



# Wollahra Affordable Housing Policy 2021

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Draft for Environmental Planning Committee

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Responsible Officer:	Manager Strategic Planning
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### **Acknowledgement of country**

Woollahra Council acknowledges the Gadigal and Birrabirragal people who are the traditional custodians of this land and pay respects to elders past, present and emerging.

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## 1 Policy Statement

This document contains Woollahra Council's policy relating to affordable housing as defined by the *Environmental Planning and Assessment Act 1979* (NSW).

Woollahra Council is committed to protecting existing affordable housing and facilitating new affordable housing to meet the needs of our community, particularly **key and essential workers on low and moderate incomes**.

The *Woollahra Local Strategic Planning Statement (LSPS) 2020* sets out a vision for the future of our area. In relation to housing in Planning Priority 4 is:

*Sustaining diverse housing choices in planned locations that enhances our lifestyles and fit in with our local character and scenic landscape.*

It identifies an aspiration for diverse housing choices, for a range of needs and incomes, which allow people of all capabilities and all ages to participate in community life and live in health and comfort.

Affordable housing is essential infrastructure required to support Council's vision for diverse housing.

## 2 Application

### 2.1 Name of this Policy

This policy is called *Woollahra Affordable Housing Policy 2021*.

### 2.2 Approval and commencement

TBC

### 2.3 Purpose of this Policy

This document provides policy direction for Council, our community and Applicants with respect to Council's commitment to increasing the supply of affordable housing, particularly for key and essential workers on low and moderate incomes.

This Policy will guide decision making by defining Council's role in relation to affordable housing and in advocating for local social and affordable housing needs.

This policy is to be read in conjunction the Woollahra LSPS 2020, Draft Woollahra Local Housing Strategy 2021, Woollahra Social and Cultural Plan 2018-2030, and *Woollahra Voluntary Planning Agreement Policy 2020*.

### 2.4 Objectives of this Policy

The objectives of this policy are:

- (a) To maintain and increase the supply of affordable rental housing for key workers and essential workers living in low and moderate-income households
- (b) To encourage the provision of affordable, inclusive and diverse housing for very low, low and moderate income households, and meets special housing and access needs
- (c) To ensure planning controls facilitate the supply of new affordable housing that is appropriately designed and located
- (d) To effectively manage Council affordable housing assets and / or programs
- (e) Advocate for affordable and social housing needs within the Woollahra LGA, the Eastern City District, and Greater Sydney
- (f) To provide suitable support initiatives and referral services to households experiencing housing stress.

### 2.5 Land to which this policy applies

This policy applies to all land within the Woollahra Local Government Area. (LGA) (see **Figure 1**).

This policy also applies to land outside the Woollahra LGA in the case of a program, property or otherwise where Council has an interest in the provision of affordable housing that deals with land not within the Woollahra LGA.

This policy does not apply to housing owned or managed by the Australian or NSW Governments.



**Figure 1: Woollahra Municipal Council local government area**

### 3 Affordable housing

#### 3.1 What is affordable housing?

Affordable housing is housing that is appropriate for very low to moderate income households and priced so that they can also meet living costs.

It is usually rental housing which is managed like a private rental property, but there are eligibility criteria and the managers are mostly not-for-profit community housing providers. When an affordable housing property is advertised, people submit an application to the manager as they would if they were applying for a property in the private rental market.

Under Section 1.4 of the EP&A Act, 'affordable housing' is defined as follows:

**affordable housing** means housing for very low income households, low income households or moderate income households, being such households as are prescribed by the regulations or as are provided for in an environmental planning instrument.

Under Clause 8 of the *State Environmental Planning Policy No 70—Affordable Housing (Revised Schemes)* this definition applies to Greater Sydney households whose gross incomes fall within the following median household income ranges:

Very low income household	less than 50%
Low income household	50 or more but less than 80%
Moderate income household	80–120%

This is further filtered using the [NSW Affordable Housing Ministerial Guidelines](#) which set annual household eligibility limits for each band of affordable housing based on the number of adults and number of children (under 18 years old) in the household.

**Affordable housing is not the same as social or public housing.** It is open to a broader range of households than social housing, has a different eligibility criteria, rents are calculated differently and it has different tenancy arrangements.

Social housing is typically restricted to households only on ‘very low’ incomes and income support. Households do not have to be eligible for social housing to apply for affordable housing.

