



AFFORDABLE HOUSING CONTRIBUTION SCHEMES **RESILIENT SYDNEY PROJECT**

WIDER IMPROVEMENT AND INTERVENTION OPPORTUNITIES

This supplementary paper has been prepared in order to capture options that go beyond the scope of the Resilient Sydney Affordable Housing Contribution Scheme project so that they can be further considered and if appropriate progressed.



Urbanista

AFFORDABLE HOUSING CONTRIBUTION SCHEMES (AHCS)

WIDER IMPROVEMENT AND INTERVENTION OPPORTUNITIES

The AHCS Directions Paper prepared by Urbanista identifies the key barriers to preparation of Affordable Housing Contribution Schemes (AHCSs) by local councils. In the course of Urbanista's work reviewing the process for developing schemes and engaging with councils and other stakeholders, a range of opportunities for addressing these barriers have been identified. Some of these were within the scope of the current project and so are addressed in the Directions Paper, while others involve responses by government, particularly the Department of Planning and Environment (DPE) and/or adjustments to the legislative framework or Regional/District Plans.

This supplementary paper has been prepared in order to capture those options that go beyond the scope of the current project so that they can be further considered and if appropriate progressed. To give a picture of how these fit with the options proposed to be developed through the current project, those within scope are included as well.

The responses are mapped against the barriers identified by local government as set out in the Directions Paper that each is intended to respond to, as follows:

- Barrier 1 – Lack of political and community support
- Barrier 2 – Limited opportunities to apply schemes
- Barrier 3 – Feasibility: Limited viability, complex assessment, difficulty using tool
- Barrier 4 – Onerous, resource intensive process
- Barrier 5 – Resourcing constraints

To facilitate the consideration by government of the improvement and intervention opportunities identified, it has been suggested that it would be useful to map responsibility for implementation using the following groupings:

Group 1 – Options and solutions that can be directly addressed through the current project, but also rely on DPE involvement and support (these are indicated by light shading).

Group 2 – Options and solutions that are not in the scope of this project but which are identified for consideration should there be support for wider reform of the AHCS framework.

Finally, while not separately identified in the table, advocacy and awareness building activities and sharing of knowledge within local government will be crucially important in encouraging and empowering councils to prepare schemes. This is well recognised by the Resilient Sydney collaboration.

Option	Purpose / Explanation	Implementation
Barrier Targeted: Barrier 1. Lack of political and community support		
<p>1A. Advocacy</p> <p>The NSW Government develop an advocacy campaign to reinforce its position on promoting AHCS and to promote the benefits of affordable housing contribution schemes to local government.</p>	<p>It will:</p> <ul style="list-style-type: none"> • support council officers in interacting with their councillors and communities ... • send a clear message to local government that they have the support of government in doing this 	<p>Group 2</p> <p>DPE / NSW Government</p>
<p>1B. Region and District Planning</p> <p>Strengthen policy commitment to affordable housing contribution schemes in future iterations of the Region and District Plans.</p>	<p>As above</p>	<p>Group 2</p> <p>DPE / GCC / NSW Government</p>
<p>1C. Prioritise schemes</p> <p>DPE prioritise the development of schemes by councils and set a timeframe for their establishment.</p>	<p>Councils are required to respond to the government’s priorities to prepare strategic planning documents and to implement state-led planning reforms. Preparation of AHCSs is not in general given the same emphasis as other planning priorities.</p> <p>As councils are managing competing calls on their resources, this can result in Councils deprioritising the preparation of schemes.</p>	<p>Group 2</p> <p>DPE / NSW Government</p>
<p>1D. Mandate contribution schemes</p> <p>Explore mandating the requirement for councils to establish a scheme through a policy directive, such as a S.9.1 Ministerial Direction or amendment to the EP&A Act Regulation.</p>	<p>The state government could take a further step from 1C. above to mandate the preparation of AHCS.</p> <p>This would represent a significant shift from the current approach. One option may be to progressively roll out a mandated approach, beginning with LGAs undergoing greatest change.</p>	<p>Group 2</p> <p>DPE / NSW Government</p>

