

## **PURPOSE**

This policy aims to increase the provision of Affordable Housing in the LGA.

The purpose of this policy is to guide and inform Council policy and decisions regarding Affordable Housing.

Council adopts an Affordable Housing target of 10% Affordable Housing as part of future residential rezonings and larger new residential developments.

## **POLICY INTENT**

The main objectives of this policy are to -

- 1 Encourage and support the provision of a diverse range of Affordable Rental Housing for households on very low, low and moderate incomes.
- 2 Facilitate the opportunities for very low to moderate income earners, particularly key workers, to live in the community in which they are employed.

## **WOLLONGONG 2032 OBJECTIVES**

This policy aligns with *Goal 5 We have a healthy community in a liveable city* of Councils Our Wollongong Our Future 2032 Community Strategic Plan.

It also supports Objective 5.8 of the Community Strategic Plan which relates to *Housing choice in the Wollongong Local Government Area is improved, considering population growth, community needs and affordability.*

## **POLICY**

Council considers Affordable Housing as a vital part of Wollongong's social and economic well-being. The Wollongong Housing Strategy (2023) and various State planning reports document the need for the provision of more Affordable Housing. Council acknowledges while the State and Federal governments are primarily responsible for the provision of Social and Affordable Housing, local governments also have an important role to play in assisting with the provision of Affordable Housing.

The NSW *Environmental Planning and Assessment Act 1979* defines Affordable Housing as -

*housing for very low income households, low income households or moderate income households, being such households as are prescribed by the regulations or as are provided for in an environmental planning instrument.*

Clause 13 of State Environmental Planning Policy (Housing) 2021 (SEPP Housing) indicates that a household is taken to be a very low income household, low income household or moderate income household if -

(a) *the household -*

- (i) *has a gross income within the following ranges of percentages of the median household income for Greater Sydney or the Rest of NSW\*—*
  - (A) *very low income household—less than 50%,*
  - (B) *low income household—50–less than 80%,*
  - (C) *moderate income household—80–120%, and*
- (ii) *pays no more than 30% of the gross income in rent, or*

(b) *the household—*

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

[\* Wollongong is defined as being part of the Rest of NSW]

	<b>Median Household Income (2021 census)</b>	<b>Very Low</b>	<b>Low</b>	<b>Moderate</b>
		<50%	50 - 80%	80 - 120%
Wollongong (& rest of NSW)	\$1,434	\$ 717	\$1,147	\$1,721
Sydney	\$2,077	\$1,039	\$1,662	\$2,492

In this policy, Affordable Rental Housing is Affordable Housing that is owned and managed by a registered Community Housing Provider and rented to very low, low or moderate income households or a combination of households.

A Community Housing Provider (CHP) includes any Tier 1 or 2 organisation or entity in the National Regulatory System for Community Housing (NRSCH). A CHP is expected to manage Affordable Rental Housing consistent with the NSW Affordable Housing Ministerial Guidelines 2023-24 (or future versions) [NSW Affordable Housing Ministerial Guidelines 2023-24 | Family & Community Services](#)

The Act and SEPP Housing enables Council to introduce an Affordable Housing Contribution Scheme to assist in the provision of Affordable Housing.

To facilitate the provision of Affordable Housing, Council endorses the following actions -

<b>Action</b>	<b>Housing Strategy Action</b>	<b>Status</b>
Waive Development Application fees for Affordable Rental Housing developments lodged by, or on behalf of Community Housing Providers	ARH1	Completed on 24/6/24 as part of adoption of 2024-25 Fees and Charges
Waive Development Application fees for the portion of a development that includes the provision of Affordable Rental Housing dwelling, which is provided in excess of that required by a State or Council policy		New initiative
Exempt Development Contribution fees for Affordable Housing in the Wollongong City-wide Development Contributions Plan	ARH2	Completed, adopted on 28/8/2023
Exempt Development Contribution fees for Affordable Housing in the draft West Dapto Development Contributions Plan 2024	ARH2	In progress, draft Plan exhibited. 18/3/24 post exhibition report endorsed by Council. Subject to IPART and DPPI review.
Monitor implementation of Round 1 of the Federal Grant, to Housing Illawarra		In progress

