

Concurrent 15: The building role of local governments

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Communities and Justice



Local government role in delivering affordable housing

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12 October 2023

Acknowledgement of Country

I acknowledge the Traditional Custodians of the lands that we are meeting here today. I pay my respects to Elders past, present and emerging and celebrate the diversity of Aboriginal peoples and their ongoing cultures and connections to the lands and waters.

I also acknowledge and pay my respects to our Aboriginal and Torres Strait Islander people/colleagues joining us today.

Role of governments in developing affordable housing



Affordable housing as a discount to market rent product requires a subsidy from various levels of government – local, state and/or commonwealth



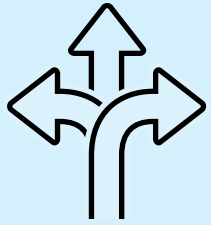
Subsidy can include **direct grant** or **concessional land contributions**. Also **planning mechanisms** like Inclusionary Zoning, contribution schemes, density bonuses and Voluntary Planning Agreements



Key delivery partner – registered community housing providers



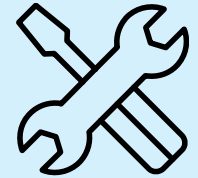
State government's interest



Diversion
or **exit** from
social housing



Support
regional
economies



Increase supply
to **relieve**
pressure on
private rental
market



Strengthen
CHP viability
and growth

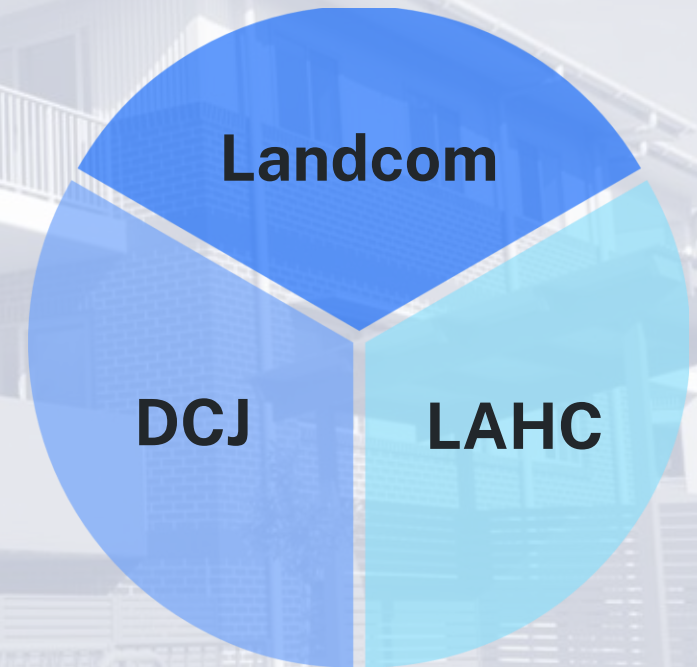


House key
workers
close to work

State government partners

In NSW, **DCJ**, **Landcom** and **LAHC** deliver **affordable housing**

- **DCJ** – provides grant funding, operationalises AH schemes, provides data and tools, monitors delivery, guides ongoing management of AH
- **Landcom** – delivers affordable housing on its sites, based on feasibility
- **LAHC** – partners with CHPs to deliver affordable housing on its land



- ✓ **End to end delivery processes** – including tendering CHPs, setting leverage targets, contracting and reporting supply and tenant outcomes
- ✓ **Commissioning infrastructure** – councils don't need to create their own
- ✓ **Formalised relationship** with Councils through delivery agreement
- ✓ **Housing Agency** – can facilitate and oversee affordable housing delivery projects

