

POLICY NAME

Affordable Rental Housing Contribution
Implementation Policy

DATE ADOPTED

28 August 2023

REVIEW DATE

28 December 2029

COUNCIL MINUTE NUMBER

ORD 262

POLICY TYPE

Council Policy

RESPONSIBLE DEPARTMENT

City Planning

RELATED DOCUMENTS

Glenmore Park and Orchard Hills North -
Affordable Rental Housing Contribution
Scheme

Purpose

This Policy's purpose is to outline Council's processes and procedures and a clear framework of responsibilities for the distribution of contributions received through the Penrith Affordable Rental Housing Contribution Scheme to a nominated Community Housing Provider for the delivery and management of Affordable Rental Housing in Penrith Local Government Area.

Policy statement

Council aims for this policy to achieve the following:

- a) Provide a clear framework of responsibilities for Council and the Nominated Community Housing Provider.
- b) Provide a fair and transparent expression of interest process to select a Nominated Community Housing Provider.
- c) To facilitate the Nominated Community Housing Provider to receive funds from the Glenmore Park and Orchard Hills North Affordable Rental Housing Contributions Scheme to deliver, own and manage any affordable rental housing in the Penrith Local Government Area.
- d) Provide for the delivery of affordable rental housing in appropriate areas to suit a range of household types.
- e) Ensure that any affordable rental housing delivered by the Nominated Community Housing Provider is of a satisfactory design outcome and remains as affordable rental housing in perpetuity.
- f) To maximise the realised benefits of affordable housing contributions received.
- g) To limit any potential financial risk to Council.

Scope

This Policy applies to Councillors, Council Staff, Community Housing Providers and the general public.

Affordable Rental Housing Contribution Implementation Policy

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1. PURPOSE OF THE POLICY

The Penrith Affordable Rental Housing Contribution Implementation Policy (the policy) outlines Councils processes and procedures and a clear framework of responsibilities for the distribution of contributions received through the Penrith Affordable Rental Housing Contribution Scheme (the Scheme) to a nominated Community Housing Provider (Nominated CHP) for the delivery of Affordable Rental Housing in Penrith Local Government Area (Penrith LGA). The policy will also ensure transparency and accountability to ensure that contributions received are delivering the desired Affordable Rental Housing in the Penrith Local Government Area.

The policy should be read in conjunction with the Scheme.

