	Parramatta
Woollahra		Penrith
		Wollondilly

\* Council didn't respond to survey

# Barriers – overall responses

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

# Barriers – By council groupings

Barriers	Inner/Middle (8)		Middle/Outer (6)		Western Sydney (8)	
	No.	%	No.	%	No.	%
Lack of elected council support	2	25	3	50	3	37
Community opposition	0	0	3	50	0	0
Limited opportunities to apply a scheme	5	62	3	50	5	62
Land values unlikely to support viability	4	50	2	33	7	87
Onerous process for gaining scheme approval	5	62	1	16	4	50
Difficulty understanding/using the DPE feasibility tool	4	50	2	33	1	12
Higher priority/competing strategic planning priorities	3	37.5	0	0	3	37
Resourcing constraints (e.g staff, funding for studies)	4	50	2	33	6	75
Other	3	37.5	1	16	3	43

# Barriers – ‘other’ issues identified

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- Its very resource intense to get a scheme off the ground (Inner/Middle)
- We are currently challenged to undertake broader important strategic planning projects due to the work program being dominated by site specific planning proposals (Inner/Middle)
- Reconciling an approach with established local policy position which includes a local housing diversity provision.(Inner/Middle)
- No political appetite for upzoning & uplift. Adopted position is for all housing to reach targets is to be provided through the capacity of existing zoning. (Middle/Outer)
- We have fire and flood constraints. (WS)
- Affordability is not a local issue. It is a Federal issue which has been kicked down the chain to a local level which has least ability to make meaningful change.(WS)
- Lack of State agency support.(WS)
- Feasibility in Cumberland.(WS)

# “Biggest barrier or challenge” – Inner/Middle

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- Until recently, limited opportunities to apply scheme.
- Higher level support from State Government from a policy context. Eg. the St Leonards Crows Nest 2036 plan contemplates significant growth and makes NO provision for Affordable Housing.
- Balancing uplift in a centre in order for the feasibility to work.
- The strict adherence to the DPE guidelines doesn't allow for place-based outcomes and doesn't work in all areas.
- land values and proving feasibility.
- The cost of undertaking feasibility studies to underpin new schemes.
- Feasibility and potentially political support. Matter is yet to be formally considered by Council and sufficient evidence base will be needed to convey all local implications.

# “Biggest barrier or challenge” – Middle/Outer

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- Political
- Political support and viability
- Lack of political support
- Schemes can only capture part of the value where an uplift is achieved through a rezoning - this can minimise the application of the schemes
- Schemes can link only to upzoning and must generally be precinct-based
- Land values Resourcing constraints



# “Biggest barrier or challenge” – Western Sydney

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- Relative affordability discussion. Campbelltown is relatively affordable when consider against the wider Sydney area.
- The lack of infrastructure to support additional population and the flood constraints.
- Local government is not a developer nor a specialist housing provider. Yet we are being asked to take on high level of risk and resourcing to administer an affordable housing levy, provision of and maintenance of properties. There would be much greater leverage and synergy available if this was coordinated at a higher level, with evidence backing where the greatest need for affordable housing is located.
- Council support for implementing such a scheme, closely followed by a lack of land suitable for rezoning and feasibility concerns.
- That local council's are left to find the solution and it is a tri-level government response.
- Viability.

# Addressing current constraints

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

# Templates and Tools

The Project Brief nominated the following options for consideration:

- A non-mandatory model LEP clause to require an affordable housing contribution of variable rates on sites to be identified in the future.
- A template affordable housing program including:
  - Options for ownership and ongoing management responsibilities
  - Methodology for establishing monetary contribution rates
  - Guidance on applying rates to non-residential floor space
  - Guidance on phasing in rates to support feasibility and optimise contributions
- A template consultancy brief that could be used in lieu of the Department's Feasibility Tool
- A template planning proposal
- A guideline for standard conditions of consent for implementation of affordable housing contributions schemes.

# Templates and Tools

## 2.1 How to prepare an affordable housing contribution scheme

Figure 4 outlines the key steps for how councils can prepare an affordable housing scheme contribution scheme, as part of Step 1 in Figure 3.



Step A	Step B	Step C	Identified as a priority at workshops	Step D	Identified as a priority at workshops	Implementation	Identified as a priority at workshops
		<p><b>C1.</b> Methodology for establishing monetary contribution rates</p> <p><b>C2.</b> A template consultancy brief that could be used in lieu of the Department's Feasibility Tool)</p> <p><b>C3.</b> Guidance on applying rates to non-residential floor space</p>	<p>3/2/5</p> <p>3/0/2</p> <p>1/1/3</p>	<p><b>D1.</b> A template affordable housing program including:</p> <ul style="list-style-type: none"> <li><i>Guidance on phasing in rates to support feasibility and optimise contributions</i></li> <li><i>Options for ownership and ongoing management responsibilities</i></li> </ul>	4/4/4	<p><b>I1.</b> A template planning proposal</p> <p><b>I2.</b> A non-mandatory model LEP clause to require an affordable housing contribution of variable rates on sites to be identified in the future.</p> <p><b>I3.</b> A guideline for standard conditions of consent for implementation of affordable housing contributions schemes</p>	<p>1/0/0</p> <p>2/0/2</p> <p>0/0/2</p>

# “Other matters worth considering”

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## Workshop 1 - Inner/Middle

- Need for clarity in District Plans
- Feasibility approach vs Value Capture/sharing scheme. The current feasibility approach seems to be a developer friendly approach, while value capture/sharing scheme would be more effective.
- The need for DPE to be flexible in its application to account for the different contexts of Councils and how they might apply their schemes.
- Developing a mechanism whereby existing landowners don't get a 20% purchase premium factored into their feasibility assessment.
- How to simplify the process of having to undertake feasibility studies to make them more cost effective.
- Nothing specific at this stage. We are interested to be involved in discussion on how the tools are developed and consider it works for our local context.

# “Other matters worth considering”

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## Workshop 2 - Middle/Outer

- Sharing of resources between Councils at different stages of the process.
- Mandate requirement.
- Just lack of political support.
- 1. Allowing Councils to require affordable housing contributions for all new development - not just upzonings, transitioning over time from a low% to a higher %.
- 2. DPE using a self-repealing SEPP to amend all LEPs to incorporate affordable housing provision.
- 3. State government subsidisation of Planning Contributions for affordable housing (Council cannot charge under new rules).
- How Council staff can get resource assistance in preparing and progressing a scheme.

# “Other matters worth considering”

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## Workshop 3 - Western Sydney

- How can government support the infrastructure ( transport, schools and medical facilities) needed to support affordable housing.
- How to levy on land which has already been upzoned and cannot sustain further increase in yield through LEP process.
- How DPE is working to enforce AHCSs.
- How affordable housing targets to be addressed in the review of District Plans. What is State government doing in relation to affordable housing.

# Conclusion

Thank you for your contribution.

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