

**Submission
No 20**

**OPTIONS TO IMPROVE ACCESS TO EXISTING AND ALTERNATE
ACCOMMODATION TO ADDRESS THE SOCIAL HOUSING SHORTAGE**

Organisation: Central Coast Council

Date Received: 10 August 2021



Response to Parliamentary enquiry into Options to improve
access to existing and alternate accommodation to address
the social housing shortage.

August 2021



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Introduction

Central Coast Council would like to thank Local Government NSW for providing the opportunity to submit this response to the Parliamentary enquiry into Options to improve access to existing and alternate accommodation to address the social housing shortage.

Undersupply of social housing is a critical issue for the Central Coast and there has been no proportional growth in this area for the past 10 years. The wait lists are already extensive, but the system is further burdened by chronically limited supply. This issue intersects with several other areas, such as homelessness for which we have seen a 35% increase since the last census and associated support services who report significantly increased workloads.

In 2019, Central Coast Council worked with Judith Stubbs and Associates (JSA) to examine this issue of undersupply of social and lower cost housing in developing an affordable and Alternative Housing Strategy. What was uncovered were significant gaps in the architecture of the system – coined the housing continuum. Put simply, housing pathways are generally linear and when there are pieces missing people are unable to move forward.

Judith Stubbs produced an extensive report on the availability of housing and on the system that supports both development and the people who need it.

The response below will delve into the evidence in more detail, but for the purpose of this response it is important to delineate the difference between social housing and affordable housing. The two are often used interchangeably but they are very different products to meet different needs. What was uncovered by the JSA report was that the function of one is crucial to the success of another.

In the report, JSA defined social housing as *government supported accommodation to 25% of total income* and affordable housing as *tenure that does not cost more than 30% of total income for those on very low to moderate incomes*. The responses below will address both types of housing and form a strategic response for the Central Coast community.

Background

Like other regional areas within reasonably close proximity to Sydney, the local housing market is facing increasing pressure, resulting in displacement of historical populations and increasing gentrification. These effects flow on to more marginal populations, significantly increasing housing stress, social vulnerability and homelessness, and affecting community and social wellbeing. The Central Coast is becoming far less affordable for very low, low- and moderate-income households and those with special housing needs, noting that together these groups make up at least 60% of people in the community.

Despite the much higher rate of very low-income renters, the higher local rate of housing stress, and higher than average growth in street homelessness and marginally housed people, there is a much lower than average rate of social housing in the LGA compared with Greater Sydney. Social (public and community) housing remains a critical tenure for many homeless and vulnerable people with special social, health and housing support needs.

It is clear to see that the supply of social housing on the Central Coast is failing to keep up with the population growth, the general housing supply and most importantly the need in our LGA. As a region of consistent population growth, the Central Coast LGA has suffered from a chronic undersupply of social housing for many years with waiting times for applicants on the NSW Housing register up to 10 years. Social (public and community) housing on the Central Coast has declined in absolute terms from 4,522 dwellings in 2006 to 4,356 in 2016, and as a proportion of all occupied private dwellings from 4.1% to 3.7%. This proportion is much lower than the Greater Sydney proportion of social housing of 5.1%.

The recent in-migration induced by the Pandemic and the newly founded “work from anywhere” response has exacerbated the affordability issue. The past 12 months has seen real estate prices soar and, conversely, vacancies plummet. At the height of the 2020 pandemic, vacancy rates on the Central Coast dipped to 0.4% and as a result there have been excessive increases in rental prices, as demand outweighs supply. Not only has this pushed more locals into housing stress and some into homelessness, it has severely disrupted the movement for those on the lower end of the housing continuum.

Refuges are full and support service books are closed as more people become homeless and those in the refuges can't exit as there is nowhere for them to go, with very few vacancies in social housing and no affordable rental properties.

Clients in transitional accommodation can't exit as they can't secure rentals, even with rent subsidy products. Community Housing Providers have lost leasehold properties from their programs as landlords are selling investment properties to capitalise on inflated sales prices, often to owner-occupiers. The Central Coast is in the grip of a “housing crisis”, like many other coastal LGA's in Australia, placing even more demand on an already congested social housing system.

