**Draft Affordable Housing Policy**

**Contents**

1. Background
2. Scope
3. Purpose
4. Policy
5. Procedure
6. Definitions
7. **Background**

Housing affordability is a critical issue in the City of Parramatta Local Government Area (Parramatta) and across Greater Sydney. The Reserve Bank confirmed that Sydney house prices have risen by 18.9% in the 12 months to March 2017. The NSW Premier Gladys Berejiklian declared housing affordability to be “the biggest issue people have across the state.”

The Centre for Affordable Housing rates Parramatta as having a high affordable housing need.[[1]](#footnote-1) Until recently, Parramatta was considered a relatively affordable part of Sydney. This has changed significantly. The City’s cost advantage for the period 2010 - 2014 fell from 8% to only 2%.[[2]](#footnote-2) Given the continued rise in property prices and relatively low wage growth in subsequent years, it is likely that affordability in the City has declined further.

Parramatta is Sydney’s Central City, the demographic and geographic heart of the Sydney region, and the centre of the expanding Greater Western Sydney region. In 2016, Parramatta was home to over 230,000 people, and the population is set to grow to nearly 400,000 over the next two decades to 2036. Public and private investment is driving growth and change in Parramatta, including rising property prices. Housing affordability has become a critical issue for the social sustainability, wellbeing and resilience of all people in our community.

As Parramatta continues to realise its vision as Sydney’s Central City, demand for housing will increase and in turn will lead to higher unaffordability. Census data from 2011 tells us that housing stress impacts Parramatta’s residents, and we expect the 2016 Census data to show that housing stress has worsened over the last five years when this data is released in mid-2017.

**1.1 Affordable Housing Policy 2009**

This Policy revises and builds on the achievements of Council’s Affordable Housing Policy 2009. Under the 2009 Policy, Council commenced its work to address the issue of housing affordability in the then Parramatta City Council local government area. This updated Policy underpins Council’s continued commitment to addressing this issue. The achievements of Council’s Affordable Housing Policy 2009 include:

* Developing an Affordable Housing Bank of seven affordable rental dwellings using voluntary planning agreement contributions from private developers;
* Producing housing stress and key worker research reports;
* Reviewing boarding houses in the LGA;
* Developing a shortlist of pre-approved Community Housing Providers with whom Council could work; and
* Participating in the then NSW Government’s working group to review the Affordable Rental Housing State Environmental Planning Policy (ARH SEPP) 2009.

**1.2 What is affordable housing?**

This Policy is primarily concerned with encouraging the provision of affordable rental housing as per the following definition:

|  |
| --- |
| Affordable rental housing is rental housing that is provided to households on very low to moderate incomes and charged at a rental rate that does not exceed 30% of weekly income – so that the household does not experience housing stress and can meet other basic living costs such as food, clothing, transport, medical care and education.  |

It is important to clarify the difference between several related terms in understanding what the issue in question is, and what this Policy is concerned with. A list of key definitions is provided in Section 6.0 of this Policy.

Apart from affordable rental housing, as defined above, there are other types of affordable housing that cover a spectrum of policy and market responses to the issue of housing affordability. The focus on affordable rental housing is due to the capacity for local government to have influence in this area. Additionally, Federal Government, State Government, Non-Government and the private sector may develop other models of affordable housing in future.

**1.3 Current affordable housing provision**

There is a relatively low level of affordable housing across the City, compared with other housing types, with most of it being provided as social housing by the NSW Government, and therefore targeted at very low income households. The table below shows how much of each type of affordable housing is provided across the City.

|  |
| --- |
| **Table 1. Affordable Housing Provision in City of Parramatta** |
| **Affordable Housing Type (as at 2017)** | **Number of dwellings** | **% of total dwellings in CoP at 2016 estimate[[3]](#footnote-3)** |
| Secondary dwellings (e.g. granny flats) | 122 |  |
| Boarding house rooms (managed privately) | 99 |
| Affordable rental housing provided by Community Housing Providers (CHPs) | 435\* |
| Council-owned affordable housing units (managed by CHP) | 7 |
| Affordable rental housing dwellings delivered under theARH SEPP 2009 (managed by CHPs) | 255\* |
| **Total affordable rental stock** | 918 | 1.1% |
| Housing NSW-owned dwellings (social housing) | 4,431[[4]](#footnote-4) | 5.1% |
| **Total of all types of subsidized housing** | **5,349** | **6.2%** |
| **\*Note:** there may be some crossover with these two figures, since the properties managed by CHPs also include some housing delivered under the ARH SEPP 2009. Given that we were unable to establish exactly how many, but also that the CHP dwelling figure of 435 only includes the five largest known CHPs, this issue has not been interrogated further. |

Council supports delivery of more affordable housing across the spectrum of subsidized and private market provision.

