

# SUPPLEMENTARY AGENDA

Notice is hereby given that an Ordinary Meeting of Council will be held at the Civic Centre, Dee Why on

**Tuesday 30 May 2017**

Beginning at 6.30pm for the purpose of considering and determining matters included in this agenda.



**Mark Ferguson**  
**General Manager**

**Issued: 26 May 2017**

# OUR VALUES

*Trust*

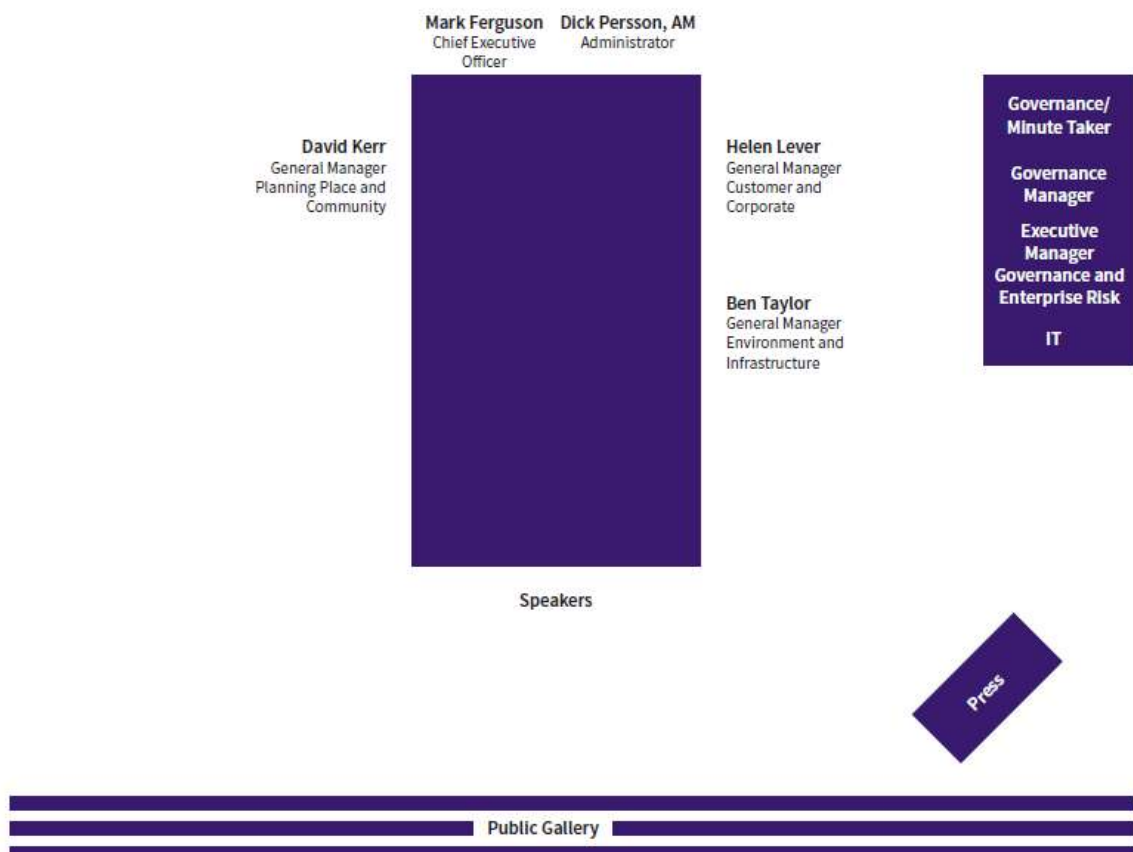
*Teamwork*

*Respect*

*Integrity*

*Service*

*Leadership*



**Agenda for an Ordinary Meeting of Council  
to be held on Tuesday 30 May 2017  
at the Civic Centre, Dee Why  
Commencing at 6.30pm**

<b>9.7</b>	<b>PLANNING PLACE &amp; COMMUNITY DIVISION REPORTS .....</b>	<b>1</b>
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## **9.7 PLANNING PLACE & COMMUNITY DIVISION REPORTS**

<b>ITEM 9.7</b>	<b>AFFORDABLE HOUSING POLICY</b>
<b>REPORTING MANAGER</b>	<b>GENERAL MANAGER PLANNING PLACE AND COMMUNITY</b>
<b>TRIM FILE REF</b>	<b>2017/108582</b>
<b>ATTACHMENTS</b>	<b>1 <a href="#">↓</a> Amended Action Plan</b> <b>2 <a href="#">↓</a> Amended Affordable Housing Policy</b>

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### **EXECUTIVE SUMMARY**

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#### **PURPOSE**

To report the results of the public exhibition of the draft Affordable Housing Policy (draft Policy), and seek approval for its adoption.

#### **SUMMARY**

Council exhibited the draft Policy and supporting documents from 31 March to 30 April 2017. Thirty five (35) submissions were received. Feedback was also received from the information session, Affordable Housing Strategic Reference Group and Local Representative Committee.

Most respondents indicated strong support for the Policy. Respondents who did not support the Policy either disagreed with the need for affordable housing or thought the Policy should be further strengthened. Issues identified through this consultation included:

- The need for Council to clarify the 10% affordable housing target is only proposed in areas where density will increase (e.g. Frenchs Forest Hospital & Ingleside and Spot Rezoning)
- Confirmation of Council's role in facilitating the provision of affordable housing
- A need to strengthen Council's commitment to providing a 10% target
- Clarification of the role and requirements of feasibility assessments in the provision of affordable housing
- Management of Community Housing Providers
- The identification, selection and management of key workers as tenants
- The use of Council and State owned land for the provision of Affordable Housing
- Public Private Partnerships and Incentivising Private Development
- The use of Voluntary Planning Agreements for provision of Affordable Housing
- The need to address both affordable rental and market housing
- Affordable housing types and designs

Recommended changes to the draft Action Plan and Policy as a result of the consultation include:

- An amendment to Actions around inclusionary zoning to provide more flexibility
- A commitment to expertly assess developer's site viability assessments

- An action to investigate waiving S94 fees for the provision of affordable rental housing
- Not preferencing affordable housing in Voluntary Planning Agreements
- Acknowledging the role of the private sector
- Removing restrictions on the number and category of Community Housing Providers

One submission to the exhibition of the draft Policy objected to the Administrator determining Council's position on the matter on grounds that he has a conflict of interest given his voluntary role as a Director of Bridge Community Housing, a registered community housing provider.

