

# AFFORDABLE HOUSING POLICY

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Date of Adoption: 7 August 2007

Dates Revised: 12 August 2009, 7 February 2012, 19 April 2016 and 15 August 2017

## AFFORDABLE HOUSING POLICY

Council is committed to enabling affordable housing in the City of Canada Bay to maintain a diverse, vibrant and healthy community and to alleviate housing stress experienced by some individuals and families in the private rental housing market.

### Purpose

The purpose of this policy is to establish the City of Canada Bay's (Council) approach to affordable housing. The policy:

- Defines the type of housing referred to in this policy
- Outlines Council's principles (role and approach) to affordable housing
- Clarifies the intent of Council's involvement in affordable housing
- Provides management guidelines for the ongoing operation of affordable housing units owned by Council (refer to Annexure 1).

### Definitions

Affordable Housing	Housing that leaves sufficient family household income to meet other household needs. This has become understood to mean housing that costs no more than 30% of a family's gross income in rent or 35% in mortgage repayments. This is especially the case for those in the lowest 40% of Australian's ranked by income
Affordable Housing Units	Dwelling that has been obtained by Council through planning mechanisms or purchase, for the purpose of affordable housing
Local Environmental Plan (LEP)	A legal document prepared by Council and approved by the State Government to regulate land use and development
Development Control Plan (DCP)	A plan to provide detailed planning and design guidelines to support the planning controls in the Local Environmental Plan
Inclusionary Zoning	Statutory planning controls requiring affordable housing to be incorporated in a development project, or the proponent makes cash contribution for the obligation to be discharged off-site

## Types of Housing

The policy applies to housing types in the categories **bolded and highlighted** below:

THE HOUSING SUPPLY CONTINUUM							
Emergency shelters/ crisis accommodation	Transitional/ supported housing	Social housing (including public housing)	<b>Affordable (community rental) housing</b>	<b>Affordable home ownership/ shared ownership</b>	<b>Private market affordable rental housing</b> (including boarding houses and student accommodation, which may be government subsidised)	Private market rental housing	Home ownership
Government subsidised housing (including housing provided by the government and the community sector)			Non-market housing (community housing sector)		Market housing		

## Principles

The policy provides a set of principles to guide Council's endeavours in support of affordable housing. This includes Council's position when working with other levels of government; the management of Council owned affordable housing units; and the development of plans, strategies and actions relating to affordable housing and their implementation.

The policy does not address general housing needs and housing targets for the local government area.

The following principles encapsulate Council's role and approach to affordable housing:

Produce	Council supports the production of affordable housing stock; whether through inclusionary zoning, voluntary planning agreements or working with developers to encourage appropriately designed affordable housing
Promote	Council aims to provide increased flexibility for a diverse range of housing types and sizes for varying stages of life. Council may achieve this by updating the LEP and DCP following detailed community engagement and analysis in order to understand needs
Retain	Council undertakes the role of advocacy, and where possible, undertake mitigation to reduce further loss to affordable housing stock

## Rationale for Council Involvement in Affordable Housing

Council's involvement in affordable housing is intended to contribute towards:

- Maintaining a diverse community to ensure a socially, economically and environmentally vibrant and healthy community;
- Promoting affordable housing provision by private, government and non-government sectors; as well as the production of diverse housing types and sizes;
- Improvements to affordable housing policy at all levels of government.

## Ownership of Affordable Housing

Affordable Housing properties acquired or achieved under the Environmental Planning and Assessment Act Sections 93F, 94F and any other means, are to be transferred in property title to the City of Canada Bay Council. Alternatively, the City of Canada Bay Council may nominate a Community Housing Provider, to which the property title is transferred.

## Affordable Housing Management Guideline

Annexure 1 to this policy provides a guideline for the ongoing operation and management of affordable housing units owned by Council.

### Objectives of Property Management

Council aims to assist local residents and/or local employees on low to moderate weekly incomes to access affordable rental housing in the Local Government Area by:

- Improving access to rental housing that is affordable for low to moderate income households, and in turn alleviate housing stress;
- Ensuring the affordable rental housing mix is appropriate to the changing needs of households with regard to size and type, location, sustainability and community connectedness;
- Efficiently managing revenue provided through the affordable rental housing program to procure, manage, maintain and grow the affordable rental housing portfolio in the City of Canada Bay.