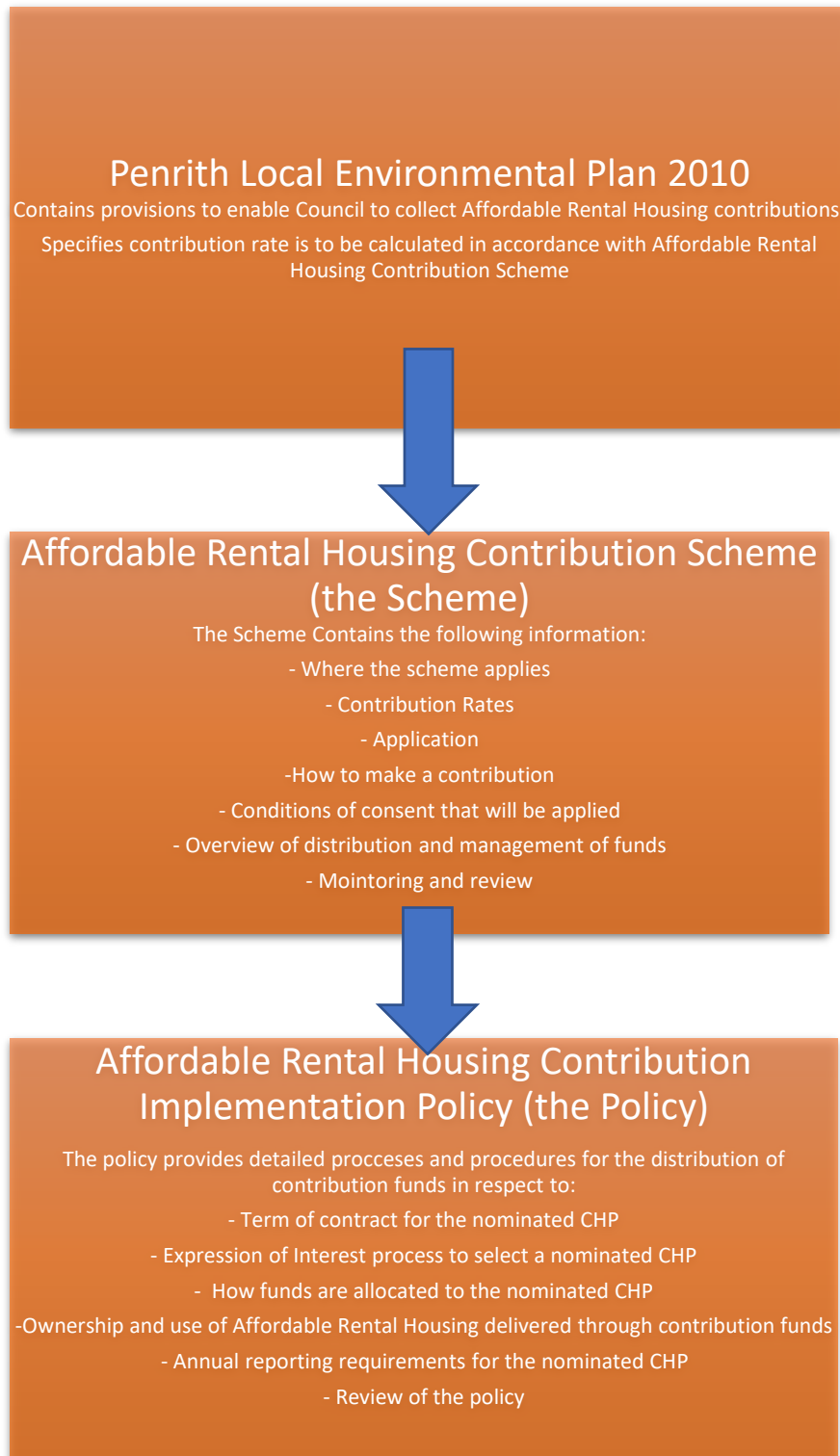
2. DEFINITIONS

Key terms used in the policy are summarised below for ease of interpretation:

Term	Meaning
Affordable Rental Housing	Affordable housing managed by a community housing provider and rented to Very Low, Low or Moderate income level households at no more than 30% of the households gross income
Community Housing Provider (CHP)	Community housing providers are registered under the National Regulatory System of Community Housing. In NSW, a community housing provider must be registered by the Registrar of Community Housing to receive assistance from the Department of Family and Community Services or NSW Land and Housing Corporation.
Affordable Rental Housing Contribution Scheme	Affordable Rental Housing Contribution Schemes are council-led documents which set out how, where, and at what rate development contributions can be collected by councils for affordable housing.
Affordable Housing Contributions	A contribution of money or land for the provision of Affordable Rental Housing that is required by a condition imposed on a development consent and that is authorised under section 7.32 of the Environmental Planning and Assessment Act 1979.
Nominated Community Housing Provider	A single nominated Tier 1, not for profit, CHP will be appointed by Council to a 5-year contract. The nominated CHP will receive Affordable Housing contributions to deliver, own and manage affordable rental housing in Penrith LGA.

3. RELATIONSHIP TO THE PENRITH LOCAL ENVIRONMENTAL PLAN 2010 AND AFFORDABLE RENTAL HOUSING CONTRIBUTION SCHEME

The hierarchy of documents and relationship between the legislation, the Scheme and the Policy is shown below:



4. APPOINTMENT OF A NOMINATED COMMUNITY HOUSING PROVIDER

A single nominated Tier 1, not for profit, CHP will be appointed by Council to a 5-year contract to be eligible to receive contributions received under the scheme to deliver affordable rental housing in Penrith LGA.

The nominated CHP is to be selected following an Expression of Interest (EOI) process.

Applications by CHPs to be included as the Nominated CHP received outside of Council's formal EOI process will not be considered.

5. EXPRESSIONS OF INTEREST PROCESS

All Tier 1, not for profit, CHPs will be invited through an EOI process to make an application to be appointed as the nominated CHP.

