

Annexure V:


Affordable Housing Policy

Affordable Housing Policy

Sydney Olympic Park

[Month and Year]





Acknowledgement of Country

The Sydney Olympic Park Authority acknowledges the Traditional Owners, Knowledge-holders and Custodians of the land and pays respect to Elders past, present and future.

We recognise First Nations Peoples' unique cultural and spiritual relationships to place and the rich contribution made to society.

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Affordable Housing Policy

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1 About the Policy

The Sydney Olympic Park Affordable Housing Policy (Policy) provides the background, requirements and operational detail supporting affordable housing contributions in land within Sydney Olympic Park.

This Policy was adopted by [INSERT] on [INSERT DATE] and came into effect on [INSERT DATE].

1.1 Policy objectives

- Recognise affordable housing as critical infrastructure necessary to support sustainable and diverse communities, and long-term economic growth in Sydney Olympic Park, and the Parramatta local government area (LGA) within the Central River City District.
- Assist to implement the affordable housing targets identified in the Greater Sydney Region Plan - A Metropolis of Three Cities and associated strategic housing policies.
- Ensure that as the cost of housing increases, affordable housing is provided for very low, low and moderate income households.
- Ensure there are opportunities for very low, low, and moderate income earners who work in Sydney Olympic Park and Parramatta LGA to live in the community in which they are employed (where possible).
- Facilitate opportunities for government to supply affordable housing within Sydney Olympic Park and wider Sydney.

1.2 Relationship to other Policies and programs

This Policy supersedes the 'Sydney Olympic Park - Affordable Housing Allocation Policy' (POL11/07) (2011, latest update 2021).

1.3 Where does this Policy apply

This Policy applies to land shown in Figure 1, being Sydney Olympic Park, but does not apply to land identified as 'Parklands'.