Whilst the interest is not a pecuniary interest under Council's Code of Conduct procedures, to avoid any perception of a conflict of interest in relation to this matter, it is recommended that the decision whether to adopt the draft Affordable Housing Policy and draft Action Plan should be delegated to the Chief Executive Officer in accordance with the authority available to the Council under Section 377(1) of the *Local Government Act 1993*.

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**RECOMMENDATION OF GENERAL MANAGER PLANNING PLACE & COMMUNITY**

- A. That Council delegate authority to the Chief Executive Officer (CEO) under Section 377(1) of the *Local Government Act 1993* to determine whether to adopt the draft Affordable Housing Policy.
  - B. That should the Affordable Housing Policy be adopted, it be brought to Council for review within 12 months.
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**REPORT**

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**BACKGROUND**

Affordable housing policy is an emerging issue. Council has been progressing with policy directions relating to the provision of affordable housing in various forms since at least 2014.

In accordance with Administrator Minute No 13/2016, a draft Affordable Housing Policy (draft Policy) was prepared and considered by Council at its meeting on 28 March 2017. The draft Policy was supported by evidence of the need for affordable housing (Housing Needs Analysis and Affordable Housing Discussion Paper), and a recommended Action Plan to respond to that need.

The draft Policy and supporting documentation were developed in consultation with an internal working party, State government departments and representatives from other Councils across Metropolitan Sydney. The Affordable Housing Strategic Reference Group, comprising industry representatives and community members, worked closely with staff over two meetings to confirm the principles, policy statements and actions.

At its meeting on 28 March 2017, Council resolved to publicly exhibit the draft Policy and Action Plan and to lobby the State Government to change the Local Government Act to allow the transfer of title to community housing providers.

**CONSULTATION**

The draft Policy and supporting documentation were placed on exhibition from Friday 31 March until Sunday 30 April 2017. During this time, Council undertook the following activities to engage with the Northern Beaches community:

- Bulk emails to over 13,500 members of the Community Engagement Register
- Targeted email to 283 community and disability groups
- Targeted email to all representatives of Council's 11 Strategic Reference Groups, comprising of 170 representatives from the community and community organisations
- One drop-in session held at Council's Dee Why Civic Centre
- Presentations to the Affordable Housing Strategic Reference Group and Local Representation Committee
- Notices in the Manly Daily on the 1 and 22 April 2017

Feedback received throughout the exhibition period comprised the following:

- 29 submissions from 28 individuals via an online survey form
- 6 email submissions
- 1 email question
- Comments received through the drop-in session (4)
- Comments received through the Affordable Housing Strategic Reference Group and Local Representative Committee

## **FEEDBACK ON THE DRAFT POLICY AND SUPPORTING DOCUMENTATION**

Feedback on the draft Policy and supporting Action Plan, Discussion Paper and Needs Analysis ranged from questions, to suggested solutions, to descriptive feedback on individual actions, principles and policy statements. Feedback received is discussed below under theme headings, together with Council's response and suggested changes to the Policy and Action Plan.

### **Support for the Affordable Housing Policy**

Those who responded via the online survey form were asked whether they supported Council's draft Affordable Housing Policy overall and their reasons. The responses are summarised in Table 1 below.

*Table 1 Response to online survey question 'overall, do you support Council's draft Affordable Housing Policy?' One respondent did not answer.*

Yes (12)	No (10)	Don't Know (5)
<ul style="list-style-type: none"> <li>• Support in principle, but need a higher target</li> <li>• Succinct, punchy and to the point (2)</li> <li>• Actions well targeted (2)</li> <li>• Let's lead the way</li> <li>• Step in the right direction, but needs more on home ownership</li> <li>• Looks excellent</li> <li>• Get things moving</li> <li>• Thorough and needs action</li> <li>• Seems sensible and made sense</li> <li>• Much needed</li> <li>• Provision of affordable housing will benefit the community</li> </ul>	<ul style="list-style-type: none"> <li>• Doesn't address market housing/home ownership</li> <li>• Doesn't cover housing for the disabled</li> <li>• Doesn't go far enough</li> <li>• Goes too far and is outside of Council's mandate (2)</li> <li>• Will cause an increase in density (3)</li> <li>• Not enough infrastructure</li> <li>• More important to preserve the natural environment</li> <li>• Plenty of affordable housing in Dee Why</li> <li>• Will cost the community financially</li> <li>• Will create ghettos and silos of poverty</li> </ul>	<ul style="list-style-type: none"> <li>• Not sure what it would look like</li> <li>• Excludes certain workers</li> <li>• Uncertainty around how it will be managed</li> <li>• Not clear on what Council is doing to help, wants to stop discussion and act</li> <li>• Needs assistance from the State and Federal Government</li> <li>• Concern developers won't comply with approvals</li> </ul>

Those who responded via email also provided comments of support. These respondents included the Federation of Community Housing Providers (FCHPs), who were pleased Council recognised the benefits of working with CHPs and welcomed Council's commitment to delivering more affordable housing. The Northern Beaches Greens also welcomed Council's overall approach. An email response on behalf of a land owner adjoining the Northern Beaches Hospital Precinct did not support the policy as it preferred the provision of affordable rental housing. This submission commented that preparation of the Policy appeared hasty and should be undertaken as part of the wider Housing Strategy which Council intends to prepare.

Responses to the above concerns are discussed in detail below.

