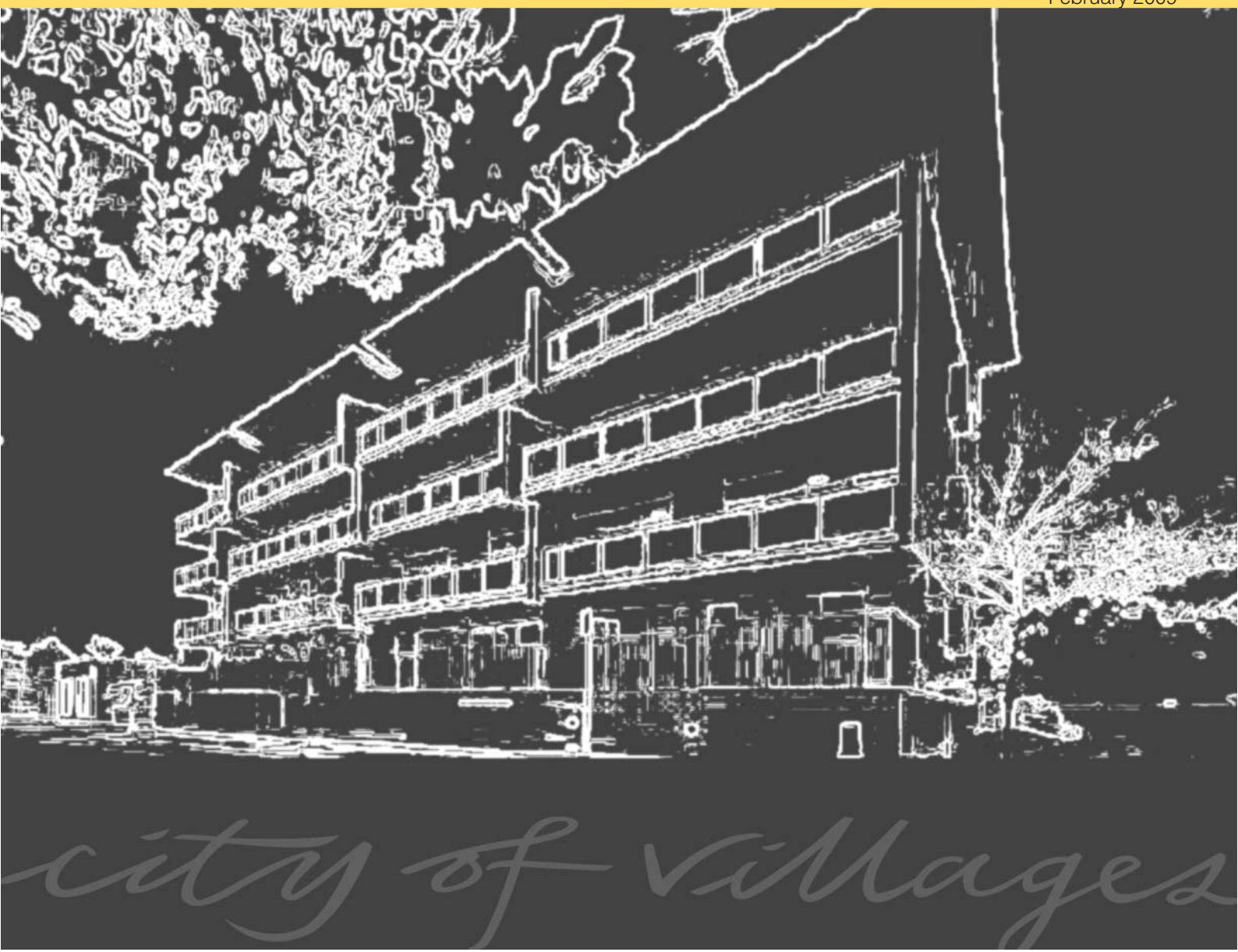


# City of Sydney Draft Affordable Rental Housing Strategy 2009 - 2014

February 2009



*city of villages*

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Policy owner: Affordable Housing Strategy Internal Liaison Group

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## Overview and Executive Summary

### Summary Vision

To contribute to the long term economic, social, cultural and environmental sustainability of the City by increasing housing options for very low, low and moderate income households.

### Key Principles

The City recognises that it has a social, practical and legislative responsibility to address local housing needs on behalf of the community and that access to secure, appropriate and affordable housing is not only a basic requirement for all people, but also an essential component of an inclusive, dynamic and sustainable city.

