

Affordable Housing Action Plan (AHAP) 2023-2025

1. Introduction and Purpose

City of Parramatta Council affirms that adequate housing is a right and recognises that one of the critical barriers relating to housing in the City is affordability.

Council has an Affordable Rental Housing Policy adopted in 2019. This Policy sets Council's broad direction for increasing the supply of Affordable Rental Housing but is largely operational in focus. Therefore, Council has prepared this **Affordable Housing Action Plan** to guide more urgent and direct action on Council's part and establish Council's policy positions relating to housing affordability.

This Action Plan identifies direct actions and advocacy positions that Council will take towards improving housing affordability in City of Parramatta during 2023-2025.

The Action Plan:

- identifies Council's remit in this policy area;
- outlines Council's approach – in terms of direct action, advocacy and research - over the next two years; and
- clarifies responsibilities, timeframes, and success measures

2. Background

Housing affordability is a critical issue for our City. The 2021 Census identified that almost one third (31%) of households in the private rental market were paying greater than 30% of their gross household income on rent, and 24% of those with a mortgage were paying greater than 30% of their gross household income in mortgage paymentsⁱ. Furthermore, the rate of housing stress is likely to have increased between the Census capture date (July 2021) and the formulation of this Action Plan (early 2023). This is due to factors such as the increase in Australia's cash rate (from 0.10% in April 2022, to 3.60% in March 2023ⁱⁱ) as well as a series of recent interest rate rises. It is also consistent with longer-term trends, as exemplified by the growth in rental stress in Parramatta over the past 20 years (from 18% in 2001 to 31% in 2021)¹.

One important way that Council participates in alleviating housing affordability issues in our City is by working to increase the supply of Affordable Rental Housing. In this Action Plan, the definition of Affordable Rental Housing is **housing which is managed by Community Housing Providers, and made**

¹ Note: Rental stress from 2001 refers to households in the lowest 40% of income levels which were allocating at least 30% of their income towards housing costs. In 2021, the ABS changed its definition to encompass **all** households allocating at least 30% of their income towards housing costs (regardless of income level).

available with rent controls to households that meet certain income-related and other criteria. More broadly, Council can also work as an advocate on a range of issues relating to housing affordability.

3. Alignment

Housing affordability features in a range of Council’s strategic documents. The actions put forward in this Action Plan generally align with this network of strategic documents.

Council Strategic Document	Area of Alignment
Community Strategic Plan (CSP) & Delivery Plan and Operation Plan (DPOP)	Community Outcome F.3 Everyone has a place to live that meets their needs Action F.3.1 Plan and advocate for quality housing options, including affordable housing, that support the needs of our diverse community through all life stages
Community Infrastructure Strategy (CIS)	Affordable Housing Strategic Directions: <ul style="list-style-type: none"> - Pursue Inclusionary Zonings (Affordable Housing Contributions Schemes) - Continue to seek Affordable Rental Housing through VPAs
Socially Sustainable Parramatta Framework (SSPF)	Priority 4: A city with affordable, diverse and resilient housing for all
Local Strategic Planning Statement (LSPS)	Planning Priority 8: Incentivise affordable rental housing delivery and provide for permanent affordable housing Policy Directions: <ul style="list-style-type: none"> - P27 Support affordable housing types such as new age boarding houses, co-housing, communal student housing and small dual-key apartments in appropriate locations with good access to jobs and services - P28 Limit maximum Floor Space Ratio (density) to be conservative and loose-fitting within building envelopes that respect the boundary setbacks, to ensure that there is capacity for Affordable Rental Housing bonuses and good design outcomes - P29 Consider Voluntary Planning Agreements as a potential mechanism to facilitate provision of an Affordable Rental Housing Contribution where Planning Proposals seek increased residential capacity
Local Housing Strategy (LHS)	Planning Priority C5: Providing housing supply, choice and affordability, with access to jobs, services and public transport

4. Actions

Council’s ability to act in the affordable housing policy area has limits: a variety of macroeconomic factors, as well as critical economic and housing policies set at both State and Federal Government levels are largely outside of Council’s control. Within this context, Council’s role has three dimensions:

- 1) Direct Actions: Activities that Council will undertake to directly impact on the provision of Affordable Rental Housing in the LGA
- 2) Advocacy Positions: Council’s stance on issues relating to housing affordability more generally
- 3) Research: Issues where Council will undertake further research to establish a recommended response

Direct Actions

Action	Detailed Description	Timeframe	Main Responsibility
Deliver Affordable Rental Housing through Planning Agreements	Continue to pursue Affordable Rental Housing as part of VPAs on sites with uplift	Ongoing	Property & Place Major Projects & Precincts
	Update relevant Council policies to: <ul style="list-style-type: none"> - include a new methodology for Council’s stance on determining VPA contributions relating to Affordable Rental Housing for sites that are subject to site-specific Planning Proposals. - require that any Affordable Rental Housing provided through VPAs is dedicated to Council and therefore provided in-perpetuity (rather than owned by another party and operating for a limited timeframe) 	Year 1 (23-24)	City Strategy Property & Place
Put in place Affordable Housing Contributions Schemes (AHCSs) in appropriate precincts	Apply for an AHCS in Granville targeting 5% (or any new target established through State policy)	Year 1 (23-24)	Major Projects & Precincts
	Apply for an AHCS in land covered by the Westmead Place Strategy as Council progresses work for sub-precincts covered by that strategy.	Year 2 (24-25)	Major Projects & Precincts
	Work with Department of Planning to progress an AHCS in Camellia-Rosehill targeting an appropriate contributions percentage within the range provided (noting 5-10% target in the relevant Place Strategy).	Year 1 (23-24)	Major Projects & Precincts