**1.4 Why does Council need to act on housing affordability?**

It is currently accepted that the Greater Sydney region is experiencing a housing affordability crisis, and Parramatta is impacted by this. A number of indicators can be used to demonstrate that this issue is significant for the residents of Parramatta and that action must be taken:

* 28.5% of Parramatta’s residents rent in the private market, compared with the Greater Sydney average of 25%. This is significant because renting households are more likely to be in housing stress, are more likely to be low income earners, and are more susceptible to changes in housing affordability.
* Population Forecast data demonstrates a continued high proportion of couple families with children, lone person households and a small but growing number of single parent families – all these groups are more likely to be in housing stress.
* Rent and sales report data shows that median Sydney rents are now very similar to median rents in Parramatta, and Parramatta has lost its price advantage.
* Median house values in the Parramatta are now in excess of $1 million, and well above the Greater Sydney median.

**1.5 Community expectation**

The community expects City of Parramatta Council to act to address housing affordability. During April and May 2017, Council undertook a survey of the community on housing affordability and the results are summarized as follows:

* 85% of respondents agreed or strongly agreed with the statement that “affordable rental housing is important for the community.”
* The community was strongly supportive of Council taking action to increase the supply of affordable rental housing in the local government area: on a scale of 1 to 10, 1 being not at all supportive, and 10 being very supportive, the median response was 8 out of 10.
* 93% of respondents felt that Council should work to improve affordable rental housing. Almost half of those respondents believed that Council should require developers to include affordable rental housing as part of their development as the primary mechanism to increase supply. The other half of respondents were split between using Council land for affordable housing developments and lobbying the State Government to address the issue.
* While 85% of people believed it was important to own their own home, only 57% believed it was likely that they would be able to do so.
* In relation to whether or not respondents believed they were currently in housing stress, about a quarter believed they were, while another quarter believed they were at risk of falling into housing stress.
* Only 14% considered the City of Parramatta area as affordable for first home buyers.

These survey findings align with results from national polls[[5]](#footnote-5) and confirm that our community want Council to take action to address this issue.

1. **Scope**

This Policy articulates City of Parramatta Council’s position on the issue of housing affordability and how the City will act to encourage delivery of affordable rental housing in order to address it. This Policy outlines how Council will:

* Advocate on issues that impact housing affordability generally;
* Advocate to the NSW Government for delivery of more social housing;
* Support the delivery of new affordable rental housing; and
* Directly provide new affordable rental housing.

**2.1 The housing supply continuum**

Council takes the view that housing needs can be understood as a spectrum. At one end of the spectrum we have highly subsidized forms of housing, and at the other end we have private home ownership that is provided by the competitive housing market.

|  |
| --- |
| **Table 2. The housing supply continuum[[6]](#footnote-6)** |
| Emergency shelters / crisis accommodation | Transitional/ supported housing | Social housing (including public housing) | Affordable rental housing (operated by community housing providers) | Affordable home ownership/shared home ownership | Private market rental housing (including boarding houses and student accommodation, which may be government subsidized) | Private market rental housing | Home ownership |
| **Government subsidised housing (including housing provided by the government and community housing sector)** | **Non-market housing (community housing sector)** | **Private market housing** |
| **Very Low income** | **Low-moderate income** | **Moderate-high income** |

The focus of this Policy is on provision of affordable rental housing for those households who earn low to moderate incomes. Low income households earn 51-80% of the median Sydney income rate; moderate income households earn 81-120% of the median Sydney income rate.

Advocacy will also be undertaken to ensure that the NSW Government continues to provide housing options that meet the needs of those on very low incomes by setting a target for social housing provision in Parramatta.