### **Benefits of Affordable Housing**

Most respondents had an understanding of the benefits of providing Affordable Housing, with comments such as:

- *New developments must cater for our young parents and key workers*
- *Without a good demographic mix a place loses its soul*
- *Children need access to a network of extended family to contribute to their upbringing*
- *Workers need to be close to their employment to aid their personal work/life balance and keep the roads less congested*

- *Forcing these workers to commute affects the safety and quality of life for residents*
- *The community needs to grow up and stop being self-centred and realise if they want to live in a large city there are going to be more people, traffic and more housing required*
- *Lack of action will impact our economic growth*
- *Affordable housing is as legitimate a planning consideration as 'traditional' planner concerns such as bulk, scale, overshadowing, overlooking, parking etc.*
- *The delivery of affordable housing which is absent in the local region will become critical with the delivery and operation of the Northern Beaches Hospital*

Those who didn't see the benefits of affordable housing included 5 respondents who expressed outright opposition, with comments including:

- *Sadly this is Sydney's fate - I would rather see our bush and open spaces protected*
- *The policy will further distort the economics of the housing market, stigmatise the recipients of the aid, and cost the taxpayers more to support the attendant bureaucracy. It's a complete waste of resources without any benefit.*
- *We can't keep packing more and more people into a finite area, so we might as well stop now. If lack of affordable housing limits the area, then so be it. If people don't like the outcome, they'll move away and prices will drop - it's self-regulating*
- *You'll be taking current community land and creating ghettos and silos of poverty which will bring with it crime and associated anti-social behaviour. Massive high rise and overpopulation will destroy the area. If you can't afford to live here, don't live here. Go where you can afford to live! Why should I pay for you? Your visions of a socialist nirvana are based on a fantasy that the aspirational hard working citizens should support those that are not. STOP demanding sacrifice from existing Northern beaches residents.*
- *If people cannot afford to live in an area, then live in one they can afford. Read the Manly Daily we can NOT cope with more people. Listen to the residents*

### Comment

The opinions expressed by some respondents highlights the importance of Council's action to promote the benefits of providing affordable housing. As suggested in the draft Policy Principle 2(e), Council will work to highlight successes in the provision of affordable housing and the benefits to the community.

### Recommendation

No changes are made to the Policy or Action Plan as a result of these submissions.

### **Increase in Density**

There was an assumption among some respondents that the draft Affordable Housing Policy would result in an increase in density (4), including more high rise (2). One respondent was particularly concerned about allowing more housing without first fixing infrastructure and existing traffic and planning issues.

### Comment

The 10% affordable housing target is only proposed in areas where density will increase (e.g. Frenchs Forest Hospital & Ingleside and Spot Rezoning), and is to be provided as part of the total development capacity.



### Recommendation

Amend Policy Statement 3 a) to clarify that the 10% affordable rental housing target will apply where any increase in density is proposed (i.e. all strategic plans and planning proposals for urban renewal or greenfield development).

### **The Role of Government in the Provision of Affordable Housing**

The role of Government in the provision of affordable housing is discussed in detail in the Discussion Paper. Two (2) respondents questioned Council and Government's role in the provision of affordable housing, suggesting:

- *The Policy oversteps Council's authority and Council has no mandate to implement this*
- *Creating affordable housing isn't the role of a government who takes 49% of my income*

### Comment

Councils have powers to address affordable housing issues through the following mechanisms:

- Affordable housing is a matter of significant consequence under the *Local Government Act 1993* as it effects employment and communities. Development of the Affordable Housing Policy and an Action Plan is consistent with Part 8A, Guiding Principles, including:
  - Councils should work co-operatively with other councils and the State government to achieve desired outcomes for the local community [(1) (e) Exercise of functions generally]
  - Councils should recognise diverse local community needs and interests and consider social justice principles [(2)(a) & (b) Decision Making]
- The Greater Sydney Commission, through draft District Plans, has asked Councils to achieve a target between 5-10% affordable housing in greenfield and up zoned areas
- Council is the relevant planning authority with respect to Local Environmental Plans under Section 54 (1) of the *Environmental Planning and Assessment Act 1979* (EPA Act). Objectives of this Act are "to encourage the provision and maintenance of affordable housing" [5 (a) (viii)]. Council must also assess environmental, economic and social impacts of development under 79C of the Act, and affordable housing addresses all of those issues
- Council's mandate in the development of a draft Policy and Action Plan is based on extensive consultation and studies by the former Councils and further feedback has been sought through the current exhibition.
- The provisions State Environmental Planning Policy No. 70 (SEPP 70)

### Recommendation

No changes are made to the Policy or Action Plan as a result of these submissions.

### **Role of the Administrator in adopting the Policy**

One respondent has raised the following issues:

- *Council has no mandate from the community to implement this*
- *The administrator, Mr Persson is pushing his own agenda as he is a director of a community housing organisation. Yes he declares his interest but you have to ask yourself who in council first raised this issue and how it gained momentum.*

- *I know it is said that it came up in business workshops surveys but again it is very easy to plant a seed and everyone jumps on board because it sounds a good idea (which I cannot disagree with because it certainly sounds a good idea)*

#### Comment

The Administrator declared his non-pecuniary (non-financial) interest at the Council meeting 28 March 2017 when considering the report recommending exhibition of the draft Policy and Action Plan.

As a Director of Bridge Community Housing, a Tier 1 Community Housing Provider, the Administrator serves on a voluntary basis and does not receive payment for his services, other than reimbursement of expenses for board related activities including travel, meals and accommodation.

The draft Policy and Action Plan recommends that Council enters into a relationship with a Community Housing Provider to assist in the delivery and management of affordable rental housing.

The following points are noted in relation to this matter:

- The Administrator Minute No 13/2016 was initiated in response to housing affordability concerns expressed by residents and business owners, former Councillors and the wider community in general.
- The Policy continues work already commenced by the former Manly, Pittwater and Warringah Councils, including two public forums held by Warringah Council three years ago (early 2014)
- Council's Affordable Housing Strategic Reference group, including industry experts and community members, strongly advocated for the Policy and Action Plan and worked closely with Council staff to develop the draft documentation
- The establishment of a relationship with a Community Housing Provider(s) is one of a number of recommended actions in the Policy
- The draft Policy and Action Plan recommend that a broad-based and staged process be adopted for the selection of a Community Housing Provider(s) to ensure the best candidate(s) is selected.
- The new Council, and not the Administrator, will preside over the appointment of a Community Housing Provider following an Expression of Interest and Tender Process
- Community Housing Providers are well placed to deliver affordable rental housing, with a number of other Metropolitan Councils already having established relationships with them or in the process of doing so.
- It is critical to adopt a Policy position on the provision of affordable housing to:
  - start to address the housing affordability crisis experienced by many on the Northern Beaches
  - ensure support for affordable housing targets to be included in strategic planning in the Ingleside and Northern Beaches Hospital release areas
  - provide a basis to negotiate voluntary planning agreements proposed with planning proposals and development applications

Notwithstanding the above comments, to avoid any perception of a conflict of interest in relation to this matter, it is recommended that the decision whether to adopt the draft Affordable Housing Policy and draft Action Plan should be delegated to the Chief Executive Officer (CEO) in accordance with the authority available to the Council under Section 377(1) of the *Local Government Act 1993*.