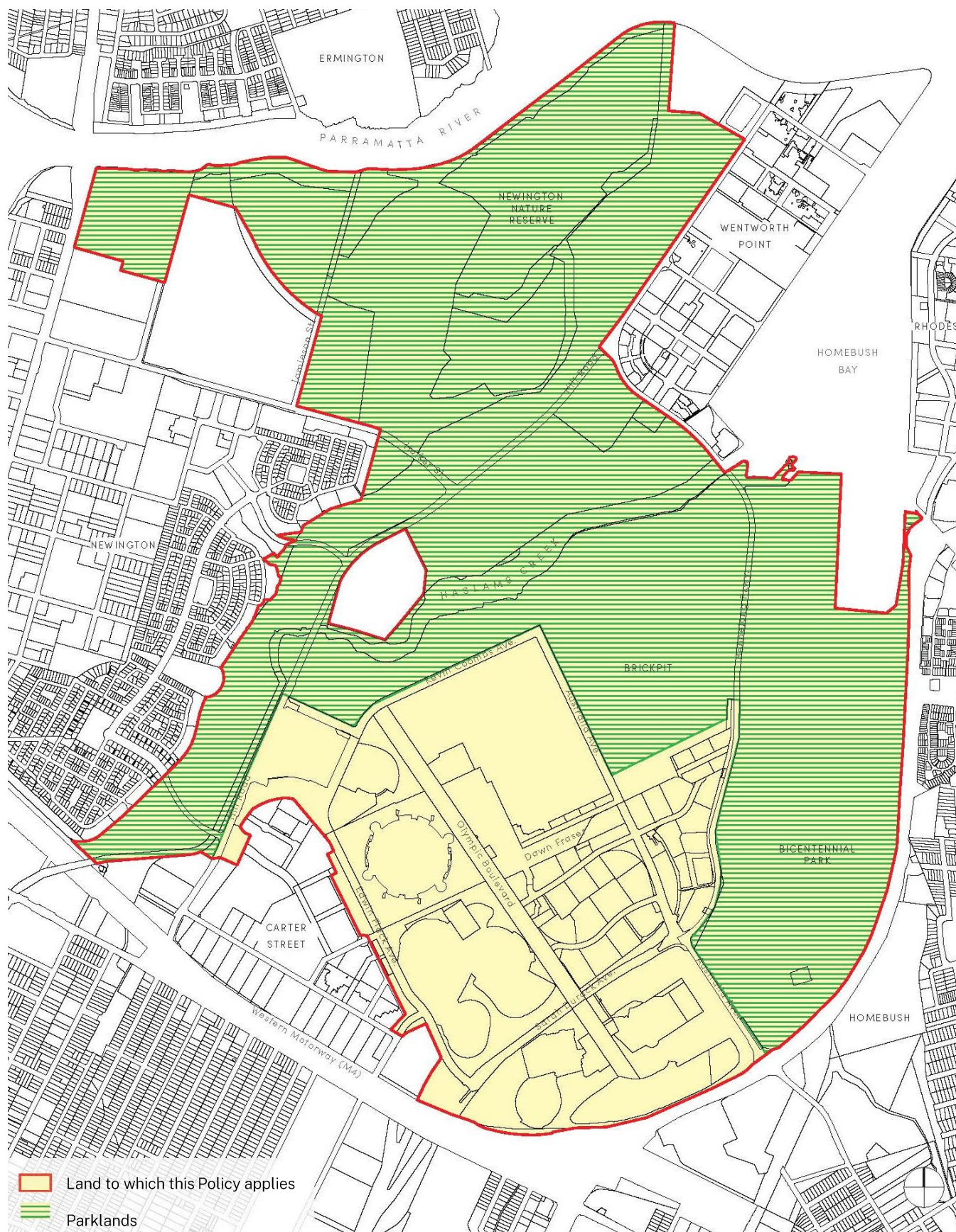


Figure 1 Land to which this Policy applies

1.4 Legislative basis for affordable housing contributions

Section 7.32 of the *Environmental Planning and Assessment Act 1979* (EP&A Act 1979) allows a condition to be imposed requiring a contribution for affordable housing to be made where a State environmental planning policy identifies there is a need for affordable housing within an area.

State Environmental Planning Policy (Housing) 2021 (Housing SEPP 2021), Clause 14, identifies there is a need for affordable housing within all areas of New South Wales (NSW).

The Sydney Olympic Park Master Plan 2050 requires all development proposals to provide a minimum affordable housing contribution consistent with the Policy.

1.5 Affordable housing requirements

The Sydney Olympic Park affordable housing requirements are as follows.

1. Affordable housing is required in Sydney Olympic Park for the following development:
 - the erection of a new building where the gross floor area for residential purposes is more than 200 square metres (sqm), or
 - alterations to an existing building that will result in the creation of more than 200sqm of gross floor area that is intended to be used for the purpose of residential accommodation.
2. As defined sites are delivered, a percentage of the total floor area of development (or part thereof within a mixed use development), will be delivered as affordable housing within Sydney Olympic Park, at the following rates:
 - i. For sites with long term leases to private entities, 5 – 10% of the total floor area.
 - ii. For government land, a percentage of the total floor area of a development as determined by the NSW Government (at the time of lodgement of a development application), on a case-by-case basis.
3. Affordable housing contributions are to be made to Sydney Olympic Park Authority (the Authority) to be used by the NSW Government for the delivery and management of affordable housing.
4. Where allowed for by the Authority, affordable housing contributions may be made through the dedication of units in developments at Sydney Olympic Park.
5. Affordable housing delivered as a consequence of this Policy is to be provided and managed within Sydney Olympic Park or City of Parramatta LGA, where possible, and if not, within Greater Sydney.
6. Affordable housing delivered in accordance with this Policy is to be in perpetuity.

7. Affordable housing that is provided within Sydney Olympic Park (or Greater Sydney) is to be made available to a mix of households on very low, low, or moderate incomes.
8. Affordable housing is to consist of dwellings constructed to a standard which, in the opinion of the Minister (or their delegate), is consistent with market stock and relevant environmental planning instruments as they apply.

