

Planning Proposal: Affordable Housing Contributions Review 2024



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1. Background

1.1. Introduction

This Planning Proposal: Affordable Housing Contributions Review (this planning proposal) is to amend the affordable housing provisions in the *Sydney Local Environmental Plan 2012* (Sydney LEP 2012), the *Sydney Local Environmental Plan (Green Square Town Centre) 2013*, and *Sydney Local Environmental Plan (Green Square Town Centre – Stage 2) 2013* (the Green Square Town Centre LEPs).

The Sydney LEP 2012 and the Green Square Town Centre LEPs, together with the City of Sydney Affordable Housing Program (Program), provide a framework for the affordable housing contribution requirements that may apply to development in the local area, including those pursuant to:

- Clause 6.70 of Sydney LEP 2012, that sets out affordable housing contribution requirements at Blackwattle Bay;
- Clause 7.13 of Sydney LEP 2012 and Clause 6.5 of the Green Square Town Centre LEPs, that set out a broad-based affordable housing contribution requirement on all eligible development in the local area; and
- Clause 7.13B of Sydney LEP 2012, that sets out affordable housing contribution requirements on “planning proposal land” identified on Schedule 6C. Planning proposal land is identified on the schedule where new floor area is created following a rezoning.

Specifically, this planning proposal will amend the Sydney LEP 2012 and the Green Square Town Centre LEPs to:

- include provisions that will allow the consent authority to require a monetary contribution (instead of a dedication of built dwellings) where a site is subject to Clause 7.13 of Sydney LEP 2012 or Clause 6.5 of the Green Square Town centre LEPs;
- include provisions that will allow the consent authority to require the dedication of built dwellings (instead of a monetary contribution) where a site is subject to Clause 7.13B of Sydney LEP 2012;
- update provisions so that affordable housing contributions are to be calculated on Gross Floor Area (GFA), rather than Total Floor Area (TFA);
- update provisions so that the floor area required to be dedicated as dwellings is calculated as GFA, rather than TFA;
- remove the requirement that dedicated affordable housing dwellings must be no larger than 90 square metres (Clauses 6.70 and 7.13B of the Sydney LEP);
- include clarification about how the affordable housing principles set out in the Program apply to resulting affordable housing; and
- update provisions to make reference to an updated Program (all affected clauses). The Program will:
 - update equivalent monetary contribution rates (dollar rates) that will apply where a developer is to satisfy an affordable housing contribution by making a monetary contribution. Where currently only a single dollar rate is set out in the Program, the draft Program includes bespoke rates for various sub-precincts in the local government area

(LGA), specific to their individual market conditions. All rates are updated from the current rates. New rates are to be phased-in over a period of four years;

- delay the increased dollar rates for build-to-rent and co-living housing in Central Sydney;
- simplify the contribution requirements for where a rezoning results in increased development capacity;
- set out where the dedication of built affordable housing dwellings is required; and
- make various housekeeping amendments to clarify current processes or simplify readability.

A draft City of Sydney Affordable Housing Program (draft Program) is proposed in conjunction with this planning proposal. The draft Program is to replace the current Program that was adopted by the Council on 26 June 2023. The draft Program sets out the amendments described above.

This planning proposal has been prepared in accordance with the *Local Environmental Plan Making Guideline*, published by the Department of Planning and Environment in August 2023.

1.2. Affordable housing in the City of Sydney

Sustainable Sydney 2030-2050: Continuing the Vision and the City's Local Housing Strategy: Housing for All, includes a target that 7.5 percent of all private dwellings be affordable housing. Based on a private dwelling target of about 156,000 to 2036, an estimated 12,000 affordable dwellings are required to achieve the City's target to 2036.

As at 30 June 2024, the City has 1,447 built affordable housing units in the local area, 556 dwellings in the development pipeline and a further 1,385 in the pre-application stage. Over 60% of built dwellings have resulted from the contributions made pursuant to Clause 7.13 of the Sydney LEP and Clause 6.5. These contribution requirements are projected to deliver a further 1,950 additional affordable dwellings to 2036. However, this estimate will be heavily impacted by other matters outside of the City's control, including, but not limited to:

- the property market, that is, the amount of development that occurs. This is highly influenced by the market conditions of the day;
- the way land develops, for example if more land is developed for commercial premises, rather than housing, there will be less contribution funds;
- the ability of community housing providers (CHPs) to successfully leverage contribution funds and existing property portfolios, and their ability to attract funding under the Housing Australia Future Fund (HAFF) or other funding sources; and
- NSW Government policy directions.

The known built, pipeline, expected and projected affordable housing dwellings equal around 5,338 affordable rental dwellings and affordable diverse dwellings to 2036. This is less than half of the 12,000 affordable housing dwellings needed to achieve the City's target for 7.5% of all housing in be affordable housing.

In addition, the City continues to seek innovative ways to use our planning controls to increase the amount of affordable housing, for example, the preferential zoning scheme that applies in the City south in areas such as E3 Productivity Support zone, North Alexandria.

1.3. Planning proposal process

This planning proposal is to amend the affordable housing provisions in the Sydney LEP 2012 and the Green Square LEPs in the manner set out in Section 4 of this planning proposal.

This planning proposal will be publicly exhibited together with the draft Program, provided in conjunction with this planning proposal, that is proposed to replace the current Program.

The justification for the proposed amendments to the Sydney LEP 2012, the Green Square LEPs and the current Program is set out in Part 5 of this planning proposal.

Following public exhibition, submissions received from the public, and from government or government authorities, will be considered by the Council and the Central Sydney Planning Committee. Before finalising the Sydney LEP 2012, the Green Square Town Centre LEPs and the draft Program, further changes may be made because of matters raised in submissions.

2. Existing planning controls

2.1. Affordable housing contribution requirements in the LGA

The Sydney LEP 2012 and the Green Square Town Centre LEPs, together with the City of Sydney Affordable Housing Program (Program), provide a framework for the affordable housing contribution requirements that may apply to development in the local area, including those pursuant to:

- Clause 6.70 of Sydney LEP 2012, that sets out affordable housing contribution requirements on Blackwattle Bay;
- Clause 7.13 of Sydney LEP 2012 and Clause 6.5 of the Green Square Town Centre LEPs, that set out a broad-based affordable housing contribution requirement on all eligible development in the local area; and
- Clause 7.13B of Sydney LEP 2012, that sets out affordable housing contribution requirements on “planning proposal land” identified on Schedule 6C. Planning proposal land is identified on the schedule where new floor area is created because of a rezoning.

Green Square, Central Sydney, Ultimo-Pyrmont, Southern Employment Lands and residual lands

Clause 7.13 of Sydney LEP 2012 and Clause 6.5 of the Green Square Town Centre LEPs, that set out a broad-based affordable housing contribution requirement on all eligible development in the local area. The LEPs:

- set out the different contribution areas (geographies) in the LGA, dividing the LGA into Green Square, Central Sydney, Ultimo-Pyrmont, Southern Employment Lands or residual land;
- set out the contribution requirement, being:
 - in Green Square, the Southern Employment Lands and Ultimo/Pyrmont, 1% of non-residential floor area and 3% of residential floor area.
 - in Central Sydney and on residual land, 0.5% of non-residential floor area for development applications lodged prior to 1 July 2022, and 1% thereafter, and 1.5% of residential floor area for development applications lodged prior to 1 July 2022 and 3% thereafter.
- allow for an equivalent monetary contribution to be made, instead of a dedication requirement, in accordance with the Program.

The purpose of the Program is to provide the operational and management requirements for the administration of the scheme, including:

- the principles by which affordable rental housing is to be provided and managed;
- an equivalent monetary contribution rate (dollar rate) a developer may contribute, in lieu of dedicating floor area;
- examples of how a monetary contribution is to be calculated in different contribution areas;
- the approach to indexing the dollar rate and a contribution requirement over time; and
- who receives contribution funds and how they must be used.

The equivalent monetary contribution rate (dollar rate) is \$11,176.22/sqm of Total Floor Area (TFA) (up until 28 February 2025 when the rate will be indexed). The calculation of TFA is set out in the LEP clause.

Funds are distributed between three CHPs, being City West Housing, St George Community Housing and Bridge Housing, in accordance with the City of Sydney Affordable Housing Contributions Distribution Plan, adopted by Council on 11 March 2024.

This planning proposal is to make amendments to the above requirements, as described in Section 4 and 5.

Planning proposal land

Clause 7.13B of Sydney LEP 2012 sets out affordable housing contribution requirements on 'planning proposal land' identified on Schedule 6C. The contribution requirement varies on different land.

Planning proposal land is identified on the schedule where new floor area is created because of a rezoning. This planning proposal does not add any land to the schedule, nor does it make any change to the current contribution requirements in the schedule.

The Program provides in its appendices a standardised approach to establishing the contribution requirement that will be applied to new residential floor area. The contribution requirement is differentiated by precinct, recognising the different market characteristics and price hierarchy that exists between precincts. The rates are not currently established in any planning instrument, rather they are set out in the Program to act as a guide for negotiating an appropriate rate in the context of a planning proposal to increase development capacity.

The current contribution requirement is set out at Table 1.

Table 1: Current contribution requirement applied where a rezoning creates additional development capacity (applied to the new floor area)

Precinct*	Contribution requirement**
Central Sydney	13% subject to site specific viability testing
West precinct	12%***
South precinct	12%***
East precinct	21%***

* The precinct boundaries align with those shown in the City's Development Contribution Plans.

** The contribution applies to new residential floor area achieved on land zoned for residential purposes.

*** incorporates any requirement in an LEP for a 3% levy contribution to affordable housing. For example, the 21% requirement in the East precinct includes 18% for new residential floor area on planning proposal land, plus the 3% broad-based levy requirement. Where no other contribution requirement applies, the full 21% may be applied.

Blackwattle Bay

Clause 6.70 of Sydney LEP 2012 sets out the affordable housing contribution requirement on land at Blackwattle Bay. The LEP requires 7.5% of the Total Floor Area (TFA) of development be dedicated as affordable housing. It allows for an equivalent monetary contribution to be made, instead of a dedication requirement, in accordance with the City of Sydney Affordable Housing Program (Program).

Redfern Waterloo Authority lands

A contribution requirement applies to sites in the Redfern Waterloo Authority lands, pursuant to State Environmental Planning Policy (Precincts—Eastern Harbour City) 2021.

The Redfern Waterloo Authority Affordable Housing Contributions Plan 2006 sets out the affordable housing contribution requirements for any State Significant Development in the Redfern Waterloo Authority operational area.

The contribution equivalent to the estimated cost of the provision of affordable housing comprising 1.25% of the total gross floor area of the development.

The equivalent monetary contribution rate is established at the point of development application based on current property data.

Funds are remitted to Infrastructure NSW.

This planning proposal has no effect on this requirement.

Other requirements in Sydney LEP

Clause 7.13A of the Sydney LEP 2012 includes a clause facilitating the development of affordable housing in parts of its E3 – Productivity Support zone, that do not otherwise permit residential development.

This planning proposal has no practical effect on these requirements, other than referring to an updated Program and making a minor clarification about the application of the affordable housing principles in the Program.

3. Objectives and intended outcomes

3.1. Objectives

The objectives of this planning proposal are to amend the Sydney LEP 2012, the Green Square Town Centre LEPs and the City of Sydney Affordable Housing Program (Program), that is referred to by the LEPs, to:

- increase the amount of affordable housing provided in the local area;
 - ensure that contribution requirements are equitable across different parts of the City;
 - ensure equivalent monetary contribution rates (dollar rates) are equivalent to the true cost of building and dedicating affordable housing; and
 - improve the efficacy and efficiency of the City's affordable housing requirements.
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3.2. Intended outcomes

The intended outcomes of this planning proposal are to amend the Sydney LEP 2012, the Green Square Town Centre LEPs and the Program, that is referred to by the LEPs, to:

- ensure that where a monetary contribution is made to satisfy an affordable housing contribution requirement, that it is generally equivalent in value to any contribution that might otherwise be satisfied by dedicating built affordable housing dwellings;
- enable the consent authority to require a contribution requirement be satisfied in a particular way, depending on the nature of the contribution requirement;
- provide a clearer and more efficient approach for the calculation of floor area to which the contribution requirement applies; and
- remove any barrier to the delivery of affordable housing for families or for cultural groups that may require larger homes.

4. Explanation of provisions

4.1. Proposed amendment to Sydney LEP 2012 and Green Square Town Centre LEPs

This planning proposal is to amend Sydney LEP 2012 and the Green Square Town Centre LEPs to achieve the objectives and intended outcomes described in Section 3 of this planning proposal.

4.2. Drafting instructions

To achieve the objectives and the intended outcomes, this planning proposal is to amend the Sydney LEP 2012 and Green Square Town Centre LEPs as provided at Table 2.