Housing First

It is encouraging that the lack of social and affordable housing supply is being investigated through this enquiry however permanent long-term solutions are the only way to safeguard our future. Solutions to create affordable housing in perpetuity must be considered as a priority and some of these are contained in the responses below.

Central Coast Council understands the local housing system and that we have inherited models of working based on the available stocks. Whilst we can retrofit gaps into this system to make it operate more effectively, it is important to look more critically at the system as a whole. Numerous studies have been conducted all over the world that indicate the benefits of a housing first model far outway any other models of transitional or shorter-term accommodation solutions. Stable, secure, long term housing is the baseline that then allows all other issues to be addressed; to gain employment, engage in education and receive support to address any other issues such as mental health or addictions. A Housing First approach must also be supported through the social services sector. An increase in stock is just the first step to reform.

The Central Coast Affordable and Alternative Housing Strategy

Central Coast Council adopted the Central Coast Affordable and Alternative Housing Strategy (CCA&AHS) in 2019. It is the culmination of extensive research and consultation and is an evidence-based roadmap to address the growing need for affordable and alternative housing within the Central Coast LGA.

The research identified three levers that can contribute to positive outcomes for the community:

- 1) the creation of affordable housing
- 2) the facilitation of affordable housing through planning mechanisms and
- 3) the prevention of homelessness through early intervention

Using each of these levers, the CCA&AHS contains 27 actions designed to:

- *improve access to affordable housing for very low, low- and moderate-income households*, including protecting existing affordable housing, providing new development opportunities and incentives, and providing a broader range of housing options to address affordable housing need in appropriate locations.
- *reduce the number of cases of homelessness and reliance on social support systems*, including developing effective transition to the private market, creating strategies for innovative alternate housing and partnerships, supporting programs and services that intercede before the point of crisis, and empowering and resourcing front line support services.

Implementation of the strategy has commenced, with a focus on strategies that are most likely to have an immediate impact on the supply of affordable housing and actions to respond to the growing rate of homelessness in the LGA.

Response to the Terms of Reference

1. Options to better support "meanwhile use" (temporary supportive accommodation), and the current major planning barriers to "meanwhile use";

Our Research

As identified during research and consultation for the CCA&AHS, the Central Coast LGA has a much lower than average rate of social housing compared with Greater Sydney but a more vulnerable population. For some groups who are at particular risk of long-term and chronic homelessness (e.g. Escaping domestic violence and exiting from homecare) a more proactive approach to accessing housing such as temporary supportive accommodation is needed. Transitional housing with case management support is likely to be effective for those with higher needs, to build resilience to enter into the private market and sustain their tenancy.

Current Programs

As an Action of the CCA&AHS, Council has dedicated two cottages for a Central Coast Pilot Transitional Housing Model. This pilot aims to support effective transition to the private rental market for vulnerable people. The pilot framework is constituted by a head leasing arrangement with a local CHP who have an arrangement with a local support service.

This model ensures that the tenant is provided with the necessary wrap around support to resolve issues that have prevented them from sustaining a tenancy in the past.

From Councils perspective, the framework ensures that the property goes to the most suitable and needs-based applicant. With this level of support and the security of affordable accommodation, it is hoped that the tenant will transition into permanent rental accommodation at the conclusion of their program. There have been some learnings in the establishment of this program that we believe can contribute constructively to discussion as follows:

In this program Council is the property owner but is required to consider the same commercial conditions as any other landlord such as risk mitigation, return on investment, condition of the building and tenant management. Below are some of the challenges that were faced during planning:

- Short-term leases are less desirable
- Perceived risk and concern of anti- social behaviour from neighbours and property owner
- Rental return not attractive, particularly at a social housing reduced rent rate
- The safety of the structure and the building condition when a vulnerable tenant enters
- Financial cost - liability and insurances to take on perceived additional risk
- Case management programs/support for the length of the tenure
- 12-month tenure was not long enough to work successfully with a client

Recommendation

The current major planning barrier to enable expansion of this program is its misalignment with sector funding. The establishment of Council's program was delayed whilst a framework was investigated to enable specialist case management support for the length of the tenure [24 months].