Social housing is rental housing that is funded or partly funded by government, and that is owned or managed by the government or a community organisation and let to eligible persons. This includes public housing, managed by the NSW Department of Communities and Justice and the Aboriginal Housing Office, and community housing.

### 3.2 Who is affordable housing for?

Many different people need affordable housing and for lots of different reasons. This may include people who work in lower paid jobs, where high market rents in the area in which they live and/or work is unaffordable for their household income. This can include people working full-time in an essential services such as a police officer, a nurse or a child care worker.

People may also need affordable housing because a change in their lives and financial situation. For example, a household member has lost their job, a family has separated, or a member of the household has died.

Sometimes affordable housing is only needed for a short- or medium-term period until people’s circumstances change or sometimes it is needed for a longer period of time.

### 3.3 Affordable housing need

The Greater Sydney region is experiencing a housing affordability crisis and is one of the least affordable housing markets in the world to rent or purchase. The Woollahra LGA is a premium residential market, with median prices above the Sydney average. Buying or renting housing in the Woollahra LGA is increasingly unaffordable for key and essential workers.

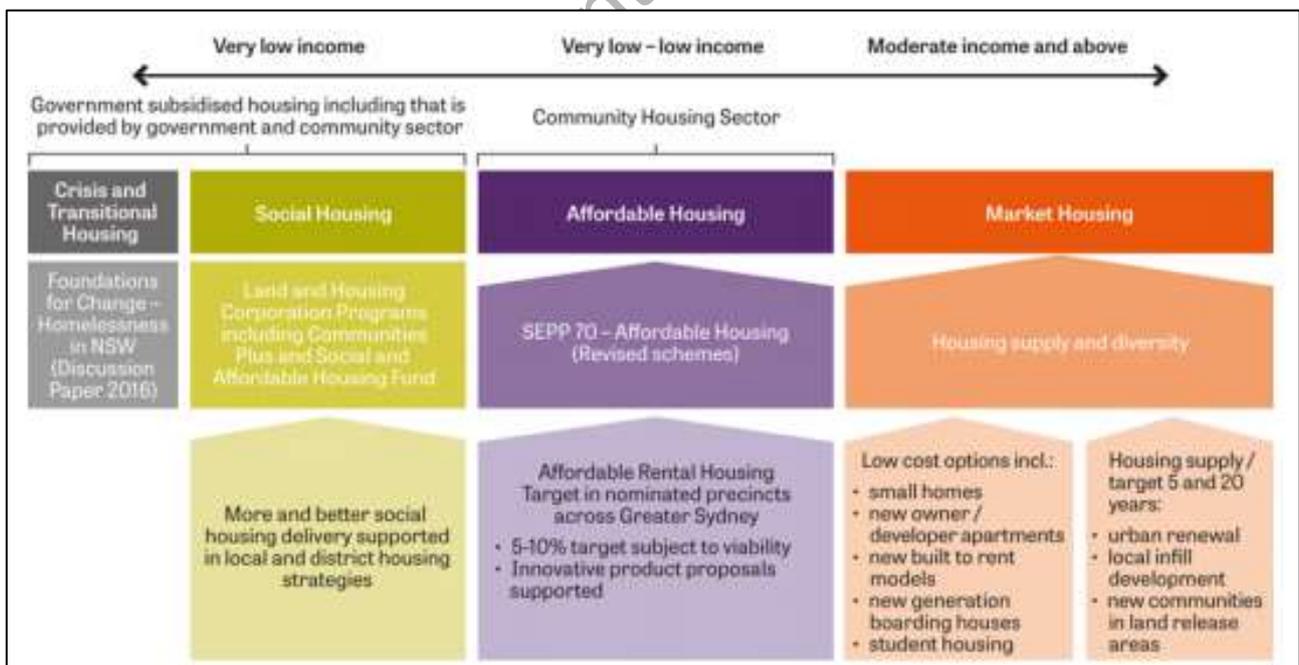
The *Greater Sydney Region Plan: A Metropolis of Three Cities* and the *Eastern City District Plan* (GSC 2018) both reaffirm the critical important of providing diverse housing across the housing continuum (see **Figure 2**).

To prepare this Policy and the draft local housing strategy, Council has used the DPIE’s 2016 projections<sup>1</sup> which informed the Regional and District Plans that apply to the LGA, the *Greater Sydney Region Plan: A Metropolis of Three Cities* and the *Eastern City District Plan*. DPIE requires this to ensure consistency in underlying assumptions across Greater Sydney. Additionally, in 2020, Council commissioned SGS Economics and Planning to prepare a housing study of the Woollahra LGA to inform the preparation of a local housing strategy and this policy.