Option	Purpose / Explanation	Implementation
<p>1F. State-led implementation DPE take over implementation and set up schemes.</p>	<p>This approach would potentially reduce the time and resources required by councils and the state government to produce schemes.</p> <p>It would however represent a shift away from locally led responses and was not an approach identified/supported by stakeholders in discussions.</p>	<p>Group 2 DPE / NSW Government</p>
<p>Barrier Targeted: Barrier 2 – Limited opportunities to apply schemes</p>		
<p>2A. Simplify feasibility Develop a simpler, more standardised approach to feasibility assessment and standardised contribution rates.</p>	<p>Councils have indicated that they are particularly challenged meeting the requirements under this step due to lack of experience and expertise.</p> <p>As this presents a significant barrier, the directions Paper recommends that alternative approaches to assessing feasibility be investigated.</p>	<p>Group 1 Directions Paper proposes that Urbanista scope the requirements for an investigation of alternatives.</p>
<p>2B. Government Land Establish a minimum requirement for affordable housing on state government land.</p> <p>Develop a DPE policy for inclusion of affordable housing in state-significant precincts, state-led precinct planning and on government land.</p>	<p>In addition to the general target for 5-10% affordable housing on all sites, government could commit to a more ambitious requirement for its own sites, eg 15%.</p>	<p>Group 2 DPE / NSW Government</p>
<p>2C. Upzoning opportunities review Undertake a study to identify key rezoning/ up-zoning opportunities across the metropolitan area with potential to support affordable housing contributions.</p>	<p>Prior identification of potential opportunities could help councils justify the upfront workload.</p>	<p>Group 2 DPE / NSW Government, eg by DPE commissioning a study</p>
<p>2D. Expand opportunities by enabling broader based contributions to be applied in areas without uplift.</p>	<p>Enable a flat rate to be introduced for already zoned precincts across LGAs, for example by amending the EP&A Act Regulations applying under s 7.32(1)(d).</p> <p>The City of Sydney utilises this approach through its Scheme developed prior to the</p>	<p>Group 2 DPE / NSW Government</p>

Option	Purpose / Explanation	Implementation
	current framework as set out in the AHCS Guidelines.	
<p>2E. State-wide levy Investigate the viability of introducing a state-wide affordable housing levy.</p>	<p>This could expand on the option above through a state-wide approach. Various options might be considered ie a low flat rate across areas without a scheme that is introduced in 2025 to give warning to market Could be different rates depending on category of area Might be palatable if grandfathered in Contributions would need to go to CHPs not government to overcome opposite for state's role.</p>	<p>Group 2 DPE / NSW Government High level of intervention – need to change the Act and the SPP</p>
<p>Barrier Targeted: Barrier 3 – Feasibility: Limited viability, complex assessment, difficulty using tool</p>		
<p>3A. Improve guidance and tools for feasibility assessment, for example:</p> <ul style="list-style-type: none"> - Improve guidance and training around the current tool - Develop alternate tools to support the feasibility assessment - Develop a template consultancy brief for councils for this work. 	<p>As under 2A above.</p>	<p>Group 1 Directions Paper proposes that a fuller review of feasibility assessment requirements and alternatives be undertaken before focusing on specific tools.</p>
<p>Barrier Targeted: Barrier 4 – Onerous, resource intensive process</p>		
<p>4a. Steps to developing an AHCS Review the steps to developing an AHCS as reflected in the <i>Guideline for Developing Affordable Housing Contribution Schemes</i>. Determine what is required to satisfy current legislative framework and support councils to prepare Schemes.</p>	<p>The Steps set out in the AHCS Guidelines:</p> <ul style="list-style-type: none"> • go beyond the requirements of the legislation covering the implementation of AHCSs and duplicate matters covered in other strategic planning documents; • do not align steps with the order followed in strategic planning processes; • require documentation that may more efficiently be gathered on a state or regional basis. 	<p>Group 1 Directions Paper recommends a number of actions to streamline requirements.</p>