Benefits of not-for-profit CHP/CHO property ownership

Affordable housing **in perpetuity**

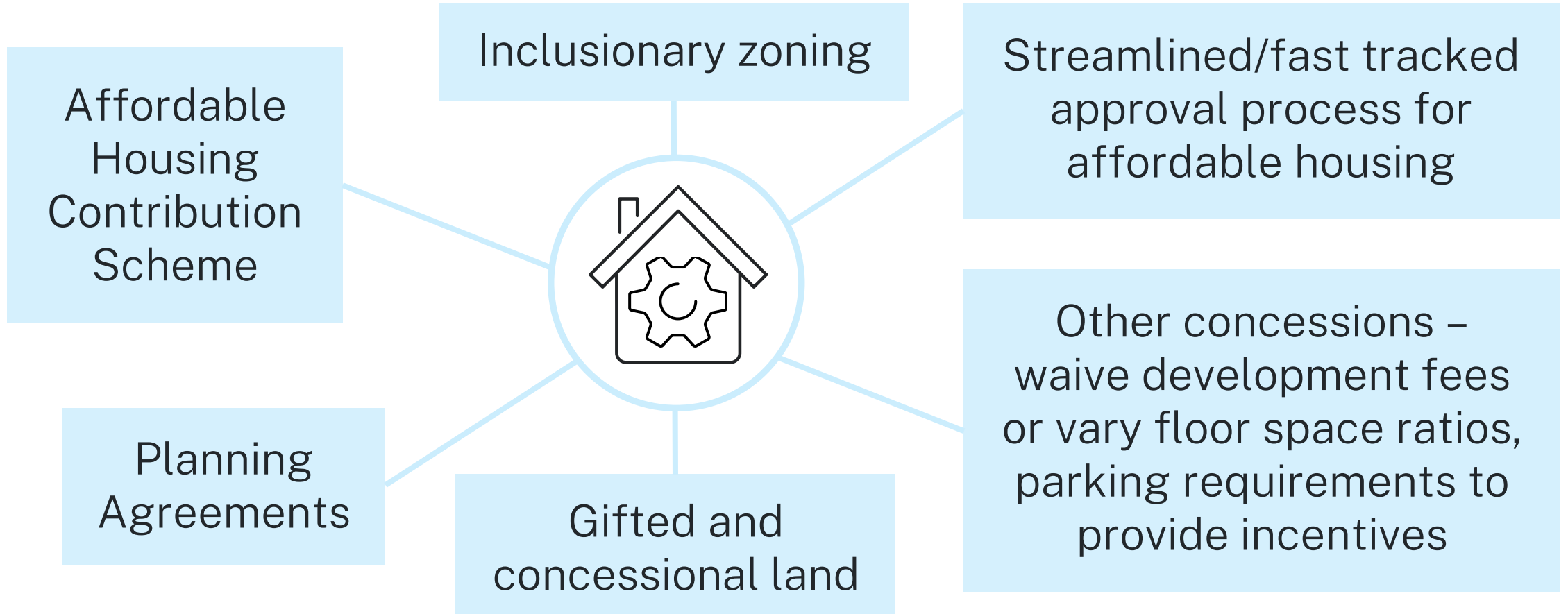
CHP can leverage assets – **more supply**

CHP can **deliver more properties** from the same investment than if council owns

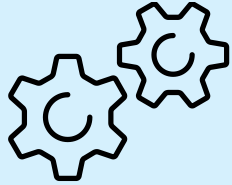
Strengthens the CHP's position, which can **improve services** for very low income households

Cost effective for councils – all property related costs including asset renewal transfer to CHP with ownership

Mechanisms to deliver affordable housing in partnerships with Councils



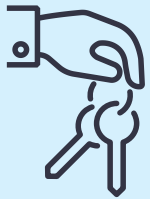
City West Contribution Scheme



Mechanism: Developers contribute **.8%** of residential and **1.1%** of non-residential floor space, or monetary equivalent, to City of Sydney Council. Scheme also expanded to other locations in the LGA



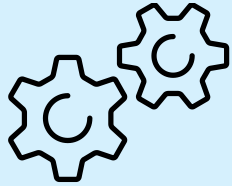
CHP partner: contributions transferred to City West Housing, which owns and manages the properties



Outcome: 900 affordable housing units for key workers and low income households



Contribution scheme – Southern Employment Lands (City of Sydney)