Applications are to include the following information for Council consideration and assessment:

- The financial position of the CHP, as evidenced by a financial health check prepared by an appropriately qualified professional.
- To provide contextual information the following is to be supplied - Organisation structure, size, history and status under the National Regulatory System for Community Housing (NRSCH).
- Membership of the Board.
- The organisation's constitution.
- Current owned housing stock, current housing stock being managed on behalf of a third party and relevant partnerships.
- Track record of procuring development sites, undertaking development activity, managing social and/or affordable rental housing.
- A detailed business plan for a minimum 3 years is provided showing how funds received from contributions would build upon an existing track record.
- Details on how affordable rental housing would be managed, specifically processes for; tenant selection, review & renewal of lease agreements, inspection schedule, if there is a maximum length of stay, complaint handling etc.
- Demonstrated experience in the Penrith LGA.
- Demonstrated commitment to increase the amount of affordable rental housing within locations of Penrith LGA experiencing high rental stress.
- Demonstrated commitment to deliver a range of affordable rental housing to service different types of households (i.e. families, single person, students, single parents etc.) and to rent these to a variety of Very Low, Low or Moderate income level households.

- Demonstrated commitment to provide affordable rental housing to key workers (i.e. Police, Nurses, Emergency Services, etc).
- Demonstrated ability to source additional funding to complement affordable housing contributions received from Council.
- Demonstrated understanding of the Scheme and the Policy.

Applications will be assessed by a council staff panel, consisting of staff from the following departments: City Planning, City Activation, Community and Place, Property, Finance and Governance. A probity advisor will also be appointed, to ensure the integrity of the EOI process. A preferred CHP will be identified by the panel. A report will be prepared to seek Council's endorsement for the nominated CHP.

6. ALLOCATION OF CONTRIBUTIONS & CONCURRENCE FROM COUNCIL

Council will remit all affordable rental housing contribution funds to the nominated CHP when they become available for the purpose of developing, maintaining and managing affordable rental housing.

To ensure Council are satisfied with the design outcomes proposed for any new dwellings, the contract entered into by the nominated CHP and Council will stipulate that the nominated CHP is to obtain Council concurrence prior to obtaining consent (Development Application or Complying Development Certificate) for any development proposal. The Council concurrence will consider design outcomes such as; mix of large-scale development (affordable rental housing and private stock), delivering a range of different dwellings types, ensuring proposal is sympathetic to character of the area, etc.

Nothing in this policy would preclude a partnership between Council and the nominated CHP to deliver, maintain or manage affordable rental housing using contribution funds.

7. OWNERSHIP AND USE OF AFFORDABLE RENTAL HOUSING

The nominated CHP will own and manage affordable rental housing dwellings as delivered through this policy.

Any affordable rental housing as delivered through this policy is to remain as affordable rental housing in perpetuity. This is to be registered on title.

Rent collected from any affordable rental housing delivered from this policy is to be no more than 30% of the household's gross income for those households that are Very Low, Low or Moderate income. All rent received from affordable rental housing delivered under this policy, after deduction of management and maintenance costs, will only be used for the purpose of improving, replacing or maintaining affordable rental housing delivered under this policy or providing additional affordable rental housing in the Penrith LGA.

In the event that the nominated CHP (past or present) is discontinued, affordable rental housing that Council have provided affordable housing contribution funds for are to be transferred to a Council preferred CHP in accordance with all applicable laws and regulations.

8. ANNUAL REPORTING REQUIREMENTS

The nominated CHP is required to provide a report by 31 August annually to Council with the following details:

- Status updates on projects currently underway.
- Detailed acquittal on how contributions funds and any rental income stemming from this policy have been spent as verified by Certified Practising Accountant or Chartered Accountant.
- Number of delivered affordable rental housing dwellings.
- Any current pipeline development proposals.
- Any maintenance and management issues.
- Access to and use of support services by tenants.
- Annual data in a prescribed form including household income profiles, household profiles, rent charged and any other relevant information.

9. REVIEW OF POLICY

An inter-departmental Council committee is to undertake a review of the policy within the 5-year contract term of the nominated CHP, giving consideration to the following matters:

- Whether all funds gained through the scheme are utilised for the purpose of improving, replacing, maintaining or providing additional affordable rental housing.
- Performance of nominated CHP in accordance with this Policy.
- Allocation of funding within the term.
- Total amounts of funds in reserve.
- Expected future contributions.
- Opportunities to increase the amount of affordable rental housing resulting from the policy.
- A review of evidence relating to the Affordable Rental Housing Contribution Scheme where monitoring identifies issues or considerable change in market conditions.
- Size, type, quality and locational appropriateness of affordable rental housing dwellings delivered by the nominated CHP.
- Identified opportunities to improve the operation and Council management of the policy.

The interdepartmental committee's review findings are to be reported to Council.