Table 2: Drafting instructions

Ref	Drafting instruction	Explanation of provision
Sydney LEP 2012 and the Green Square Town Centre LEPs		
1.	<p>In the Sydney LEP 2012 and Green Square Town Centre LEPs, change all references to the “City of Sydney Affordable Housing Program adopted by the Council on 26 June, 2023”, to instead refer to “City of Sydney Affordable Housing Program adopted by the Council on XX XX XX” [date of adoption of Program to be inserted]. Current clauses requiring amendment include:</p> <ul style="list-style-type: none"> Sydney LEP 2012 – clauses 6.60B, 6.70, 7.13, 7.13A, 7.13B Green Square Town Centre LEP 2013 – clause 6.5 Green Square Town Centre LEP 2013 (Stage 2) – clause 6.5 	<p>The amendment is to update references in the Sydney LEP 2012 and Green Square Town Centre LEPs to the “City of Sydney Affordable Housing Program adopted by the Council on 26 June 2023”, to “City of Sydney Affordable Housing Program adopted by the Council on XX XX XX”, with the date of adoption of Program to be inserted when known.</p> <p>The City’s Program is proposed to be amended to:</p> <ul style="list-style-type: none"> update equivalent monetary contribution rates that will apply where a developer is to satisfy an affordable housing contribution by making a monetary contribution; set out where the dedication of built affordable housing dwellings is required; update the contribution rates for planning proposal land; and make various housekeeping amendments to clarify current processes or simplify readability.
2.	<p>In the Sydney LEP 2012 and Green Square Town Centre LEPs, amend Clause 1.8A to ensure the amended planning controls are only to apply to development applications that are lodged after the amended planning controls come into effect.</p>	<p>Ensure the amended planning controls are only to apply to development applications that are lodged after the amended planning controls come into effect.</p>
Sydney LEP 2012		

Ref	Drafting instruction	Explanation of provision
2.	In the Sydney LEP 2012, amend the current clause 6.60B(7)(b) to require that any affordable housing provided pursuant to clause 6.60B will be provided in accordance with the affordable housing principles set out in the <i>City of Sydney Affordable Housing Program</i> , dated XX XX XXX.	This amendment is to clarify affordable housing provided pursuant to this clause need only be provided in accordance with the affordable housing principles in the City of Sydney Affordable Housing Program, and not any other requirement of the Program.
3.	In the Sydney LEP 2012, amend the current clause 7.13A(1)(c) to require that any affordable housing provided pursuant to clause 7.13A will be provided in accordance with the affordable housing principles set out in the <i>City of Sydney Affordable Housing Program</i> , dated XX XX XXX.	This amendment is to clarify affordable housing provided pursuant to this clause need only be provided in accordance with the affordable housing principles in the City of Sydney Affordable Housing Program, and not any other requirement of the Program.
4.	In the Sydney LEP 2012, amend the current clause 6.70 to change all references to 'total floor area' to 'gross floor area'.	<p>This amendment will update Sydney LEP clause 6.70 so that:</p> <ul style="list-style-type: none"> the calculation of the contribution is based on the amount of GFA in a building, rather than TFA; and the dedication of any built floor area is to be provided as GFA, rather than TFA.
5.	<p>In the Sydney LEP 2012, amend the current clause 7.13 to:</p> <ul style="list-style-type: none"> remove the term / definition for 'total floor area'; and change all references to 'total floor area' to 'gross floor area' 	<p>This amendment will update clause 7.13 of the Sydney LEP so that the calculation of the contribution is based on the amount of GFA in a building, rather than TFA.</p> <p>It is noted the definition of 'total floor area' currently excludes from its calculation any floor area related to affordable housing, public housing, community facilities and development in the E4 – General Industrial zone. It is proposed to detail these exclusions in the Program, rather than in the LEP.</p>
6.	In the Sydney LEP 2012, amend the current Schedule 6C to change all references to 'total floor area' to 'gross floor area'	This amendment will update Schedule 6C of the Sydney LEP so that the calculation of the contribution is based on the amount of GFA in a building, rather than TFA.
7.	In the Sydney LEP 2012, amend the current clause 7.13(3) to require the affordable housing levy contribution be satisfied by monetary contribution only.	<p>The amendment will:</p> <ul style="list-style-type: none"> require the affordable housing levy contribution be satisfied by monetary contribution; and remove the current ability for an affordable housing levy contribution to be satisfied by dedicating built dwellings.
9.	In the Sydney LEP 2012, amend the current clause 7.13B(4) to allow the consent authority to require the dedication, in favour of the	The amendment is to include a requirement in Clause 7.13B(4) of the Sydney LEP to allow the consent authority to require the affordable

Ref	Drafting instruction	Explanation of provision
	<p>Council, of land comprising dwelling/s, in accordance with the requirements of the City of Sydney Affordable Housing Program, with any remainder being paid as a monetary contribution.</p> <p>Where the Consent Authority does not require the dedication of dwellings, the landowner must satisfy the contribution requirement by making an equivalent monetary contribution (in accordance with the City of Sydney Affordable Housing Program).</p> <p>In making the above change, reference to 'one or more dwellings' should be removed in favour of a more generic reference to 'dwelling/s'. This is to remove any potential conflict with the Program, that may require dedication of built dwellings only where multiple dwellings are being provided.</p>	<p>housing levy requirement be satisfied by dedication of built affordable housing dwellings (in favour of a monetary contribution). Where dedication is not required, the requirement <u>must</u> be satisfied by making a monetary contribution.</p> <p>The City's Program is proposed to set out where the consent authority will require the dedication of built dwellings (see further explanation later in this planning proposal).</p> <p>It is also proposed to remove from the clause reference to 'one or more dwellings' in favour of a more generic reference to 'dwelling/s'. This is to remove any potential conflict with the Program, that may require dedication of built dwellings only where multiple dwellings are being provided</p>
10.	<p>In the Sydney LEP 2012, remove the maximum size of affordable housing of 90 square meters that is currently imposed by:</p> <ul style="list-style-type: none"> clause 6.70(4)(a) clause 7.13B(4)(a) 	<p>The amendment is to remove the requirement in Clause 7.13B and 6.70 of the Sydney LEP that dedicated affordable housing dwellings must be no larger than 90 square metres.</p> <p>By removing the upper size limit, dedicated dwellings are only required to be no smaller than 35 square metres in size, with no limit on how large they are.</p>
<p align="center">Green Square Town Centre LEP and</p> <p align="center">Green Square Town Centre LEP – Stage 2</p>		
11.	<p>In the Green Square Town Centre LEP and the Green Square Town Centre LEP – Stage 2, amend the current clause 6.5 to require the affordable housing levy contribution be satisfied by monetary contribution only.</p>	<p>The amendment will:</p> <ul style="list-style-type: none"> require the affordable housing levy contribution be satisfied by monetary contribution; and remove the current ability for an affordable housing levy contribution to be satisfied by dedicating built dwellings.
12.	<p>In the Green Square Town Centre LEP and the Green Square Town Centre LEP – Stage 2, amend the current clause 6.5 to:</p> <ul style="list-style-type: none"> remove the term / definition for 'total floor area'; and change all references to 'total floor area' to 'gross floor area' 	<p>This amendment will update the Green Square Town Centre LEPs so that:</p> <ul style="list-style-type: none"> the calculation of the contribution is based on the amount of GFA in a building, rather than TFA; and the dedication of any built floor area is to be provided as GFA, rather than TFA. <p>It is noted the definition of 'total floor area' currently excludes from its calculation any floor area related to affordable housing, public</p>

Ref	Drafting instruction	Explanation of provision
		housing, community facilities and development in the E4 – General Industrial zone. It is proposed to detail these exclusions in the Program, rather than in the LEP.

The recommended detailed changes to the Sydney LEP and Green Square Town Centre LEPs clauses for the above drafting instructions are appended to this planning proposal.

The justification for the above amendments is provided at Section 5 of this planning proposal.

4.3. Draft City of Sydney Affordable Housing Program

To achieve the objectives and the intended outcomes of this planning proposal, the Program, that has legal relevance by virtue of being referenced in the Sydney LEP 2012 and Green Square Town Centre LEPs, is proposed to be amended in the manner set out in the draft Program provided in conjunction with this planning proposal. Key amendments to the Program are set out, explained and justified in Section 5.

5. Justification of merit

5.1. Proposed amendment to LEPs

This section includes justification for the proposed amendments to the Sydney LEP 2012 and the Green Square Town Centre LEPs.

Amendments to reference an updated Program

This planning proposal will amend all references in the Sydney LEP 2012 and Green Square Town Centre LEPs to the “City of Sydney Affordable Housing Program adopted by the Council on 26 June 2023”, to “City of Sydney Affordable Housing Program adopted by the Council on XX XX XX”, with the date of adoption of the Program to be inserted when known.

Effect

The proposed amendment will refer to an updated Program, that will:

- update equivalent monetary contribution rates (dollar rates) that will apply where a developer is to satisfy an affordable housing contribution by making a monetary contribution;
- update the contribution requirement for planning proposal land;
- set out where the dedication of built affordable housing dwellings is required; and
- make various housekeeping amendments to clarify current processes or simplify readability.

The proposed amendments to the Program are discussed in detail at Section 5.2.

Justification

This amendment to the Sydney LEP 2012 and the Green Square Town Centre LEPs is required to ensure contributions will be made in accordance with updated requirements in the City’s Program, as proposed in the draft Program that is provided in conjunction with this planning proposal, and the justification for which is provided at Section 5.2.

Amendments to require a contribution be satisfied by making a monetary contribution (Clause 7.13 of Sydney LEP 2012 and Clause 6.5 in the Green Square Town Centre LEPs)

This planning proposal is to amend Clause 7.13 of the Sydney LEP 2012 and Clause 6.5 of the Green Square Town Centre LEPs to require the affordable housing contribution requirement be satisfied by making a monetary contribution.

Effect

The current provisions in the Sydney LEP and the Green Square Town Centre LEPs allow a developer to choose whether they satisfy their affordable housing contribution requirement by making an equivalent monetary contribution, or by dedicating built affordable housing dwellings to council. Where the dedication of dwellings only partially satisfies a contribution requirement, any remainder must be paid as a monetary contribution to the Council.

The effect of this planning proposal is to ensure that the affordable housing contribution requirement that is required pursuant to Clause 7.13 of the Sydney LEP 2012 and Clause 6.5 of the Green Square Town Centre LEPs can only be satisfied by making a monetary contribution.

Justification

The City undertook targeted consultation with the Recommended community housing providers (CHPs) identified on the City of Sydney Affordable Housing Contributions Distribution Plan (Distribution Plan), adopted by Council on 11 March 2024. The purpose of the consultation was to understand the best approach for the receipt of contributions for the future – i.e. should dedicated dwellings be required, or are monetary contributions a better approach – and, to understand any issues associated with receiving dedicated dwellings. A summary of the City’s consultation with CHPs to better understand where the dedication of dwellings is an appropriate outcome is provided in conjunction with this planning proposal.

The consultation revealed key considerations for, and challenges relating to, the receipt of affordable dwellings delivered by developers.

To maximise affordable housing outcomes, CHPs have advised that where contribution funds are well leveraged, they can be stretched much further to deliver more affordable housing. Moreover, the resulting affordable housing is typically more suitable for their needs. In the long term more, and more appropriate, affordable housing will result from CHPs developing their own sites. This is because where housing is developed by a CHP:

- there are a range of tax incentives available to CHPs, for example they are not subject to the Goods and Services Tax (GST), making delivery of housing cheaper;
- they can access low-cost finance from Housing Australia;
- they can apply for funding under the Australian Government's Housing Australia Future Fund Facility (HAFFF);
- when available, they can pair contribution funds with other grants that may be available from the federal or state government or from local government (such as subsidised land sales); and
- they are not subject to the same profit requirements that are generally needed by for-profit providers to achieve project viability.

To achieve positive affordable housing outcomes, including financial sustainability, CHPs raised the following key matters:

management efficiencies – CHPs advised that the costs and inefficiencies of managing multiple properties scattered throughout various developments, can be considerable. These relate to the additional costs and resourcing associated with the administrative burden of managing multiple strata arrangements and requirements, the practical challenges of physically maintaining properties with different needs across a wide geographic area, and the reduction in community support facilities and services that can be feasibly provided to tenants. Concentrating efforts where more than a handful of dwellings can be delivered is more efficient.

- strata costs – it is not unusual for new development in the local area to incorporate on-site facilities for future residents, such as gyms, pools, high end lifts (sometimes multiple) and rooftop amenities, resulting in high strata fees that can absorb rental returns. This can increase where special levies are payable for significant works to the building and/or common property.
- where a CHP owns and manages the whole of the building, strata fees are not payable, leaving rental income available to maintain the property, service any debt on the dwellings and potentially for additional affordable housing. However, should CHPs be required to pay strata or management fees on dedicated apartments, this could absorb almost all rental income, particularly as the Program limits rents to no more than 30% of household income. If dedicated dwellings are received, CHPs indicated a preference for extracting the dedicated dwellings from future strata costs or to limit costs in some way.

Key issues were also raised by CHPs around the ability to influence the design and construction quality of dwellings they are to receive and ensure their long-term suitability, noting key decisions are often made by the developer before a CHP can be involved in the project. A CHP's considerations for design and construction include:

- geographic location – affordable housing should be well located so that tenants can access high frequency public transport, access to services, such as a reasonably priced grocery store, health services and so on, without needing to rely on a private vehicle. While this is a City-wide aspiration for all residential development, it is particularly important for affordable housing, whose tenants are less likely than the general population to have the financial capacity to maintain ownership of a private vehicle. It is also noted that affordable housing developments

may also have a higher proportion of tenants who have a disability, increasing the importance of accessible access to public transport options and services;

- on-site access arrangements – it is common that affordable housing developments have a higher-than-average proportion of tenants who are living with a disability. It is therefore important that affordable housing dwellings are cognisant of access requirements, with particular attention paid to accessibility in situations where lifts are out of service;
- fit-out – durability and cost of maintenance is the main concern raised by CHPs with regards to the long-term management of dedicated affordable housing dwellings. For example, the durability and cost of the materials used in kitchens and bathrooms, with good quality materials with greater longevity being preferred, but also materials that are not very expensive to replace. For example, good quality laminate benches may be preferred to stone benches;
- flexibility and universal accessibility – CHPs note the importance of maximising flexibility so that a range of different tenants, including those who live with a disability, may live in the dwelling;
- dwelling size and mix - where possible a mix of one, 2 and 3 bedroom dwellings enables the provider to house a range of households and positions them to be able to meet future housing needs;
- servicing – while extensive parking may not be a requirement for affordable housing that is well located to transport and services, some parking and servicing is generally required for service vehicles, shared vehicles and for vehicle access for tenants living with a disability;
- design for reduced living cost – ensuring affordable dwellings are designed to minimise costs to future tenants is critical. For example, the installation of fans and maximising opportunities for cross ventilation will reduce the need for tenants to utilise expensive air-conditioning. CHPs also noted avoiding embedded networks and such is important to manage costs to tenants; and
- external appearance – whilst internal fit out needs to be specific to the needs of CHPs and their tenants, the quality of the external appearance of affordable housing dwellings, and the inclusion of visible external spaces such as balconies or courtyards, are generally required to match that of other dwellings in the development. This is to ensure that affordable housing cannot be visually differentiated as such.