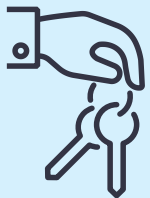
Mechanism: rezoning of land and resulting contribution scheme raised almost **\$8m** for affordable housing



State government partner: DCJ held the funds and jointly conducted tender with Council to select CHP partner



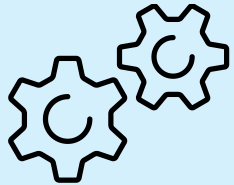
CHP partner: contributions transferred to Bridge Housing, which contributed **\$4.5m** of its own funds to purchase and renovate 20 units



Outcome: 20 affordable housing units for working Aboriginal women on very low to moderate incomes



Planning Agreement – St Marys Affordable Housing



Mechanism: Voluntary Agreement requires developer (Lendlease) to transfer **120 lots** for AH



State government partner: DCJ tendered for CHP partner and contributed grant funds



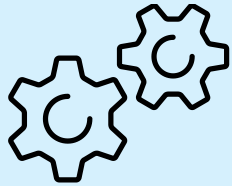
CHP partner: ownership of lots transferred to BlueCHP, which is leveraging the land and contributing funds



Outcome: **168 affordable housing properties** being delivered



Planning Agreement – Rouse Hill Affordable Housing



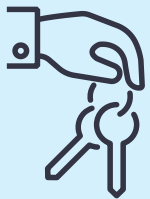
Mechanism: Voluntary Agreement required developer to transfer **3%** of lots for AH



State government partner: DCJ tendered for CHP partner and contributed funds



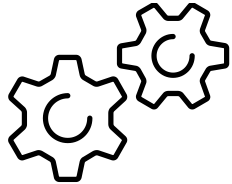
CHP partner: ownership of lots transferred to Link Wentworth Community Housing



Outcome: **38 affordable housing properties** developed



Planning Agreement – Affordable Housing – Leichardt Project



Mechanism: Voluntary Agreement required developer to provide **7 units**



State government partner: DCJ tendered for CHP partner



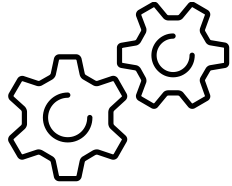
CHP partner: Units transferred to Bridge Housing, which leveraged ownership to develop **4 additional units**



Outcome: **11 affordable housing properties** developed



Gifted land – Lismore Affordable Housing



Mechanism: Lismore City Council to gift land at no cost



State government partner:
DCJ to contribute **\$5m**.
Landcom to develop site and tender for CHP partner



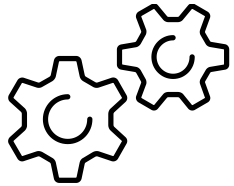
CHP partner: To be confirmed once tender is complete



Outcome: more than **40 affordable housing properties** to be delivered



Gifted land – Bomaderry Affordable Housing



Mechanism: Shoalhaven City Council gifted land to CHP partner Southern Cross Community Housing (SCCH). SCCH must use value of land for affordable housing long-term. Land value estimated at **14%** of total cost.



CHP and state government partner: SCCH contributing **55.5%** of costs, while DCJ is contributing **30.4%**



Outcome: 39 affordable housing properties proposed



Land at discount to market – City of Sydney

- ✓ Green Square land sold at discount to City West to develop **200 AH units**
- ✓ Adjacent lots sold at discount to SGCH to develop **80 AH units**
- ✓ Combined, these sales are a discount to market value of **\$5m**
- ✓ Overall, council has provided more than **\$20m** in discounts to CHPs through subsidised land sales



Land at discount to market – City of Sydney and SCGH

- ✓ Landmark urban renewal in inner city Redfern
- ✓ City of Sydney sold land to SGCH at discount
- ✓ SGCH debt and DCJ grant funds supported the build
- ✓ Completed June 2021. Total of **162 units** – **40 social** and **120 affordable housing** units, including **27 units** for people with disabilities
- ✓ **45%** of units **allocated to Aboriginal households**





Thank you



If you have any questions about developing affordable housing or about this presentation, please contact:

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