In the development of the CCA&AHS, JSA identified that there needs to be deeper subsidies such as bond loans and brokerage programs for designated case management as well as for equipment such as whitegoods to enable more vulnerable tenants get on their feet and in the private market.

Below are actions from the CCA&AH strategy that relate:

- A significant increase in funding for case management services for people at risk of homelessness;
- Extension of higher rental subsidy programs to wider target groups, and particularly those at risk of long term and repeat homelessness, and with chronic mental health issues as an acknowledgement of the cost of homelessness to the community, and the inability of these group to sustain private rental without such deeper subsidies;
- Access to an increased amount of brokerage funding with broader scope of criteria to support tenancy establishment and household items, noting frequent comments that this is currently insufficient to support the number of tenancies for those at risk of homelessness required.

Continued support by the same service provider [for the 24-month tenure] is critical to the success of this program. When the individual is supported by the same case manager, they are more likely to have a stable relationship that will improve positive outcomes. Therefore, effective case management is the key to sustainability.

As an added benefit of this arrangement, prospective landlords are reassured that their investment will be taken care of and that income or full market rent will be guaranteed. It will reduce the perceived risk of taking on a vulnerable tenant and encourage other landlords to take up the opportunity.

2. Options to improve access to existing accommodation to provide community housing;

Our Research

As noted in the research for the CCA&AHS, one of the largest problems with the current housing stock is lack of dwelling diversity and underutilisation. JSA identified that the role of Council is to lobby the State and Federal Government to ensure that any new public housing is a mix of public, private and affordable homes.

Whilst there is a critical undersupply of social housing on the Central Coast, there are areas of tenure that could be better utilised.

There are just over 3000 applicants on the NSW Housing waitlist for the Central Coast area (DCJ website June 2020) , including applicants for both Gosford and Wyong allocation zones, and wait times are 10+ years, with the exception of 2 bed dwellings in the Gosford zone, which are 5- 10 years. These numbers are particularly concerning when they include 185 priority applications from people/ or families that are in urgent need of housing.

Current Programs

As part of the CCA&HS Council is investigating planning mechanisms to increase the provision of smaller studio, one- and two-bedroom strata dwellings in both established and newly developing areas in the Central Coast.

Staff are working to develop an affordable housing chapter in the forthcoming Central Coast Housing Strategy and Comprehensive LEP and DCP. Herein are recommendations to rezone a proportion of areas within 400 metres of business zones in the Town Centres and within 800 metres of transport hubs enabling more housing diversity in appropriate areas that fit the criteria.

Recommendations

One established area on the Central Coast, Pacific Del Mar Housing Estate in Bateau Bay, an older style social housing estate is an example of an estate that could be re-developed into a mix of public, private and affordable dwellings.

Similar Estates in Sydney have undergone a renewal process and achieved positive outcomes through the increased supply of modern, diverse dwellings. Not only would this increase housing diversity, but a mixed tenure model would provide a range of housing products for a range of need in the LGA.

Success in this area will depend on a partnership with the state government who control the infrastructure and Council who control the planning instruments for a better local outcome.

To ensure the current tenants are not displaced during the re-development, a funding package for increased head leasing options could be given to local CHP's to manage the relocation of tenants whilst the estate undergoes renewal.

Below are actions from the CCA&AH strategy that could make a real improvement in this area:

- Lobby the State and Federal Government to ensure that any new public housing is a mix of public, private and affordable homes;
- advocate to State Government for a comprehensive review of the centralised social housing waitlist to ensure that it operates efficiently to accommodate those most in need of housing;
- Increasing the capacity/resources of community housing providers and not for profit homelessness services to head-lease properties on the private market, noting the effectiveness and relatively high efficiency of this mechanism through initiatives such as the Lease Hold Program.