Analysis by SGS Economics and Planning (2020) estimates that there is a shortfall of 1,900 affordable homes in the Woollahra LGA. An increase in the supply of new affordable rental housing is now critical, particularly to prevent the loss of key and essential workers.

SGS Economics and Planning (2020) suggests that teachers, both primary and secondary, are the largest group of key workers in the LGA. Carers and nurses are also relatively common. It is noted that teachers are likely to be dispersed across the LGA in terms of their occupational location, while health care workers would be working in or around our local centres and/or the hospital.

If key workers are unable to access affordable housing in and around Woollahra, they may need to live much further away. This could make it difficult to them to access work in the LGA and could limit the ability of businesses and critical services to access a suitable labour pool. This situation isn’t sustainable in the long-term.



**Figure 2: Housing continuum from A Metropolis of Three Cities (GSC 2018, p.69)**

<sup>1</sup> Based on ABS Census data

### 3.4 Who are our key workers?

The Woollahra Housing Study prepared by SGS Economics and Planning (2020) estimates that key workers in the Woollahra LGA who may be unable to access affordable housing include people in the following ANZSCO occupations (the ABS occupation classification):

- Secondary schools teachers
- Primary school teachers
- Aged and disabled carers
- Registered nurses
- Welfare support workers
- Café workers
- Special education teachers
- Fire and emergency workers.

### 3.5 Affordable Housing Targets

Direction 11 of the [Greater Sydney Region Plan: A Metropolis of Three Cities](#) (March 2018) requires that housing is more diverse and affordable. It suggests that targets are viable within the range of 5-10% of new residential floor space is affordable rental housing for very low and low-income households.

These affordable rental housing targets are to apply to precincts experiencing development uplift and are subject to State planning requirements and guidelines; viability assessment; and the circumstances of the applicable precinct. It is noted that as a well-established LGA Woollahra has severely limited potential redevelopment or urban renewal precincts.

Notwithstanding these requirements, Woollahra Council is committed to protecting and increasing the supply of affordable rental housing. We will continue to seek, and advocate for, other mechanisms to increase the availability of affordable rental housing that are more suitable for the context of the Woollahra LGA.

### 3.6 Target Groups

Council is committed to protecting and supporting the supply of affordable housing stock that can be rented or purchased by very low; low, and moderate income households. This includes groups with particular household needs in the Woollahra local government area.

Target groups to which this policy applies include:

- Very low and low income renting households;
- Very low, low and moderate income key workers, including shift workers;
- Very low, low and moderate income workers in creative industries;
- Asset poor older people, including long-term residents of the LGA;

- Young people, including those with a social or economic association with the LGA;
- Lower income families including sole parent families and those totally priced out of the housing market
- Aboriginal and Torres Strait Islander people
- People with special housing or access needs, including people with a disability, frail aged people and those at risk of homelessness

### 3.7 Mechanisms

The mechanisms for affordable housing contributions under the *Environmental Planning and Assessment Act 1979* are identified below.

#### 3.7.1 SEPP Affordable Rental Housing

The [State Environmental Planning Policy \(Affordable Rental Housing\) 2009 \(ARHSEPP\)](#) covers housing types including in-fill affordable housing, along with secondary dwellings (granny flats), boarding houses, group homes, social housing and supportive accommodation.

This policy delivers private market housing. The ARHSEPP seeks to facilitate the increased supply and diversity of affordable rental and social housing in NSW through:

- planning mechanisms to facilitate the delivery of social housing by the NSW Land and Housing Corporation (LAHC)
- development standards and floor space incentives for the delivery of affordable rental housing by the private market
- provisions to ensure the retention of existing affordable rental housing
- provisions to help regulate Short-term Rental Accommodation.

It is noted that in 2020 the NSW Department of Planning, Industry and Environment commenced a process to amend the NSW Government's housing related policies that may affect the application of the ARHSEPP.

#### 3.7.2 SEPP 70

The Division 7.2 of the EP&A Act 1979 enables councils to levy contributions for affordable housing if they are named in the [State Environmental Planning Policy No 70—Affordable Housing \(Revised Schemes\)](#) (SEPP 70).

In February 2019 SEPP 70 was expanded to include all councils in NSW.