**2.2 What types of affordable housing does this Policy apply to?**

This Policy relates to key types of affordable housing that can be provided to ensure that housing stress is reduced across the LGA. Not all types of affordable housing that are delivered under the Affordable Rental Housing State Environmental Planning Policy (ARH SEPP 2009) are included in this Policy. The following table states which types of housing are included in this Policy and which forms are not included:

|  |
| --- |
| **Table 3. Affordable Housing Types**  |
| Affordable housing types **included** in Policy Targets | Affordable housing types **not included** in Policy Targets |
| * Affordable Housing managed by non-profit providers
 | * Boarding houses
 |
| * Affordable Housing delivered under ARH SEPP 2009
 | * Studio apartments
 |
| * Affordable Housing delivered under the State and Federal Government affordable housing funding schemes
 | * Secondary dwellings (e.g. granny flats)
 |

The rental price charged for boarding house rooms, studio apartments and secondary dwellings is not mandated as affordable via legislation. This means that, while the rental price set for these housing forms may be less expensive than other market rental housing, there is no mechanism to guarantee this. Therefore, there is no guarantee that these housing forms will actually provide genuinely affordable housing.

This Policy governs the facilitation, acquisition and provision of affordable rental housing by City of Parramatta Council. The Policy sets out a target for affordable rental housing provision across Parramatta to be achieved over the next 20 years to 2036. While Council does not control all the mechanisms that impact housing affordability or the direct provision of affordable housing, it will seek to use those within its remit to achieve this target.

**2.3 Where does this Policy apply?**

The purpose and principles of this Policy apply to the entire City of Parramatta local government area. Housing affordability is an issue that spans all areas of the City and is not confined to any specific location, although it is acknowledged that some suburbs experience higher rates of housing stress than others.

1. **Purpose**

**3.1 Reducing housing stress**

The primary purpose of this Policy is to reduce the level of housing stress experienced by residents across City of Parramatta so that residents and the City of Parramatta thrive socially and economically. This will be achieved by increasing the provision of affordable rental housing using a number of mechanisms. This purpose is driven by a number of broader objectives as follows:

* Creating vibrant neighbourhoods – Council’s ‘Our Vision and Priorities 2016’ document provides high level direction on the priorities of the City’s residents. One of the key priorities identified in this document is “creating vibrant neighbourhoods and precincts.’ This priority includes renewal to increase jobs and housing across the City in order to meet the needs of our growing population.
* Social sustainability – The draft Socially Sustainable Parramatta Framework identifies eight goals for the City of Parramatta to achieve social sustainability, and one of these goals is “diverse and affordable homes for everyone.” One of the key tenets of social sustainability is diversity. Ensuring that the City of Parramatta provides a range of housing types to meet the varying needs of different people will contribute to strengthening social sustainability in our communities, now and in the future.
* Economic development and growth – The draft Economic Development Plan seeks to increase the number of jobs in Parramatta over the next five years. The plan acknowledges that increasing housing prices can push people further away from employment opportunities. It is estimated that Parramatta will require 31,682 key workers by 2036. Given that key workers usually earn low to moderate incomes, many will require affordable rental housing in order to live nearby to their work in the City of Parramatta. The risk is that without adequate affordable housing, key workers will choose to live and work in other locations where housing costs are more manageable and will not place them in housing stress.
* Diversity and social mix – the move away from concentrated areas of social housing towards a ‘salt and pepper’ mix of housing tenures is driven by a recognition that it is good to have a diversity of housing. A diverse and mixed range of housing tenures and forms also has the added benefit of creating a social mix – a variety of different people in a locality that make it an interesting place to live.

Reduced housing stress will support all of the above strategies. Increasing affordable rental housing will help to create vibrant and socially diverse neighbourhoods. More affordable housing will allow residents to live closer to work, or close to good public transport links that make the journey to work cheaper, faster and easier.

**3.2 Why should Council provide affordable rental housing?**

Local government’s mandate to act on affordable housing is enshrined in the Environmental Planning and Assessment Act 1979. Section 5(a)(viii) identifies that an objective of the Act is the “maintenance and provision of affordable housing.” Therefore, local government has a role and an obligation to both preserve and create more affordable housing.[[7]](#footnote-7) This Policy has been developed to confirm Council’s commitment to the maintenance and provision of affordable housing for Parramatta, and to specify the mechanisms that will be used to achieve this.