3. Option for crisis, key-worker and other short-term accommodation models;

Our Research

There is a critical lack of providers of Temporary Accommodation on the Central Coast, and a progressive loss of lower cost caravan parks, motels and older boarding houses that have traditionally provided such accommodation outside of the state subsidised programs.

Some of the current options are unsuitable, for example private facilities such as motels are inadequate with regard to management, provision of support services, design and amenity.

Throughout the research for the CCA&AHS there was potential to better use Government funding for Temporary Accommodation in a purpose-built facility. Supported crisis accommodation was noted by many stakeholders to work more effectively with clients. A recent Temporary Accommodation pilot program by Catholic Care had great success in our region. Central Coast Council supports this model and would advocate for funding packages be redeployed or reimagined in a similar way. If the service model is improved, providers will be more encouraged to enter into the Temporary Accommodation space.

Current Programs

People are supported into crisis accommodation through information and referral. Central Coast Council has, as part of their commitment to assisting our region's most vulnerable, produced Emergency Food Relief and Financial Services Cards. The Food Relief card is a quick, simple database of local organisations that offer emergency services such as food hampers, discount vouchers and free meals.

The Financial Services card lists services on the Central Coast that provide the community with financial assistance services such as financial counselling, EAPA Vouchers and other coupons. The sector identified that this type of resource was needed so that people knew where to find help and act as soft entry point into case management. These cards are disseminated to the community through a wide range of services, not just homelessness support services; for example, our local churches who don't provide temporary accommodation as such but may have the means to connect those in need with assistance.

Housing for key workers such as nurses, teachers, tradespeople and care workers needs to be long term, stable and affordable in order to attract and retain a stable workforce. Through strategies for the direct creation of affordable housing, Council is hoping to retain and attract key- workers by providing affordable housing in close proximity to town centres in mixed tenure developments.

Central Coast Council has developed a Council Affordable Housing Land Proposal (CAHL) which is a framework to create more housing choice for Central Coast residents including key workers. The CAHL identifies suitable land sites that are appropriate for affordable housing developments.

Council is also investigating the feasibility of a purpose-built temporary accommodation model for victims of Domestic Violence.

Recommendations

Through the CCA&AHS Central Coast Council is investigating the feasibility of a purpose-built Temporary Accommodation facility to support clients such as women escaping domestic violence. Whilst the remit of local government is to manage and take care and control over local land, it is up to the state to support these sites with programs and infrastructure. Roles and responsibilities of this partnership were identified by JSA and are now an action of the CCA&AHS.

Below are relevant actions from the CCA&AH strategy:

- A Temporary Accommodation facility with on-site management to support clients such as women experiencing domestic violence with adequate support arrangements, and ancillary facilities such as an interview room, consultation room, and adequate storage, with funding under a contract to provide such accommodation from State Government.

Council's Affordable Housing Land Proposal sets the framework for affordable housing developments. The CAHL depends on the establishment of partnerships which will enable the sites to be developed.

Below are actions from the CCA&AH strategy that could make a real improvement in this area:

- Council will facilitate a multi-tenure development on Council-owned land (site to be identified as part of the CAHL proposal) within a town centre in partnership with a registered community housing provider and/or other not for profit service provider in the short-term;
- This development will be a multi-tenure development and will be targeted to very low and low income renting households and to low income purchasing households, and will seek to include:
 - A portion as a new generation boarding house providing rental accommodation to very low income renting single person or couple households, and including some people who are formerly homeless in Temporary or Transitional Accommodation arrangements
 - Principally one and two apartments providing rental accommodation to very low income and low income renters who are singles, couple and smaller family households and purchase for low income households, possibly including some shared equity
 - Adequate provision for Adaptable Dwellings on the ground floor per AS 4299;
 - Space for on-site or outreach services and a manager's dwelling as part of the new generation boarding house.

