

## Draft Affordable Rental Housing Contribution Implementation Policy

### 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.

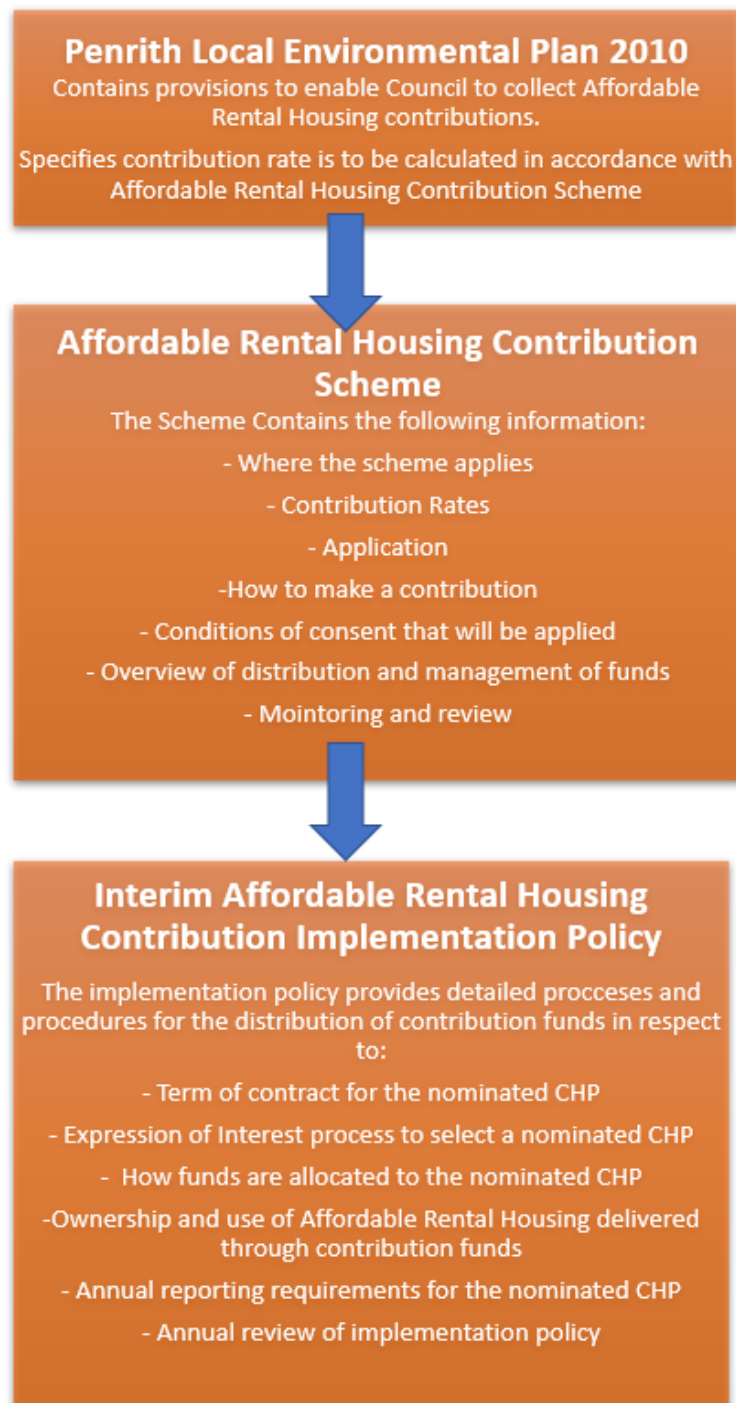
### Definitions

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

Term	Meaning
<b>Affordable Rental Housing</b>	Affordable housing managed by a community housing provider and rented to Very Low, Low or Moderate income level households.
<b>Community Housing Provider (CHP)</b>	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.
<b>Affordable Rental Housing Contribution Scheme</b>	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.
<b>Affordable Housing Contributions</b>	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.

## Relationship to the Penrith Local Environment 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:



### **Appointment of a Nominated Community Housing Provider**

A single nominated 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.

### **Expressions of Interest Process**

All Tier 1 CHPs who operate within Penrith LGA will be invited through an EOI process to make an application to be appointed as the nominated CHP.

Council will assess applications using the following criteria:

- Financial position of the CHP, as evidenced by a financial health check prepared by an appropriately qualified professional.
- Organisation structure, size, history and status under the National Regulatory System for Community Housing (NRSCH);
- Membership of the Board;
- 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 statement of organisational principles is provided which contains a provision that in the event of failure by the organisation to meet its objectives and performance requirements, leading to the organisation being wound up, the organisation's assets will be transferred either to another 'recommended community housing provider', Council or an NSW Government agency (e.g. Land and Housing Corporation, Department of Communities and Justice).
- A detailed business plan for a minimum 3 years is provided showing how funds received from contributions would build upon an existing track record;
- 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.)
- Demonstrated ability to source additional funding to complement contributions from the implementation policy.

- Demonstrated understanding of the Scheme and Implementation 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 Councils endorsement as the nominated CHP.

#### **Allocation of Contributions**

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.

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

#### **Ownership and use of Affordable Rental Housing**

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

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

All rent received from affordable rental housing delivered under this scheme, after deduction of management and maintenance costs, will only be used for the purpose of improving, replacing, maintaining or providing additional affordable rental housing.

In the event of failure by the Nominated CHP to meet its objectives and performance requirements, leading to the organisation being wound up, the organisation's assets will be transferred either to another 'recommended community housing provider', Council or an NSW Government agency (e.g. Land and Housing Corporation, Department of Communities and Justice).

#### **Annual Reporting requirements**

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

- Status updates on projects currently underway
- Detailed cost breakdown on how contributions funds from this implementation policy have been spent
- 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 income profiles, household profiles, rent charged and any other relevant information

### Review of Policy

An inter-departmental Council committee is to undertake a review of the implementation policy 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 Implementation Policy
- Allocation of funding within the year
- Total amounts of funds in reserve
- Expected future contributions.
- Opportunities to increase the amount of affordable rental housing resulting from the implementation 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 implementation policy

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