#### Recommendation

That Council delegate authority to the CEO under Section 377(1) of the *Local Government Act 1993* to determine whether to adopt the draft Affordable Housing Policy.

#### **Working With State and Commonwealth Governments**

Council's draft Policy and Action Plan highlight Council's intention to partner with the State Government (draft Principle 2d and Action A12), advocate for the State Government to investigate shared home ownership and equity arrangements (draft A21), acknowledge the impact of taxation on affordable housing and confirm this position in writing if submissions are sought from the State and Commonwealth Government (draft A22). Feedback on this Principle and Actions included:

- *The Action Plan is too passive in relation to lobbying the Commonwealth Government (1)*
- *Support for Council lobbying the State and Commonwealth Government about the impact of tax incentives (4)*
- *Objection to Council lobbying for tax reform (1)*
- *Council should pressure government to disallow overseas buyers (2) and unoccupied properties (1)*
- *Council's Policy Principle 2d) should include reference to the role and partnerships with the Commonwealth Government*

#### Comment

Most of the above comments are supportive of the proposed actions in the Action Plan. It is noted the recent Commonwealth budget proposes to limit foreign ownership of properties, introduce extra charges for properties left vacant, and provide options for cheaper loans for Community Housing Providers (CHPs).

#### Recommendation

Amend Principle 2d and Action 12 to make reference to the Commonwealth Government.

#### **10% Target**

Council's draft Policy Statement 3a and Actions A1 and A2 refer to a 10% affordable rental housing target of all new floor space (subject to feasibility). These targets are initially proposed in the Ingleside and Northern Beaches Hospital (Frenchs Forest) precincts and all 'spot' rezonings (planning proposals) in the Northern Beaches.

Feedback on the 10% target ranged from support (2) to concern that this was not enough (3), comparing this with higher targets of New York and Amsterdam (with 50%). There was also concern that the target was not backed by a needs analysis and was greater than the mandated target for the City of Sydney and Willoughby Councils (1).

#### Comment

It is considered important to provide a clear target for the development industry. The proposed 10% target for affordable rental housing in the Policy and Action Plan is at the upper limit of that proposed by the Greater Sydney Commission in the Draft North District Plan. Although a higher target in response to demand would be desirable, it is considered unlikely to be supported by the

state government. However, it is agreed that a higher rate of provision should be pursued where economically feasible.

Detailed feasibility studies are currently being undertaken for the Northern Beaches Hospital and Ingleside Precincts. The outcome of these assessments will provide specific mandated targets for these precincts.

#### Recommendation

Amend Policy Statement 3a and relevant Actions to broaden the target to include all strategic plans and planning proposals involving urban renewal and “greenfield” development and to seek a rate of provision higher than 10% where economically feasible.

### **Feasibility Assessments**

A number of respondents questioned the statement ‘subject to feasibility’ (2). Questions were asked as to the feasibility undertaken or sought to be undertaken, the benchmarks and the meaning of this statement, seeking clarification on who will benefit from these studies.

#### Comment

Feasibility assessments refer to 'economic feasibility' as Council needs to ensure development is economically feasible for a developer to proceed. This is a requirement of the Greater Sydney Commission and the assessment process will be subject to guidelines and methodology to be developed by the Commission. As suggested by the FCHP, Council will commit to collaborating with industry experts to ensure adequate review of developer feasibility assessments.

#### Recommendation

Provide a new action that Council will collaborate with industry experts to develop a framework for the conduct and review of economic feasibility assessments.

### **Locations and Zones for Affordable Housing**

Council proposes to initially implement affordable rental housing targets in Frenchs Forest, Ingleside and any areas subject to zoning “uplift” e.g. spot rezonings (draft Policy Statement 3a and Actions A1 & A2).

Feedback comprised of suggested other locations (1 - Mona Vale, Dee Why and Brookvale) and that industrial areas be considered (1).

#### Comment

Options for the development of affordable housing within other parts of the Northern Beaches area will be explored in the development of Council’s housing strategy as outlined in the Action Plan. This process will be subject to extensive studies and community engagement. It should be noted that the draft North District Plan does not support any reduction in employment lands (such as industrial zones). Also, residential uses may not be compatible with industrial operations in many cases.

#### Recommendation

No changes are made to the Policy or Action Plan as a result of these submissions.

### **Timing**

Several respondents expressed a desire for Council to expedite the provision of affordable housing (4), with concern that the process will take too long.

### Comment

Council is committed to progressing rezoning both the Frenchs Forest Hospital and Ingleside Precincts; however this process will take time. The affordable housing strategy will also take some time to develop. In the interim, Council will take every opportunity when considering individual planning proposals to obtain affordable housing. Options for other landuse controls/ incentives will also be developed and implemented if considered appropriate. Council will also continue to lobby the State and Federal Government for action.

### Recommendation

No changes are made to the Policy or Action Plan as a result of these submissions.

## **INCLUSIONARY ZONING**

Council's draft Action Plan proposes inclusionary zoning measures whereby legally enforceable planning controls require a set proportion of specified new development within a defined area to be dedicated to Council for affordable housing. These measures are outlined in the following draft Actions:

- A1, where Council will advocate for the inclusion of the Northern Beaches Hospital (Frenchs Forest) precinct in State Environmental Planning Policy No. 70 (SEPP 70)
- A2, where Council proposes to lobby the Government to include affordable housing as a committed item applicable item under a Special Infrastructure Contribution (SIC) for the Ingleside Precinct.
- A17 Advocate for the inclusion of the remainder of the Northern Beaches local government area in State Environmental Planning Policy No. 70 (SEPP 70) in conjunction with the preparation of Council's local housing strategy.

### Comment

Further consultation with the Department of Planning and Environment has identified that the Frenchs Forest precinct may be subject to a SIC. Consequently, Actions A1 and A2 have been merged and generalised to provide flexibility.