A number of other local governments are also working to address the issue of affordable housing. Historically, the councils in Greater Sydney that have taken the most action on the issue have been City of Sydney, Randwick and Canada Bay. These councils have been successful through use of the planning system to generate the delivery of affordable rental housing that has been dedicated to them at no cost.

1. **Policy**

**4.1 City of Parramatta Council’s affordable housing target**

As identified in the table below, Council seeks to ensure that by 2036 City of Parramatta local government area will provide approximately 9,500 affordable rental dwellings and that the NSW Government will provide approximately 9,100 social housing dwellings. At 2036, 9,500 affordable rental dwellings will equate to 6.3% of total dwellings; and 9,100 social housing dwellings will equate to 6% of total dwellings.

|  |
| --- |
| **Table 4. 2036 Affordable Housing Targets for City of Parramatta** |
|  | **City of Parramatta current housing supply (2016)** | **Target recommendation** | **2036 Dwellings** | **# of additional dwellings required** |
| **Total dwellings** | 87,005 | - | 151,299(Forecast) | +64,294 |
| **Affordable rental housing dwellings (CHP, Council and ARHSEPP properties)** | 697[[8]](#footnote-8) | Provide affordable housing dwellings to meet the projected number of households who are likely to be in rental stress[[9]](#footnote-9) | 9,487(Target) | +8,790 |
| **Social housing dwellings** | 4,431(2017 figure) | Seek to maintain 6% share of social housing at 2036 dwelling projections[[10]](#footnote-10) | 9,078(Target) | +4,647 |

**4.2 Key policy actions**

This Policy will seek to address affordable housing provision by undertaking the following actions. These actions are divided into three categories: advocacy, facilitating development, and enabling.

**4.2.1 Advocacy**

|  |  |  |
| --- | --- | --- |
| **1. Advocate for Federal Tax Reform** | **2. Advocate for State Tax Reform** | **3. Advocate to NSW Government for more social housing** |

**Action 1. Advocate for Federal Tax Reform**

Council will advocate for Federal Government intervention to address the housing affordability crisis impacting Greater Sydney. Specifically, Council will advocate for the Federal Government to phase out negative gearing and reduce the capital gains tax discount for property investors. The basis for this position is found in research undertaken by the Grattan Institute.[[11]](#footnote-11)

**Action 2. Advocate for State Tax Reform**

Council will advocate for State Government intervention to address the current impact of stamp duty on those who might want to sell their dwelling and use that money to buy a more suitable home. Council will ask the State Government to consider replacing stamp duty with a broad-based land tax. The basis for this request is found in the Henry Tax Review[[12]](#footnote-12) and also in more recent calls from non-government agencies including ACOSS and Shelter NSW.[[13]](#footnote-13)

**Action 3. Advocate to NSW Government for more social housing**

Council will advocate to the State Government to continue to provide more social housing dwellings in Parramatta in order to maintain the percentage share of social housing into the future of 6% of dwellings. This equates to 9,100 dwellings by 2036. In order to achieve this, Council will propose precinct renewal areas to the NSW Government that could include social housing dwellings in their mix. Having successfully partnered with the NSW Land and Housing Corporation (LAHC) to develop a master plan for the renewal of Telopea, Council will next seek to partner with the NSW Government in a similar way to master plan the suburb of Wentworthville, which includes a large social housing estate.

**4.2.2 Facilitating development**

|  |  |  |
| --- | --- | --- |
| **4. Continue to utilise VPAs to secure future affordable housing stock** | **5. Pursue Inclusionary Zoning by applying to DPE for inclusion under SEPP 70 – seeking affordable rental housing on private land and on government land** | **6. Pursue affordable housing developments on Council-owned land** |
|  | **7. Explore developer-owned affordable rental housing models** |  |