The City acknowledges that the cost of housing in the Local Government Area (LGA) largely precludes very low, low and moderate income households from accessing housing appropriate to their needs and their income. It is therefore essential that the City facilitates the provision of affordable housing to the extent of its capabilities.

The City accepts that increased levels of affordable housing can not be achieved without the active participation of other levels of government, the not-for profit sector and the private sector. Moreover, the City understands that issues influencing housing affordability and the provision of affordable housing are regional issues and in evidence in other inner Sydney LGAs, and that such issues may not be fully addressed in isolation from other councils.

### Key Considerations

- Social, cultural and environmental impacts of decreasing housing affordability on the individual and the larger community.
- Economic impacts of decreasing housing affordability on the City's economy.

### Objectives and Actions

The City will focus on six key objectives.

#### 1. Increase the amount of affordable housing

- Demonstration project
- Utilising the NSW planning system
- Facilitate affordable student housing
- Working with financial institutions
- Affordable housing quick-path
- Contribution of Council resources

**2. Protect the existing stock of low cost accommodation**

- Research and monitoring
- Improved application of State Environmental Planning Policy (SEPP) 10 Low Cost Rental Accommodation
- Financial incentives
- Collaborate with owners of low cost accommodation

**3. Encourage a diverse housing stock**

- Review appropriate dwelling size mix
- Ensure planning supports culturally appropriate housing
- Review planning provisions for secondary dwellings

**4. Collaborate with other councils**

- Provide leadership in affordable housing research, projects and policies
- Establish working groups with inner-Sydney councils
- Develop training programs

**5. Advocate for improved housing outcomes**

- Community education
- Advocate to improve social housing outcomes
- Advocate to improve Indigenous housing outcomes
- Liaise with the Aboriginal Housing Company
- Advocate to improve funding to the not-for-profit sector
- Advocate to increase participation of private sector
- Through CCCLM (Council of Capital City Lord Mayors), advocate affordable housing matters to the Commonwealth Government.
- Commonwealth and State incentives for boarding houses
- Advocate for a whole of government approach
- Advocate for affordable housing in State controlled urban renewal sites

**6. Implement, evaluate and monitor the affordable housing strategy**

- Affordable Housing Officer
- Monitor existing affordable housing
- Annual review of strategy.
- Maintain existing research
- Ongoing research

# 1 Introduction

The City of Sydney recognises that access to secure, appropriate and affordable housing is not only a basic requirement for all people, but also an essential component of an inclusive, dynamic and sustainable city.

The City's accepted definition of affordable housing conveys the notion of 'reasonable' housing costs in relation to income. A common benchmark is that affordable housing is housing that does not absorb more than 30% of a very low, low or moderate income household's gross income.

Very low income household	less than 50% of the median household income for Sydney Statistical Division;
Low income household	more than 50% but less than 80% of the median household income for Sydney Statistical Division; and
Moderate income household	more than 80% but less than 120% of the median household income for Sydney Statistical Division.

Housing in the City is becoming increasingly unaffordable. Lack of affordable housing is a concern not only for individual households but also for the wider community. Communities that offer a range of household choices for different income groups are more economically and socially sustainable and enhanced.

The City is Australia's economic capital. As well as being of international and national significance, the City is of enormous importance to the Sydney Metropolitan region. It is essential that the City maintain the strong and diverse labour force that drives the economy. Where people on very low to moderate incomes are unable to access appropriate and affordable housing in the City or in reasonable distance of the City it is likely that they will seek employment closer to the homes they can afford, particularly in the current high employment environment. Certain employment sectors that rely on a workforce of unskilled, semi-skilled and skilled workers are likely to experience difficulties in recruiting staff as access to affordable housing declines.

Lack of affordable housing may also lead to concentrations of low income earners in areas of high affordability and concentrations of high earners in areas of low affordability. Areas where there are concentrations of advantage and disadvantage result in social and economic segregation which reduces social wellbeing. This spatial polarisation between communities undermines social cohesion and may lead to community breakdown, loss of connectedness and a potential increase in anti-social behaviour. Further, spatial divides will potentially inflame existing concerns with regards to homelessness, aged care and declining health in the LGA and in turn substantially increase the cost of delivering support services.

Over time, Commonwealth Government capital funding for public housing has continued to decline. This has directly reduced the ability of Housing NSW to build and manage new public housing dwellings. In addition, the community housing sector continues to be under-funded by government and cannot offer a sufficient number of rental properties to meet demand. Further, the supply of housing appropriate and affordable for those eligible to receive Commonwealth Rental Assistance (CRA) has reduced.