Action	Housing Strategy Action	Status
Monitor implementation of Round 2 of the Federal Grant, to Head Start Homes		In progress
Monitor implementation of Round 3 of the Federal Grant, to Head Start Homes		In progress
Prepare, exhibit and adopt an Affordable Housing Contributions Plan and introduce an Affordable Housing clause into the Wollongong LEP 2009	ARH4 & ARH5	Draft Policy and Procedures exhibited and reported to Council for adoption. Draft Contributions Plan in preparation
As part of Planning Proposals seeking to rezone land to permit residential development or increase residential density, a minimum 10% of estimated dwelling yield shall be for Affordable Rental Housing to be managed by a registered Tier 1 or 2 Community Housing Provider, in perpetuity. The first rezoning of land in the West Dapto Urban Release Area to R2 Low Density Residential is excluded.		To commence with the adoption of this policy
Commencing on 1 July 2026 require Affordable Housing units to be incorporated into Residential Flat Building and Shop-top housing development with more than 20 dwellings, commencing at 3% of floor space and increasing annually to 10% in 2033, to be managed by a registered Tier 1 or 2 Community Housing Provider, in perpetuity	ARH6	Proposed to commence on 1/7/2026.
Council will work with State agencies, such as Homes NSW and Landcom, to assist the provision of Social and Affordable Housing on State land.	SH2	In progress Collaboration Agreement signed with L&HC (now Homes NSW)
Council is open to innovative partnerships for the use of Council land that will contribute to the provision of Affordable Housing.	ARH10	On-going

This policy does not preclude a Community Housing Provider from selling / transferring dwellings to improve the management, maintenance and renewal of its housing portfolio, however at no net loss of dwelling.

In this policy, Affordable housing developments include -

- Affordable Rental Housing managed by non-profit Community Housing Providers.
- Affordable Rental Housing dwellings provided in multi dwelling housing, residential flat buildings.
- Affordable Rental Housing dwellings delivered through a planning agreement (PA).
- Affordable Rental Housing dwellings provided through inclusionary zoning provisions in the Wollongong Local Environmental Plan 2009.

In this policy, Affordable housing developments do not include -

- Secondary dwellings (granny flats).
- Boarding houses.
- Group homes.
- Supportive accommodation.
- Social and Affordable Housing developments provided by State agencies (eg Homes NSW).

Council is committed to supporting the provision of Affordable Housing for key worker households while continuing to advocate for any shortfall in local Social and Affordable Housing needs. Affordable Housing targets are being incorporated into Council policy.

The proposed ten percent of the dwellings delivered in future residential rezonings or larger residential development will be in the form of Affordable Rental Housing to be managed by a CHP. The target is expected to take a number of years to reach as mechanisms will be introduced gradually, and the State is also collecting contributions from some developments.

The target is not -

- 10% of the total dwellings in the LGA ~ 89,000 (2021 census)
- 10% of all dwellings approved each year (which currently averages ~1200)
- 10% of all dwellings constructed each year (which currently averages ~800)
- Does not include social housing provided by State agencies.

Council has many roles and responsibilities, including the setting of Council planning policies, the assessment of development applications and landowner. Council is not proposing to be a Community Housing Provider.

## LEGISLATIVE REQUIREMENTS

- *Environmental Planning and Assessment Act 1979* – section 7.32-7.33 Affordable Housing Contributions
- State Environmental Planning Policy (Housing) 2021

## REVIEW

This Policy will be reviewed a minimum of once every term of Council, or more frequently as required.

## REPORTING

The Wollongong Housing Strategy (2023) requires an annual progress report to Council.

## ROLES AND RESPONSIBILITIES

City Strategy – Land Use Planning:

- Development Contribution Plans
- Planning policy
- Assessment and management of Planning Proposals

## Development Assessment and Certification:

- Development Application fee waivers
- Assessment of Development Applications

## Community Cultural &amp; Engagement:

- The allocation of the Federal Grant and managing the successful applicants
- Future funding allocation of any collected financial contributions

## Finance:

- The collection and accounting of financial contributions in a restricted asset account.

**RELATED STRATEGIES, POLICIES AND PROCEDURES**

- Wollongong Housing Strategy 2023
- Wollongong Affordable Housing Development Contributions Plan (in preparation)
- Affordable Housing Procedures
- Council's Revenue Policy - Schedule of Discount and Waiver Policies

APPROVAL AND REVIEW	
Responsible Division	City Strategy
Date adopted by Council	12 August 2024
Date/s of previous adoptions	NA
Date of next review	August 2027