The consultation with CHPs has directly informed proposed amendments about how a contribution requirement must be satisfied, and in what circumstance. The reason and rationale for requiring monetary contributions to satisfy affordable housing contributions required under Clause 7.13 of the Sydney LEP 2012 and Clause 6.5 of the Green Square Town Centre LEPs, and removing the ability for proponents to instead dedication of built dwellings, is as follows:

- the size of the contribution (only 3% and 1% of residential and non-residential floor area respectively) is relatively small compared to a contribution required where new floor area has been created because of a rezoning, generally resulting in only modest amounts of floor area. Small numbers of affordable rental units spread across disparate development sites will create financially unsustainable outcomes for CHPs and present significant management challenges. Viable affordable rental tenancies will be threatened by the financial cost of multiple strata schemes, which are notoriously difficult to predict, and exposure to future increases in strata costs;
- a monetary contribution can be better leveraged by CHPs to generate a greater number of affordable dwellings. The range of tax incentives, low-cost finance and complementary funding sources available to CHPs can stretch the City's contribution funds further when affordable housing is built by CHPs themselves;

- housing delivered by CHPs is generally better suited to the needs of their tenants, being designed specifically to minimise ongoing living costs. For example, the electrification of building and passive design are priorities for CHPs to reduce the living costs of their tenants. The design priorities of a build-to-sell developer may differ from that of a CHP;
- housing delivered by another party presents potential long-term financial and practical risks for a CHP, particularly where defects are identified post-handover. It also increases risk to developers should dwellings not be accepted at the end of the design and build process, potentially causing delays and adding costs;
- a condition of consent that requires a monetary contribution is significantly less complex than arranging dedicating dwellings. This is because a monetary contribution requirement is a straight-forward calculation that is simply inserted on the condition as payable before construction, however, a dedication requirement requires significantly more involvement, including:
 - further negotiations with the proponent and CHP to refine the design of the development to ensure the resulting housing is appropriate to be used as affordable housing; and
 - the need for extensive legal expertise and resources to draft appropriate and enforceable conditions of consent, as well as to draft, review and execute the necessary legal instruments needed to secure the affordable housing, for example, deeds of agreement, contracts of sale and/or voluntary planning agreements;
- the constrained assessment timeframes for a development application required of the City by the state government provides significantly reduced opportunity for a robust process which can deliver optimal affordable housing outcomes that meet the needs of CHPs. As benchmark assessment timeframes are further reduced by the state government, the complexities of requiring developers to dedicate affordable housing will mean assessment timeframes cannot be reasonably met; and
- an unintended consequence of requiring wide-scale dedication of dwellings could be to inhibit some forms of development in the City. This may be exacerbated by the potential impact on obtaining necessary financing when developments include affordable housing. Given the current economic climate and housing crisis in NSW, this would not be a desirable outcome.

Amendments to allow the consent authority to direct how a contribution requirement must be satisfied (Clause 7.13B of Sydney LEP 2012)

This planning proposal is to amend Clause 7.13B of the Sydney LEP 2012 to allow the consent authority to require the dedication of built dwellings, where it is in accordance with the requirements of the Program.

Where the consent authority does not require the dedication of built dwellings, it may require the contribution be satisfied by making a monetary contribution.

The City's Program is to be amended to include detailed criteria about where the consent authority will require the dedication of dwellings. Where the dedication of dwellings is not required, a monetary contribution will be required, that is the proponent cannot opt in to the dedication of dwellings.

The proposed amendment to the Program is discussed in further detail at Section 5.2.

Effect

The current requirement in Clause 7.13B of the Sydney LEP 2012 allows a developer to choose whether they satisfy their affordable housing contribution requirement by making an equivalent monetary contribution, or by dedicating built affordable housing dwellings to council. Where the dedication of dwellings only partially satisfies a contribution requirement, any remainder must be paid as a monetary contribution to the Council.

The effect of this planning proposal is to give the consent authority the ability to require that a developer must dedicate built dwellings to Council, but only where the circumstances of the development meet the criteria set out in the Program. The dwellings must be dedicated to Council

to be used for affordable housing. The dwellings are then passed to a CHP in accordance with the City of Sydney Affordable Housing Contributions Distribution Plan, adopted by Council on 11 March 2024.

If the consent authority does not require the dedication of built affordable housing dwellings, because they do not align with the criteria in the Program, then the consent authority will require that a proponent must satisfy their contribution requirement by making an equivalent monetary contribution.

Justification

Sites that are subject to the requirements of Clause 7.13B in the Sydney LEP 2012 are listed on Schedule 6C of the LEP. The sites are referred to as “planning proposal land” and have been included on Schedule 6C because they have benefited from a rezoning that has created additional development capacity on the site.

Informed by consultation with CHPs, the reason and rationale for requiring dedication of built dwellings for planning proposal land (instead of monetary contributions), in appropriate circumstances, is as follows:

- rezoning proposals are more likely to be of sufficient scale to deliver meaningful and financially sustainable numbers of affordable dwellings that can be more easily and viably managed by CHPs over the longer term;
- the typical, longer timeframe of a planning proposal / rezoning process and higher-level nature of the development proposal at planning proposal stage provide the best opportunity to work through the detailed considerations of an on-site affordable housing offering;
- rezoning proposals are typically supported by voluntary planning agreements, which is the preferred approach to delivering on-site affordable housing. These allow opportunity to resolve and secure specific agreements around deliverables, timings and expectations for any subsequent development, providing improved certainty for both the developer and receiving CHP on the final delivered outcome; and
- requiring the dedication of built dwellings in defined circumstances can circumvent the need for CHPs to purchase land for the development of affordable housing. This can be challenging in the City of Sydney, where competition for land is very high.

Notwithstanding the above, it is important that built dwellings proposed for dedication are appropriate for affordable housing, in terms of location, built form, fit-out and sustainability of long-term management costs (in particular strata costs). The proposed parameters for where dedication of dwellings will be required are to be included in the draft Program and are discussed in further detail at Section 5.2.

Amendments to remove references to ‘Total Floor Area’ in favour of ‘Gross Floor Area’

This planning proposal is to replace references in the Sydney LEP and the Green Square Town Centre LEPs to ‘total floor area’ (TFA) with ‘gross floor area’ (GFA).

Effect

The common metric used to quantify floor area in an LEP is GFA. The method to calculate GFA, that establishes the elements of a building that are included and not included in the count, is set out in NSW Government’s Standard Instrument – Principle Local Environmental Plan (2006 EPI 155a), and as such is a statewide standard applied consistently across all compliant planning instruments.

Currently, the contribution requirement in the Sydney LEP 2012 and the Green Square Town Centre LEPs is calculated based on a proportion of TFA. Total floor area is a bespoke definition that applies only in these LEPs to affordable housing requirements. TFA is defined differently to GFA, with the key difference being that balconies and internal circulation spaces are included in the calculation of TFA.

While it varies significantly across different developments, generally, the calculation of TFA in a residential development is at least 10 per cent more than GFA. That is, where a development application is lodged for a residential development with 10,000 square metres of GFA, the TFA in

the same development will be at least 11,000 square metres. The contribution requirement would be 3% of 11,000 square metres, being 330 square metres of TFA that must be dedicated for affordable housing.

If a contribution is to be satisfied via a monetary contribution instead of a dedication of built floor area, an equivalent monetary contribution rate is applied to the total floor area requirement. The equivalent monetary contribution rate in the current Program is set at a dollar amount which would deliver an equivalent amount of TFA (rather than GFA) for affordable housing, that is, it would deliver an affordable housing unit with balcony and associated circulation space.

The effect of this planning proposal is to instead calculate the contribution requirement using GFA. Using the same example, the contribution requirement would be 3% of 10,000 square metres, being 300 square metres of GFA that must be dedicated for affordable housing.

In practice, the change from using TFA to GFA does not have a material impact on expected contributions, because:

- where dedication of a built dwelling is made to satisfy a contribution requirement, the same amount of internal living space is generally required, that is, in the example described above, 300 square metres of internal living space (GFA) is being provided; and
- where an equivalent monetary contribution is made to satisfy an affordable housing contribution requirement, the proposed contribution rate (discussed elsewhere in this planning proposal) reflects the cost of delivering a square metre of GFA, rather than TFA.

It is noted that as a consequence of removing the definition for TFA from clauses in the Sydney LEP 2012 and the Green Square Town Centre, that any floor area for affordable housing, public housing, community facilities and development in the E4 – General Industrial zone would no longer be excluded from needing to make an affordable housing contribution.

It is proposed to amend the Program to clarify these types of floor area will continue to be excluded from having to make an affordable housing contribution, taking the opportunity in the Program to more clearly define the meaning of each type of development. The draft Program is discussed in further detail at Section 5.2.

Justification

This amendment to the Sydney LEP 2012 and the Green Square Town Centre LEPs is proposed to:

- simplify and streamline the development application process, allowing for a single measurement of floor area that is applied consistently across all LEP planning requirements i.e. a development application will only require one set of plans that calculate GFA, and not a second set of plans calculating TFA;
- make the requirement easier for proponents to understand and calculate;
- allow for consistency of understanding, application and benchmarking across other affordable housing provisions in the NSW planning framework, such as the infill provisions in the State Environmental Planning Policy (Housing) 2021.

Amendments to remove the maximum floor area for dedicated dwellings (Clause 6.70 and 7.13B of Sydney LEP 2012)

This planning proposal is to remove the requirement in the Sydney LEP that dedicated affordable housing dwellings must be no larger than 90 square metres.

Effect

Clause 6.70 and 7.13B of Sydney LEP 2012 currently require that where a dwelling is to be dedicated to council that it must be between 35 square metres and 90 square metres in size.

By removing the upper size limit, dedicated dwellings are only required to be no smaller than 35 square metres in size, with no limit on how large they are.

The size of the dwellings to be dedicated is agreed in the development application process. The size, together with their location in the development, and other minimum requirements, such as minimum fit-out requirements, are set out in a condition of consent and/or associated documents required by the condition.

Justification

This amendment to the Sydney LEP 2012 is proposed to allow for a diversity of dwelling sizes to be provided for affordable housing. The current limitation imposed on the size of dwellings means that larger dwellings that accommodate families, or that are needed to accommodate cultural groups that may need more space, cannot be provided under these requirements.

Therefore, the proposed amendment facilitates the delivery of affordable housing that is appropriate to diverse needs.

It is unlikely that the proposed amendment would have any significant negative impact on the overall quantum of affordable housing in the local area.

5.2. Proposed amendment to the Program

This section includes justification for the proposed amendments to the Program.

A draft City of Sydney Affordable Housing Program (draft Program) is provided in conjunction with this planning proposal. The draft Program is proposed for adoption by the Council and will replace the City of Sydney Affordable Housing Program, adopted by the Council on 26 June 2023.

Proposed amendments are explained below.

Updating the equivalent monetary contribution rate (dollar rate)

The Program establishes a monetary contribution rate (dollar rate) per square metre of total floor area (TFA) at which a monetary contribution is taken to be equivalent to a floor area dedication requirement.

The current dollar rate is based on the median strata dwelling price in the LGA and assumes that if a CHP is unable to purchase land in the LGA to develop affordable housing that a suitable dwelling could be purchased on the private housing market. The current dollar rate is \$11,176.22 per square metre of 'Total Floor Area', and it applies consistently to all areas of the LGA.

However, this rate does not reflect the actual cost to a developer / landowner of delivering a square metre of built housing in the LGA. This has resulted in developers in key areas of the LGA not contributing equitably to the delivery of affordable housing.

Proposed change to the Program

The draft Program sets out the following proposed dollar rates as shown in Table 3 within the affordable housing contribution precincts which are shown in Figure 1.

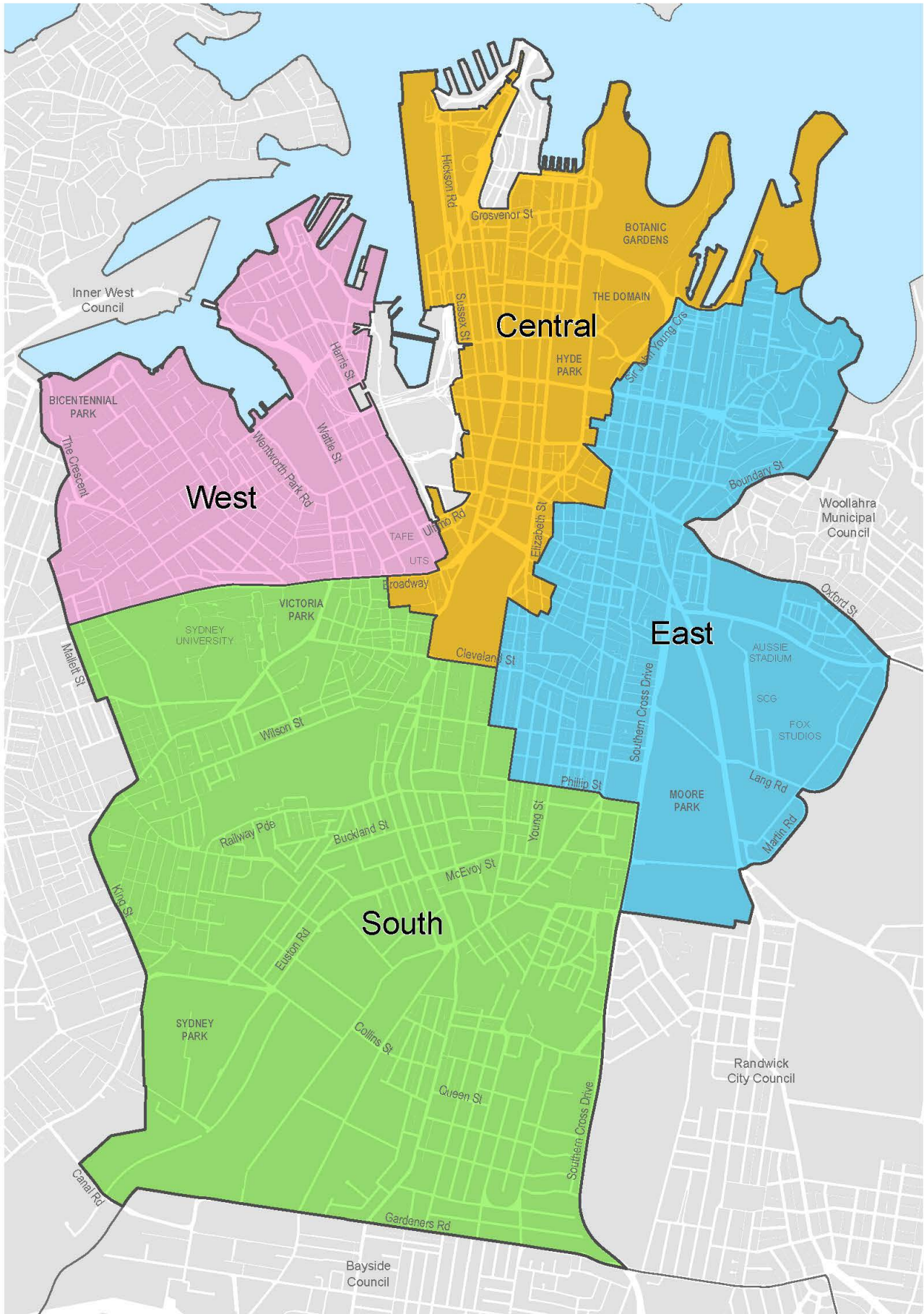
Table 3: Proposed equivalent monetary contribution amounts

Affordable housing contribution precinct	From immediate approval of the Program by Council ¹	2 years from approval of the Program by Council	4 years from approval of the Program by Council
South	\$12,293.84	\$12,396.92	\$12,500.00
East	\$12,293.84	\$16,146.92	\$20,000.00
West	\$12,293.84	\$13,646.92	\$15,000.00
Central	\$12,293.84	\$14,896.92	\$17,500.00

Note:

- It is noted the current rate in the Program of \$11,176.22 per square metre of 'Total Floor Area' is equivalent to the 'From immediate approval of the Program by Council' rate, which is expressed as a per square metre of 'Gross Floor Area' rate. It is noted that development applications lodged prior to the commencement of the LEPs that implement this planning proposal will be subject to the current affordable housing provisions in the Sydney LEP 2012 and the Green Square Town Centre LEPs. This means, until that time the contribution requirement will continue to be based on the amount of 'Total Floor Area' in the development and the associated equivalent monetary contribution amount, as published on the City's website.