**Action 4. Continue to utilise VPAs to secure future affordable housing stock**

Until such time as Council is able to mandate the required proportion of affordable housing across the local government area, it will continue to seek affordable rental housing through voluntary planning agreements (VPAs) as allowed for under Section 93F of the Environmental Planning and Assessment Act 1979. VPAs will be negotiated in accordance with Council’s draft VPA Policy in parallel, and a base rate contribution to affordable housing that will be phased in to ensure that it does not negatively impact development by allowing the market to adjust over a period of time, as follows:

|  |
| --- |
| **Table 5. Affordable Housing Yield Percentages for VPAs** |
| Development size/type | From date of Policy adoption | After 12 months from date of Policy adoption | After 24 months from date of Policy adoption |
| Planning proposals and development applications of 20 dwellings or less | No contribution | No contribution | No contribution |
| Planning proposals and development applications that comprise 21 or more dwellings | For planning proposals:10% of the total value uplift of the development will be dedicated to Council as cash or affordable housing dwellings at no cost to Council (this will be calculated as an inclusive component of the 50% value capture contribution as specified in Council’s draft VPA Policy) | For planning proposals and development applications: Cash or dwelling contribution equivalent to 3% of the value of the total dwellings in the development permissible under existing planning controls (i.e. not including uplift component, where applicable) to be paid as cash or dedicated to Council as affordable housing at no cost to Council | For planning proposals and development applications: Cash or dwelling contribution equivalent to 5% of the value of the total dwellings in the development permissible under existing planning controls (i.e. not including uplift component, where applicable) to be paid as cash or dedicated to Council as affordable housing at no cost to Council |
| **Plus** | **Plus** |
| For planning proposals:10% of the total value uplift of the development will be dedicated to Council as cash or affordable housing dwellings at no cost to Council (this will be calculated as an inclusive component of the 50% value capture contribution as specified in Council’s draft VPA Policy) | For planning proposals:10% of the total value uplift of the development will be dedicated to Council as cash or affordable housing dwellings at no cost to Council (this will be calculated as an inclusive component of the 50% value capture contribution as specified in Council’s draft VPA Policy) |

As shown in Table 5 above, the rate at which Council will capture value as affordable housing will be phased in over time:

* Initially, current development applications (DAs) and planning proposals (PPs) being considered by Council will be treated as per the current VPA Policy as endorsed by Council.
* After adoption of the Affordable Housing Policy, subsequently lodged PPs will be subject to the initial value capture rates that seek a rate based on 10% of the value uplift as outlined in Table 5.
* 12 months after the adoption of the Affordable Housing Policy, subsequently lodged PPs and DAs will be subject to a 3% contribution of the value of the development portion under existing planning controls, plus a 10% contribution of the value uplift as outlined in Table 5, to be provided as dwellings or as cash contribution.
* 24 months after the adoption of the Affordable Housing Policy, subsequently lodged PPs and DAs will be subject to a 5% contribution of the value of the development portion under existing planning controls, plus a 10% contribution of the value uplift as outlined in Table 5, to be provided as dwellings or as cash contribution.

Note: In accordance with the draft VPA Policy, the 10% affordable housing contribution on uplift value will only apply to sites within the City of Parramatta local government area that are outside the Parramatta CBD. The additional phased affordable housing contribution that will apply to the existing planning controls, and that will be phased in from 12 months after the date of adoption of this Policy, will apply to all areas of the City of Parramatta local government area, including the CBD.

**Action 5. Pursue Inclusionary Zoning by applying to DPE for inclusion under SEPP 70 - seeking affordable rental housing on private land and on government land**

Council will actively seek to include the City of Parramatta local government area as a priority area for affordable housing under State Environmental Planning Policy no. 70 (SEPP 70). This will allow Council to mandate provision of affordable housing across all development and will no longer require site-specific negotiations via VPAs. Council’s proposed affordable housing yields will guide the SEPP 70 application as follows:

|  |
| --- |
| **Table 6. Affordable Housing Yield Percentages for SEPP 70** |
| Development type | Size | Proposed affordable housing contribution |
| Development applications | 20 dwellings or less | No contribution |
| Development applications  | 21 dwellings or more | Cash or dwelling contribution equivalent to 5% of total dwellings will be provided at no cost to Council |
| Planning proposals | All sizes | 5% of dwellings in a development dwelling yield under existing planning controls (i.e. not including the uplift component, where applicable) will be dedicated to Council as affordable housing at no cost. Where the total project dwelling yield is less than 100 dwellings, Council will consider a combination of cash contribution and dwelling dedication. |
| **Plus** |
| As a component included in the VPA Policy, 10% of the uplift value of the development will be dedicated to Council as affordable housing dwellings at no cost (once SEPP 70 inclusion is achieved, this 10% will be subtracted from the VPA value capture rate to ensure that total contribution of uplift value does not exceed 50% in accordance with the draft VPA Policy) |

In order to achieve inclusion in SEPP 70, Council will undertake the required feasibility assessment and apply to the NSW Government for this to be enacted.