1.6 Amending this Policy

Amendment to this Policy relating to contribution rates will generally require approval from the Board of the Authority or the Chief Executive Officer of the Authority.

1.7 Terms used in this Policy

| Term | Meaning |
|--------------------|--|
| Affordable housing | <p>Affordable housing is defined by the <i>State Environmental Planning Policy (Housing) 2021</i> as:</p> <ol style="list-style-type: none">(1) In this Policy, a household is taken to be a very low income household, low income household or moderate income household if —<ol style="list-style-type: none">(a) the household —<ol style="list-style-type: none">(i) has a gross income within the following ranges of percentages of the median household income for Greater Sydney or the Rest of NSW —<ol style="list-style-type: none">(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 —<ol style="list-style-type: none">(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. |

| Term | Meaning |
|-------------------------------------|--|
| Affordable housing | Under this Policy, affordable housing or affordable dwellings is affordable housing that is owned and managed by the NSW Government or a Community Housing Provider and rented to very low, low, or moderate income households under this Policy. |
| Development application | References to development applications in this Policy refer to both development applications and any application for the modification of a development consent. |
| Greater Sydney | Greater Sydney means the area that the Australian Bureau of Statistics determines from time to time to be the Greater Sydney – Greater Capital City Statistical Area. |
| Gross Floor Area | Gross Floor Area means the same as it does within <i>Standard Instrument (Local Environmental Plans) Order 2006</i> . |
| State environmental planning policy | Reference to various State environmental planning policies in this Policy apply to any State environmental planning policy that replaces it, so long as the affordable housing provisions remain substantially unamended. |
| Sydney Olympic Park Authority | References to Sydney Olympic Park Authority are references to the Authority |
| Total floor area | <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> <ol style="list-style-type: none"> 1. columns, fins, sun control devices, awnings and other elements, projections or works outside the general lines of the outer face of the external walls, 2. any area of a balcony that is more than the minimum area required by the consent authority in respect of the balcony, 3. the maximum ancillary car parking permitted by the consent authority and any associated internal vehicular and pedestrian access to that car parking, 4. space for the loading and unloading of goods. |

| Term | Meaning |
|---|---|
| Very low, low, and moderate income households | <p>Very low, low, and moderate income households are those households whose gross incomes fall within the following ranges of percentages of the median household income for Greater Sydney – Greater Capital City Statistical Area according to the Australian Bureau of Statistics:</p> <ul style="list-style-type: none"> • Very low income household – less than 50% • Low income household – 50% or more but less than 80% • Moderate income household – 80% to 120%. |

2 Affordable housing contributions

This section describes how an affordable housing contribution may be satisfied, the equivalent monetary contribution amounts for the rates in the Policy, how the contribution will be applied in the development application process, and how the contribution will be managed for the provision of affordable housing.

2.1 Contribution rates

This Policy establishes the affordable housing contribution rate as it applies to land. The rate will be \$7,989 sqm for each required 'total floor area' square metre of affordable housing within the development.

2.2 Calculating the contribution

In order to calculate an appropriate contributions rate, it is necessary to 'monetise' the cost of affordable housing into a dollar value.

The following two-step process describes the 'monetisation' of affordable housing contributions.

1. Estimate the baseline cost of purchasing a strata-titled dwelling in the Sydney Olympic Park Postcode 2127.
2. Convert the estimated baseline cost into various contribution (percentage) rates. This establishes a dollar value of contributions.

2.3 Baseline cost of affordable housing

A base cost for delivering affordable housing can be inferred from the market value of a completed strata dwelling in any given area. This base cost effectively represents the cost which would be incurred to purchase a strata-titled dwelling in the private market for the purposes of use as affordable housing.

The median sale price for strata dwellings in the Sydney Olympic Park postcode is a useful proxy for this base cost. In December 2023, the median strata dwelling price in the Sydney Olympic Park postcode was \$735,000 (as per the NSW Department of Communities and Justice Sales and Rents Report, date December 2023).

