

Attachment A

**Summary of and responses to matters
raised in submissions**

Planning Proposal – Affordable Rental Housing Review - Green Square Town Centre

Summary of and responses to submissions

Respondent	Details of Submission	City's Response
Local resident	Opposes the Planning Proposal on the grounds that there is too much affordable rental housing nearby already.	Increasing the amount of affordable rental housing available for lower income households in the LGA is an urgent priority for the City. An affordable housing contribution scheme already operates in Green Square. The Planning Proposal allows for the delivery of units and the expenditure of funds collected for the provision of affordable housing throughout the wider LGA, not just concentrated within the Green Square renewal area. Recommended action: No change.
Individual respondent	Does not support the proposal because the respondent feels that they “pay too much now”.	It is unclear what this submission refers to in terms of payment and/or costs. The overarching aim of the Planning Proposal is to help to deliver more affordable housing. The cost of the contribution towards affordable housing is payable by a developer and will be able to be factored into the economic feasibility of a development. As such it should not be passed on to purchasers of market housing. Recommended action: No change.
Individual respondent	Supports the Planning Proposal as they believe whatever encourages affordable housing is of most importance.	Noted. Recommended action: No change.
Individual respondent	Supports the Planning Proposal as it will increase affordable housing in Sydney. Considers that any form of support is enormously beneficial as it will prevent lower socio-economic status populations from being forced out of the city.	Noted. Recommended action: No change.
Individual respondent	Supports the Planning Proposal and increasing the level of affordable rental housing. However, considers	Noted. See discussion on minimum and maximum unit sizes below and in the

	that no housing should be under 49 square metres in size.	body of the report. The minimum dwelling size can be exceeded if desired under the controls. Recommended action: No change.
Community Housing Provider – City West Housing	<p>Supports the Planning Proposal, particularly given the recent impact that COVID 19 has had on the financial conditions many households are now finding themselves in.</p> <p>However raises a minor area of concern over the proposed apartment size controls.</p> <p>Reducing the minimum size from 50sqm to 35sqm will also reduce the level of amenity to residents. Smaller units have more potential to exacerbate mental health issues, often prevalent in residents, and will also make adaptations to dwellings difficult to allow residents to ‘age in place’.</p> <p>Introducing a 90sqm upper size limit, whilst allowing for a 3-bedroom unit, will result in accommodation that is on the small size for a larger household. This could particularly disadvantage Aboriginal households which tend to be larger and already have difficulty accessing affordable and culturally appropriate housing.</p>	<p>The intent of the proposed reduction in minimum dwelling size was to reflect the minimum studio size under the Apartment Design Guideline. The maximum dwelling size was to ensure the affordable housing floor area resulting from the contribution scheme can accommodate families with children, but is also used efficiently and to the benefit of as many people as possible.</p> <p>Notwithstanding the above, while the 35 square metre minimum size still allows for affordable housing dwellings to be built which are larger than this, it is acknowledged that limiting dwelling size to 90 square metres or below would constrain future delivery of housing suitable for larger family groups</p> <p>A change to the Planning Proposal and the draft Program to remove the upper size limit is therefore recommended.</p> <p>It is noted that these changes predominantly affect the Green Square Town Centre LEPs only. They cannot change the intent of the original Planning Proposal that was adopted by Council in September 2018 to amend the Sydney LEP 2012. However, given the consideration arising from City West Housing’s submission, the removal of the 90 square metre maximum will be proposed as part of the upcoming comprehensive review of the City’s planning controls.</p> <p>Recommended action: Remove the maximum dwelling size limit from the draft Planning Proposal and Program.</p>
Development industry advocate – Property	Does not support further expansion of the affordable housing contribution scheme, reiterating the previous comments made on the	a) The draft Planning Proposal and Program do not expand the City’s already existing Green Square Affordable Housing Program, it simply increases the equivalent monetary contribution rate in

<p>Council of Australia</p>	<p>original Planning Proposal in 2018 concerning the following matters:</p> <p>a) Impact on housing affordability – the contribution will impact on development feasibility and is likely to be passed on to home buyers, reducing affordability more generally.</p> <p>b) Cumulative impact of development changes – layers of bureaucratic requirements make it increasingly difficult to deliver housing in the City of Sydney above other LGAs.</p> <p>c) Consistent policy approach needed to housing affordability – responsibility for achieving affordable housing should be spread across the Sydney region and across other forms of affordable housing (e.g. build-to-rent). This approach is piecemeal.</p> <p>d) Should not apply to commercial development – making commercial</p>	<p>line with the rest of the LGA. Economic testing was undertaken to understand the impact on development feasibility of the new or increased contribution rate. For Green Square, including the Town Centre, where the contribution requirement has been in place for over 20 years and where only a modest increase is proposed, the testing found that there is no immediate or long term impact on viability. Notwithstanding this, a gradual phase-in of the increase was included in the original Planning Proposal post-exhibition and is also reflected in this Planning Proposal. This will allow the market to adjust and to ‘price-in’ all necessary contributions in their economic feasibility work. This will prevent the increased contribution rate being passed on to end buyers.</p> <p>b) The City of Sydney has one of the highest housing growth rates in the state, with about 25,000 dwellings built in the five years to June 2019, and about 20,000 additional dwellings forecast in the next five years. The City’s affordable housing contribution schemes, some of which have been in place since the mid-1990’s, have allowed for housing to be delivered in the LGA through both high and low property cycles with no noticeable impact on development viability.</p> <p>c) The City recognises that a range of approaches are required to address the significant shortfall of affordable housing in NSW. The City works with the state government to advocate for stronger affordable housing policies. Noting that models such as build-to-rent deliver private rental housing to the market and do not necessarily deliver housing for lower income households, the City looks forward to working with the development sector to ensure these models can also contribute to the supply of affordable housing.</p> <p>d) As outlined in point b) economic testing demonstrated that there would</p>
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	<p>development pay for affordable housing provision makes little sense and is to the detriment of commercial development.</p> <p>e) Funds are often collected by Councils and remain unutilised. Funds should be utilised in a timely manner and not held by Councils.</p>	<p>be no immediate or long term impact on viability associated with the modest increase in contribution rate in Green Square. All landowners in Green Square benefited from the area's rezoning from industrial in the 1990s. Increases in land value across the board have had a detrimental impact on the affordability of housing. As a result, the Green Square affordable housing scheme has always been 'inclusionary' in that it applies to both commercial and residential development proposals. Commercial development also benefits from increased housing options for key workers.</p> <p>e) While it is intended the funds resulting from the Program will be paid to the City, funds will continue to be immediately passed to a community housing provider to build and manage affordable housing in the local government area. The City will not retain any portion of the funds. While it takes time to acquire appropriate sites, and large projects can take time to work their way through the development process, community housing providers are encouraged to use the funds as quickly as possible.</p> <p>Recommended action: No change.</p>
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