The approach outlined in Action 5 applies unless the NSW Government approves the inclusion of the Greater Sydney Region under SEPP 70 or an equivalent planning policy mechanism that allows Council to apply inclusionary zoning that mandates the delivery of Council’s affordable rental housing yield percentages as specified in Action 4 of this Policy.

**Action 6. Pursue affordable housing developments on Council-owned land**

Maximising use of public land is one of the five affordable housing game changers identified by the Committee for Sydney.[[14]](#footnote-14) Council will seek to allocate land for affordable rental housing projects on its own land. In order to realise the affordable rental housing target and to lead by example, Council will actively consider projects on Council-owned or managed land that could deliver appropriately located affordable housing. In projects pursued by Council that include a residential component, Council will aim to deliver 30% of the total dwellings as affordable rental housing.

In order to ensure the economic viability of a project that includes up to 30% yield of affordable housing, Council will seek to partner with community housing providers, developers, and/or other tiers of government. This will be negotiated on the basis of what resources any potential project partners can contribute to share in the capital and operational cost of such a project.

In keeping with this target, Council will also seek 30% affordable housing provision on residential development projects proposed on land owned by the Federal and State Governments as follows:

|  |
| --- |
| **Table 7. Proposed Affordable Housing Yield on Government Land** |
| **Precinct development site** | **Proportion of precinct dwellings to be affordable rental housing** | **Delivery mechanism** |
| Government land (including Council) | 30% | Affordable rental dwellings to be dedicated to Council or a Community Housing Provider at no cost to recipient |

**Action 7. Explore developer partnerships to provide affordable rental housing**

Council will consider developer partnerships that provide affordable rental housing on privately owned land, where the developer retains ownership of the affordable housing stock, if all of the following occurs:

* 10% or a greater proportion of dwelling yield on a private development site is allocated to affordable rental housing
* The housing is dedicated as affordable rental housing in perpetuity
* The housing dedicated as affordable rental housing reflects the same dwelling mix percentages for the site overall (i.e. a proportionate mix of 1, 2 and 3 bedroom dwellings)
* The housing is made available to low to moderate income earning households as specified in Section 2.1 of this Policy
* The rental rate set for the affordable housing is consistent with Council’s affordable rent setting rules
* The affordable rental housing is managed by a registered Community Housing Provider

**4.2.3 Enabling**

**8. Allow local government to transfer affordable housing ownership to CHPs**

|  |  |  |
| --- | --- | --- |
|  |  |  |

**Action 8. Allow local government to transfer affordable housing ownership to Community Housing Providers (CHPs)**

Council does not have the capacity to manage a large volume of affordable rental housing. Council will identify an appropriate and efficient mechanism to hand over or directly dedicate affordable rental dwellings achieved through the planning system to a CHP. Research[[15]](#footnote-15) commissioned by Council indicates that there are operational and economic efficiencies for CHPs who own more housing stock. Seeking to transfer ownership of stock to CHPs is likely to lead to more affordable housing provision in the longer term, as CHPs leverage their assets to secure for the investment.

Under Section 94G of the Environmental Planning and Assessment Act 1979, affordable housing dedicated through the planning system must be dedicated and held by the planning authority, being Council in this case. Council will pursue mechanisms to address this current impediment to its intention not to own and manage a large volume of housing stock by advocating to the NSW Government.

**4.3 Access and design outcomes for affordable housing dwellings**

City of Parramatta’s draft Disability Inclusion Action Plan (DIAP) outlines Council’s commitment to ensure that services, facilities and programs provided by City of Parramatta are accessible and inclusive. Affordable housing dwellings represent a type of social infrastructure provided by City of Parramatta Council to address the social and economic impacts of poor housing affordability.