Figure 1: Affordable housing contribution precincts



The equivalent monetary contribution rates in Table 3 will be indexed annually to ensure they keep pace with the cost of providing housing. The method of indexing is set out in the Program and remains unchanged in the draft Program.

Allowing for standard planning proposal timeframes, approval of the Program is unlikely before late 2025, which would result in 50% implementation of the rate in late 2027 and full implementation in late 2029.

Notwithstanding the dollar rates set out in Table 3, for development in Central precinct, that is entirely for the purpose of build-to-rent housing* or co-living housing**, the equivalent monetary contribution amount will remain at \$12,293.84 per square metre (today's dollar rate adjusted to GFA), as indexed, until the date of the full implementation of the rates as set out in Table 3. From that time the concession rate for these housing types will end.

* Provided in accordance with the Housing SEPP.

** As defined in the Standard Instrument – Principle Local Environmental Plan.

Requirement in practice

The affordable housing contribution requirement is established in the development application process. It is at this stage that the amount of gross floor area in the development is known.

The equivalent monetary contribution will be calculated in accordance with the dollar rates (Table 3), requirements and examples set out in the Program. The proposed dollar rates will result in an overall increase in the payable contributions in all precincts. Some examples of how the proposed rates will increase the payable monetary contribution are provided below.

Example 1 – West precinct

Today

A 10,000sqm residential development in the West precinct of about 133 apartments will make an affordable housing contribution of \$3.69m OR 300sqm built dwellings (4 dwellings).

From full implementation

The same development will make an affordable housing contribution of \$4.5m (in today's dollars).

Example 2 – South precinct

Today

A 50,000sqm mixed use development (5,000sqm non-residential floor space / 45,000sqm of residential floor space) in the South precinct of about 600 apartments will make an affordable housing contribution of \$17.2m OR 1,400sqm built dwellings (19 dwellings).

From full implementation

The same development will make an affordable housing contribution of \$17.5m (in today's dollars).

Example 3 – Central precinct

Today

A 75,000sqm commercial development in Central precinct will make an affordable housing contribution of \$9.2m.

From full implementation

The same development will make an affordable housing contribution of \$13.13m (in today's dollars).

Example 4 – East precinct

Today

A 1,000sqm residential development of about 13 apartments will make an affordable housing contribution of \$369k OR 30sqm built dwellings (that must be satisfied by paying a contribution because that resulting apartment would not meet the minimum dwelling size).

From full implementation

The same development will make an affordable housing contribution of \$600k (in today's dollars).

The value of the contribution requirement will be applied as a condition of consent and must be paid to the City prior to a construction certificate being issued.

Monetary contributions are then distributed to CHPs in accordance with the City of Sydney Affordable Housing Contributions Distribution Plan, adopted by Council on 11 March 2024, to build, own and manage affordable housing in the LGA.

Justification

The review of the dollar rates has been initiated to ensure they are genuinely equivalent to the actual cost to a developer of building and dedicating to Council a square metre of floor area for affordable housing.

To achieve this outcome, and to ensure any changes to the dollar rates do not impact on

development viability, the City commissioned Atlas Urban Economics to undertake an economic analysis. The economic analysis is provided in conjunction with this planning proposal.

The City of Sydney LGA is made up of several distinct sub-markets, generally being the Central Sydney, East, West and South 'affordable housing precincts' shown in Figure 1. Each precinct is subject to its own planning opportunities, market drivers and underlying land values, all of which influence the highest and best use of a development site, the cost of delivering development, how much development will sell for, and what type of development will occur. For example, the East precinct lends itself to a premium housing product being delivered.

These sub-markets have implications for the current approach to rate-setting, notably:

- the current dollar rate, based on the Sydney local area median strata unit price, only enables the purchase of median priced (older) residential stock in the local area and not new residential units. This difficulty is greatest in the East and Central precincts where the current rate would be equivalent to only a fraction of new residential prices;
- the current dollar rate is not genuinely equivalent to the cost of delivering a square metre of floor area and has been too low in many areas of the City for some time, limiting the funds collected by the City's affordable housing scheme and the ability of CHPs to deliver dwellings; and
- applying a uniform rate across the local area places a disproportionate burden on development in different precincts. 'Lower value' areas in the West and South precincts contribute a significantly greater proportion of revenue compared with 'higher value' areas in the Central and East precincts, with these luxury markets having 'underpaid' proportionally for some time.

To address this, it recommends the uniform dollar rate be replaced with dollar rates for each precinct to better align it with the actual cost of delivering housing in the different precincts. The recommended proposed rates are shown in Table 3.

Detailed testing of development scenarios found that where development is already feasible, the recommended dollar rates are tolerated in all precincts when phased-in over three to four years. The testing examines the 'worst case', where land has already been purchased for development and the price paid would not have taken into account the new contributions in preparing their development feasibilities. It shows that a 50% introduction of the new precinct rates results in a relatively minor impact on feasibility, and in subsequent years natural market growth helps to offset any impact.

The Rates Review notes that if higher contributions were to be introduced without a phase in period that it would have significant impact on development feasibility and generally would not be tolerated by many developments today. This is because of a number of headwinds that currently make it very challenging for development to be feasible. This is a result of the cumulative influence of high existing-use values (and therefore the cost to consolidate a development site), elevated construction costs, and relatively soft end sale values of completed product. As the economic environment stabilises, the phased introduction of increased dollar rates would give development markets the opportunity to adjust.

The phase-in period is important so as not to undermine the delivery of the City's housing pipeline and future housing supply – both market and affordable housing.

The proposed dollar rates in Table 3 are cognisant of other changes made by this planning proposal, specifically the proposal to replace references in the Sydney LEP and the Green Square Town Centre LEPs to 'total floor area' with 'gross floor area'. The rationale and justification for these changes are made elsewhere in this planning proposal, however, it is relevant to note here the proposed dollar rates in Table 3 are equivalent to the actual cost of delivering a square metre of gross floor area, rather than total floor area.

The delayed introduction of the proposed dollar rates for build-to-rent housing and co-living housing in Central Sydney is cognisant of the City's efforts (in a separate planning proposal) to incentivise and support the delivery of these specific housing types in Central Sydney for a period of five years, to address the post-pandemic rental housing shortage.

Updating the contribution requirement on land where a rezoning has resulted in additional development capacity

The Program sets out an approach at Appendix B for how an additional affordable housing contribution may be applied where land has secured additional development capacity via a rezoning process.

The Program provides a standardised contribution requirement for each precinct (Figure 1), stated as a percentage of new floor area, that will be applied to the new development capacity.

The additional affordable housing contribution requirement will be secured in the process of rezoning the land. The requirement may be set out in:

- an LEP, for example, the land may be identified as “planning proposal land” on Schedule 6C of the Sydney LEP 2012, with the additional contribution requirement being set out in the schedule; or
- a voluntary planning agreement, for example, the landowner may offer to enter into a voluntary planning agreement with the City to build and dedicate affordable housing; or
- some other environmental planning instrument.

Where the proposed development meets the criteria in the Program for where housing must be dedicated, Council will generally require the additional contribution be satisfied by the dedication of built dwellings.

Where the development does not meet the criteria, Council will require the additional contribution be satisfied by making a monetary contribution in accordance with Section 2 of the Program.

It is proposed to adjust the contribution requirement in the Program in the manner set out below.

Proposed change to the Program

This planning proposal does not identify any planning proposal land and does not require an affordable housing contribution on any planning proposal land. Rather, the Program is to be amended to include updated contribution requirements and to set out how the contribution will generally be required to be satisfied. The proposed rates are shown in italics in Table 4, with the current rates struck through for comparison.

Table 4: Proposed contribution requirement

Precinct ¹	Contribution requirement ²
West precinct ²	12%*** <i>20% residential floor space</i>
South precinct ²	12%*** <i>20% residential floor space</i>
East precinct ²	21%*** <i>20% residential floor space</i>
Central precinct ³	13% subject to site specific viability testing <i>20% residential floor space</i> <i>2% non-residential floor space</i>

1. Affordable housing contribution precincts are shown at Figure 1 of this planning proposal.

2. In the West, South and East precincts, the contribution applies to new floor area that may be used for a residential

purpose, that is, the contribution requirement will be applied to any additional floor area achieved on land zoned residential purposes, unless the whole of that site is restricted in a planning instrument to a non-residential purpose only.

3. In Central precinct, the contribution requirement will be applied using a proportional approach. That is, where there is a requirement in a planning instrument that restricts a proportion of the floor area to a non-residential purpose, then the non-residential contribution requirement will be applied to that same proportion of any new development capacity, and the residential contribution requirement to the remainder. For example, where if site is required by a planning instrument to provide 50% of the floor area in the building as non-residential development, then the non-residential contribution requirement of 2% would apply to 50% of the new development capacity and residential contribution requirement of 20% would apply to the other 50% of new development capacity.

It is noted the above contribution requirements are inclusive of any other contribution requirement that is applied in an LEP. For example, the 20 per cent rate that applies to all residential floor area includes 17 per cent for new residential floor area on planning proposal land, plus 3 per cent that applies under Clause 7.13 of Sydney LEP 2012. Where no other contribution requirement applies, the full 20 percent may be applied.

Requirement in practice

The contribution requirement is a 'soft' requirement, that is, it is not set out in a local environmental plan, rather it is a requirement that is negotiated as part of the rezoning process, allowing for adjustment on a case-by-case basis depending on the context of the proposed rezoning. If, for example, that site is also required to dedicate land for a park, then the contribution requirement might be adjusted down in recognition of the additional costs to the developer

Notwithstanding the above, by expressing the contribution requirement in an adopted Council Program, it provides notice to the market of the City's expectations. This allows developers to adjust what they will pay for land in the full understanding of what affordable housing contribution requirements are payable.

Where a contribution requirement is to be satisfied by an equivalent cash contribution the dollar rates at Table 3 will be applied to the floor area requirement.

A uniform contribution requirement, differentiated by a precinct-based dollar rate to reflect the pricing hierarchy across the City, achieves an equitable outcome across the LGA. That is, regardless of location, a contribution requirement would make the same proportion (%) of affordable housing contributions per additional GFA enabled by the rezoning.

The contribution requirement will be in effect from the date the Program is adopted, noting that the accompanying cash-equivalent dollar rates in Table 3 are to be phased in over four years.

To date, only residential uplift has been identified as planning proposal land and required to make an additional contribution to the delivery of affordable housing. However, non-residential uplift secured via a planning proposal in Central precinct only will now also attract a 2% rezoning contribution requirement.

The Central precinct will be most impacted by changes to the contribution requirement because most planning proposals that rezone a site for more floor area are located in Central Sydney. Rezoning for more floor area is very uncommon outside of Central Sydney, with only a couple of examples over the past 10 years, none of which have significantly increased residential floor area development capacity.

An example of how the proposed changes will impact planning proposals in the Central precinct is provided below.

Example

Today

A site in Central precinct is currently subject to planning controls that allow 70,000sqm of non-residential floor space.

A rezoning is proposed to allow an additional 40,000sqm of non-residential floor space. No residential development proposed.

Based on current approach, only the LGA wide contribution would be applied to all GFA when the development application is lodged. No rezoning contribution requirement would be applied because the new floor space is for non-residential purposes only.

The current requirement is therefore \$13.5M (in today's dollars), calculated as $(110,000\text{sqm} \times 1\% \times \$12,293)$

From full implementation of dollar rates

The proposed change will apply the LGA wide contribution to the existing floor space and a rezoning contribution of 2% to the new floor space.

The same rezoning will therefore be required to make an affordable housing contribution of \$26.3m (in today's dollars).

Justification

The economic analysis, prepared by Atlas Urban Economics, and provided in conjunction with this planning proposal, tested a series of development scenarios, applying assumed development margins and project Internal Rates of Return, to determine the tolerance of development in the different precincts to increased contribution requirements.

The review tested a worst-case scenario, that is where land has been purchased at a price that does not reflect the proposed uplift contribution requirements. It found that in most circumstances development will remain viable under the proposed requirements, provided that the accompanying equivalent dollar rates are phased in over three to four years (as provided in Table 3).

With notice to the market that the City will be seeking increased contributions to affordable housing where there is a planning proposal to create new floor area, developers have the opportunity to pay a price for land that reflects the various fees and charges that are payable, noting adjustment can be made to the contribution rate if justified.

A gradual implementation, achieved by phasing-in the equivalent monetary contribution dollar rates, will ensure that land values (and landowner expectations) adjust gradually. This is important to allow for planning decisions to be made by both government and proponents in a full understanding of what may be required where development uplift is facilitated through a planning proposal process.

It is noted that a contribution rate for planning proposal uplift has not previously been applied to non-residential development. It is now recommended in the Central precinct alone because of the substantial demand for housing for key workers created by increased employment floor space in Central Sydney.

