

CUMBERLAND
CITY COUNCIL

Affordable Interim Housing Policy

AUTHORISATION & VERSION CONTROL

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PURPOSE

This Policy sets out interim measures for affordable housing in Cumberland local government area (LGA) prior to the development of a more comprehensive Cumberland Affordable Housing Policy.

The policy seeks to achieve the following objectives:

- To ensure that Cumberland LGA includes housing that is affordable, with a priority for housing for households on low and very low incomes;
- To support the provision of housing for key workers in Cumberland LGA;
- To support the achievement of affordable housing targets set by the *Draft West Central District Plan*;
- To provide for the dedication of dwellings to Council for the purpose of affordable housing;
- To enable Council to collect monetary contributions towards affordable housing.

SCOPE

The Policy applies to land and development within Cumberland LGA.

BACKGROUND

Access to secure, appropriate and affordable housing is not only a basic requirement for all people, but also an essential component of an inclusive and sustainable urban area.

Housing is considered affordable when it does not absorb more than 30% of a household's gross income. Households spending more than 30% of their household income in rent/mortgage are considered to be under 'housing stress', as it restricts the capacity of the household to adequately meet other costs of living such as food, clothes, medical, educational, and basic leisure. Housing Stress can place significant strain on individuals and families, leading to relationship and family breakdown, mental and physical health issues and other problems.

Affordability problems also impact on economic stability and growth - the labour force is affected when lower paid key workers leave their community to find cheaper housing.

Need for affordable housing in Cumberland

Households that typically experience housing stress are within income ranges officially classed as very low, low and moderate incomes. Cumberland LGA has a significantly greater proportion of households in these income ranges than the Sydney metropolitan average, as shown at Annexure 1.

Median rental costs in Cumberland have increased by 77% between 2007 and 2017 (which is higher than the Sydney average increase), but the median household income in Cumberland has increased only 11%. As a result, there are a significant number of households in Cumberland are potentially facing housing rental stress.

Based on the 2011 Census (ABS), ID profile data shows that 22% of households with a mortgage and 35% of renting households are in housing stress. Such high levels of housing stress are not sustainable.

In addition there is growing duration of waiting times for social housing. The waiting list for social housing in Cumberland is more than 10 years, with the exception of one bedroom dwellings in the western area, for which the waiting list is 5-10 years.

Further work on the specific needs for affordable housing will be undertaken in preparation for the future Cumberland housing affordability policy. When developed, the more comprehensive affordable housing policy for Cumberland will consider a broader range of policy and other levers that can be used to support the provision of affordable housing. However, given the growing gap in recent years between increases in land values and incomes, it is important that some interim steps are taken immediately to address this issue.

Council resolution

At the Extraordinary Council Meeting of 13 December 2017, Council resolved the following (in part):

'That Council:

1. Endorse the submission to the Draft Central City District Plan 2017 attached to this report, with the inclusion of:

a) A recommendation under 4. Housing Affordability to increase the affordable housing target in the Central District Plan from 5-10% to 15%, and that Council's Affordable Housing Policy be amended accordingly;'

RELATED LEGISLATION AND COUNCIL DOCUMENTS

Environmental Planning and Assessment Act 1979

Greater Sydney Region Plan: A Metropolis of Three Cities (Greater Sydney Commission 2018)

- Objective 11 (of Liveability) of the A Metropolis of Three Cities, sets a target of 5% to 10% of new floor space to be dedicated to affordable rental housing for people on low or very low incomes (p. 70).

Central City District Plan (Greater Sydney Commission 2018)

- Planning Priority C5 (of Liveability) of the Central City District Plan sets a target of 5% to 10% of new residential floor space to be dedicated to affordable rental housing for people on low or very low incomes. And Action 17 of Priority C5 states that Council to prepare Affordable Rental Housing Target Schemes following development of implementation arrangements (p.44-45).

Draft Cumberland Planning Agreements Policy and Draft Cumberland Planning Agreements Guidelines

DEFINITIONS

Affordable Housing - is housing that is appropriate for the needs of a range of very low to moderate income households and priced so that these households are also able to meet other basic living costs such as food, clothing, transport, medical care and education. As a rule of thumb, housing is usually considered affordable if it costs less than 30 percent of gross household income.

Community housing provides affordable rental housing to people on low to moderate incomes, and includes a range of housing including housing for people with very high needs (usually in partnership with a specialised support provider). Increasingly community housing providers are working in partnership – with support providers, with local government, with public housing providers, and with private sector partners.

Key workers - are workers such as police, fire fighters, nurses, carers and teachers. They are occupation groups which are an essential part of all communities, and are typically groups that travel long distances to work in areas in which they cannot afford to live.