Council recognises that affordable housing stock must be accessible to all. Council also acknowledges that as the population ages, it is likely to see an older age cohort occupying affordable rental dwellings. This emphasises the need for all affordable rental dwellings to be universally accessible.

The allocation of affordable housing dwellings to be dedicated to Council, either through voluntary planning agreements or any other planning system mechanism, is to be undertaken in accordance with the following conditions:

* The make-up of dwelling sizes dedicated to Council as affordable housing must be proportionate to the dwelling sizes present in the overall development.
* Affordable housing dwellings to be dedicated to Council are subject to the same design requirements and controls as all other dwellings within a development site. This includes design outcomes and characteristics such as solar access and cross-ventilation.
1. **Procedure**

**5.1 Delivering the 2036 affordable rental housing and social housing targets**

This Policy cannot anticipate what numbers of affordable rental housing dwellings will be provided by Community Housing Providers or the State Government over the next 20 years. But Council can provide estimated affordable housing yields from private and government development based on currently known planning proposals, development applications and precinct renewal plans and the application of the percentages of provision set out in this Policy.

**5.2 Management of City of Parramatta’s Affordable Housing Bank**

The Affordable Housing Bank refers to the stock of dwellings that the City of Parramatta has acquired or built that are owned and operated for the purposes of providing affordable rental housing.

City of Parramatta Council will appoint a Community Housing Provider (CHP) to manage all aspects of the operation of Council’s Affordable Housing Bank in accordance with Council’s Procurement Policy. The management of the City’s Affordable Housing Bank will be undertaken in accordance with this Policy and any relevant procedural documents developed to ensure that policy objectives are achieved through operation of affordable housing assets.

**5.3 Tenant eligibility for the Affordable Housing Bank**

Affordable rental dwellings delivered from Council’s Affordable Housing Bank will be tenanted by the CHP that Council has engaged to manage them. Selection of tenants will be undertaken through an eligibility shortlisting process as agreed by Council. Details of eligibility criteria will be specified in procedural documents. In summary, the criteria will include:

* Low to moderate income earners as defined in the Environmental Planning and Assessment Act 1979 (see Section 6).
* Required evidence demonstrating a connection to the City of Parramatta:
	+ Current employment or full-time study within the City of Parramatta local government area
	+ Current social connections
	+ Current service and other support network connections

These eligibility criteria are designed to ensure that affordable housing is provided appropriately to address housing stress levels in City of Parramatta and helps to improve the social sustainability of our community as a result.

**5.4 Reporting and monitoring**

Council will monitor the provision of all affordable rental housing and social housing on an annual basis in order to track progress towards the target. This will include:

* Housing delivered under the ARH SEPP 2009, including all forms permitted under this planning policy
* An annual survey of Community Housing Providers to measure their housing provision in City of Parramatta
* Any affordable housing negotiated by or provided directly by Council
* Social housing provided by the NSW Government

Council will also monitor broader quality of life measures to assess the impact of Policy implementation as follows:

* Levels of housing stress experienced in the LGA
* Dwelling mix and housing choice being achieved across the LGA
* Social wellbeing survey
1. **Definitions**

|  |
| --- |
| **Table 8. Definitions** |
| **Term** | **Definition** |
| Housing stress | A household is said to be in housing stress when it is paying more than 30% of its gross income on housing costs, and is also in the bottom 40% of national equivalised incomes. |
| Rental stress | The state of households who are paying more than 30% of their gross income on rent, and are also in the bottom 40% of national equivalised incomes. |
| Mortgage stress | The state of households who are paying more than 30% of their gross income on mortgage payments, and are also in the bottom 40% of national equivalised incomes. |
| Key Workers | Key workers are those workers who are employed in roles essential to the functioning of a city. While there is no universal definition of the term, key workers typically include police, fire fighters, teachers, childcare workers and other employee groups who undertake work considered essential for the day-to-day functioning of a city, and who are typically paid low to moderate salaries. |
| Very low income earner | Those people whose gross income equates to 50% or less of the median Sydney income level. At 2016-17, this equates to $42,300 or less per annum. |
| Low income earner | Those people whose gross income equates to between 51 and 80% of the median Sydney income level. At 2016-17, this is up to $67,600. |
| Moderate income earner | Those people whose gross income equates to between 81 and 120% of the median Sydney income level. At 2016-17, this is up to $101,520. |