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Simplify, clarify and streamline accordingly.		
<p>4B. Standard LEP clause</p> <p>Develop a standard LEP clause for the implementation of schemes.</p>	<p>The purpose is to:</p> <ul style="list-style-type: none"> allows for the implementation of AHCSs as they are developed and the inclusion of specific sites under such schemes as they are rezoned. provides a standard (non man clause) format for LEPs; focus consultations with Parliamentary Council (PC) on a single clause not multiple clauses requiring separate liaison; clarity for developers going forward about how it will work. 	<p>Group 1</p> <p>Directions Paper recommends Urbanista work with DPE and PC to develop a standard clause.</p>
<p>4C. Standardise schemes</p> <p>Develop a template AHCS scheme that incorporates guidance on the various options available to councils for implementing a scheme, and information on how those options could be implemented.</p>	<p>The purpose is to:</p> <ul style="list-style-type: none"> provides a standard format for schemes going forward Allow Councils to make their own decisions about the various elements of a schemes, for example, how contributions are used, and what is right for their area 	<p>Group 1</p> <p>Directions Paper proposes that Urbanista develop standardise elements of a scheme as part of this Project.</p>
<p>4D. Affordable Housing Program implementation</p> <p>Guidance for options for affordable housing programs, including for example:</p> <ul style="list-style-type: none"> options for how funds are collected in the development application process; targeting of affordable housing opportunities created; options for how affordable housing in received ie in-lieu or in-kind, and the relative benefits and dis-benefits; 	<p>Consultations revealed limited familiarity with options amongst local councils and a lack of information to guide decision makers on the merits of options.</p>	<p>Beyond scope of current project but could be undertaken as a separate project.</p>

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<ul style="list-style-type: none"> options for the ownership and management of affordable housing, including a template for running an EOI/tender to engage a CHP. 		
4F. Standardise ownership/management DPE specifies the ownership and management for each scheme on behalf of councils.	As an extension of the option above, DPE could directly specify arrangements following a review of outcomes/merits of alternative approaches.	Group 2 DPE / NSW Government
4E. Monitoring Develop on-line tracking of affordable housing delivery through the NSW Planning Portal.	Consultations suggested merit of utilising the planning portal to assist councils to track contributions and to provide transparency to all.	Group 2 DPE / NSW Government
4F. Review Guideline Review Guideline to incorporate changes	The purpose is to clearly communicate simpler streamlined requirements and to identify recourses and support.	Beyond scope of current project but could be undertaken as a separate project or by DPE.
Barrier Targeted: Barrier 5 – Resourcing constraints		
5A. Practitioners Network Establish a council / DPE / expert network.	The purpose is to discuss and exchange knowledge and build capacity and expertise	Group 2 DPE/GSC
5B. Resource councils Provide mobile expert resources to work directly with councils to develop schemes.	The purpose is to fill expertise gap and help overcome any roadblock to preparing schemes.	Group 2 DPE/GSC
5C. Resource DPE Dedicate specialised resources within DPE to support and approve schemes.	The purpose is to build specialist expertise within DPPE to improve the efficient processing of SHCSs and to provide consistent and expert advice to councils.	Group 2 DPE/GSC

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<p>5D. Affordable Housing Hub to support local government in developing AHCS.</p>	<p>The Hub could contain data on housing need, schemes in place, improved feasibility tool/or approach, best practice ownership and management options.</p> <p>It could potentially be a platform for practitioners to meet and post, look at existing schemes, ask questions.</p>	<p>Beyond scope of current project but could be undertaken as a separate project.</p>
<p>5E. Regional/District Schemes NSW Government establish regional or district schemes which councils can opt-in to.</p>	<p>Schemes developed at a regional or district level can respond to common conditions and reduce need for resources and expertise at a local level.</p> <p>Useful in overcoming roadblock to the preparation of schemes.</p>	<p>Group 2 DPE / NSW Government</p>