

## Relevant Information for Local Planning Panel

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**FILE:** D/2022/285 **DATE:** 12 December 2022

**TO:** Local Planning Panel Members

**FROM:** Andrew Thomas, Executive Manager City Planning and Development

**SUBJECT:** Information Relevant To Item 4 – Development Application 163 Bridge Road, Glebe – D/2022/285

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### For Noting

That the Local Planning Panel note the information contained in this memo.

### Background

On 9 December 2022, a letter was submitted by the applicant asking that the recommended condition of consent (4) “*Affordable Housing Contribution – Residual Land or Central Sydney – Payment in Lieu of Floor Space Contribution – Prior to Construction Certificate*” be deleted. A copy of the letter is included at Attachment A to this memorandum.

The applicant's justification is that the co-living development is intended to be used as affordable rental housing, meeting the definition of affordable rental housing under Cl 13 of the Housing SEPP 2021, and therefore is excluded from the total floor area definition and the payment of an affordable housing contribution under Cl 7.13 ‘Contribution for purpose of affordable housing’ of the Sydney LEP 2012. The applicant has provided estimated rental figures to demonstrate the co-living development meets the definition of affordable housing under the Housing SEPP.

The applicant also recommends that condition 4 be replaced with a condition requiring that the co-living development be operated as affordable housing as defined under the Housing SEPP.

### Council’s Response:

The City of Sydney Affordable Housing Program, 24 August 2020, defines Affordable rental housing as “*affordable housing that is owned and managed by government, a recommended community housing provider, or an eligible community housing provider and rented to very low to moderate income households*”. The manager of the co-living development would therefore need to be registered as a community housing provider in order for Council to be

satisfied that the development is affordable housing, and a positive covenant requiring the co-living development to be managed by a community housing provider in perpetuity could be imposed.

It is also noted that the definition of a boarding house under the SLEP 2012 requires boarding houses to be carried out either on behalf of the Land and Housing Corporation, or managed by a registered community housing provider. This application has been lodged as co-living rather than as a boarding house, which does not require it to be managed by a social housing provider.

It is recommended that condition 4 "*Affordable Housing Contribution – Residual Land or Central Sydney – Payment in Lieu of Floor Space Contribution – Prior to Construction Certificate*" be upheld.

Prepared by: Nicholas Reid, Planner

## Attachments

**Attachment A.** Applicant's Letter Requesting Changes to Draft Conditions .

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Noted



**ANDREW THOMAS**

Executive Manager Planning and  
Development

# **Attachment A**

**Applicant's Letter Requesting Changes to  
Draft Conditions**

9 December 2022

Att: Nick Reid  
City of Sydney Council  
& Panel Secretariat and Local Planning Panel

**DEVELOPMENT APPLICATION 163 BRIDGE ROAD, GLEBE: DA2022/0285:  
ALTERATIONS AND ADDITIONS TO PARISH HALL, AND CO-LIVING  
DEVELOPMENT**

Dear Nick & Panel Secretariat,

I write to you to confirm that we have reviewed the LPP report that is being considered by the LPP on 14 December 2022.

We are supportive of recommendation for approval and appreciate the efforts of the City in progressing the DA to this point.

We have also reviewed the conditions of consent that are proposed and are generally supportive of those conditions.

However there is one (1) condition of concern regarding the requirement of payment of an affordable housing contribution- being Condition 4. That condition states as follows and we are of the view it should be deleted as the development is in fact providing affordable rental housing.

**(4) AFFORDABLE HOUSING CONTRIBUTION – RESIDUAL LAND OR CENTRAL SYDNEY – PAYMENT IN LIEU OF FLOOR SPACE CONTRIBUTION – PRIOR TO CONSTRUCTION CERTIFICATE**

- (a) In accordance with the City of Sydney Affordable Housing Program and prior to the issue of a Construction Certificate, the applicant must provide

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evidence that a monetary contribution towards the provision of affordable housing has been paid to the City of Sydney Council.

- (b) The contribution is \$93,435.92 (indexed at 14 November 2022). This is calculated by establishing the sum of the equivalent monetary contribution \$11,599.74 multiplied by 0.5% of the total floor area for non-residential development (0 sqm) and the equivalent monetary contribution \$11,599.74 multiplied by 1.5% of the total floor area for residential development (537 sqm).
- (c) If the contribution is paid after the indexation period in which the consent is granted, being March 2022 to February 2023, the above contribution will be adjusted according to the Sydney LGA median strata dwelling price ('MDP') using the following formula.

