

Relevant Information for Council

FILE: X084801 **DATE:** 22 June 2023

TO: Lord Mayor and Councillors

FROM: Graham Jahn AM, Director City Planning, Development and Transport

SUBJECT: Information Relevant To Item 8.3 – Post Exhibition – Planning Proposal – Affordable Housing Program Update – Sydney Local Environmental Plan 2012, Sydney Local Environmental Plan (Green Square Town Centre) 2013, Sydney Local Environmental Plan (Green Square Town Centre – Stage 2) 2013, Draft City of Sydney Affordable Housing Program 2022 and Draft Affordable Housing Contributions Interim Distribution Plan

Alternative Recommendation

It is resolved that:

- (A) Council note the matters raised in response to the public exhibition of Planning Proposal: City of Sydney Affordable Housing Program Update and draft City of Sydney Affordable Housing Program Amendment 2022 and draft City of Sydney Affordable Housing Contributions Interim Distribution Plan, as described at Attachment A to the subject report;
- (B) Council approve Planning Proposal: City of Sydney Affordable Housing Program Update, shown at Attachment B to the subject report, as amended, to be made as a local environmental plan under Section 3.36 of the Environmental Planning and Assessment Act 1979, ***subject to the making of minor amendments to align the planning proposal with the resolution at (C)***;

- (C) Council approve the draft City of Sydney Affordable Housing Program Amendment 2022, shown at Attachment C to the subject report, as amended, noting that it will come into effect on the date of publication of the subject local environmental plan, in accordance with Clause 20 of the Environmental Planning and Assessment Regulation 2021, ***subject to the following amendment as underlined:***
- (i) ***amendment of Section 2.1.6 – Satisfying a contributions requirement by dedicating dwellings, to read at the second dot-point “affordable rental dwellings are owned by government or a nominated and Recommended and Eligible CHP or as otherwise provided for in any distribution plan adopted by Council”;***
 - (ii) ***amendment of Section 2.1.6 – Satisfying a contributions requirement by dedicating dwellings, to read at the last paragraph “Appendix C details the process for dedicating dwellings for affordable housing unless otherwise provided for in any distribution plan adopted by Council”;***
 - (iii) ***amendment of Section 2.9.1 – How in-kind contributions are to be used, to read “In-kind contributions of affordable housing dwellings are to be given/dedicated, free of cost, to a Recommended CHP, or as otherwise provided for in any distribution plan adopted by Council as identified in a Distribution Plan. Where dedication is in accordance with this Program, In in the circumstances that no Recommended CHP is willing to accept the in-kind contribution, then it may instead be given/dedicated by the developer to another Eligible CHP according to the terms of any planning agreement. In-kind contributions are to remain affordable housing in perpetuity and to be owned and managed ~~by the receiving CHP~~ in accordance with this Program.”***
- (D) Council approve the draft City of Sydney Affordable Housing Contributions Interim Distribution Plan, shown at Attachment D to the subject report, as amended, noting it will not commence until 1 July 2024;
- (E) Council note that following further research and stakeholder consultation it is intended that a final distribution plan will be reported to Council prior to 1 July 2024; and
- (F) authority be delegated to the Chief Executive Officer to make any minor amendments to Planning Proposal: City of Sydney Affordable Housing Program Update, the draft City of Sydney Affordable Housing Program Amendment 2022 and the draft City of Sydney Affordable Housing Contributions Interim Distribution Plan, to correct any drafting errors or inconsistencies, prior to finalisation.

Additions shown in ***bold italics***, deletions shown in ~~strikethrough~~.

Background

At the meeting of the Housing For All Committee on 19 June 2023, further information was requested about a potential minor amendment to the Planning Proposal: City of Sydney Affordable Housing Program Update (planning proposal) and the draft City of Sydney Affordable Housing Program Amendment 2022 (draft Program) so it could allow any in-kind contributions (physical dwellings) to be distributed in accordance with a distribution plan adopted by Council.

The Sydney Local Environmental Plan 2012 (Sydney LEP), Sydney Local Environmental Plan (Green Square Town Centre) 2013, and Sydney Local Environmental Plan (Green Square Town Centre – Stage 2) 2013 contain provisions allowing an affordable housing levy to be applied to development in various parts of the City. They also allow for an affordable housing levy contribution to be satisfied by way of dedication of dwellings to Council or by way of a monetary contribution. The LEP provisions ‘call in’ the City of Sydney Affordable Housing Program (the Program) to detail the mechanics of the affordable housing scheme, specifically the rates for which a monetary contribution is to be taken to be the equivalent to floor area.

The LEP’s do not currently contain any provisions relating to the distribution of affordable housing funds, nor how affordable housing floor space is to be treated. This detail is contained within the Program. It is currently before Council and the Central Sydney Planning Committee (CSPC) to consider removing information about the distribution of funds from the Program and inserting it into a newly created Distribution Plan.

Under both the current Program and proposed draft Program now under consideration, affordable rental dwellings are to be owned by government or a nominated or Recommended and Eligible CHP (Section 2.1.6). The draft Program goes on to say that in-kind contributions of affordable housing dwellings are to be given/dedicated to a Recommended Community Housing Provider (CHP) as identified in a Distribution Plan (Section 2.9.1).

An Alternative Recommendation is proposed to facilitate amendments to Sections 2.1.6 and 2.9.1 of the draft Program to allow flexibility that should a future Distribution Plan set out requirements for the in-kind dedication of affordable housing, that those requirements would apply, and not those requirements currently set out in the Program.

Prepared by: Tamara Bruckshaw, Manager Green Square and Major Projects

Approved

A handwritten signature in black ink, appearing to read 'G Jahn', positioned to the right of the 'Approved' text.

GRAHAM JAHN AM

Director City Planning, Development and
Transport