In total, social housing constitutes approximately 11.3% per cent of all housing stock in the Sydney LGA.

Despite a number of affordable housing initiatives operating in the City at this time, such as those developed and managed by City West Housing in Ultimo/Pyrmont and Green Square, as well as smaller scale projects in the carriage of the community based not-for-profit organisations, the proportion of affordable housing relative to population growth in the City is declining.

Housing NSW defines housing stress as being experienced by very low, low and moderate income households that are paying more than 30% of their household income to meet their mortgage repayments or rent.

State Environmental Planning Policy 70 – Affordable Housing (Revised Schemes) (SEPP 70) defines very low income household as households where income is less than 50% of the median household income for the time being for the Sydney Statistical Division according to the Australian Bureau of Statistics (ABS). Low income household are households where income is more than 50% but less than 80% of the median household income for the time being for the Sydney Statistical Division according to the ABS. Moderate income households are households where total income is more than 80% but less than 120% of the median household income for the time being for the Sydney Statistical Division according to the ABS.

A high proportion of people living in the City are in housing stress (see Table 1).

	Very low income households in housing stress		Low income households in housing stress		Moderate income households in housing stress	
	Renting	Purchasing	Renting	Purchasing	Renting	Purchasing
<b>Sydney LGA</b>	95%	90%	76%	77%	44%	63%
<b>Sydney SD</b>	94%	84%	65%	72%	22%	55%

Source: Centre for Affordable Housing 2008, Local Government Housing Kit Database

In order to address the decrease in affordable housing and increasing levels of housing stress, in 2002 South Sydney Council undertook the South Sydney Housing Needs Analysis which identified that there was a clear need for more affordable housing options in South Sydney and that many groups in the community had unmet housing needs. Following amalgamation, the newly formed City of Sydney undertook the rewriting of an affordable housing strategy for the entire LGA. The resulting draft strategy, 'Housing and People: a Housing Strategy for the City of Sydney', informs this Strategy.

This Strategy builds on 'Housing and People: a Housing Strategy for the City of Sydney' and specifically addresses the needs and concerns identified in the City of Sydney Housing Analysis Report 2007. It also draws on a range of government, academic and market research presented in the City of Sydney Affordable Housing Research Paper. The Strategy expounds a range of actions aimed at protecting the existing stock of affordable housing in the City as well as actions intended to facilitate the provision of affordable housing and a greater range of housing options in the LGA.

## 2 Aim

The aim of the City of Sydney Affordable Housing Strategy is to protect existing affordable housing and to facilitate new affordable housing in the City of Sydney to provide for social, cultural, environmental and economic sustainability.

## 3 The Role of Local Government in Housing

The Commonwealth Government and the State Governments have a clear legislative responsibility for ensuring that those members of society who are most in need are housed. Historically, this has been facilitated by the provision of public housing through the Commonwealth State Housing Agreement (CSHA) and financial assistance programs. Over time, federal funding for public housing and programmes such as the Commonwealth Rent Assistance Programme has steadily decreased, affecting the ability of the States to address the housing needs of certain groups in society. There has been an increasing reliance on not-for-profit organisations to provide housing for 'in need' groups.

The Commonwealth Government and the State Governments also control the macro-economic and taxation policies that most affect the cost of housing. As such, the ability of local governments to effectively address housing affordability is limited.

However, the effects of decreasing housing affordability are largely felt at a local level. In the City those effects range from the economic dangers of not having appropriate and affordable housing available for the labour force, to the social issues that arise from an increasingly polarised community. It is therefore imperative that the City act to ensure that these effects are minimised.

Broadly speaking, the means and levers available to local government to encourage the protection and provision of affordable housing fall into four categories:

- planning tools;
- strategic partnerships;
- financial initiatives; and
- leadership, advocacy and community development.

### 3.1 Planning tools

There are a number of planning mechanisms, such as affordable housing levies, voluntary planning agreements or the improved use of SEPP 10, that may be utilised to protect existing affordable housing and to facilitate additional affordable housing. Although the Sydney Metropolitan Strategy commits to the facilitation of affordable housing, the State Government has to date provided little direction as to how this may be achieved. The Standard (LEP) Instrument does not include affordable housing provisions and this omission may have implications for the City to use its planning instruments to facilitate the provision of affordable housing.