## Co-Living and Rental Amounts

We note that the development is a co-living development and intended to be utilised for affordable rental housing. To demonstrate this we have provided rental yield projections produced by the client that indicates the following projected rental yields below.

| <b>2b Woolley St, Glebe</b> |              |               |                                   |                                |
|-----------------------------|--------------|---------------|-----------------------------------|--------------------------------|
| <i>ST. JAMES HALL</i>       |              |               |                                   |                                |
| <u>UNIT No:</u>             | <u>LEVEL</u> | <u>ASPECT</u> | <u>DETAILS</u>                    | <u>CURRENT RENT - Per Week</u> |
| 1.01                        | Level 1      | S             | Studio - 20sqm                    | \$420                          |
| 1.02                        | Level 1      | NW            | Studio 17sqm + Balcony - 5sqm     | \$400                          |
| 1.03                        | Level 1      | NW            | Studio - 18sqm + Balcony - 6sqm   | \$410                          |
| 1.04                        | Level 1      | NW            | Studio - 17sqm + Balcony - 6sqm   | \$410                          |
| 1.05                        | Level 1      | NW            | Studio - 16sqm + Balcony - 6sqm   | \$400                          |
| 1.06                        | Level 1      | N             | Studio - 18sqm + Balcony - 3sqm   | \$400                          |
| 1.07                        | Level 1      | E             | Studio - 21sqm                    | \$425                          |
| 1.08                        | Level 1      | SE            | Studio - 17sqm                    | \$385                          |
| 2                           | Level 2      | SE            | Studio - 14sqm                    | \$365                          |
| 2.01                        | Level 2      | S             | Studio - 13sqm                    | \$360                          |
| 2.02                        | Level 2      | NW            | Studio - 16sqm + Balcony - 2.5sqm | \$390                          |
| 2.03                        | Level 2      | NW            | Studio - 17sqm + Balcony - 2.5sqm | \$395                          |
| 2.04                        | Level 2      | N             | Studio - 16sqm                    | \$380                          |

As seen from the above the rental range is \$360-\$420.

## Exclusions from Application of the Affordable Housing Contribution under the LEP

We note that the provisions of the Sydney LEP 2012 provide specific exclusions from the application of affordable housing contributions at 7.13(6)(e).

### **7.13 Contribution for purpose of affordable housing**

(2) The consent authority may, when granting development consent to development to which this clause applies, impose a condition requiring a contribution equivalent to the applicable **affordable housing levy contribution** for the development provided for in subclause (2A), (2B) or (2C).

(2C) The affordable housing levy contribution for development on land at Central Sydney or on residual land is as follows—

(a) for development applications lodged before 1 July 2022—

(i) 1.5% of the total floor area of the development that is intended to be used for residential purposes, and

(ii) 0.5% of the total floor area of the development that is not intended to be used for residential purposes,

(6) In this clause—

*Pyrmont Peninsula land means land to which clause 6.63, 6.64, 6.65 or 6.66 applies.*

*residual land means the land identified as “Residual Land” on the Locality and Site Identification Map.*

*total floor area means the total of the areas of each floor of a building within the outer face of the external enclosing walls and including balconies, but excluding the following—*

(a) columns, fins, sun control devices, awnings and other elements, projections or works outside the general lines of the outer face of the external walls,

(b) that part of a balcony that exceeds the minimum area required by the consent authority in respect of the balcony,

(c) ancillary car parking permitted by the consent authority and associated internal vehicular and pedestrian access to that car parking,

(d) space for the loading and unloading of goods,

(e) the floor area of a building, including balconies, that is—

(i) on land in Zone IN1 General Industrial, or

**(ii) used to provide affordable housing or public housing, or**

**(iii) used for the purpose of community facilities.**

The parish hall is a community facility and has been excluded rightfully from the contribution. However the residential accommodation has not.

So long as the residential accommodation is ‘affordable housing’ then the contribution does not apply- because the development is in fact providing affordable housing.

The applicant confirms this is the case and is demonstrated below.

