

Resolution of Council

28 October 2024

Item 11.6

Affordable Housing Target

Moved by Councillor Weldon, seconded by Councillor Thompson -

It is resolved that Council note:

- (A) access to affordable rental housing is essential for a diverse, cohesive, vibrant and economically successful city;
- (B) while the primary responsibility for housing policy and provision lies with the state government, councils play a crucial role in addressing housing issues locally;
- (C) the City of Sydney has a social, practical and legislative responsibility to address local housing needs on behalf of the community;
- (D) the local community has repeatedly voiced desire for an affordable, inclusive, and accessible city;
- (E) accordingly, the City's previous strategic plan Sustainable Sydney 2030 established the target that, by 2030, 7.5% will be affordable housing, delivered by not-for-profit or other providers;
- (F) the City uses its planning levers, sells land to community housing providers below cost, and provides grants to increase the amount of affordable housing in the local area. Notably:
 - (i) the City of Sydney is the first council in Australia to have a Local Government Area (LGA)-wide affordable housing contributions scheme and is the only council to charge a levy across all residential and commercial development;
 - (ii) to date the City has collected more than \$400 million in levies, provided \$31.6 million in discount land and committed almost \$13 million in grants to the delivery of affordable housing; and

- (iii) with these contributions, 1,464 affordable dwellings have been built in the local area, 565 dwellings are in the development pipeline and 1,294 are expected to be built in the near future;
- (G) the City also advocates for greater action and investment from other levels of government;
- (H) the City's ambitious affordable housing targets always envisaged Local, State and Federal governments all doing their bit, as well as the development industry. However, without State Government mandated targets for affordable housing in new developments, meeting our targets will continue to be a significant challenge;
- (I) while the proportion of affordable housing in the City of Sydney has decreased over this time and currently makes up less than 2% of total housing stock, the City of Sydney has delivered more affordable housing than any other council in Australia, and we are on track to deliver even more;
- (J) the City's new strategic plan Sustainable Sydney 2030-2050 maintains the target for 7.5% affordable housing but pushes back the target from 2030 to 2036, to align with the overall dwelling approval target mandated for councils by the former NSW Government in 2018;
- (K) still, the City is not currently on track to meet this revised target, noting that:
 - (i) the City's developer contributions levy scheme is projected to deliver a further 1,950 affordable dwellings;
 - (ii) if considered all together the built, pipeline, expected and projected affordable housing dwellings will equal to 5,273 affordable rental dwellings and affordable diverse dwellings to 2036; and
 - (iii) this would equate to 44% of the 12,000 affordable dwellings target for 2036, or about 3.4% of the private dwellings target for 2036;
- (L) in order to meet our affordable housing target, at the June 2023 and February 2024 Council meetings, Council resolved to ask the Chief Executive Officer to:
 - (i) review the City's Affordable Housing contribution rates, including what changes could deliver more affordable housing in our area such as rate increases, changes to City policies, planning controls and rezoning proposals. This work is well underway; and
 - (ii) provide advice about potential changes to the City's Local Environmental Plan 2012, and related documents as needed, to give the City of Sydney the ability to require that affordable housing contributions be delivered in the form of land or buildings on site, in appropriate developments; and
- (M) the Lord Mayor has asked the Chief Executive Officer to provide the new Council with a comprehensive overview of the City's current housing policies and planning framework, what it has delivered, work currently underway and next steps to continue to deliver more affordable housing.

Carried unanimously.

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