

Response to supplementary questions

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SUBJECT: Supplementary questions for Randwick City Council, Select Committee on Essential Worker Housing

Supplementary questions asked by the Select Committee on Essential Worker Housing:

Further to the public hearing on 7 February 2025 at Parliament House, Randwick City Council has been issued the following supplementary questions for response. Below is an *excerpt* of each question and a direct response provided by Council.

1. Why is it important that developers receiving floor-space-ratio bonuses be required to deliver affordable housing for a minimum of 30 years? (Transcript, p 17)

The increased bonuses to Floor Space Ratio (FSR) and maximum Height of Building (HoB) offered to developments are in perpetuity, while the affordable housing is not. Affordable housing must be kept as affordable over a longer timeframe to break the cycle where after a period, that housing is returned to a higher market value. Under the current State affordable housing framework, the 15 year expiry provides only short term relief. A longer period say 30 years would have greater impact on the future ongoing supply of affordable housing by creating a more steady stream of housing and enabling households to maintain connection with the community.

a. Is this likely to have any impact on the economic viability of the development?

Without undertaking specific modelling, it is anticipated that a shift to 30 years would likely have an impact on the rental return of the properties or their respective market values, potentially shifting the economic viability of any given development. However, shifting from 15 years to a minimum 30 years may not necessarily double the impact on feasibility as there are other factors that should be taken into account such as ongoing tax discounts to investors, business structures or access to external funding sources such as Housing Australia Future Fund facility.

2. Can you please supply the Committee with a copy of your Affordable Housing policy?

Please see appendix 1 for Council's current Affordable Housing Policy and Strategy. It should be noted that Council is in the final stages of drafting a new Affordable Housing Strategy that will be put to Randwick City Councillor's in the coming months for approval to proceed to community consultation. The contents of the updated Strategy was reported to Council's June 2024 Ordinary Meeting. The business Papers can be sourced from the following link -

https://randwick.infocouncil.biz/Open/2024/06/OC_25062024_AGN_3689_AT.PDF

3. How many affordable housing properties have been (a) approved and (b) built in your local government area in the past 10 years?

As Council has been unable to gain access to monitoring and data relating to affordable housing properties that is collected on the NSW State Government's Planning Portal, Council separately implemented a housing monitoring tool in September 2024 to accurately capture the approval of affordable rental housing within the Randwick LGA. While no dwellings have been approved more recently between September 2024 and February 2025, approvals have been granted requiring approximately \$100,000 in affordable housing monetary contributions through the State provisions where developments result in a loss of affordable housing.

Prior to September 2024, it is understood that a total of 24 affordable rental housing properties were approved and ownership transferred to Council. A further 6 have been approved in the Newmarket Development and 8 in the Kensington and Kingsford corridor, however these are yet to be built and transferred to Council. Council has also recently purchased a block containing 9 shop top housing in Maroubra (currently undergoing refurbishment) using funds collected under Council's affordable housing program.

Beyond Council owned properties, it is estimated that 139 affordable rental dwellings have been approved in the past 10 years within the Randwick LGA. As outlined in response to question 4, Council cannot accurately maintain a comprehensive register of any privately owned properties that are rented to tenants at affordable rates.

It is noted that Randwick Council's affordable housing contribution plan for the Kensington and Kingsford corridor in effect since 2020, has resulted in approx \$22M in monetary contributions to Council.

a. How many of these properties are owned by Council and, who manages them?

Council currently owns 33 Affordable Housing properties, of these:

- 20 units are managed by St George Community Housing. All but one are general Affordable Housing properties. One is used for Transitional Housing (reserved for female tenants with dependent children who have a recent experience of domestic violence).
- 4 are managed by Community Housing Ltd. and are utilised as Transitional Housing.
- 9 are newly acquired, existing units that are currently undergoing extensive refurbishment to prepare them for lease to eligible Affordable Housing tenants. A managing provider has not yet been selected for these properties.

In addition, Council leases a further three units from the private rental market for Transitional Housing purposes.

NB - Transitional Housing tenants pay rent capped at 25% of their income, whereas a Discount Market Rent (DMR) model is currently used for general Affordable Housing. Council's rent-setting model is currently under review.

4. Do you keep a registry of Affordable Housing Properties?

Council maintains a register of Affordable Housing Properties that are owned by Council.

In relation to privately owned affordable housing properties, whilst Council can identify the location, number of affordable housing dwellings, the time period that dwellings are to be kept as affordable housing and details of the property owner, Council does not have access to the management of those properties, name of the registered housing provider and rents charged, given that they are in private ownership.

Challenges associated with Council maintaining a proper register of Affordable Housing properties located across the LGA include: Council's inability to mandate reporting of Affordable Housing properties entering & exiting the market that are under ownership or management of other entities; the fragmented nature of the Community Housing Provider landscape and high number of providers operating in the local area and 'blurred lines' in relation to whether Boarding House or student accommodation should be counted in this category. A centralised system and publicly accessible register managed at the State Government level is necessary to assist in capturing this data and providing oversight of affordable housing dwellings that are required to be retained by conditions of development consent. This would improve the current system and ensure greater transparency and accountability of private landowners.

a. What audit of built affordable housing properties, if any, is undertaken by your Council?

As stated above, Council does not have the statutory power to audit built affordable housing properties. Please see below response for related information.

b. Do you see any challenges for councils for maintaining an affordable housing registry? If so, what are these challenges?

There are currently no mechanisms or requirements for the owners of any privately held or owned affordable rental housing to be reported to Council or State Government.

At present, Council's only means of recording how many Affordable Housing properties exist in the LGA would be to conduct a resource-intensive audit of Community Housing Providers and other relevant bodies (for example, boarding house operators) to ascertain their current stock levels which may be classified as Affordable Housing.

This presents numerous challenges, including the difficulty of capturing all providers within a fragmented CHP environment, inaccurate counting of properties that do not meet State Government guidelines for Affordable Housing, the need for the process to be repeated regularly to keep up with the movement of housing stock (for example, leasehold properties owned by private landlords and leased by CHPs), and reliance on the goodwill of providers to cooperate with annual auditing. Further, some affordable rental housing is used to house vulnerable groups and the listing of such locations to an external body may not be supported without appropriate privacy mechanisms.

To ensure accuracy and consistency in developing and maintaining an Affordable Housing registry, it is considered that a State Government body with the statutory authority to collect and monitor information from housing providers would be the best-placed entity to facilitate this mechanism.

One potential solution is for Council's to have oversight of the system. Council could then allocate the dwellings under the program to an affordable housing provider. This would provide councils with access to information and data on affordable housing properties.

5. Please provide a list of community land (such as carparks, parks or reserves, or other properties) that has been reclassified into operational land over the past five years.

Council has not reclassified any land within the past five years from community into operational.

Considering any earlier historical reclassifications, in 2012 Council did reclassify a parcel that comprised part of the Rainbow Street carpark in Kingsford from community to operational. This was done in anticipation of future redevelopment of the carpark as a mixed use development comprising residential and non-residential land uses along with potential community facilities.

a. What is the new usage (zoning) of these properties?

The Rainbow Street carpark has remained as a car park and is zoned E2 Commercial Centre.

b. Have any of these properties been sold or being considered to be sold in the future?

Randwick Councillors formally resolved at their meeting on 24 October 2023 to commence a feasibility study into a new development to be located at 1-11 Rainbow Street in Kingsford. The study is investigating the possibility of including a new community library, hall, meeting rooms as well a performance space and lecture theatre as well as relocating the current Council administration offices to the site.