Section 7.32(3) of the EP&A Act 1979 sets out the requirements for levying developer contributions for affordable housing. Additionally, the [Guideline for Developing an Affordable Housing Contribution Scheme](#) (February 2019) published by DPIE guides the preparation of affordable housing contribution schemes which meet these legislative requirements:

- identify the areas to which an affordable housing contribution scheme will apply

- determine a viable affordable housing contribution rate
- prepare affordable housing contribution schemes
- amend the LEP through the planning proposal process to reference the affordable housing contribution scheme.

It is noted that as a well-established LGA, Woollahra has severely limited potential redevelopment or urban renewal precincts. Precincts that are subject to planning reviews, such as the Edgecliff Commercial Centre, are currently the only areas where a Contributions Scheme per SEPP 70 may be applied, and then only in the event that the Council supports development uplift for the precinct.

### 3.7.3 Voluntary Planning Agreements

Planning agreements are made under [Section 7.4](#) of the EP&A Act 1979 and in accordance with Part 4 Division 1A of the EP&A Regulation 2000, the [Woollahra Voluntary Planning Agreement Policy 2020](#), [Planning Circular](#), [Ministerial Direction](#), and [Practice Note](#). Under these provisions Council may negotiate for an affordable housing contributions.

## 4 Actions

**Annexure 1** identifies actions and indicative timeframes to help achieve the objectives set out in section 2.4 of this policy.

These timeframes are indicative only and are subject to budget and other considerations. Council will implement these actions through the *Woollahra: Delivery Program and Operational Plan*.

## 5 Council owned rental dwelling stock

Affordable Housing assets that may be acquired by Council must be well located near centres and/or high frequency public transport, meet a range of household needs and be designed for a high level of sustainability and energy efficiency. Ideally, affordable rental housing should also meet universal design standards set out in the *Livable Housing Design Guidelines*.

Whilst Council owns land and buildings across the LGA to-date Council has not acquired or constructed any specific affordable rental housing assets. Council may obtain rental housing stock through various mechanisms, including:

- SEPP 70 affordable housing contributions scheme
- Voluntary Planning Agreement process
- Housing stock acquired or leased by Council.

It is expected that Council will appoint a Community Housing Provider to manage the operation of any affordable housing stock in accordance with Council's Procurement Policy. Management of Council's affordable housing assets must be undertaken in accordance with this Policy and relevant policy or procedure established by Council in relation to this matter.

Consistent with standard practice, it is expected that a proportion of the rental payments would go to the Community Housing Provider for their tenant administration services, to maintain the asset and potentially to acquire new affordable housing stock. The specifics of this arrangement would be outlined in a MOU between Council and the Community Housing Provider.

Selection of tenants will be undertaken through an eligibility shortlisting process as agreed by Council. The eligibility criteria must be set out in a procedure and ensure affordable housing is managed to appropriately address the needs identified in this policy, notably providing housing for key workers. The criteria should include (but not be limited to):

- Income testing, (Very low, low and moderate incomes)
- Evidence to support eligibility such as proof of employment within the LGA or Eastern City Region (ideally in a key worker role) and proof of tenant's Australian citizenship or permanent residency in Australia
- Tenants must not own assets or property which could reasonably be expected to be used to solve their housing needs.

Council will ensure any rental income or value capture proposals will be incorporated in Council's financial planning and reporting.

## **6 Monitoring and review**

This Policy will be reviewed every two years or in accordance with legislative requirements. This Policy may also be changed as a result of other amendments that are to the advantage of Council and in the spirit of this Policy.

Any amendment to this Policy must be by way of a Council Resolution or the approval of the General Manager (for minor or administrative changes).

## 7 Definitions

Term	Meaning
Affordable housing	As defined in Section 1.4 of the <i>Environmental Planning &amp; Assessment Act 1979</i> .
Community Housing Provider (CHP)	As defined in the <i>Community Housing Providers (Adoption of National Law) Act 2012</i> .
Key workers	There is no legal definition of the term “key workers” that has been adopted under NSW planning legislation. Key workers are people within the local area who are paid ‘very low’, ‘low’ and ‘moderate’ income levels and often work in essential or front line services. Examples include health care, teaching, child care, aged care, emergency services, community services, retail and hospitality.
Voluntary Planning Agreement	As defined in section 7.4 of the <i>Environmental Planning &amp; Assessment Act 1979</i> . (1) A planning agreement is a voluntary agreement or other arrangement under this Division between a planning authority (or 2 or more planning authorities) and a person (the developer): <ul style="list-style-type: none"> <li>(a) who has sought a change to an environmental planning instrument, or</li> <li>(b) who has made, or proposes to make, a development application or application for a complying development certificate, or</li> <li>(c) who has entered into an agreement with, or is otherwise associated with, a person to whom paragraph (a) or (b) applies, under which the developer is required to dedicate land free of cost, pay a monetary contribution, or provide any other material public benefit, or any combination of them, to be used for or applied towards a public purpose.</li> </ul>