### Recommendation

Merge A1 & A2 to the following Action: Lobby the NSW Government to mandate the provision of a 10% affordable rental housing target for all new development in the Northern Beaches. Require targets greater than 10% where feasible.

## **Management of Community Housing Providers**

Council's draft Policy Statements (3d, 3e, 3f) and draft Action Plan (A13 & A15) propose actions around establishing a relationship with a Tier 1 CHP to manage and deliver affordable rental housing. Council's Policy proposes a preference for Council to transfer the title of affordable rental housing to the CHP. Feedback on these statements and actions include:

- *Support for working with Community Housing Providers (2), including from the Federation of Community Housing Providers (the Federation). The Federation outlined that this sector had low rent arrears, minimal vacancy rates, and high tenant satisfaction. In the latest AIHW survey, nearly twice as many community housing tenants (39%) were very satisfied with their landlord compared to public housing (22%).*
- *Question as to whether Council is unnecessarily limiting itself by choosing to only go with a single, Tier 1 CHP (2)*

- *Recommendation that Council's management agreements should make it compulsory that properties are transferred to another registered CHP in the rare event that the CHP folds (1)*
- *Preference for land to remain as Council land (3), with a desire to retain affordable rental housing in public ownership rather than being transferred to a CHP*

### Comment

Council is confident that CHPs are well-placed to either manage Council-owned affordable rental housing or to manage and maintain housing, the title of which has been transferred to the CHP. CHPs are subject to national registration requirements, and Council has the ability to influence their operations through other legal mechanisms e.g. agreements and covenants.

Community Housing providers are registered in 3 tiers (1,2 and 3) under the Community Housing Providers National Law. The tier is determined by an organisation's level of risk due to the scale and scope of its activities. Tier 1 providers usually operate at a large scale, and must be incorporated as either a company limited by shares or a company limited by guarantee under the Corporations Act. Tier 2 providers operate at a moderate scale and. Tier 3 providers operate at a smaller scale and are therefore subject to less regulatory control. Both Tier 2 and Tier 3 providers must be a body corporate created through state or Australian government legislation.

However, given the pace at which change is occurring in this field, it is considered appropriate to test the market regarding the costs and benefits of these options through a broad Expression of Interest (EOI) before finalising a policy position. The EOI would also be used to determine:

- Whether CHPs other than "Tier 1" CHPs could provide Council's required services, based on advice from the FCHPs
- The appropriate period of any agreement with a CHP
- Whether more than one CHP could provide services to Council at the same time

### Recommendation

Amend Policy Statements 3d, 3e, 3f and relevant Actions to:

- Remove reference to 'Tier 1 providers', acknowledging this may be unnecessarily restrictive and recognising that Tier 1, 2 and 3 providers have the capacity to undertake development
- Remove the restriction to limit Council to a single provider
- Remove the requirement to undertake an Expression of Interest every 5 years
- Enter into an EOI process with CHPs to gather information on the most suitable management structure to meet the needs of the Northern Beaches Council area and address feedback received through the exhibition of the draft Affordable Housing Policy
- Use the results of the EOI process, and further research, to determine whether to transfer title to CHPs
- Use the results of the EOI process to inform the CHP tender and management agreement

### **Key Workers**

Council's draft Policy Statement 3g) states that Council will give priority to key worker occupations as tenants of affordable rental housing in the Northern Beaches. A definition of key worker is also provided in the Policy which includes example occupations. It is not an exhaustive list.



Five respondents (5) outlined that the definition of 'key workers' needed to be broadened to accommodate a range of people such as entry level staff to support local business. There was also a desire for this Policy to accommodate people such as separated families, the elderly and disabled to ensure they can access support and free care by family members.

#### Comment

As per draft Action A14, it is proposed to undertake a process to identify priority key worker occupations for tenants of affordable rental housing in the Northern Beaches.

Whilst the Policy has a focus on key workers, it is agreed that this should not be the only criteria used to assess tenant applications. Long term local residents, people with special housing or access needs, including people with a disability, and other people with a social or economic association with the LGA e.g. young people raised in the area, should also be prioritised.

These criteria will be developed and be informed by further needs analysis and the proposed EOI process referred to above. The provision of housing for the elderly and disabled will be considered with Council's housing strategy.

#### Recommendation

Amend Policy statement 3g) to give priority to people with a disability, long term residents, and others with a social or economic association with the Council area, in addition to people currently employed in identified key worker occupations in the Northern Beaches Council area.

### **Selection and Management of Tenants**

The following queries and comments were received on the selection and management of tenants:

- *Questions as to how tenants were selected, Council's ability to influence the selection of tenants and how the rent would be controlled (4)*
- *A desire to give priority to those already working in the Council area (2)*
- *The requirement for tenants to move on when their circumstances change for the better*
- *Separating the management of affordable housing dwellings and tenants' rights*
- *Granting long tenure to tenants (5+ years) to provide security which is important to people's health, educational opportunities, employment prospects, quality of life and economic wellbeing*
- *Limiting the frequency of rent increases*

#### Comment

The selection and management of tenants will be managed by a CHP. The criteria for tenant selection will be established by Council through the proposed EOI process and further analysis. In the first instance, access is defined by household income. Under NSW planning legislation, for example, very low income households, low income households and moderate income households are those whose gross incomes fall within the following ranges of percentages of the median household income for the time being for the Sydney Statistical Division according to the Australian Bureau of Statistics:

Very low income household	less than 50%
Low income household	50 or more but less than 80%
Moderate income household	80-120%

Rents charged could be linked to the National Rental Housing Affordability Scheme whereby rents can be either a discount on market rents e.g. 25% below market rent, or proportion of household incomes e.g. no more than 30% of household income.

### Recommendation

Use the above EOI process to help inform the best outcomes for tenant selection and management.

### **Use of Council Land for the Provision of Affordable Housing**

Council's draft Action A5 states that Council will actively consider the appropriateness and feasibility of providing affordable rental housing on Council-owned land prior to planning for development, redevelopment, lease or sale of that land. This Action is listed under the Policy principle of 'leading by example'.