The economic analysis found that in the commercial office sector, structural trends continue to change how users perceive and demand space. In a post-COVID environment, businesses and employees have much higher expectations of their workplaces, generally seeking high-amenity and high-quality spaces. This underpins demand for the development of contemporary space and an opportunity for commercial space in Central Sydney enabled by a planning proposal to contribute to affordable housing.

Requirement for dedication of built dwellings for affordable housing

This planning proposal is to amend Clause 7.13B of the Sydney LEP 2012 to allow the consent authority to require the dedication of built dwellings where the requirements of the Program are met.

The Program is to set out the criteria for where the consent authority may require the dedication of built dwellings. Because the provisions in the LEPs are to make direct reference to the criteria in the Program, the consent authority cannot require the dedication of dwellings where the dwellings do not meet the criteria set out in the Program. In that instance, the consent authority must require the contribution be satisfied by monetary contribution.

Proposed change to the Program

The draft Program includes criteria for where an affordable housing contribution will be required by the consent authority to be satisfied by dedicating built dwellings, including where:

- the development is predominantly for a residential purpose;
- the development will (or in the case of a Stage 1 development application, may) result in a contribution requirement for more than 600 square metres of gross floor area that can be provided as eight or more dwellings;
- the development is located in Category A or B area of the Sydney LEP 2012 Land Use and Transport Integration Map (if the development is subject to the Sydney LEP 2012);
- in the opinion of the consent authority, affordable housing dwellings may reasonably be provided where they could avoid participation in a future strata scheme, if the quarterly costs of the scheme would likely be high* and render the management of the property for affordable housing as unsustainable**. This could reasonably be achieved where the dwellings to be dedicated could be provided:
 - in a separate stratum in a building in the development, preferably with its own entry; or
 - in a separate building in the development; and
- in the opinion of the consent authority, the standards for dedicated affordable housing dwellings, provided at Appendix C, can be reasonably satisfied.

* Where the development incorporates amenities that are likely to result in high management costs, for example, a significant number of lifts, pool(s), gym(s), concierge facilities etc.

** Affordable housing may be 'unsustainable' where rents will not meet the costs of strata and other cyclical management costs of the dwelling over a 40 year ownership period.

In determining if it will require the dedication of built dwellings, the consent authority must consult with any Recommended CHPs, identified in any distribution plan adopted by Council as being the recipients of dedicated dwellings.

The consent authority may not require the dedication of built dwellings where any Recommended CHPs, identified in any distribution plan adopted by Council as being the recipients of dedicated dwellings, provides evidence that the proposed dwellings are unsuitable for use as affordable housing.

The City of Sydney Director of Planning, Development and Transport must provide written advice confirming the suitability of dwellings proposed for dedication prior to a condition of consent for dedication being applied to a development consent.

The standards that dedicated dwellings must achieve, set out at Appendix C of the Program, include:

- long-term management requirements;
- strata requirements;
- dwelling mix requirements;
- parking and servicing requirements;
- access requirements; and
- design requirements, including external design, design for reduced living costs and design for

reduced cyclical management costs.

Requirement in practice

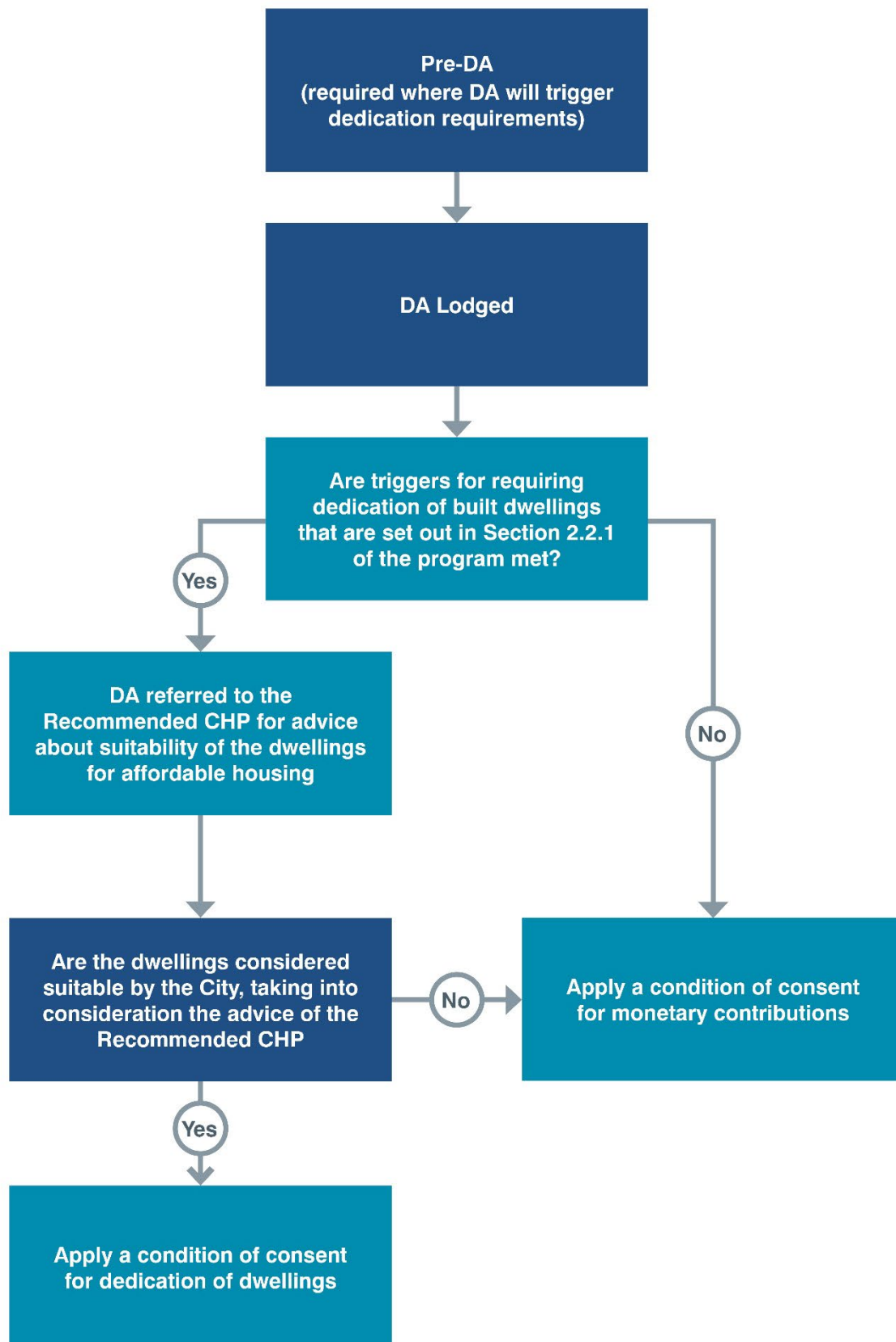
The consent authority's decision about whether a developer / landowner will be required to dedicate dwellings to satisfy an affordable housing contribution requirement will be made in the context of a lodged development application. Ultimately the requirement will be applied as a condition of consent.

Where the development application meets the requirements for dedication of dwellings, the application will be referred to the Recommended CHPs on the City's distribution plan for any comment about the suitability of the proposed dwellings for dedication for affordable housing.

The City's Chief Planner, Executive Director of Planning, Development and Transport will consider the advice of the Recommended CHPs and, where the proposed dwellings are considered suitable, confirm with the proponent they will be required to satisfy their monetary contribution by dedicating dwellings.

A simplified development application process is shown at Figure 2.

Figure 2: Development application process



Justification

The above criteria for dwelling dedication in the Program are informed by consultation with the CHPs that are identified on the City of Sydney Affordable Housing Contributions Distribution Plan, adopted by Council on 11 March 2024 (outlined earlier in this planning proposal). These CHPs will ultimately be in receipt of any dedicated dwellings. A summary of advice provided by CHPs is provided in conjunction with this planning proposal.

Housekeeping amendments

The draft Program includes various housekeeping amendments to clarify its operation or generally improve the readability of the Program, set out in Table 5.

Table 5: Housekeeping amendments to the Program

Proposed change	Reason / justification
Updating Affordable Housing Principles, including information about how the Principles are satisfied in practice	<p>All affordable housing generated as part of the City's affordable housing contribution scheme is governed by the Affordable Housing Principles detailed in the Program.</p> <p>Requirements have been consolidated for ease of reference, with further detail provided for each contribution type to improve clarity of understanding.</p>
Updating references to 'total floor area' (TFA) to 'gross floor area' (GFA) throughout	<p>The planning proposal looks to move from TFA to GFA as the accepted measure for both calculating an affordable housing contribution and for satisfying a contribution if physical dwellings are to be dedicated.</p> <p>To reflect this change, all references to TFA are updated to GFA throughout the Program.</p>
Incorporating the exclusion of developments for affordable housing, public housing, community facilities and in the E4 zone from a contribution requirement	<p>The existing definition of TFA at Clause 7.13 of Sydney LEP 2012, which details the floor space to which a contribution requirement is to be calculated, currently excludes from its calculation any floor area related to affordable housing, public housing, community facilities and development in the E4 – General Industrial zone.</p> <p>With the deletion of the definition of TFA (and proposed move to GFA as the applicable measure for floor space), these exclusions are now detailed in the Program.</p> <p>The meaning of each term has been made more fulsome to ensure clarity in the assessment process, taking an approach generally consistent with the City's Section 7.11 and 7.12 contribution plans. To avoid doubt, any relationship with similar housing types under the Housing SEPP is also clarified.</p>
Updating examples in the Program	The Program contains simplified worked examples to demonstrate how a contribution requirement may be applied and satisfied in different

Proposed change	Reason / justification
	<p>circumstances.</p> <p>Examples are inserted / updated where necessary to reflect:</p> <ul style="list-style-type: none"> • The change from TFA to GFA; • The updated monetary contribution rates, as they apply over time and across differentiated precincts; and • The considerations for satisfying a contribution requirement via the dedication of physical dwellings.
<p>Providing clarification on how a contribution requirement is applied in the Central Sydney and residual land levy areas</p>	<p>The contribution levy is applied to 'new' and 'more intensely' used floor area in Central Sydney and residual lands.</p> <p>Following requests from the City's development assessment planners, clarification is provided on what these terms are taken to mean for the purposes of the City's affordable housing scheme.</p>
<p>Re-wording the considerations for refunding a development contribution payment</p>	<p>An existing facility in the Program to refund a development contribution payment has been re-worded to improve clarity.</p>
<p>Clarifying that contributions are to be used in accordance with any distribution plan adopted by council, and removing superfluous information otherwise covered by this arrangement</p>	<p>In March 2024 a distribution plan was adopted by Council which outlined the three CHPs that would receive affordable housing contributions arising from the City's affordable housing scheme over the next five years. It also made provision for the split of cash and in-kind contributions that would be distributed.</p> <p>The three CHPs identified in the Distribution Plan have entered into funding agreements in order to receive contributions from the City.</p> <p>The Program now makes clear that all contributions are to be used in accordance with the Distribution Plan, including any dedicated dwellings.</p> <p>Any information that is captured by the funding agreements signed by the three CHPs is superfluous to the Program and is removed.</p>
<p>Simplifying the requirements for affordable housing that is provided on employment land</p>	<p>These requirements are generally covered by the Affordable Housing Principles included elsewhere in the Program.</p>
<p>A general re-ordering and streamlining of content, especially for clarity around the two different routes for satisfying a contribution requirement in the City</p>	<p>The planning proposal seeks to enable the consent authority to require the dedication of affordable rental dwellings where a site benefits from upzoning, with a monetary contribution being required in all other circumstances.</p>

Proposed change	Reason / justification
	<p>Previously there has been a choice.</p> <p>The amended Program re-focuses existing content to make this differentiation in approach clear.</p> <p>Some other minor restructuring has also enabled ease of reading and understanding.</p> <p>Section numbers and headings are updated as appropriate.</p>
Improving the clarity of content in Appendix B – Contributions where land is rezoned	Explanatory detail around the mechanisms which secure a contribution requirement where land is upzoned is incorporated in Appendix B. A cross reference to the criteria which guide a requirement to dedicate built dwellings and worked examples are also provided.
Removing the existing Appendix C – Process for dedicating dwellings	Appendix C currently sets out the process for the dedication of dwellings. Going forward, the process will instead be published on the City's website.
Providing a new Appendix C – Standards for dedicated affordable housing dwellings	<p>A new Appendix C is provided to establish the standards for dedicated affordable housing dwellings.</p> <p>The standards include:</p> <ul style="list-style-type: none"> • long-term management requirements; • dwelling mix requirements; • parking and servicing requirements; • access requirements; and • design requirements, including external design, design for reduced living costs and design for reduced cyclical management costs.
Providing an Appendix D – Development application process flowchart	A new Appendix is included to provide an overview of the decision-making process which will establish the requirement to dedication affordable rental dwellings.

5.3. Matters for consideration

This section provides a response to the 'matters for consideration' described in Table 3 of the Local Environmental Plan Making Guideline, published by the Department in August 2023, that are to be taken into account when describing, evaluating and justifying a planning proposal.

Section A - Need for the planning proposal

Q1. Is the planning proposal a result of an endorsed LSPS, strategic study or report?

This planning proposal is informed by Sustainable Sydney 2050: Continuing the Vision, and the City of Sydney Local Strategic Planning Statement: City Plan 2036 and Local Housing Strategy: Housing for All, that set out targets for affordable housing.

Q2. Is the planning proposal the best means of achieving the objectives or intended outcomes, or is there a better way?

A planning proposal is the only way to amend the affordable housing provisions in the Sydney LEP 2012 and the Green Square Town Centre LEPs.

Section B - Relationship to the strategic planning framework

Q3. Will the planning proposal give effect to the objectives and actions of the applicable regional or district plan or strategy (including any exhibited draft plans or strategies)?

A Metropolis of Three Cities – the Greater Sydney Region Plan

A Metropolis of Three Cities – the Greater Sydney Region Plan is the NSW Government's overarching strategic document for growth and change in Sydney. The 20 year plan with a 40 year vision seeks to transform Sydney into a metropolis of three cities being the Western Parkland City, the Central River City and the Eastern Harbour City. The City of Sydney LGA is positioned within the Eastern Harbour City.