## Related documents

City of Canada Bay Affordable Housing Position Paper  
Affordable Housing Management Guideline

### Laws and standards

Local Government Act 1993  
Environmental Planning and Assessment Act 1979  
City of Canada Bay Local Environmental Plan 2013  
State Environmental Planning Policy No. 70 Affordable Housing (Revised Scheme)  
State Environmental Planning Policy (Affordable Rental Housing) 2009

### Policies and procedures

A plan for growing Sydney

National Rental Assistance Scheme

City of Canada Bay Development Control Plan 2013

City of Canada Bay Local Planning Strategy 2010 - 2031

City of Canada Bay Section 94 Contribution Plan, Section 94A Levy Contribution Plan and site specific plans

City of Canada Bay FuturesPlan20

### Variances to this policy

Council reserves the right to review, vary or revoke this policy.

### Approval

Council approved this policy on 19 April 2016.

### Review

Community Development Division will review this policy every 3 years.

## ANNEXURE 1

### Affordable Housing Management Guideline

Council has recognised the need to facilitate affordable rental housing to help alleviate housing stress experienced by some individuals and families in the private rental housing market in the City of Canada Bay.

Affordable rental housing in the City of Canada Bay will be made available to individuals and families who meet the eligibility criteria. This will assist low to moderate income households by providing enhanced rental housing security whilst enabling them to establish savings for the private rental market or home ownership.

### Identification of Strategic Sites

To maximise the viability of affordable rental housing in the City of Canada Bay, Council will identify strategic sites close to public transport hubs and/or employment areas in the City of Canada Bay Local Government Area as potential affordable rental housing sites, enabling affordable housing residents' easy access to public transport, employment and services.

### Eligibility Criteria

Recipients of affordable rental housing in the City of Canada Bay will be required to meet the income criteria as set by the Australian Government National Rental Affordability Scheme and eligibility criteria as set out in Council's Affordable Housing Policy.

#### Income

As determined annually under the National Rental Affordability Scheme. This would be reviewed annually by the Australian Government in accordance with the National Rental Affordability Scheme (NRAS) tenant income index.

#### Additional Criteria

- Permanently employed and meeting the gross weekly income criteria as set out above.
- Australian citizen or permanent resident who is not in living in subsidised housing (NSW Department of Housing or Community Housing Managed Accommodation).
- Does not own property or assets which could be used to assist their housing needs.
- Priority will be given to applicants working in the City of Canada Bay LGA and who are permanently employed in the following sectors in the City of Canada Bay or surrounding regions.

#### Employment

- Health Services (including support and ancillary staff)
- Childcare
- Public Primary or Secondary Education (including support and ancillary staff)
- Emergency Services (including support and ancillary staff)
- Public Transport
- City of Canada Bay Employee
- Retail
- Labourers
- Manufacturing
- Hospitality
- Others

Note: National Rental Affordability Scheme income levels will affect the type of position held with these industries. For example a nurse may earn over the initial income limit and may therefore be ineligible. However ancillary health workers are more likely to meet the income eligibility criteria.

## Concord Hospital

Six (6) of the twenty four (24) affordable housing dwellings to be owned by Council are to be accessible to Concord General Repatriation Hospital staff who meet the eligibility criteria, as resolved by Council on 16 August 2005.

In the event that any of these six (6) units are not taken up by Concord General Repatriation Hospital staff they will then be offered to other recipients who meet the eligibility criteria as stipulated within this Policy.

## Management of Affordable Housing Stock

Council will outsource the management of the affordable rental housing dwellings to a Housing manager with demonstrated experience and expertise in the management of affordable housing. Selection of the Housing manager to manage the dwellings will be conducted in accordance with Council's Procurement Policy. The affordable housing dwellings will be offered for rental at below market rental prices in accordance with National Rental Affordability Scheme regulations.