Low household income - has the same meaning as in the Central City District Plan; namely, 50%-80% of median Sydney income for the relevant year.

Moderate household income - means 80 – 120% of median Sydney income for the relevant year.

Social housing – is housing provided by the NSW Department of Family and Community Services often in partnership with the community, industry and individuals, for those most in need who are unable to access suitable accommodation in the private rental market. Social housing includes public, Aboriginal and community housing, as well as other housing assistance products such as bond loans.

Very low household income has the same meaning as in the Central City District Plan; namely, 50% (or less) of median Sydney income for the relevant year.

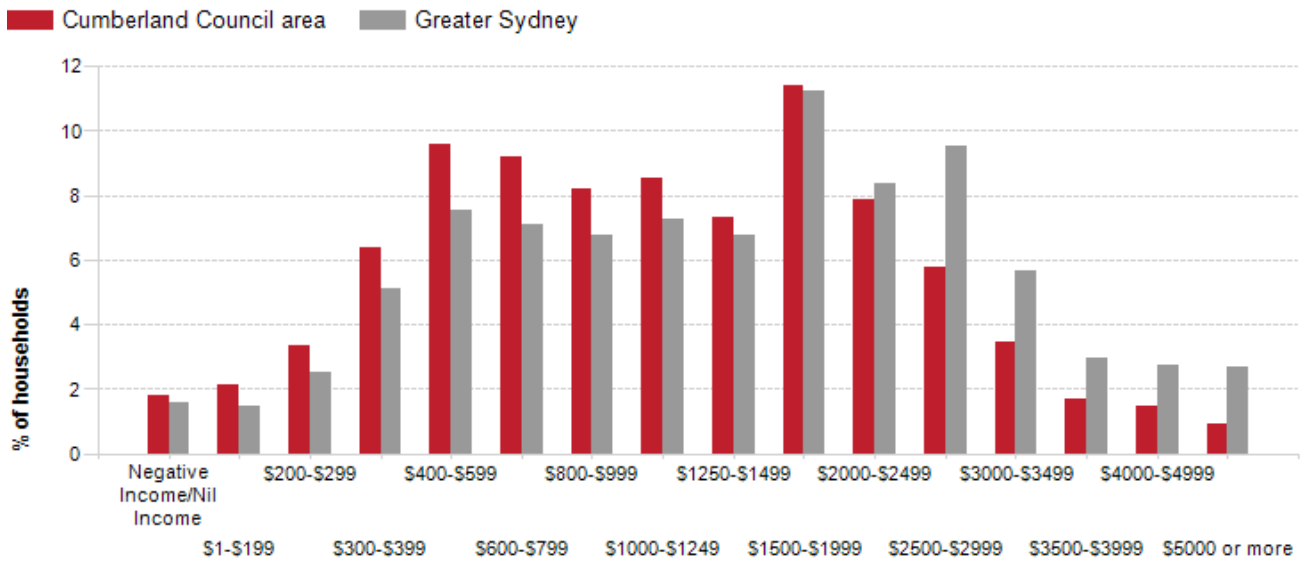
REQUIREMENTS

1. Council will continue to plan for and enable the supply of housing in suitable locations as part of the effort to deliver affordable housing in Cumberland and Sydney's Central City District.
2. Council encourages the provision of infill affordable rental housing and boarding houses within short walking distance of rail stations and high frequency stops for buses that use dedicated bus routes. These locations will ensure good access to job opportunities and services for very low to moderate income households without car dependency.
3. Council will establish a transparent and accountable system to enable the contribution of affordable housing through planning agreements.

4. As a priority these affordable housing contributions will support the achievement of the following targets:
 - a. The *Central City District Plan* target of 5 – 10% of new dwellings dedicated for very low and low income households;
 - b. Council's interim target for planning proposals to provide for 15% of any additional residential floor space for very low and low income households.
5. Further contributions through planning agreements can be accepted by Council for moderate income households.
6. Council may set the requirements for allocation to tenants. This may include matters of consideration such as current living arrangements and location, location of work in the LGA, the nature of the work, whether the household includes a person with a disability.
7. Council may set requirements for the dwellings for affordable housing, such as a mix of dwelling sizes, extent of universal design requirements and inclusion of ground floor units.
8. Affordable housing contributions will be dedicated to Council as whole dwellings. Monetary contributions will be sought to make up the remainder of target floor space area, determined by the market rate.
9. Council will pool the funds and use them for the intended purpose as sufficient funds become available.
10. Council will seek arrangements with local community housing providers for the appropriate management of the Council owned affordable housing.

ANNEXURE 1

Weekly household income, 2011



Weekly income

Source: Australian Bureau of Statistics, Census of Population and Housing, 2011 (Enumerated data)
 Compiled and presented in profile.id by .id, the population experts.