## Definition of Affordable Housing

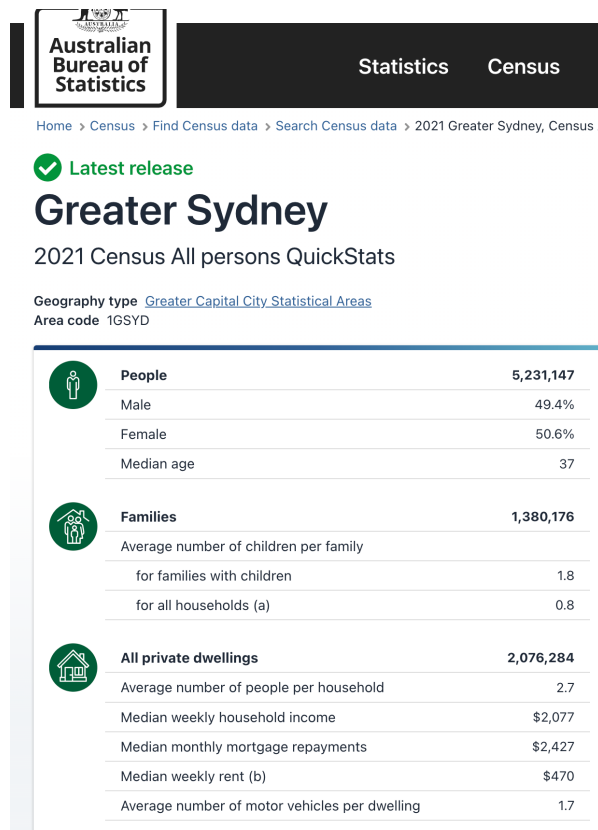
The Environmental Planning and Assessment Act 1979 defines affordable housing as follows:

*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.*

Clause 13 of the Housing SEPP 2021 then goes on to define what a very low income, low income or moderate-income household is defined as. Clause 13 says:

- (1) *In this Policy, a household is taken to be a very low income household, low income household or moderate income household if—*
- (a) *the household—*
- (i) *has a gross income within the following ranges of percentages of the median household income for Greater Sydney or the Rest of NSW—*
- (A) *very low income household—less than 50%,*
- (B) *low income household—50–less than 80%,*
- (C) *moderate income household—80–120%, and*
- (ii) *pays no more than 30% of the gross income in rent, or*

Based on the 2021 Census data from the ABS the median household income for Greater Sydney is \$2077 per week as shown below.



The screenshot shows the Australian Bureau of Statistics website for Greater Sydney, 2021 Census All persons QuickStats. The page includes a navigation bar with 'Statistics' and 'Census' links, a breadcrumb trail, and a 'Latest release' indicator. The main content area displays a table of statistics for Greater Sydney (Area code 1GSYD).

| Category                                      | Value            |
|---|------------------|
| <b>People</b>                                 | <b>5,231,147</b> |
| Male  | 49.4%            |
| Female  | 50.6%            |
| Median age                                    | 37               |
| <b>Families</b>                               | <b>1,380,176</b> |
| Average number of children per family         |                  |
| for families with children                    | 1.8              |
| for all households (a)                        | 0.8              |
| <b>All private dwellings</b>                  | <b>2,076,284</b> |
| Average number of people per household        | 2.7              |
| Median weekly household income                | \$2,077          |
| Median monthly mortgage repayments            | \$2,427          |
| Median weekly rent (b)                        | \$470            |
| Average number of motor vehicles per dwelling | 1.7              |

When utilising the \$2077 per week and calculating the three (3) definitions this gives the following calculations on what this means for each household type.

| Household Type   | Gross Income | Calculated Amount  | Amount x 30% to give the affordable housing threshold |
|------------------|--------------|--------------------|---|
| <i>Very Low:</i> | <50%         | <\$1038.5          | \$311.55  |
| <i>Low</i>       | 50%-80%      | \$1038.5-\$1661.6  | \$311.55-\$498.48                                     |
| <i>Moderate</i>  | 80%-120%:    | \$1661.6-\$2492.40 | \$498.48-\$747.72                                     |

So based on the likely rents being \$360-\$420 all of the co-living rooms would qualify for low income households and moderate income households and would be considered as affordable housing.

On that basis we believe would be excluded from a contribution for affordable housing under LEP because all the rooms are in fact affordable housing.

We are keen to have this addressed and amended and would accept a condition that the proposal is required to provide affordable housing rather than the contribution- which you can see from the above that is exactly what this development will deliver.

Our suggestion is therefore that Condition 4 be deleted and replaced with the following condition

- *The Co-Living development is to be operated as affordable rental housing by satisfying the criteria under Clause 13 of State Environmental Planning Policy (Housing) 2021.*

## Conclusion

We request that the Panel considers this in their deliberations and adjusts Condition 4 as requested above.

Jonathon Wood  
 Director  
 Think Planners Pty Ltd