Council will enter into a management agreement for the affordable rental housing dwellings with the successful Housing manager following the selection process. This will be a fixed term contract to be reviewed annually. A Council inter-departmental project group will be involved in the ongoing management of the Affordable Housing program and management agreement. The management agreement will clearly delineate the responsibilities of both Council and the Housing manager including but not limited to the following:

- Tenant selection and interview process;
- Management of the affordable housing rental dwellings, including tenure;
- Setting of rental and rental review mechanisms;
- Determination of tenants' ongoing eligibility;
- Payment of management fees by Council;
- Conduct and frequency of dwelling inspections;
- Payment of rental by Housing manager to Council;
- Privacy and confidentiality of Council and tenant information;
- Representation on the Owners Associations;
- Conflict resolution;
- Representation at Residential Tenancy Tribunal;
- Maintenance and capital works;
- Variation to tenant eligibility criteria;
- Maintenance of a register of eligible applicants;
- Housing manager to report to Council in accordance with the Management Agreement; and
- Housing Manager and Council to report in accordance with National Rental Affordability Scheme criteria.

A standard residential tenancy lease will be entered into between the tenant and the Housing manager pursuant to the provisions of the Residential Tenancies Act 1987.

## Setting of Rent

Weekly rent for each affordable housing dwelling will be set at no more than 75% of weekly market rent for a comparable dwelling or 30% of National Rental Affordability Scheme eligible income amount. A mix of rental income at 75% market rent and 30% National Rental Affordability Scheme eligible income will be implemented to ensure the Affordable Housing Program is financially sustainable.

The housing manager will endeavour to implement a rental lifting strategy that incorporates:

- targeted promotion following some vacancies to dual income and or higher income couples or families (within the bands of the eligibility criteria) for placement in 2 or 3 bedroom properties;
- targeted income assessment for some dual and higher income earners (within the bands of the eligibility criteria) to select the higher rental amount of 30% income or 75% market rent ; and
- that properties be tenanted, as usual, in the absence of applicants for which a rental lifting strategy would apply.

## Asset Management

The affordable rental housing dwellings owned by Council will be classified as 'operational' for the purposes of allowing Council to conduct ongoing consolidation of its affordable housing stock .

The affordable housing portfolio will be reviewed every 5 years to determine whether dwellings should be disposed of and replaced or retained and further funds provided for their maintenance or renewal.

The five year review term considers:

- Timeframes for asset renewals such as painting and replacing floor coverings
- Tenancy terms
- Changes in market trends and values

Consideration will also be given to the results of the program to date and the type and size of dwelling considered most suitable to deliver the objectives of the program.

This strategy aims to minimise Council's ongoing maintenance and renewal obligations and costs as the dwellings age.

## Fund Management

Rental income received from affordable housing stock will be managed in accordance with National Rental Affordability Scheme criteria. Rental income will be directed to investment fund holdings to earn interest to benefit future purchase of affordable housing stock and will be re-invested in existing affordable housing stock in the form of property maintenance and renewal and replacement.

## Review and Project Evaluation

The City of Canada Bay Affordable Housing Management Guideline is to be reviewed annually to ensure that it is consistent with National Rental Affordability Scheme requirements and other developments associated with the provision of Affordable Housing and to ensure that the program is operating efficiently.

Some of the factors to be taken into consideration in the evaluation may include but not be limited to:

- Size, type and locational appropriateness of dwellings;
- Maintenance and management issues;
- Retention and use of affordable housing revenue by Council;
- Social capital objectives – community building and connectedness;
- Access to and use of support services by tenants;
- Economic impacts on local business;
- Performance of the Housing Manager in accordance with the Management Agreement;
- Internal management issues for Council; and
- Economic improvement of tenants.

## ANNEXURE 2

### Affordable Housing Management

Affordable Housing properties under ownership of City of Canada Bay Council, or a Council nominated recipient, are to be managed by a registered Community Housing Provider endorsed by Council.

Where monetary contributions are received by the City of Canada Bay Council in lieu of affordable housing dwellings, the contribution funds are to be held by Council for the purpose of maintaining or increasing the affordable housing portfolio.