## 8 References

<a href="#">Sydney Housing Supply Forecast</a> NSW Department of Planning Industry and Environment	
<a href="#">Guideline for Developing an Affordable Housing Contribution Scheme</a> (February 2019) NSW Department of Planning Industry and Environment	
<a href="#">Livable Housing Design Guidelines</a> (2017) Livable Housing Australia: Paramatta	

## 9 Relevant Legislation

*Environmental Planning and Assessment Act 1979*  
*Environmental Planning and Assessment Regulation 2000*  
*State Environment Planning Policy No 70 – Affordable Housing*  
*State Environmental Planning Policy (Affordable Rental Housing) 2009*  
*Local Government Act 1993*  
*Community Housing Providers (Adoption of National Law) Bill 2012*

Residential Tenancies Act 2010 No 42

## 10 Related Policies and Procedures

Woollahra Voluntary Planning Agreement Policy 2020	
Woollahra Local Strategic Planning Statement 2020	
Woollahra Community Participation Plan 2019	
Woollahra 2030	
Draft Woollahra Local Housing Strategy 2021	

## 11 Policy Amendments

Date	Responsible Officer	Description

Draft for Environmental Planning Committee

## Annexure 1

The following actions and timeframes have been identified to help achieve the objectives set out in section 2.4 of this policy. The indicative timeframes are as follows:

- Short term actions are expected to be undertaken in 0 to 4 years
- Medium term actions are expected to be undertaken in 5 to 10 years
- Long term actions are expected to be undertaken in 10+ years
- Ongoing or as required actions which relate to a number of Council projects, initiatives and/or reoccurring work.

All timeframes are indicative only and are subject to budget and other considerations. Council will implement these actions through the *Woollahra: Delivery Program and Operational Plan*.

Action	Time Period
1. Prepare an affordable housing contributions scheme for areas experiencing development uplift consistent with SEPP 70 and the relevant guidelines.  <i>Note: This may include the Edgecliff Commercial Corridor should Council adopt the draft Planning and Urban Design Strategy.</i>	As required
2. Prepare a planning proposal to update the aims of the Woollahra LEP 2014 to encourage the provision of affordable housing.	Short term
3. Advocate for contributions reform to permit the preparation of affordable housing contributions scheme for all new apartment developments.  For example, inclusionary zoning requires developers to supply a proportion of new developments as affordable housing. This can be seen as a form of legitimate value capture in that some of the benefits to a developer in rezoning land is returned to the community in the form of affordable housing.	Medium term
4. Work with the Greater Sydney Commission, NSW Government and neighbouring councils to develop affordable housing options that are appropriate for the social and economic context of the eastern suburbs area.	Ongoing
5. Investigate opportunities and feasibility for incorporating affordable housing when reviews or plans are being prepared for the redevelopment or adaptive re-use of Council-owned properties.	Ongoing
6. Investigate the suitability of introducing planning controls to facilitate appropriate and high quality co-living and/or micro-housing types in areas close to hospitals and tertiary education facilities.	Short to Medium term

7.	Investigate potential to introduce unit mix planning provisions to ensure a diverse range of housing sizes are being delivered in new development.	Short to Medium term
8.	Prior to rezoning residential land, Council will consider the potential of the subject land to provide affordable housing.	As required
9.	Consider contributions for affordable housing when negotiating Voluntary Planning Agreements for planning proposals in accordance with the <i>Woollahra Voluntary Planning Agreement Policy 2020</i> .	Ongoing
10.	Continue to advocate to the NSW Government for increased investment in public housing in Greater Sydney and the protection of existing public housing stock in the Woollahra LGA.	Ongoing
11.	Continue to support rental assistance programs via Council's Community & Customer Experience Directorate.  <i>Note: Examples of previous and ongoing programs include the Woollahra Artist in Residence Program and Council's sponsoring the not-for-profit Woman's Housing Company.</i>	Ongoing
12.	Continue to make available information and support for people experiencing homelessness in accordance with Council's <a href="#">Homeless People Policy</a>	Ongoing
13.	Investigate how to support efforts of local schools (including private schools) in providing low cost housing for teachers.	Medium term