There are several key types of affordable housing. The Policy is primarily concerned with addressing the deficiency of affordable rental housing.

|  |
| --- |
| **Table 9. Affordable Housing Definitions** |
| **Type** | **What is it** | **Who does it target** | **Who provides it?** |
| Affordable housing | Affordable housing is housing that is appropriate for the needs of a range of very low to moderate income households and priced so that these households are also able to meet other basic living costs such as food, clothing, transport, medical care and education.  | Any individual or household that cannot afford market housing costs based on their income level. | Various |
| Affordable rental housing | Affordable housing as described above that is provided at an affordable rental rate. | Key workers who are paid low to moderate incomes. | Owned by private developers or investors, local governments, non-government organisations or community housing providers.  |
| Social housing | A form of affordable housing owned by the NSW Government and provided to those on very low incomes. Currently around 60,000 people are on the waiting list for this housing type with a wait time of 10 years | * People on very low and low incomes;
* People who also face other barriers to housing access apart from their economic circumstances, such as mental health or disability
 | NSW Government, Community Housing Providers on behalf of NSW Government |

**Associated documents**

|  |  |
| --- | --- |
| **Document Title** | **TRIM Number** |
| Affordable Housing Policy 2009 | POLICY298 |
| Affordable Housing Discussion Paper 2017 | D05069390 |
| Draft Socially Sustainable Parramatta Framework | TBC |
| Draft Disability Inclusion Action Plan | TBC |

**History**

|  |  |
| --- | --- |
| **REFERENCES** |  |
| **POLICIES** |  |
| **ATTACHMENTS** |  |

1. http://www.housing.nsw.gov.au/centre-for-affordable-housing/for-planners-of-affordable-housing/where-do-we-need-affordable-housing [↑](#footnote-ref-1)
2. .id Profile, August 2015, ‘Parramatta Key Workers: Final Report’ [↑](#footnote-ref-2)
3. The estimated number of dwellings in City of Parramatta as at 2016 is 87,005. [↑](#footnote-ref-3)
4. Based on updated data provided by Department of Family and Community Services (FACS) in April 2017 [↑](#footnote-ref-4)
5. http://www.smh.com.au/nsw/ipsos-issues-monitor-reveals-the-10-things-that-most-worry-sydneysiders-20161227-gtiaad.html and http://politicsir.cass.anu.edu.au/content/attitudes-housing-affordability [↑](#footnote-ref-5)
6. Table adapted from the City of Sydney’s Housing Issues Paper, published April 2015. [↑](#footnote-ref-6)
7. Inner West Council, *Position Paper: Best Practice in Value Capture*, November 2016, prepared by Judith Stubbs and Associates. [↑](#footnote-ref-7)
8. This figure excludes boarding house rooms and secondary dwellings as these are not guaranteed to be affordable [↑](#footnote-ref-8)
9. The calculation used to determine this is outlined in Method 1 above [↑](#footnote-ref-9)
10. At the time of the 2011 Census, City of Parramatta’s total housing stock was made up of social housing at a rate of 6%. This figure has decreased to 5.1% at 2016 based on current numbers of social housing dwellings within the LGA. [↑](#footnote-ref-10)
11. P. 45, Daley, John & Wood, Danielle, April 2016. Hot Property: Negative Gearing and capital Gains Tax Reform. [↑](#footnote-ref-11)
12. Henry Tax Review, commissioned by the Rudd Government in 2008 and published in 2010. [↑](#footnote-ref-12)
13. Point 9 in Imagine Housing Everyone: 10 proposals for the 2017 state budget and beyond, Shelter NSW. [↑](#footnote-ref-13)
14. Committee for Sydney - *A City For All: Five game Changers For Housing Affordability In Sydney*, August 2015. [↑](#footnote-ref-14)
15. Richardson, Rebecca - *Facilitating Affordable Housing Through Planning Mechanisms,* April, 2016 [↑](#footnote-ref-15)