

Item 14.12**Notices of Motion****Power to Require Affordable Housing be Built on Site by Developers**

By Councillor Ellsmore

It is resolved that:

(A) Council note:

- (i) Sydney is one of the most expensive cities to live in the world; with Sydney housing now estimated to be the second most expensive in the world, after Hong Kong;
- (ii) despite the City of Sydney having one of the most comprehensive affordable housing strategies of any council in Australia, housing affordability in the Local Government Area (LGA) continues to go backwards, and is projected to worsen unless there are major changes:
 - (a) to how existing public, social and affordable housing is protected; and
 - (b) to the planning and funding systems which determine what kinds of new housing is built, and whether any of it is public, community, affordable, or otherwise accessible to people on low and middle incomes;
- (iii) the NSW Government largely controls whether and how local councils can require affordable housing to be built in new developments;
- (iv) the City of Sydney has provisions in its Sydney Local Environment Plan 2012 (Sydney LEP), and the LEPs that apply to the Green Square Town Centre, which allow an affordable housing levy to be imposed on development. This is one per cent of floor space for non-residential development, and three per cent of floor space for residential development;
- (v) the provisions in the local environment plans give developers the choice to meet their affordable housing contribution requirements by dedicating built housing or making a monetary contribution; and
- (vi) monetary affordable housing contributions paid by developers are passed to community housing providers to build or buy new, permanent affordable housing within the Local Government Area;

(B) Council further note:

- (i) to date, only one Voluntary Planning Agreement has been entered into, in which a developer has committed to deliver their affordable housing contributions in the form of housing – that is, to build affordable housing on site;

- (ii) the City has entered into other Voluntary Planning Agreements for affordable housing delivery at Harold Park (land only) and on Bay Street, Glebe (now built housing), however this housing was not associated with any requirement in the LEPs at that time;
 - (iii) in 2023, Meriton made a commitment to the community and to Council that it would build an affordable housing building on site, at 118-130 Epsom Road and 905 South Dowling Street, Zetland in partial satisfaction of the affordable housing requirement under the LEP; and
 - (iv) after the Council approved the planning proposal to rezone the Suttons site, on the condition that a Voluntary Planning Agreement would be entered into to deliver affordable housing on site, Meriton withdrew its offer, and advised it won't be building any affordable housing; and
 - (v) Council cannot require the developer to deliver affordable housing on site, under the City's current planning rules; and
- (C) the Chief Executive Officer be requested to:
- (i) as a priority, draft a planning proposal to amend the City of Sydney's Local Environment 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
 - (ii) provide advice to Council as to stakeholders and others which the Council should seek advice, or otherwise consult with, about the proposed changes.

X086659