The plan identifies key challenges facing Sydney including a population increase to eight million by 2056, 817,000 new jobs by 2036 and a requirement for 725,000 new homes.

The plan aspires to deliver the following outcomes:

- liveability – enhancing cultural and housing diversity and designing places for people;
- productivity – developing a more accessible and walkable city and creating conditions for a stronger economy;
- sustainability – valuing green spaces and landscape, improving efficiency of resources and creating a resilient City; and
- infrastructure – ensuring infrastructure supports new developments and governments, community and businesses collaborate to realise the benefits of growth.

To achieve the vision, the plan proposes 10 directions, 40 objectives and associated strategies. Objectives of particular relevance to this Planning Proposal include: 10 - Greater housing supply and 11 - Housing is more diverse and affordable.

This planning proposal is consistent with several relevant directions, objectives and strategies of the plan. Specifically, it will increase the supply of affordable housing and improve housing diversity and choice.

Eastern City District Plan

The Greater Sydney Commission released the District Plans for the Greater Sydney Metropolitan Region in March 2018. The City of Sydney is in the Eastern City District. The District Plans set out how A Metropolis of Three Cities – the Greater Sydney Region Plan applies to local areas.

The district plan has set a 20-year strategic target for housing and employment growth within the district, including a 2036 target of 157,500 dwellings and a short-term (5 years) housing target of 46,550 new dwellings. In the City of Sydney LGA, 18,300 dwellings are to be delivered.

The district plan requires councils to develop local housing strategies and actions to address the range of housing needs in their LGAs, including affordable housing.

The district plan nominates an affordable rental housing target of five to 10 per cent, subject to viability, in urban renewal and land release areas, noting that the application of the target should not prejudice other approaches to secure affordable housing in areas outside of urban renewal and

land release areas. A critical focus of the plan is that any mechanism that is introduced to secure affordable housing should be cognisant of the impact on development viability.

This planning proposal supports the district plan's priority of 'Housing Diversity and Affordability' by facilitating the delivery of affordable rental housing in the city through the planning framework.

Q4. Is the planning proposal consistent with a council LSPS that has been endorsed by the Planning Secretary or GSC, or another endorsed local strategy or strategic plan?

Sustainable Sydney 2050

In April 2022 Council adopted for exhibition the draft Sustainable Sydney 2030-2050. This continues the vision of Sustainable Sydney 2030.

Sustainable Sydney 2030 is a vision for the sustainable development of the City to 2030 and beyond. It includes 10 strategic directions to guide the future of the City, as well as 10 targets against which to measure progress.

Sustainable Sydney 2030 establishes an ambitious target that in 2030, 7.5 per cent of housing will be social housing and 7.5 per cent of housing will be affordable housing. To achieve the City's target approximately 12,000 affordable housing dwellings, out of a total projected 148,000 dwellings, are required in the LGA.

The planning proposal aligns with the following strategic directions and objectives:

- Direction 6 - Resilient and inclusive local communities - the planning proposal and proposed amendment to the Program, will continue to support the provision of affordable housing in the local area, which is essential for a resilient and inclusive local community.
- Direction 8 - Housing for a Diverse Population - the planning proposal and proposed amendment to the Program will promote the delivery of affordable housing in the City of Sydney.

City Plan 2036 - Local Strategic Planning Statement

The City of Sydney Local Strategic Planning Statement (planning statement), adopted by Council in February 2020, sets out the land use planning context, 20-year vision and planning priorities to positively guide change towards the City's vision for a green, global and connected city. The planning statement explains how the planning system will manage that change to achieve the desired outcomes and guides future changes to controls.

In giving effect to the planning statement, this planning proposal and the draft Program delivers on the following priorities and actions by:

- contributing to housing supply, choice and affordability in the City of Sydney;
- providing housing that is close to employment and services, contributing to the aspiration for a '30-minute city'; and
- enabling vibrant and diverse communities and economies.

Housing for All – City of Sydney Local Housing Strategy

The City of Sydney Local Housing Strategy: Housing for All provides the City's objectives and actions for the delivery of diverse housing in the local government area.

In giving effect to Housing for All, this planning proposal and the draft Program delivers on the following priorities and actions by:

- contributing to the City's housing targets, in particular the delivery of affordable housing; and
- increasing diversity and choice in housing in the City of Sydney, providing more affordable housing for people on very low to moderate incomes.

Q5. Is the planning proposal consistent with any other applicable State and regional studies or strategies?

No other state and regional studies or strategies are applicable.

Q6. Is the planning proposal consistent with the applicable State Environmental Planning Policies?

This planning proposal is consistent with all applicable State Environmental Planning Policies (SEPPs) and Regional Environmental Plans (REPs), as summarised at Table 6.

Table 6: Consistency with State Environmental Planning Policies (SEPPs)

State Environmental Planning Policy	Comment
SEPP (Biodiversity and Conservation) 2021	Consistent
SEPP (Exempt and Complying Development Codes) 2008	Consistent
SEPP (Housing) 2021	Consistent. This planning proposal does not hinder the application of the SEPP and is consistent with the requirements set out for affordable housing provided under Section 7.32 of the Act.
SEPP (Industry and Employment) 2021	Consistent
SEPP (Planning Systems) 2021	Consistent
SEPP (Precincts–Central River City) 2021	Not applicable
SEPP (Precincts–Eastern Harbour City) 2021	Consistent. This planning proposal does not impact on Redfern Waterloo Authority sites that remain excluded from the Sydney LEP 2012.
SEPP (Precincts–Regional) 2021	Not applicable
SEPP (Precincts–Western Parkland City) 2021	Not applicable
SEPP (Primary Production) 2021	Not applicable
SEPP (Resilience and Hazards) 2021	Consistent
SEPP (Resources and Energy) 2021	Consistent
SEPP (Sustainable Buildings) 2022	Consistent
SEPP (Transport and Infrastructure) 2021	Consistent

Q7. Is the planning proposal consistent with applicable Ministerial Directions (section 9.1 Direction) or key government priority?

This planning proposal is consistent with all applicable Ministerial Directions issued under section 9.1 of the Environmental Planning and Assessment Act 1979, as summarised in Table 7.

Table 7: Consistency with Ministerial Directions

Ministerial Direction	Comment
Focus area 1: Planning Systems	
1.1 Implementation of Regional Plans	Consistent
1.2 Development of Aboriginal Land Council land	Not applicable
1.3 Approval and Referral Requirements	Consistent. No amendment includes concurrence, consultation or referral provisions or identifies any designated development.
1.4 Site Specific Provisions	Consistent. This planning proposal does not include any site-specific provisions.
1.4A Exclusion of Development Standards from Variation	Consistent. This planning proposal does not propose to exclude a development standard from variation under clause 4.6.
Focus area 1: Planning Systems – Place-based	
1.5 Parramatta Road Corridor Urban Transformation Strategy	Not applicable
1.6 Implementation of North West Priority Growth Area Land Use and Infrastructure Implementation Plan	Not applicable
1.7 Implementation of Greater Parramatta Priority Growth Area Interim Land Use and Infrastructure Implementation Plan	Not applicable
1.8 Implementation of Wilton Priority Growth Area Interim Land Use and Infrastructure Implementation Plan	Not applicable
1.9 Implementation of Glenfield to Macarthur Urban Renewal Corridor	Not applicable
1.10 Implementation of the Western Sydney Aerotropolis Plan	Not applicable
1.11 Implementation of Bayside West Precincts 2036 Plan	Not applicable
1.12 Implementation of Planning Principles for the Cooks Cove Precinct	Not applicable

Ministerial Direction	Comment
1.13 Implementation of St Leonards and Crows Nest 2036 Plan	Not applicable
1.14 Implementation of Greater Macarthur 2040	Not applicable
1.15 Implementation of the Pymont Peninsula Place Strategy	Consistent. This Planning proposal does not hinder the application of the Pymont Peninsula Place Strategy.
1.16 North West Rail Link Corridor Strategy	Not applicable
1.17 Implementation of the Bays West Place Strategy	Not applicable
1.18 Implementation of the Macquarie Park Innovation Precinct	Not applicable
1.19 Implementation of the Westmead Place Strategy	Not applicable
1.20 Implementation of the Camelia-Rosehill Place Strategy	Not applicable
1.21 Implementation of the South West Growth Structure Plan	Not applicable
1.22 Implementation of the Cherrybrook Station Place Strategy	Not applicable
Focus area 2: Design and Place	
No directions in place.	
Focus area 3: Biodiversity and Conservation	
3.1 Conservation Zones	Consistent. The planning proposal will not adversely impact the conservation of environmentally sensitive areas.
3.2 Heritage Conservation	Consistent. The planning proposal will not adversely impact the ongoing conservation of heritage items.

Ministerial Direction	Comment
3.3 Sydney Drinking Water Catchments	Not applicable
3.4 Application of C2 and C3 Zones and Environmental Overlays in Far North Coast LEPs	Not applicable
3.5 Recreation Vehicle Areas	Not applicable
3.6 Strategic Conservation Planning	Not applicable
3.7 Public Bushland	Consistent. The planning proposal does not adversely impact the protection of bushland in urban areas.
3.8 Willandra Lakes Region	Not applicable
3.9 Sydney Harbour Foreshores and Waterways Area	Not applicable
3.10 Water Catchment Protection	Not applicable
Focus area 4: Resilience and Hazards	
4.1 Flooding	Consistent
4.2 Coastal Management	<p>Consistent. The planning proposal is consistent with the objects of the Coastal Management Act 2016 to support the cultural and economic well-being of the area, through the provision of affordable housing which will support social cohesion and provide accommodation for key workers who are essential to the efficient functioning of the economy in the LGA.</p> <p>The planning proposal will have no impact on the coastal environment - it supports a levy scheme on development already permitted under the City of Sydney's planning controls and does not introduce or intensify development in itself.</p>
4.3 Planning for Bushfire Protection	Not applicable
4.4 Remediation of Contaminated Land	Consistent. The planning proposal will not adversely impact the remediation of contaminated land. It supports a levy scheme on development already permitted under the City of Sydney's planning controls and does not introduce or

Ministerial Direction	Comment
	intensify development in itself.
4.5 Acid Sulfate Soils	Consistent. Whilst some areas of the LGA are impacted by acid sulfate soils the planning proposal supports a levy scheme on development already permitted under the City of Sydney's planning controls and does not introduce or intensify development in itself.
4.6 Mine Subsidence and Unstable Land	Not applicable
Focus area 5: Transport and Infrastructure	
5.1 Integrating Land Use and Transport	<p>Consistent. The planning proposal supports a levy scheme on development already permitted under the City of Sydney's planning controls and does not propose new or more intense development in itself.</p> <p>It will support the delivery of affordable housing across the City of Sydney that is well served by public infrastructure and services.</p>
5.2 Reserving Land for Public Purposes	Consistent. The planning proposal does not relate to the reservation of land for public purposes.
5.3 Development Near Regulated Airports and Defence Airfields	Not applicable
5.4 Shooting Ranges	Not applicable
Focus area 6: Housing	
6.1 Residential Zones	<p>Consistent. This planning proposal will:</p> <ul style="list-style-type: none"> • broaden the choice of housing by facilitating more affordable housing; and • increase the amount of affordable housing in the City of Sydney, that is well served by public infrastructure and services.
6.2 Caravan Parks and Manufactured Home Estates	Consistent. The planning proposal does not relate to development for caravan parks or manufactured home estates.
Focus area 7: Industry and Employment	

Ministerial Direction	Comment
7.1 Employment Zones	Consistent. The planning proposal does not propose any changes of zoning.
7.2 Reduction in non-hosted short-term rental accommodation period	Not applicable
7.3 Commercial and Retail Development along the Pacific Highway, North Coast	Not applicable
Focus area 8: Resources and Energy	
8.1 Mining, Petroleum Production and Extractive Industries	Not applicable
Focus area 9: Primary Production	
9.1 Rural Zones	Not applicable
9.2 Rural Lands	Not applicable
9.3 Oyster Aquaculture	Not applicable
9.4 Farmland of State and Regional Significance on the NSW Far North Coast	Not applicable

Section C - Environmental, social and economic impact

Q8. Is there any likelihood that critical habitat or threatened species, populations or ecological communities, or their habitats, will be adversely affected because of the proposal?

No.

Q9. Are there any other likely environmental effects of the planning proposal and how are they proposed to be managed?

No.

Q9. Has the planning proposal adequately addressed any social and economic effects?

An important outcome of this planning proposal is to increase the amount of affordable housing in the local area. The social benefits of providing affordable housing are well documented, and generally understood by government and the community to be overwhelmingly positive.

The economic impacts of this planning proposal have been discussed in Part 5.

Section D - Infrastructure (Local, State and Commonwealth)

Q11. Is there adequate public infrastructure for the planning proposal?

This planning proposal does not propose an increase in density and is not expected to result in any additional burden on existing public infrastructure.

Section E - State and Commonwealth interests

Q12. What are the views of state and federal public authorities and government agencies consulted in order to inform the Gateway determination?

No consultation has been undertaken with federal public authorities and government agencies prior to preparing this planning proposal.

6. Mapping

There are no proposed changes to maps in the Sydney LEP 2012 or the Green Square Town Centre LEPs.

7. Community consultation

This planning proposal is to be exhibited in accordance with the gateway determination once issued by the Department of Planning, Housing and Infrastructure.

It is anticipated the gateway determination will require public exhibition for a period of not less than 28 days.

The public consultation will be undertaken in accordance with the City's Community Participation Plan and the principles in the City's Community Engagement Strategy.

Notification of the public exhibition will be via the City of Sydney website.

Exhibition material will be made available on the City of Sydney website and at Town Hall House at 456 Kent Street, Sydney.

Consultation with relevant NSW agencies, authorities and other relevant organisations will be undertaken in accordance with the gateway determination.

8. Project timeline

The anticipated timeline for completion of this planning proposal is as shown in Table 8.