Support for the use of Council owned land for provision of affordable rental housing (3) included the following suggestions:

- *An audit of land holdings and disposal of underutilised sites or parts of sites surplus to requirements (1)*
- *'Giving priority to' rather than 'actively considering' the appropriateness and feasibility (1)*
- *Developing a community land trust model or similar, possibly with adjoining Councils, granting long term leases and stimulating investment by taking out land costs (1)*
- *Investigating short term leases for temporarily unused land for temporary accommodation (1)*
- *Providing ambitious components of social and affordable housing with the sale of any Council owned land, with a substantial component of 30% for affordable rental housing (1)*
- *Providing affordable housing on repurposed golf courses in addition to parkland (1)*

There was also a suggestion to buy land in Karingal Crescent, Frenchs Forest, together with the Northern Beaches Hospital to provide affordable housing. This comment was outside the scope of the Affordable Housing Policy and will be considered together with the submissions regarding the Northern Beaches Hospital Precinct Structure Plan.

Comments against the provision of affordable rental housing on Council-owned land (3) included the following:

- *Council-owned land is in short supply and priority should be given to a public related use*
- *Concern this would take 'current community land and create ghettos and silos of poverty'*
- *Against any development that would replace parks, bush or forests or recreational facilities such as bowling clubs or golf courses (2).*

### Comment

The above suggestions will be considered when implementing the Action Plan. The sale and/or redevelopment of any Council owned land will be subject to a feasibility assessment to ensure future use provides an appropriate public benefit. Notwithstanding the above comments, it is recognised that the majority of affordable rental housing will likely be provided by developers on private land. Council could still play a role in partnering with other stakeholders in the development and promotion of demonstration projects.



The Policy does not propose the use of any open space/community land for any residential housing, be it affordable housing or otherwise. Any change of use of this type would be subject to a separate reclassification process with associated community consultation.

Recommendation

No changes are made to the Policy or Action Plan as a result of these submissions.

**Use of Surplus NSW Government Land**

Draft Action A19 proposes that Council works with the NSW government to identify and prioritise the suitability of surplus Government land for affordable rental housing in the Northern Beaches. One respondent was against this proposal, stating that Government land is scarce and priority should be given to public facilities and social infrastructure. Another respondent questioned whether this land could be used to develop boarding house style accommodation to accommodate those with a disability.

Comment

As with Council land, the use of any Government land for affordable housing will be subject to feasibility assessment to ensure future use provides an appropriate public benefit.

Recommendation

No changes are made to the Policy or Action Plan as a result of these submissions.

**Public Private Partnerships and Incentivising Private Development**

A number of the draft Actions discuss relationships with the private sector to deliver more affordable rental housing. These include:

- A6 Investigate financial incentives for the provision of affordable rental housing provided in perpetuity including development application fees reduction and rate rebates.
- A11 As part of Council's local housing strategy, investigate planning mechanisms to maintain existing affordable housing and encourage the provision of new affordable housing.
- A16 Investigate opportunities for public private partnerships to deliver affordable rental housing.
- A23 Advocate to amend the Affordable Rental Housing State Environmental Planning Policy to require the provision of affordable rental housing in perpetuity to obtain development bonuses (currently 10 years).

Comments supporting these actions included:

- *A recommendation that any affordable housing delivered by the private sector is managed by registered community housing providers*
- *Reduce the barriers and encourage more secondary dwellings and dual occupancies. For example, through abolition of the S94 fee for granny flats in Manly*
- *A suggestion to consider mechanisms such as Built to Rent (BTR) schemes*
- *A suggestion to incentivise redevelopments of old unit blocks with 75% of strata vote*
- *Support for incentivising unsolicited proposals which seek to increase affordable housing supply (3), such as done in Waverley Council*

- *Support for the creation of a financial intermediary to attract private investment and distribute funds to community housing providers*
- *Acknowledging the role of the private sector as an important stakeholder in the Policy*
- *Suggestion to provide floor space ratio and increased height bonuses to create communal housing with minimal parking and allowing group ownership*
- *Support for incentives such as fast-tracked DA process for affordable housing; appointment of Council officer to act as facilitator for affordable housing DAs; include affordable housing delivery KPIs in senior staff contracts*
- *Support for Affordable Housing to remain in perpetuity to ensure stock of affordable dwellings increases, but allowing properties to be disposed or redeveloped as required.*

Comments against these proposals included:

- *Concerns that developers will not operate affordable housing in accordance with requirements (2)*
- *Unnecessary to investigate financial incentives as developers will already profit and development will place greater burden on public amenities*
- *No support to bonuses that allow concessions to the Council development controls that have been adopted to protect the amenity and character of a local area*
- *No support to compromises to the planning processes, such as fast-tracking the approval process, or controls, such as floor space bonuses, where there are potential adverse outcomes.*
- *No support for reduced standards of accommodation which can adversely impact the quality of life and result in an intergenerational cycle of disadvantage*
- *No support for the provision of affordable rental housing in perpetuity where it would reduce the amount of housing obtained. Support instead for a sliding scale of contributions which accommodates both high output/short duration and low output/long duration options.*

#### Comment

The above comments will be taken into consideration when implementing the Action Plan and when developing Council's Housing Strategy. Developers not operating in accordance with their consent should be reported to Council to investigate compliance.

#### Recommendations

- Amend Policy Principle 3d to make reference to the private sector
- Add a new action to "Investigate waiving S94 Fees for the provision of affordable rental housing (e.g. secondary dwellings or boarding houses)"
- Amend Action A21 (previously A23) to recognise the principle that development bonuses under the Affordable Rental Housing State Policy should be linked to the duration of the provision of affordable housing i.e. greater bonus where housing is provided in perpetuity

### **Voluntary Planning Agreements**

Council's draft Action A10 proposes to amend Council's Voluntary Planning Agreements (VPA) policy to state a preference for the provision of affordable rental housing as a public benefit

contribution (in kind or in lieu) in conjunction with relevant planning proposal and development applications.

One respondent was opposed to this proposal on the basis that this would allow residential development to be promoted as a public benefit, whereas affordable housing is a private use. They also expressed concern that the inclusion of charitable causes (e.g. affordable housing provision) could prejudice the objective evaluation and unduly influence planning decisions.

#### Comment

The provision of affordable housing is a legitimate planning consideration to be considered alongside other planning matters e.g. access, carparking, traffic, overshadowing, loss of views, provision of open space, privacy etc. As previously mentioned, the provision and maintenance of affordable housing is an Object of the *Environmental Planning and Assessment Act 1979*.