	Work with Department of Planning as part of the forthcoming Church Street North Place Strategy (the study DPE is pursuing to address the area it excluded from the Parramatta CBD Planning Proposal) to consider whether an AHCS may be appropriate for that precinct.	Year 1 (23-24)	Strategic Land Use Planning
	Consider the feasibility of an AHCS in any Parramatta CBD Planning Investigation Areas .	2 (24-25)	Strategic Land Use Planning
	Subject to feasibility, apply for an AHCS in any future precincts experiencing uplift (including Planned Precincts, Housing Diversity Precincts, and any other areas identified in the Local Housing Strategy)	Opportunistic	Strategic Land Use Planning Major Projects & Precincts
Understand the potential for Council-owned land to deliver Affordable Rental Housing (ARH)	Identify sites and properties owned by City of Parramatta that have the potential to contribute to City of Parramatta's Affordable Housing stock, including working with State and Federal government agencies to investigate feasibility, funding and delivery models that are commercially viable to Council in the delivery of Affordable Housing.	Year 1 (23-24)	Property & Place City Strategy
Update Councils Affordable Rental Housing Policy	Update Council's ARH Policy to reflect changes to the policy context since its inception, as well as the content of this Action Plan.	Year 1 (23-24)	City Strategy

Advocacy Positions

Priority	Position	Main Responsibility
In principle position on State-level planning reforms to Affordable Housing provision	<p>Council favours reforms which are strategic in nature, as precinct consideration supported by effective development contributions planning is preferable to site-by-site (ad-hoc) approaches.</p> <p>However, where ad-hoc approaches are proposed, Council supports reforms which:</p> <ul style="list-style-type: none"> maintain or increase Council involvement and delegation in approval processes, noting that Council has a strong performance record for DA determinations. provide affordable housing in perpetuity, rather than subject to time limits do not compromise local development controls, good design outcomes and adequate infrastructure provision 	City Strategy

	<ul style="list-style-type: none"> • provide clear and sufficient pathways for funding any additional infrastructure impacts • support Community Housing Providers as best-placed to manage Affordable Housing • ensure that any proposed bonuses are well-modelled and well-considered in terms of both urban design and infrastructure impacts 	
Housing SEPP amendments	Continue to advocate for Purpose-Built Student Housing (PBSH) to be introduced as a new land use into the Housing SEPP.	City Strategy
	Advocate for a percentage of Build to Rent Housing to be mandated as affordable housing under the Housing SEPP.	City Strategy
Improvements to Affordable Housing Contribution Scheme (AHCS) process	In partnership with Resilient Sydney, advocate for reforms to simplify and improve the application process for AHCSs, specifically: <ul style="list-style-type: none"> - a mandatory timeframe in which State Government must consider Council applications for schemes - developing a standard LEP clause, feasibility modelling, and other tools 	City Strategy
Development Contributions Reform	Examine amendments to combine or better coordinate existing pathways for community infrastructure (development contributions) and housing infrastructure (AHCSs)	City Strategy
State Government land target	30% Social and Affordable Housing target on all State Government redeveloped land	City Strategy
Housing Data	Advocate to DPE for State-level data capture of Affordable Housing (commensurate with Social Housing)	City Strategy
	Advocate to DPE and NHFIC to improve access and data capture relating to empty units and short-term accommodation providers	City Strategy
Funding	Support the proposed Housing Australia Future Fund (HAFF) which would deliver centralised funding for Affordable Housing	City Strategy

Research

Topic Area	Details	Timeframe	Responsibility
Research into additional options to impact housing affordability:	Investigate and return a report detailing the potential for the following options to impact housing affordability in the LGA: <ul style="list-style-type: none"> - enticing and rewarding developers through competition to develop more affordable housing - environmental upgrade agreements targeting more sustainable living - introducing an empty dwellings levy 	Year 1 (23-24)	City Strategy

5. How will we measure success?

The indicators and measures Council will use to track its impact in this area are detailed below. A mid-term report (2024) and final report (2025) will be returned to Council regarding the progress of this Action Plan.

Data Type/Indicator	Measure	Reporting Timeframe
Council-owned ARH units	Increase in number of Council-owned properties in the LGA	Yearly
CHP-operated units	Increase in number of CHP-operated properties in the LGA	Yearly
Planning Agreements containing Affordable Housing	Increase in proportion of Planning Agreements negotiated that include Affordable Housing	Yearly
Rental Stress	Reduction in rental stress across the LGA	2027*
Mortgage Stress	Reduction in mortgage stress across the LGA	2027*

*Note: this data is not available until the release of relevant 2026 Census data

Definitions

Term	Definition
Housing Stress	A household is said to be in housing stress when 30% or more of their income is allocated towards the cost of housing.
State Environmental Planning Policy (SEPP) Housing 2021	A State-level policy document that governs the delivery of housing (including Affordable Rental Housing, Build to Rent Housing, Boarding Houses, and other housing types).
Voluntary Planning Agreement (VPA)	VPAs are legally binding agreements between developers and planning authorities wherein a developer makes an infrastructure contribution in the form of money, land and/or infrastructure.
Affordable Housing Contribution Scheme (AHCS)	An AHCS is a planning mechanism that mandates an Affordable Housing contribution be provided to Council for development within a specific site or area.
Affordable Rental Housing (ARH)	Housing which is managed by Community Housing Providers, and made available with rent controls to households that meet certain income-related and other criteria

ⁱ Parramatta: 2021 Census All persons QuickStats [<https://www.abs.gov.au/census/find-census-data/quickstats/2021/LGA16260>], ABS Website, accessed 08 03 2023.

ⁱⁱ Reserve Bank of Australia [<https://www.rba.gov.au/statistics/cash-rate/>] accessed 09 03 2023