Table 8: Anticipated timeline

Stage	Timeframe
Council / CSPC decision	December 2024
Gateway determination	March 2025
Pre-exhibition	April 2025
Commencement and completion of public exhibition period	May 2025 – June 2025
Consideration of submissions	July 2025 - August 2025
Post-exhibition review (consideration by Council and CSPC)	September 2025
Submission to the Department for finalisation (where applicable)	October 2025
Gazettal of LEP amendment	November 2025



Appendix - Drafting Instruction

Proposed	Comment
Sydney Local Environmental Plan 2012 – 1.8A Savings provisions relating to development applications	
<p>(9) The amendments made to clause 6.60B, 6.70, 7.13, 7.13A, 7.13B by Sydney Local Environmental Plan Amendment (XXXX) 20XX do not apply to a development applications that are made but not finally determined before the commencement of the amendments.</p>	<p>This amendment is to ensure the amended planning controls are only to apply to development applications that are lodged after the amended planning controls come into effect.</p>
Sydney Local Environmental Plan 2012 – 6.60B Botany Road Precinct Opportunity Land	
...	
<p>(7) Subclauses (3) and (4) do not apply to development involving the provision of affordable housing unless the consent authority is satisfied—</p> <p>(a) the affordable housing will be owned and managed by a registered community housing provider, and</p> <p>(b) the affordable housing will be provided in accordance with the Affordable Housing Principles of the City of Sydney Affordable Housing Program, adopted by the Council on 26 June 2023 XX XX 202X, and</p> <p>(c) the development will not reduce the capacity of adjoining sites used or intended to be used for non-residential purposes, and</p> <p>(d) the development is compatible with the existing and approved uses of land near the development, having regard to the following—</p> <p>(i) the impact the development, including its bulk, scale and traffic generation, is likely to have on the existing and approved uses,</p> <p>(ii) the services and infrastructure that are or will be available to meet the demands resulting from the development,</p> <p>(iii) the impact the uses are likely to have on the health, well-being and amenity of residents of buildings resulting from the development, and</p> <p>(e) the following part of the building will be used only for non-residential purposes—</p> <p>(i) for a building on Lot 11, DP 219505 and Lot 2, DP 136012, 74–88 Botany Road, Alexandria—the ground floor,</p> <p>(ii) for a building on other land—the ground floor and the first floor.</p>	<p>This amendment is to:</p> <ul style="list-style-type: none"> clarify affordable housing provided pursuant to this clause need only be provided in accordance with the affordable housing principles in the City of Sydney Affordable Housing Program, and not any other requirement of the Program; and update the adoption date of <i>City of Sydney Affordable Housing Program</i> so it refers to the new Program.

...	
Sydney Local Environmental Plan 2012 – 6.70 Division 7 – Blackwattle Bay Precinct – Affordable Housing	
<p>(1) This clause applies to the erection of a new building with a gross floor area of more than 200m² on the following land at Pyrmont in the Blackwattle Bay Precinct—</p> <p>(a) Lots 7–11, DP 803160, 21–29 Bank Street,</p> <p>(b) Lots 20–22, DP 811844, 31–35 Bank Street,</p> <p>(c) Lots 24 and 25, DP 815847, 37–39 Bank Street,</p> <p>(d) Lot 100, DP 836204, 41–45 Bank Street,</p> <p>(e) Lot 2, DP 827434, Lot 1, DP 836351, Lot 1, 734622, Lot 1, DP 74155, Lots 1 and 2, DP 125720 and Lot 17, DP 1027254, 56–60 Pyrmont Bridge Road.</p>	Retain as existing.
<p>(2) Subclause (1) applies—</p> <p>(a) whether the floor area was in existence before, or is created after, the commencement of this clause, and</p> <p>(b) whether or not the floor area replaces an existing area.</p>	Retain as existing.
<p>(3) The consent authority may, when granting development consent to development to which this clause applies, impose a condition requiring an affordable housing levy contribution equivalent to 7.5% of the total gross floor area of the building.</p>	The definition of <i>total floor area</i> (TFA) is deleted, noting future contributions are to be calculated on Gross Floor Area.
<p>(4) A condition imposed under this clause must permit a person to satisfy the contribution by way of one or both of the following—</p> <p>(a) a dedication, in favour of the Council, of land comprising 1 or more dwellings, each having a gross floor area of at least 35m² but no more than 90m²,</p> <p>(b) a monetary contribution paid to the Council.</p>	This amendment removes the upper size limit on dwellings to allow for more diverse affordable housing outcomes.
<p>(5) A monetary contribution must be calculated in accordance with the <i>City of Sydney Affordable Housing Program</i> adopted by the Council on 26 June 2023 XX XX 202X.</p>	This amendment is to update the reference to the City of Sydney Affordable Housing Program to reflect the newly amended Program.
<p>(6) The demolition of a building, or a change in the use of land, does not give rise to a claim for a refund of a contribution.</p>	Retain as existing.

(7) Clause 7.13 does not apply to development to which this clause applies.	Retain as existing.
Sydney Local Environmental Plan 2012 – 7.13 Contribution for purpose of affordable housing	
<p>(1) This clause applies to the following development—</p> <p>(a) development on land at Green Square or Ultimo-Pyrmont, or on southern employment land or residual land that involves—</p> <p>(i) the erection of a new building the gross floor area of which is more than 200 square metres, or</p> <p>(ii) alterations to an existing building that will result in the creation of more than 200 square metres of gross floor area that is intended to be used for the purpose of residential accommodation, or</p> <p>(iii) alterations to an existing building that will result in the creation of more than 60 square metres of gross floor area that is intended to be used for a purpose other than residential accommodation, or</p> <p>(iv) the demolition of existing floor area and the subsequent creation, whether for the same or a different purpose, of more than 200 square metres of gross floor area,</p> <p>(b) development on land at Green Square or Ultimo-Pyrmont, or on southern employment land, that involves a change of use of more than 60 square metres of existing floor area of a building,</p> <p>(c) development on residual land that involves a change of use of existing floor area from other than residential accommodation to residential accommodation or tourist and visitor accommodation,</p> <p>(d) development on land at Central Sydney that involves—</p> <p>(i) the creation of more than 100 square metres of gross floor area, or</p> <p>(ii) the demolition of existing floor area and the subsequent creation, whether for the same or a different purpose, of more than 100 square metres of gross floor area, or</p> <p>(iii) a change of use of existing floor area from other than residential accommodation to residential accommodation or tourist and visitor accommodation.</p>	<p>Retain as existing.</p> <p style="text-align: right;">76</p>

<p>(2) The consent authority may, when granting development consent to development to which this clause applies, impose a condition requiring a contribution not exceeding the applicable affordable housing levy contribution, for the development provided for in subclause (2A) or (2C).</p>	<p>This amendment facilitates the change from total floor area to gross floor area as the basis for floor area calculations, to provide consistency with all other floor area measures in the City and across the City's affordable housing provisions.</p>
<p>(2A) The affordable housing levy contribution for development on land at Green Square or Ultimo-Pyrmont or on southern employment land is—</p> <p>(a) 3% of the total gross floor area of the development that is intended to be used for residential purposes, and</p> <p>(b) 1% of the total gross floor area of the development that is not intended to be used for residential purposes.</p>	<p>This amendment facilitates a change from total floor area to gross floor area as the basis for floor area calculations, to provide consistency with all other floor area measures in the City and across the City's affordable housing provisions.</p>
<p>(2B) (Repealed)</p>	
<p>(2C) The affordable housing levy contribution for development on land at Central Sydney or on residual land is as follows—</p> <p>(a) for development applications lodged before 1 July 2022—</p> <p>(i) 1.5% of the total gross floor area of the development that is intended to be used for residential purposes, and</p> <p>(ii) 0.5% of the total gross floor area of the development that is not intended to be used for residential purposes,</p> <p>(b) for development applications lodged on or after 1 July 2022—</p> <p>(i) 3% of the total gross floor area of the development that is intended to be used for residential purposes, and</p> <p>(ii) 1% of the total gross floor area of the development that is not intended to be used for residential purposes.</p>	<p>This amendment facilitates the change from total floor area to gross floor area as the basis for floor area calculations, to provide consistency with all other floor area measures in the City and across the City's affordable housing provisions.</p>
<p>(3) A condition imposed under this clause must only require the payment permit a person to satisfy the affordable housing levy contribution—</p> <p>(a) by way of a dedication in favour of the Council of land comprising one or more dwelling/s (each having a total floor area of not less than 35 square metres, and not more than 90 square metres) with any remainder being paid as a monetary contribution to the Council;—</p> <p>(b) if the person so chooses, by way of a monetary contribution to the Council.</p>	<p>This amendment seeks to remove the current ability for a developer to choose to satisfy and affordable housing contribution by dedicating built dwellings OR making monetary contribution, and instead require a monetary contribution only.</p>

<p>(4) The rate at which a monetary contribution is to be taken to be equivalent to floor area for the purposes of this clause is to be calculated in accordance with the <i>City of Sydney Affordable Housing Program</i> adopted by the Council on 26 June 2023 XX XX 202X.</p>	<p>This amendment is to update the adoption date of <i>City of Sydney Affordable Housing Program</i> so it refers to the new Program.</p>
<p>(4A) (Repealed)</p>	
<p>(5) To avoid doubt—</p> <ul style="list-style-type: none"> (a) it does not matter whether the floor area, to which a condition under this clause relates, was in existence before, or is created after, the commencement of this clause, or whether or not the floor area concerned replaces a previously existing area, and (b) the demolition of a building, or a change in the use of land, does not give rise to a claim for a refund of any contribution. 	<p>Retain as existing.</p>
<p>(6) In this clause—</p> <p><i>residual land</i> means the land identified as “Residual Land” on the <i>Locality and Site Identification Map</i>.</p> <p><i>total floor area</i> means the total of the areas of each floor of a building within the outer face of the external enclosing walls and including balconies, but excluding the following—</p> <ul style="list-style-type: none"> (a) columns, fins, sun control devices, awnings and other elements, projections or works outside the general lines of the outer face of the external walls, (b) that part of a balcony that exceeds the minimum area required by the consent authority in respect of the balcony, (c) ancillary car parking permitted by the consent authority and associated internal vehicular and pedestrian access to that car parking, (d) space for the loading and unloading of goods, (e) the floor area of a building, including balconies, that is— <ul style="list-style-type: none"> (i) on land in Zone E4 General Industrial, or (ii) used to provide affordable housing or public housing, or (iii) used for the purpose of community facilities. 	<p>The definition of <i>total floor area</i> (TFA) is deleted, noting future contributions are to be calculated on Gross Floor Area.</p> <p>The current exclusions from TFA of development on land in Zone E4 or floor area used to provide affordable house, public housing or community facilities are instead to be incorporated in the City’s Program.</p>
<p style="text-align: center;">Sydney Local Environmental Plan 2012 – 7.13A Affordable housing in Business Area</p>	

<p>(1) Despite any other provision of this Plan, development for the purposes of a residential flat building or a mixed use development that contains shop top housing may be carried out with development consent on land identified as “Business Area” on the <i>Locality and Site Identification Map</i> if the consent authority is satisfied that—</p> <p>(a) the residential flat building or shop top housing to which the development application relates will be used for the purposes of affordable housing, and</p> <p>(b) the affordable housing will be provided by or on behalf of a public authority or social housing provider, and</p> <p>(c) the affordable housing will be provided in accordance with the <i>Affordable Housing Principles of the City of Sydney Affordable Housing Program</i> adopted by the Council on 26 June 2023 XX XX 202X, and</p> <p>(d) the development is compatible with the existing uses and approved uses of land in the vicinity of the development having regard to the following matters—</p> <p>(i) the impact that the development (including its bulk, scale and traffic generation) is likely to have on the existing uses and approved uses of that land, and</p> <p>(ii) the services and infrastructure that are or will be available to meet the demands arising from the development, and</p> <p>(iii) the impact that those uses are likely to have on the health, wellbeing and amenity of residents of the development by reason of noise, dust, lighting, truck movements, operating hours or otherwise, and</p> <p>(e) no part of the ground floor of the residential flat building or mixed use development that fronts a street will be used for residential purposes, and</p> <p>(f) the development is not likely to have an adverse effect on the environment and does not cause any unacceptable environmental risks to the land concerned.</p>	<p>This amendment is to:</p> <ul style="list-style-type: none"> clarify affordable housing provided pursuant to this clause need only be provided in accordance with the affordable housing principles in the City of Sydney Affordable Housing Program, and not any other requirement of the Program; update the adoption date of <i>City of Sydney Affordable Housing Program</i> so it refers to the new Program.
<p>(2) In this clause—</p> <p>street includes an area of land that is identified in a development control plan made by the Council as land that is proposed to be used for the purposes of a street.</p>	<p>Retain as existing.</p> <p>79</p>

<p>Note—</p> <p>Development for the purpose of shop top housing may be carried out with development consent on certain land identified as “Business Area” on the Locality and Site Identification Map, without the shop top housing being used for the purpose of affordable housing, because of clause 1AA of Schedule 1.</p>	<p>Retain as existing.</p>
<p align="center">Sydney Local Environmental Plan 2012 – 7.13B Additional affordable housing contribution for certain development on Planning Proposal Land</p>	
<p>(1) This clause applies to development on Planning Proposal Land involving one or more of the following—</p> <ul style="list-style-type: none"> (a) the erection of a new building with a gross floor area of more than 200m², (b) alterations to an existing building resulting in the creation of more than 200m² of gross floor area intended to be used for residential accommodation, (c) alterations to an existing building resulting in the creation of more than 60m² of gross floor area intended to be used for a purpose other than residential accommodation, (d) a change of use of an existing building to residential accommodation. 	<p>Retain as existing.</p>
<p>(2) Subclause (1) applies—</p> <ul style="list-style-type: none"> (a) whether the floor area was in existence before, or is created after, the commencement of this clause, and (b) whether or not the floor area replaces an existing area. 	<p>Retain as existing.</p>
<p>(3) The consent authority may, when granting development consent to development to which this clause applies, impose a condition requiring an affordable housing levy contribution equivalent to the contribution specified for the land in Schedule 6C (the contribution).</p>	<p>Note earlier commentary on need for definition of <i>affordable housing levy contribution</i>.</p>
<p>(4) A condition imposed under this clause must permit a person to satisfy the contribution by way of one or both of the following—</p> <ul style="list-style-type: none"> (a) if required by the Consent Authority, by way of a dedication, in favour of the Council, of land comprising dwelling/s, each having a gross floor area of at least 35m² square metres but no more than 90m² in accordance with the City of Sydney Affordable Housing Program, with any remainder being paid as a monetary contribution to the Council; or 	<p>This amendment seeks to give the Consent Authority the discretion to <u>require</u> the satisfaction of a contribution requirement by dedication of built floor area (with any residual being paid as a monetary contribution) OR <u>require</u> the satisfaction of a contribution requirement by a monetary contribution.</p> <p>The structure and general wording is based on Cl. 6.11(4) of Warringah LEP 2011.</p> <p>The drafting needs to reflect that affordable housing dwellings must be dedicated where key criteria detailed in the Program are</p>

