

# Draft Affordable Rental Housing Policy 2024

## FREQUENTLY ASKED QUESTIONS



### WHAT IS THE DRAFT ARH POLICY?

City of Parramatta's Draft Affordable Rental Housing (ARH) Policy 2024 establishes an updated approach to acquiring and managing Council's Affordable Rental Housing properties.

### WHAT IS AFFORDABLE RENTAL HOUSING?

Affordable Rental Housing is housing that meets the needs of people on very low to moderate incomes (defined as up to 120% of the median household income in Greater Sydney)<sup>1</sup> and which is priced at no more than 30% of their weekly income.

### WHY IS AFFORDABLE RENTAL HOUSING IMPORTANT?

In 2021, 15.6% of households in our Local Government Area (LGA) were experiencing housing stress, representing 25.7% of rental households and 18.5% of mortgage households. The objective of Affordable Rental Housing is to prevent people on lower incomes from experiencing housing stress, so they can meet other basic living costs such as food, clothing, transport, medical care and education.

We want to ensure that key workers can continue to live in Parramatta as they are already moving out of Parramatta to more affordable areas.<sup>2</sup> Without key workers (such as teachers, nurses, firefighters, child carers and cleaners), the local economy and community cannot function effectively.

### WHAT IS THE DIFFERENCE BETWEEN SOCIAL HOUSING AND AFFORDABLE RENTAL HOUSING?

**Affordable Rental Housing is not the same as social housing.** Social housing is housing for people on very low or low incomes or people in housing crisis, which the government or community housing providers own or manage. Rents in social housing are based on income.<sup>3</sup> People do not have to be eligible for social housing to apply for Affordable Rental Housing.

**Affordable Rental Housing is open to a broader range of household incomes than social housing.**

Affordable Rental Housing targets those on very low to moderate incomes who may not be able to afford to rent in the general market, even though they are working full-time or part-time. Rent is calculated differently compared to social housing and there are different tenancy arrangements.

### WHO PROVIDES AFFORDABLE RENTAL HOUSING AND WHAT IS COUNCIL'S ROLE?

Local government plays a small role in the provision of Affordable Rental Housing. Council currently owns 8 Affordable Rental Housing units, which have been dedicated to Council by developers through Voluntary Planning Agreements (VPAs).

**Most Affordable Rental Housing in NSW is managed by a Community Housing Provider (CHP).**

A CHP is generally a not-for-profit organisation managed by a Board of Directors, and is responsible to manage the properties they own as well as other properties owned by the government or that are rented from private landlords with government funding.

**CHPs are best-placed as the first point of contact for people seeking Affordable Rental Housing.**

Tier 1 providers operate at large scale; in Parramatta, the following Tier 1 providers are active:

- Bridge Housing: [bridgehousing.org.au](http://bridgehousing.org.au)
- Evolve Housing: [evolvehousing.com.au](http://evolvehousing.com.au)
- Hume Community Housing: [humehousing.com.au](http://humehousing.com.au)
- St George Community Housing: [sgch.com.au](http://sgch.com.au)



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## WHAT IS THE PURPOSE OF THE DRAFT ARH POLICY?

The purpose of the Draft ARH Policy is to (1) update Council's approach to managing its Affordable Rental Housing property assets, and (2) establish a framework for Council to increase its contribution to Affordable Rental Housing stock in the City of Parramatta local government area.

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## HOW WILL COUNCIL DETERMINE AFFORDABLE RENTAL HOUSING CONTRIBUTIONS?

The 2019 ARH Policy supported negotiating the dedication of Affordable Rental Housing through VPAs, seeking to capture 10% of the uplift value (i.e. 10% of the additional value gained at the site through a Planning Proposal). This approach is no longer supported by the State Government. As a result, the Draft 2024 ARH Policy sets a new approach to calculating an Affordable Rental Housing contribution of up to 5% of total dwellings as part of VPA negotiations.

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## WHEN WILL COUNCIL SEEK AFFORDABLE RENTAL HOUSING CONTRIBUTIONS?

If endorsed, Council will apply the Draft ARH Policy's *Schedule 1 Criteria for Determining Affordable Housing Contribution* to developments on sites subject to uplift or rezoning where the applicant proposes to deliver 20+ dwellings.

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## WHY IS THERE NO TARGET FOR AFFORDABLE RENTAL HOUSING IN THE DRAFT ARH POLICY?

Council's 2019 ARH Policy included a target for Affordable Rental Housing. An updated target has not been included in the Draft 2024 ARH Policy, to narrow the focus to operational matters regarding the acquisition and management of Council-owned Affordable Rental Housing. Instead, Council has set an interim LGA-wide target of 12,600 Affordable Rental Housing dwellings by 2041, an aspirational target to be provided through all delivery streams (not only Council) based on projected demand for affordable housing.

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## WHO IS ELIGIBLE TO APPLY FOR COUNCIL-OWNED AFFORDABLE RENTAL HOUSING?

Section 3.17 and 3.18 of the Draft ARH Policy establishes tenant eligibility for Council's Affordable Rental Housing units, targeting people on very low to moderate incomes with a connection to City of Parramatta LGA.

The Draft ARH Policy also identifies key workers that will be prioritised in instances where the number of eligible applicants exceeds available Affordable Rental Housing units. The list of key workers is indicative, not exhaustive, and rental applications will be assessed against tenant eligibility criteria on a case by case basis.

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## WHY IS THERE A FOCUS ON ONE AND TWO BEDROOM UNITS?

The Draft ARH Policy establishes that Council will seek the dedication of one and two bedroom units to Council. This is based on engagement with CHPs operating in City of Parramatta LGA, which have expressed that they receive significant demand for one and two bedroom units, whilst often struggling to tenant three bedroom units.

However, Council recognises the importance of housing diversity and the need for larger dwellings to accommodate families with children. Therefore, the Draft ARH Policy establishes that Council will also advocate for the dedication of larger Affordable Rental Housing dwellings, where possible.

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## HOW CAN I FIND OUT MORE?

There is a page dedicated to the Draft ARH Policy on Council's website:

➔ [Participate Parramatta](#)

You can also contact Council through our website:

➔ [Customer Service Centre](#)

1 This is in line with the *Environmental Planning and Assessment Act 1979* and the *State Environmental Planning Policy (Housing) 2021* (Housing SEPP).

2 Key workers are already moving out of Parramatta to more affordable areas in large numbers – between 2016 and 2021, 9 per cent of key workers left Parramatta for more affordable areas, which was one of the highest rates nationally. See: Gilbert, C., Nasreen, Z., and Gurrin, N. (2023) Tracking the housing situation, commuting patterns and affordability challenges of essential workers: a report prepared for HOPE Housing, Sydney: The University of Sydney and HOPE Housing.

3 NSW Housing Strategy ("Housing 2041")