However, it is considered that Council's VPA policy should not give preference to the provision of affordable housing over other public benefits as it may potentially exclude consideration by applicants of significant site-specific public benefits.

#### Recommendation

Amend Action A10 to the following to 'make reference to Council's Affordable Housing Policy', rather than 'stating a preference for the provision of affordable rental housing'

### **Rental Versus Market Housing**

The draft Policy and Action Plan focus on the provision of affordable rental housing, and proposes to investigate mechanisms for affordable market-based or private housing through Council's Local Housing Strategy (Policy Statement 3b). There was concern among several respondents that the policy was too focused on affordable rental housing, with a desire to prioritise affordable housing for purchase.

#### Comment

It is considered that the actions in the plan adequately address the provision of affordable market based housing. The Local Housing Strategy, to be undertaken in the next two years, will be subject to extensive investigations and community engagement which is essential for such a Strategy. In the interim, Council will lobby the State and Commonwealth Governments and explore incentive based approaches to encourage provision of affordable housing as identified in the Action Plan.

For the Ingleside and Frenchs Forest Precincts, affordable market based housing is attempting to address through the provision of a diversity of housing choice and consequently, price points.

#### Recommendation

No changes are made to the Policy or Action Plan as a result of these submissions.

### **Affordable Housing Provision and Design**

Several comments made reference to the design of affordable housing, as follows:

- *Questions about how this housing will look*
- *Concern that affordable housing allows developers to compromise on development standards, resulting in low quality, unattractive small developments (3)*
- *Concern that the decoupling of parking will impact on street parking (2)*
- *Questions as to whether the affordable housing will be concentrated or dispersed*

- *Support for the provision of boarding house developments to cater for young singles or those with a disability (2)*
- *Support for low cost designs similar to projects in the UK, with housing surrounding a central clear space*
- *The need for affordable housing to have good access to public transport and sustainable design*
- *Support for a diversity of housing types*
- *Increasing the permissible size of detached granny flats*
- *Supporting initiatives such as a scheme in London called St Clements, managed by a foundation in perpetuity for the community*

### Comment

The above issues will be considered in the Housing Strategy. When developing this, it would be Council's preference to:

- Collaborate with the industry and follow international best practice
- Integrate affordable housing with other development types
- Provide a diversity of housing types according to needs
- Enforce strict design criteria to ensure that affordable housing is functional and of high quality

Design of Residential Flat Buildings is governed by the Apartment Design Guidelines; however there are no design standards for affordable housing such as boarding houses or granny flats. Through the development of Council's housing strategy, Council may lobby the State Government to provide such standards.

### Recommendation

No changes are made to the Policy or Action Plan as a result of these submissions.

## **Discussion Paper**

Comments on the discussion paper were generally positive, stating the discussion paper was 'thorough' (2) and 'well written' (1). One respondent however expressed a concern that it did not address housing for the disabled.

One statement which received feedback was that 'supply alone will not address housing affordability', with one respondent objecting to this statement and another supporting it.

### Comment

The discussion paper was developed based on extensive research and has served as a background document to inform the development of the Policy and Action Plan. Council is not required to adopt the discussion paper.

### Recommendation

No changes are made to the Discussion Paper as a result of these submissions.

## **TIMING**

The action plan indicates timing for actions which are either ongoing or as well as those scheduled in the next few years. One of the first actions to implement is the expression of interest process to establish a relationship with a community housing provider.

## **FINANCIAL IMPACT**

Many of the proposed actions in the Action Plan will have no cost to Council. Additional costs would only occur where Council chose, for example, to develop its own land or reduce development fees and charges (section 94). Further investigation will be undertaken as noted in the draft Action Plan, to determine what financial impacts (if any) there will be to Council should certain actions be undertaken.

## **SOCIAL IMPACT**

The draft Policy will have a positive social impact by increasing the supply of affordable rental housing in the community for very low, low to moderate income households.

## **ENVIRONMENTAL IMPACT**

The provision of affordable housing will have positive environmental impacts by providing housing close to employment centres, thereby reducing traffic congestion. The Policy itself does not propose the removal of any open space or protected land. The environmental impacts of any specific affordable housing planning mechanisms will be assessed in conjunction with the development of Council's housing strategy.

## **Affordable Housing Policy Action Plan**

### **Purpose**

To increase the range and supply of affordable housing in the Northern Beaches to meet the growing and changing needs of our community.

### **Principles and Actions**

<b>Principle</b>	<b>Action</b>	<b>Timing</b>
Establishing clear targets for the provision of affordable housing in the Northern Beaches	<b>A1</b> Lobby the NSW Government to mandate the provision of a 10% affordable rental housing target for all new development in the Northern Beaches. Require targets greater than 10% where feasible.	2017-2018
	<b>A2</b> As part of Council's local housing strategy, establish an affordable rental housing target for all other parts of the Northern Beaches local government area.	2017-2019
	<b>A3</b> Monitor the changing housing needs of residents and workers and the availability of housing stock which is affordable to very low to moderate income households.	Ongoing
Leading change by example	<b>A4</b> Assess the feasibility of providing affordable rental housing on Council-owned land prior to planning for development, redevelopment, lease or sale of that land.	Ongoing
	<b>A5</b> Investigate financial incentives for the provision of affordable rental housing provided in perpetuity including development application fees reduction and rate rebates.	2017-2018
	<b>A6</b> Waive section 94A development contributions for that part of any development proposal comprising affordable rental housing.	Ongoing
	<b>A7</b> Investigate waiving S94 Fees for the provision of affordable rental housing (e.g. secondary dwellings or boarding houses).	2017-2018
Embedding affordable housing in Council's strategies, plans and policies	<b>A8</b> Recognise that affordable rental housing is essential social and economic infrastructure for the Northern Beaches in Council's land-use planning strategies, plans and policies.	Ongoing
	<b>A9</b> Incorporate affordable rental housing targets in Council's land-use planning strategies, plans and policies, supported by effective statutory controls and incentives to achieve those targets.	Ongoing
	<b>A10</b> Amend Council's Voluntary Planning Agreements (VPA) policy to reference Council's Affordable Housing Policy as a public benefit contribution consideration in conjunction with planning proposals and development applications.	2017-2018
	<b>A11</b> As part of Council's local housing strategy, investigate and promote planning mechanisms to maintain existing affordable housing and encourage the provision of new affordable housing with the public and private sector.	2017-2019