<p>(b) if required by the Consent Authority, by way of a monetary contribution paid to the Council.</p>	<p>triggered/satisfied.</p> <p>The planning power to require a dedication of units is not unfettered. Dedication will only be required in the circumstances outlined in the Program.</p> <p>Alternatively, the Consent Authority may require a monetary contribution.</p> <p>If there is a risk that <i>affordable housing levy contribution</i> can be interpreted to mean a monetary contribution only (and not dwellings), under the 7.32 of the EP&A Act 1979, then a definition of <i>affordable housing levy contribution</i> could be included at (8) to ensure consistency of understanding.</p> <p>This amendment also removes the upper size limit on dwellings to allow for more diverse affordable housing outcomes.</p>
<p>(5) A monetary contribution must be calculated in accordance with the City of Sydney Affordable Housing Program adopted by the Council on 26 June 2023.</p>	<p>Removal of date of <i>City of Sydney Affordable Housing Program</i>, noting a definition is to be included in 7.13B(8).</p>
<p>(6) The demolition of a building, or a change in the use of land, does not give rise to a claim for a refund of a contribution.</p>	<p>Retain as existing.</p>
<p>(7) A word or expression used in Schedule 6C has the same meaning as in clause 7.13. Repealed</p>	<p>This sub-clause may be repealed. There are no longer any shared definitions between clause 7.13 and clause 7.13B.</p>
<p>(8) City of Sydney Affordable Housing Program means the City of Sydney Affordable Housing Program adopted by the Council on XX XX 202X.</p> <p><i>affordable housing levy contribution</i> means the dedication of land comprising dwelling/s in accordance with the City of Sydney Affordable Housing Program or a monetary contribution to council or both.</p>	<p>The addition of a definition for <i>City of Sydney Affordable Housing Program</i> is now necessary given that the document is to be quoted in several clauses to save repeating the date it is adopted each time and ease reading of those clauses.</p> <p>The addition of a definition for “affordable housing levy contribution” is suggested because Cl. 7.32 (2) of the EP&A Act 1979 allows for both the dedication of land or a contribution of cash towards affordable housing to be conditioned as part of a consent. However, Cl. 7.32, which is entitled ‘Conditions requiring land or contributions for affordable housing’ [emphasis added] treats the dedication of land separately to the term “contributions”, which, in (2)(b) are aligned with money only. Dedication of land is treated separately in (2)(a), which does not use the term “contribution”.</p> <p>In order to facilitate the objectives of this Planning Proposal, we need the LEP to authorise the dedication of land (for dwellings) as well as a monetary contribution, pursuant to the EP&A Act 1979.</p> <p>Whilst this has never been the intention of the LEP as currently drafted, there may be a risk</p>

	<p>that in continuing to utilise the phrase <i>affordable housing levy contribution</i> in 7.13(2) (and elsewhere) in Sydney LEP 2012, there is an implication that this means a monetary contribution only.</p> <p>To ensure a consistency of understanding for all uses of this term throughout the LEP, this term needs further consideration. A definition for <i>affordable housing levy contribution</i> could be included, so that it is taken to mean both monetary contributions and the dedication of land (as dwellings).</p> <p>A definition at 7.13B(8) would avoid the need to re-frame 7.13B(3) and 7.13B(4).</p>
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**Sydney Local Environmental Plan 2012 –
Schedule 6C - Contribution requirement for certain development on Planning
Proposal Land**

Planning Proposal Land	Contribution requirement	<p>These amendments reflect the change proposed to Sydney LEP 2012 7.13 which removes reference to total floor area (with associated definition) as the basis for contribution calculations in favour of gross floor area as the basis for calculations moving forward.</p>
Land identified as “Area 1” on the Affordable Housing Map	<p>The total amount of—</p> <p>(a) the contribution applying to the development under clause 7.13, and</p> <p>(b) if the part of a building intended to be used for a purpose other than residential accommodation has a floor space ratio of less than 1.5:1—9% of the gross floor area equivalent to the amount by which the floor space ratio of the building exceeds 1.5:1</p>	
Lot 15, DP 10721, 111 Cooper Street, Waterloo	<p>The total amount of—</p> <p>(a) for 87.5% of the total gross floor area of all buildings—the contribution applying to the development under clause 7.13, and</p> <p>(b) for 12.5% of the total gross floor area of all buildings—9% of that total floor area.</p>	
Lots 6, 7 and 9, DP 10721 and Lot 8, DP 1147179, 221–223 Cope Street, Waterloo	<p>The total amount of—</p> <p>(a) for 67% of the total gross floor area of all buildings—the contribution applying to the development under clause 7.13, and</p> <p>(b) for 33% of the total gross floor area of all buildings—9% of that total floor area.</p>	
Lots 1–41, SP 79210, 233 Cope Street, Waterloo	<p>The total amount of—</p> <p>(a) for 73% of the total gross floor area of all buildings—the contribution applying to the development under clause 7.13, and</p>	

	(b) for 27% of the total gross floor area of all buildings— 9% of that total floor area.	
Lots 1–58, SP 69476, 110 Wellington Street, Waterloo	The total amount of— (a) for 68% of the total gross floor area of all buildings— the contribution applying to the development under clause 7.13, and (b) for 32% of the total gross floor area of all buildings— 9% of that total floor area.	
Lots 10 and 11, DP 10721, 116 Wellington Street, Waterloo	The total amount of— (a) for 66% of the total gross floor area of all buildings— the contribution applying to the development under clause 7.13, and (b) for 34% of the total gross floor area of all buildings— 9% of that total floor area	
Sydney Local Environmental Plan (Green Square Town Centre) 2013 – 1.8A Savings provisions relating to development applications		
(8) The amendments made to clause 6.5 by Sydney Local Environmental Plan (Green Square Town Centre) Amendment (XXXX) 20XX do not apply to a development applications that are made but not finally determined before the commencement of the amendments.		This amendment is to ensure the amended planning controls are only to apply to development applications that are lodged after the amended planning controls come into effect.
Sydney Local Environmental Plan (Green Square Town Centre) 2013 – 6.5 Affordable housing		
(1) This clause applies to development that involves— (a) the erection of a new building the gross floor area of which is more than 200 square metres, or (b) alterations to an existing building that will result in the creation of more than 200 square metres of gross floor area that is intended to be used for the purpose of residential accommodation, or (c) alterations to an existing building that will result in the creation of more than 60 square metres of gross floor area that is intended to be used for a purpose other than residential accommodation, or (d) the demolition of existing floor area and the subsequent creation, whether for the same or a different purpose, of more than 200 square metres of gross floor area, or (e) a change of use of more than 60 square metres of existing floor area of a building.		Retain as existing.
(2) The consent authority may, when granting development consent to development to which this clause applies, impose a condition		This amendment facilitates the change from to floor area to gross floor area as the basis for floor area calculations, to provide

<p>requiring a contribution not exceeding the applicable affordable housing levy contribution, being—</p> <p>(a) 3% of the total gross floor area of the development that is intended to be used for residential purposes, and</p> <p>(b) 1% of the total gross floor area of the development that is not intended to be used for residential purposes.</p>	<p>consistency with all other floor area measures in the City and across the City's affordable housing provisions.</p>
<p>(3) A condition imposed under this clause must only require the payment permit a person to satisfy the affordable housing levy contribution—</p> <p>(a) by way of a dedication in favour of the Council of land comprising one or more dwellings (each having a total floor area of not less than 35 square metres) with any remainder being paid as a monetary contribution to the Council;</p> <p>(b) if the person so chooses, by way of a monetary contribution to the Council.</p>	<p>This amendment seeks to remove the current ability for a developer to choose to satisfy and affordable housing contribution by dedicating built dwellings OR making monetary contribution, and instead require a monetary contribution only.</p>
<p>(4) The rate at which monetary contribution is taken to be equivalent to floor area for the purposes of this clause is to be calculated in accordance with the City of Sydney Affordable Housing Program adopted by the Council on 26 June 2023 XX XX 202X.</p>	<p>This amendment is to update the reference to the City of Sydney Affordable Housing Program to reflect the newly amended Program.</p>
<p>Note— The program is made available by the Council on its website (www.cityofsydney.nsw.gov.au)</p>	<p>Retain as existing.</p>
<p>(5) To avoid doubt—</p> <p>(a) it does not matter whether the floor area, to which a condition under this clause relates, was in existence before, or is created after, the commencement of this clause, or whether or not the floor area concerned replaces a previously existing area, and</p> <p>(b) the demolition of a building, or a change in the use of the land, does not give rise to a claim for a refund of any contribution.</p>	<p>Retain as existing.</p>
<p>(6) In this clause—</p> <p>total floor area means the total of the areas of each floor of a building within the outer face of the external enclosing walls and including balconies, but excluding the following—</p> <p>(a) columns, fins, sun control devices, awnings and other elements, projections or works outside the general lines of the outer face of the external walls,</p> <p>(b) that part of a balcony that exceeds the minimum area required by the consent</p>	<p>This amendment is to remove any reference to “Total Floor Area”, noting that the contribution requirement will be calculated on Gross Floor Area going forward.</p> <p>The current exclusions from TFA of development on land in Zone E4 or floor area used to provide affordable house, public housing or community facilities are instead to be incorporated in the City's Program.</p>

<p>authority for the balcony;</p> <p>(c) ancillary car parking permitted by the consent authority and associated internal vehicular and pedestrian access to that car parking;</p> <p>(d) space for the loading and unloading of goods;</p> <p>(e) the floor area of a building, including balconies, that is—</p> <p>(i) on land in Zone IN1 General Industrial; or</p> <p>(ii) used to provide affordable housing or public housing; or</p> <p>(iii) used for the purpose of community facilities.</p> <p>Repealed</p>	
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**Sydney Local Environmental Plan (Green Square Town Centre – Stage 2) 2013 –
1.8A Savings provisions relating to development applications**

<p>(8) The amendments made to clause 6.5 by Sydney Local Environmental Plan (Green Square Town Centre – Stage 2) Amendment (XXXX) 20XX do not apply to a development applications that are made but not finally determined before the commencement of the amendments.</p>	<p>This amendment is to ensure the amended planning controls are only to apply to development applications that are lodged after the amended planning controls come into effect.</p>
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**Sydney Local Environmental Plan (Green Square Town Centre – Stage 2) 2013 –
6.5 Affordable housing**

<p>(1) This clause applies to development that involves—</p> <p>(a) the erection of a new building the gross floor area of which is more than 200 square metres, or</p> <p>(b) alterations to an existing building that will result in the creation of more than 200 square metres of gross floor area that is intended to be used for the purpose of residential accommodation, or</p> <p>(c) alterations to an existing building that will result in the creation of more than 60 square metres of gross floor area that is intended to be used for a purpose other than residential accommodation, or</p> <p>(d) the demolition of existing floor area and the subsequent creation, whether for the same or a different purpose, of more than 200 square metres of gross floor area, or</p> <p>(e) a change of use of more than 60 square metres of existing floor area of a building.</p>	<p>Retain as existing.</p>
<p>(2) The consent authority may, when granting development consent to development to which this clause applies, impose a condition requiring a contribution not exceeding the applicable affordable housing levy contribution, being—</p>	<p>This amendment facilitates the change from total floor area to gross floor area as the basis for floor area calculations, to provide consistency with all other floor area measures in the City and across the City's affordable housing provisions.</p>

<p>(a) 3% of the total gross floor area of the development that is intended to be used for residential purposes, and</p> <p>(b) 1% of the total gross floor area of the development that is not intended to be used for residential purposes.</p>	
<p>(3) A condition imposed under this clause must only require the payment permit a person to satisfy the affordable housing levy contribution—</p> <p>(a) by way of a dedication in favour of the Council of land comprising one or more dwellings (each having a total floor area of not less than 35 square metres) with any remainder being paid as a monetary contribution to the Council;</p> <p>(b) if the person so chooses, by way of a monetary contribution to the Council.</p>	<p>This amendment seeks to remove the current ability for a developer to choose to satisfy and affordable housing contribution by dedicating built dwellings OR making monetary contribution, and instead require a monetary contribution.</p>
<p>(4) The rate at which monetary contribution is taken to be equivalent to floor area for the purposes of this clause is to be calculated in accordance with the City of Sydney Affordable Housing Program adopted by the Council on 26 June 2023 XX XX 202X.</p>	<p>This amendment is to update the reference to the City of Sydney Affordable Housing Program to reflect the newly amended Program.</p>
<p>Note— The program is made available by the Council on its website (www.cityofsydney.nsw.gov.au)</p>	<p>Retain as existing.</p>
<p>(5) To avoid doubt—</p> <p>(a) it does not matter whether the floor area, to which a condition under this clause relates, was in existence before, or is created after, the commencement of this clause, or whether or not the floor area concerned replaces a previously existing area, and</p> <p>(b) the demolition of a building, or a change in the use of the land, does not give rise to a claim for a refund of any contribution.</p>	<p>Retain as existing.</p>
<p>(6) In this clause—</p> <p>total floor area means the total of the areas of each floor of a building within the outer face of the external enclosing walls and including balconies, but excluding the following—</p> <p>(a) columns, fins, sun control devices, awnings and other elements, projections or works outside the general lines of the outer face of the external walls,</p> <p>(b) that part of a balcony that exceeds the minimum area required by the consent authority for the balcony,</p>	<p>This amendment is to remove any reference to “Total Floor Area”, noting that the contribution requirement will be calculated on Gross Floor Area going forward.</p> <p>The current exclusions from TFA of development on land in Zone E4 or floor area used to provide affordable house, public housing or community facilities are instead to be incorporated in the City’s Program.</p>

<p>(c) ancillary car parking permitted by the consent authority and associated internal vehicular and pedestrian access to that car parking,</p> <p>(d) space for the loading and unloading of goods,</p> <p>(e) the floor area of a building, including balconies, that is—</p> <p>(i) on land in Zone IN1 General Industrial, or</p> <p>(ii) used to provide affordable housing or public housing, or</p> <p>(iii) used for the purpose of community facilities.</p> <p>Repealed</p>	
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