For the purposes of this Study, an average unit size of 92sqm is assumed and a generic cost of procuring an affordable housing dwelling (strata) is calculated as follows:

$$\begin{aligned} &= \text{Median Strata Price} \div \text{Average Strata Dwelling Size (GFA)} \\ &= \$735,000 \div 92\text{sqm} \\ &= \$7,989/\text{sqm} \end{aligned}$$

Based on the above steps the cost of affordable housing in the Sydney Olympic Park postcode is calculated as \$7,989/sqm of Total Floor Area based on the median strata dwelling price recorded in December 2023 and assumed average strata dwelling size. This square metre (sqm) rate is then pro-rata in accordance with the 5% contribution rate.

$$\begin{aligned} &= \$7,989/\text{sqm} \times \text{of total residential floor area} \times \text{pro-rata rate (5\%)} \\ &= \text{total affordable housing contribution} \end{aligned}$$

2.4 Development that may be exempt from making a contribution, or have a reduced contribution requirement

The Authority may consider a case for exempting development from the requirement to provide an affordable housing contribution if the development application is for one or more of the following (and no other development):

- a. where the cost of construction is less than \$100,000, or
- b. where affordable housing is being provided, in accordance with the principles of this Policy.

2.5 Where a contribution has been previously paid

If an affordable housing contribution has already been made on existing residential total floor area, then a subsequent contribution is generally not required unless it is being demolished and being replaced with floor space of the same use. In this case, a contribution will be applied to all of the total floor area, including the replacement floor area.

2.6 Refunds for demolition or changes in use

The Authority will not refund an affordable housing contribution to the applicant where there is a change in use or demolition of floor area.

2.7 How affordable housing is to be levied

A condition imposed consistent with this Policy requires a person to satisfy the contribution by a monetary contribution paid to the Authority.

Conditions are to be imposed through a lease agreement with the Authority, or a condition of development consent, at the time when this Policy becomes an affordable housing contributions program consistent with section 7.32 of the EP&A Act 1979.

3 Administration and implementation

3.1 How to make a payment

Payment must be made by endorsed bank cheque payable to the Authority. For development applications, payment must be made prior to issue of the first occupation certificate. At the time of payment, the contribution levy will be indexed in accordance with movements in the median sale price for strata dwellings in the Sydney Olympic Park postcode. Adjustments of equivalent monetary contribution amounts are detailed in section 3.2.

3.2 Adjustment of equivalent monetary contribution amounts

Monetary contribution amounts are adjusted on an annual basis, being the first day of March each year, with reference to movements in the median strata dwelling price in the Parramatta LGA/Sydney Olympic Park as detailed in NSW Government Rent and Sales Report, Table: Sales Price – Greater Metropolitan Region – Strata.

The Rent and Sales Report is available on the NSW Government, Department of Communities and Justice website.

The formula for adjustment of the equivalent monetary contribution amount is:

$$\text{New contribution rate} = \text{Current contribution rate} \times (\text{MDP2}/\text{MDP1})$$

Where:

- **MDP1** is the median strata dwelling price used to establish the current contribution rate, and
 - **MDP2** is the median strata dwelling price for the current period, being established in the most recently published Rent and Sales Report.
-

3.3 Use of contributions

Monetary contributions are only to be provided to the Authority or another delegated an agency of the NSW Government or its delegated Community Housing Provider for the development or management of affordable housing.

3.4 Review timeframe

The Authority will review this policy no later than three (3) years from the date the document is approved. The document may be reviewed earlier in response to post-implementation feedback, changes to legislation, or as necessary.

Appendix 1 - Glossary

| Housing SEPP 2021 | <i>State Environmental Planning Policy (Housing) 2021</i> |
|-------------------|---|
| LGA | Local government area |
| NSW | New South Wales |
| Policy | Sydney Olympic Park Authority Affordable Housing Policy |
| SEPP | State Environmental Planning Policy |
| sqm | Square metre |
| the Authority | Sydney Olympic Park Authority |