

Relevant Information for Council

FILE: X099483 **DATE:** 14 September 2023

TO: Lord Mayor and Councillors

FROM: Kim Woodbury, Chief Operating Officer

THROUGH: Monica Barone, Chief Executive Officer

SUBJECT: Information Relevant To Item 7.3 – Affordable and Diverse Housing – Opportunities for City Owned Land

For Noting

This memo is for the information of the Lord Mayor and Councillors.

Background

At the meeting of the Housing for All Committee on 11 September 2023, further information was sought on some specific questions relating to Affordable and Diverse Housing – Opportunities for City Owned Land.

Definition of “affordable housing”

The definition of “affordable housing” is in the Environmental Planning and Assessment Act 1979 (NSW), which states that 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".

Further detail is found in section 13 of the State Environment Planning Policy (Housing) 2021, which states:

- (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
 - (b) the household—
 - (i) is eligible to occupy rental accommodation under the National Rental Affordability Scheme, and
 - (ii) pays no more rent than the rent that would be charged if the household were to occupy rental accommodation under the Scheme.

In the terms of its standard restriction on the use of land, Council as prescribed authority requires landowners managing land sold for affordable housing to only use the land for the sole purpose of Affordable Housing as defined by legislation and planning controls.

Assurance that the land will be affordable housing in perpetuity

As stated above, when a decision is made to require permanent use of land for affordable housing the City's restriction on use registered on title states that the Registered Proprietor must only develop, use or occupy the Land for the sole purpose of Affordable Housing as defined in the legislation, as amended from time to time. This allows the ongoing requirements for the use of the land to reflect the planning requirements that apply to the market from time to time. The terms of the City's restriction on use do not state that the use must be "in perpetuity". By registering the restriction on use on the title to the land, the terms of the restriction on use apply until it is released. Only Council as prescribed authority is authorised to release the restriction on use, and therefore can control any changes to the use of the land. Depending on the circumstances, requirements around the use as affordable housing may be included in other documents such as grant agreements and development consent conditions.

The matter will be the subject of a further report to Council following the conduct of the Expression of Interest process, at which time the nature of the final recommended proposal will be a matter for Council determination.

Further information on required works to properties

169 Victoria Street, Beaconsfield

This property requires a new kitchen and bathroom, and modifications to the interior layout to return it to use as a residential property. The last use of this property was as a community accommodation grant space which required modification and removal of internal walls.

Indicative costs are between \$50,000 to \$70,000 plus GST and approximately six to nine months to complete.

Unit 8/12 Springfield, Avenue Potts Point

This unit requires new carpet, painting throughout, and a new kitchen and bathroom.

Indicative costs are between \$40,000 to \$60,000 plus GST and approximately five to six months to complete.

5-17 Norman Street, Darlinghurst

These terraces require varying levels of refurbishment and, in some cases, additions to improve functionality.

Indicative costs are between \$1.5 million to \$2.4 million plus GST and approximately two years plus to complete.

Memo from Kim Woodbury, Chief Operating Officer

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Approved

P. M. Barone

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Chief Executive Officer