4. Barriers to additional supply across NSW, including for smaller non-CHP housing providers;

Our Research

Amending planning instruments to enable the development of smaller studio, one- and two-bedroom strata dwellings, is central to creating more lower cost housing through the private market. New Generation Boarding Houses, Multi-dwelling Housing and Residential Flat Buildings are the types of development that will achieve this. However, they must be affordable to all moderate-income household and many smaller low-income households. It is important to open up opportunities wherever possible for these affordable and lower cost dwelling types and to ensure that there are no impediments to the creation of such housing in established and newly developing areas.

JSA identified that parking adds a significant cost to developments and decreases the affordability of Multi-dwelling Housing and Residential Flat Buildings. An action of the CCA&AH is to investigate reducing requirements where existing parking needs under Council's DCP are well above actual ownership rates in such dwellings.

Current Programs

Through the Central Coast Housing Strategy, Council is exploring options within the Consolidated LEP and DCP to facilitate the creation of more affordable housing in the Central Coast LGA.

A subchapter in the Central Coast Housing Strategy will address opportunities for rezoning land close to town centres and precincts within greenfield expansion areas to allow a range of housing typologies and lot sizes.

In addition to the above planning mechanisms, Council has taken steps to ensure that new build boarding houses built by non-CHP developers are well managed through clearer guidelines in the Social Impact Assessment process.

Further investigation is being carried out by Council to include a chapter on new generation and supported boarding houses within the DCP. This will ensure that all boarding houses are of a high quality of amenity for residents and are also well managed within the community.

Recommendations

JSA cited the value of voluntary planning agreements when conducting research in the planning system. Through a dedicated policy on affordable housing, incentives for additional height and floor space can see the development of affordable rental housing be stimulated beyond the current landscape.

Strategic planning policies also enable Council to mandate housing diversity where appropriate. In order to establish a Voluntary Planning Policy and controls to mandate diversity, Council needs to be supported further by the NSW Department of Planning. The State Government may like to consider providing information, advice and advocacy through provision in the SEPP and support in establishing a new contributions scheme.

The CCA&AH Strategy reflects this research through the below action:

- Council will investigate a Voluntary Planning Agreement Policy (Affordable Housing) to allow for additional FSR and/or Height and/or variation to other controls in accordance with section 7.4 of the Environmental Planning and Assessment Act in return for a contribution toward affordable rental housing in perpetuity as public purpose.

5. Support for and accountability of registered community housing providers.

Our Research

Local registered Community Housing Providers are valued in the community for their experience working with vulnerable tenants, expertise in property management and their own revenue raising capacity. They benefit from a transfer of social housing stock, including some with title so that they can increase their asset base and in turn their borrowing capacity for further pipeline developments.

Noting the effectiveness and relatively high efficiency of head leasing as a mechanism to increase housing stock, through the CCA&AHS, Central Coast Council supports the provision of more funding and increasing quota numbers for the Community Housing Leasehold Program. The private rental market is a highly contested market and increased funding is necessary to match rising rents particularly for larger family sized homes.

Community Housing Providers would benefit by being given the same provision as Housing NSW to have fixed term leases for tenants. In addition to this, clear legislation and procedure needs to be formulated to assist in the transitioning of clients, who are over on income eligibility, to exit social housing. There is a significant blockage at present in the social housing system, with very few tenants transitioning out of the system and moving further up the housing continuum.

Recommendations

JSA understood and supported the critical role that CHPs play in the effective implementation of housing for vulnerable people. They are also central to the realisation of affordable housing in perpetuity. The blend of tenure and people management has been very effective on the Central Coast.

Through the Consolidated DCP it is hoped that planners will be given more power to advocate/ mandate for the use of CHPs in affordable housing developments, but until that happens the best way to increase their capacity is through head leasing provisions.

The CCA&AH Strategy reflects this research through the below action:

- Increasing the capacity/resources of community housing providers and not for profit homelessness services to head-lease properties on the private market, noting the effectiveness and relatively high efficiency of this mechanism through initiatives such as the Lease Hold Program.