Principle	Action	Timing
Partnering with the State and Commonwealth Government, other local councils, industry experts, the private sector, stakeholders and community housing providers to deliver affordable rental housing.	<b>A12</b> Develop relationships with State and Commonwealth Government departments, the Greater Sydney Commission, Planning Panels, industry experts and other local councils to understand wider affordable housing needs and opportunities.	Ongoing
	<b>A13</b> Collaborate with industry experts and develop a framework to ensure developer's site viability assessments are expertly reviewed and assessed.	2017-2018
	<b>A14</b> Develop and undertake an Expression of Interest process to inform the tender for a preferred community housing providers to manage and deliver affordable rental housing in the Northern Beaches.	2017-2018
	<b>A15</b> Identify priority key worker occupations for tenants of affordable rental housing in the Northern Beaches.	2017-2018
	<b>A16</b> Develop management agreements with community housing providers for affordable rental housing delivered to Council through land rezoning or development consent.	2017-2018
	<b>A17</b> Actively seek involvement of the private sector through public private partnerships to develop affordable rental housing.	2018
	<b>A18</b> Advocate for the inclusion of the remainder of the Northern Beaches local government area in State Environmental Planning Policy No. 70 (SEPP 70) in conjunction with the preparation of Council's local housing strategy.	2017-2019
	<b>A19</b> Promote the benefits of, and need for, affordable housing in the Northern Beaches.	Ongoing
	<b>A20</b> Work with the NSW government to identify and prioritise the suitability of surplus Government land for affordable rental housing in the Northern Beaches.	Ongoing
	<b>A21</b> Seek amendments to the Local Government Act 1993 and/or the Environmental Planning and Assessment Act 1979 to remove legal impediments to the transfer of ownership of affordable rental housing dedicated to Council to a community housing provider.	2017
	<b>A22</b> Advocate for the NSW government to investigate shared home ownership and equity arrangements.	Ongoing
	<b>A23</b> Lobby the State and Commonwealth government for tax reform to assist in the provision of affordable housing	Ongoing
	<b>A24</b> Advocate to amend the Affordable Rental Housing State Environmental Planning Policy to enable the provision of affordable rental housing in perpetuity to obtain development bonuses (currently 10 years).	Ongoing



## **Northern Beaches Council Policy**

### **Policy No. [Number]**

### **Affordable Housing Policy**

#### **1 Purpose of Policy**

Council is committed to increasing the range and supply of affordable housing in the Northern Beaches to meet the growing and changing needs of its community and particularly, key workers. The purpose of this policy is to outline Council's position and approach to the provision of affordable housing in the Northern Beaches.

The policy comprises principles and policy statements that together will guide Council's actions to support affordable housing.

#### **2 Principles**

- a) Establishing clear targets for the provision of affordable housing in the Northern Beaches.
- b) Leading change by example.
- c) Embedding affordable housing in Council's strategies, plans and policies.
- d) Partnering with the State and Commonwealth Government, other local councils, industry experts, the private sector, stakeholders and community housing providers to deliver affordable rental housing.
- e) Advocating for change to support affordable housing in the Northern Beaches.

#### **3 Policy Statements**

- a) Council is committed to a 10% affordable rental housing target for all strategic plans and planning proposals for urban renewal or greenfield development. Higher rates of provision will be sought where feasible.
- b) Targets for the provision affordable rental housing in other parts of the Council area will be established through feasibility analysis as part of Council's new local housing strategy.
- c) Mechanisms to deliver more affordable market-based or private housing will be investigated and implemented through Council's new local housing strategy.
- d) Council will enter into relationships with community housing providers to manage and deliver affordable rental housing in the Northern Beaches.
- e) Council will undertake an expression of interest to determine the best model for relationships with community housing providers to deliver affordable rental housing
- f) Council will use the expression of interest process to determine whether to transfer title of affordable rental housing delivered to Council through the planning approval process to community housing providers.
- g) When selecting tenants, Council will give priority to persons who are employed in identified key worker occupations in the Northern Beaches Council area, persons with a disability, long term local residents, and persons with a social or economic association with the Council area.

#### **4 Authorisation**

This Policy was adopted by Council on [insert date].

Effective date

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Policy No. [Number]

It is effective from [insert date].

It is due for review on [insert date].

**5 Who is responsible for implementing this Policy?**

Executive Manager Community Services

Executive Manager Strategic Land-Use Planning

**6 Document owner**

General Manager Planning, Place & Community

**7 Related Council Policies**

- a) Property Acquisition Reserve Fund – P100 (Former Manly Council)
- b) Property Management Policy – No 200 (Former Pittwater Council)
- c) Allocation of funds obtained from the Sale of Council Real Property Policy – GOV PL 915 (Former Warringah Council)
- d) Asset Management Policy – PL 550 (Former Warringah Council)
- e) Voluntary Planning Agreements – PL 600 VPA (Former Warringah Council)

**8 Legislation and references**

- a) Environmental Planning and Assessment Act 1979
- b) Local Government Act 1993
- c) State Environmental Planning Policy No 70 – Affordable Housing (Revised Schemes)
- d) State Environmental Planning Policy (Affordable Rental Housing) 2009

**9 Definitions**

**Affordable housing:** Is defined by the *Environmental Planning and Assessment Act 1979* as: "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"

**Affordable rental housing:** Affordable housing managed by a community housing provider and rented to very low, low, or moderate income level households

**Community housing provider:** a not-for-profit organisation which provides affordable rental and social housing for very low, low, to moderate income and is registered under the National Regulatory System for Community Housing.

**Housing affordability:** relates to the general affordability of both rental and purchase housing on the open market, and is not limited to those on low to moderate incomes. A common benchmark of affordability is housing that does not absorb more than 30% of the gross income of very low, low, or moderate income households.

**Key worker occupations:** workers on very low to moderate incomes critical to the economic and social development of the Northern Beaches, including but not limited to occupations such as school teachers, carers, midwifery and nursing professionals, hospitality and retail workers, personal carers and assistants, child carers, fire fighters, police, carers and aides, automobile, bus and rail drivers, cleaners and laundry workers.

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# NORTHERN BEACHES COUNCIL