## Delivering Affordable Housing in the NSW Planning System – Some Examples

### Affordable Housing Levies

Current legislation allows the City to levy developer contributions on all new developments within the areas of Ultimo/Pymont and Green Square through an affordable housing levy (also referred to as an inclusionary zoning mechanism) within planning instruments. The City West Affordable Housing (CWH) Program was established by the NSW Government in 1994 with the aim of ensuring that the Ultimo-Pymont redevelopment area retained a socially diverse population representative of all income groups. Its objective is to deliver up to 600 units of affordable rental housing in Ultimo-Pymont within 30 years of the program's inception. *Sydney Regional Environmental Plan No. 26 – City West* (the REP) established the planning, funding and administrative arrangements for the program's implementation. The REP provisions have since been incorporated into *Sydney Local Environmental Plan 2005*. They include an affordable housing levy whereby new development in Ultimo-Pymont must provide an affordable housing contribution either in the form of dwelling unit/s or monetary contributions. Almost all developers have chosen to provide a financial contribution. To date, the program has provided 446 units housing over 930 people in Ultimo-Pymont.

The Green Square Affordable Housing Program is implemented through the Green Square LEP and DCP. The program sets out provisions to enable Council to apply a 3% affordable housing levy. Like Ultimo/Pymont, CWH is the housing provider responsible for the development and ongoing management of the housing. Monies are collected in a trust fund managed by the Department of Planning (DoP) and they are passed onto the City West Housing Company which uses the funds for the purchase of land and the construction of affordable housing inside the specified areas.

Both Sustainable Sydney 2030 and this strategy include an action towards investigating opportunities to expand affordable housing levies to other areas in the City. While this will require the support of the DoP, affordable housing levies have the potential to directly increase the amount of affordable housing in the City by creating an income stream to fund the not-for-profit sector.

### Planning Agreements

Under current legislation, Council may only levy developers for contributions for affordable housing in Ultimo/Pymont and Green Square. Council can not currently require that affordable housing be provided, in substance or in kind, in any other areas of the City. While the City is exploring appropriate affordable housing provisions to be included in future planning instruments, Voluntary Planning Agreements (planning agreements) are currently an available tool which may be used to achieve affordable housing within the LGA. Planning agreements are used when a change is sought to an environmental planning instrument (rezoning) or at the development application stage. Council would 'capture' some of the benefit that would arise from concession on planning controls such as dwelling sizes, heights, car parking, density or section 94 contributions.



Canada Bay Council has had some success in entering into planning agreements with developers to ensure that there is affordable housing provided for key workers. As large chunks of the Canada Bay LGA have been developed for residential purposes, there was broadly felt concern that key workers, particularly those employed at Concord Hospital, would no longer be able to live in the area.

In 2005, Canada Bay Council adopted an affordable housing policy. The policy outlined Council's expectation that developers of large residential developments offer a number of units to Council as 'affordable housing' or other public benefits. The expectation was that 25% of any floor space which may be considered as 'bonus FSR', or the equivalent public benefit in the opinion of Council be dedicated as affordable housing.

Base FSR was determined as the maximum allowable for the site in an LEP. Any 'bonus' floor space ratio was that amount of additional floor space ratio sought pursuant to any objection made against that statutory FSR standard under the provisions of *State Environmental Planning Policy No. 1*.

With the adoption of this policy, a developer approached the Council to enter into a planning agreement in order to add a further 76 units on the site by going beyond the existing built form limits. Canada Bay Council entered into the agreement which resulted in 15 affordable housing rental dwellings within a medium density development at North Strathfield. The final agreement saw the ownership of 15 units being held in ownership by the Council who contract management of the units to a local community housing provider. Six of the units are to be provided to employees of Concord Hospital.

### 3.2 Strategic Partnerships

The issues influencing the provision of affordable housing can not be addressed solely by Local Government. It is essential that councils develop working partnerships with the not-for-profit sector, the Commonwealth Government and NSW Government, the private sector, other councils and the financial sector in order to protect existing affordable housing and to facilitate additional affordable housing.

#### Delivering Affordable Housing in Partnership – An Example

Council may partner with other organisations to directly provide or facilitate affordable housing in the City. The Glebe Affordable Housing Project is an example of such a partnership.

Other local governments have also acted to increase the amount of affordable housing within a LGA, for example, Willoughby Council has partnered with Community Housing Limited (CHL) and the Association to Resource Affordable Housing (ARCH) to undertake a debt equity project for the provision of 28 affordable housing units. The land has been provided by Willoughby Council and development capital is to be provided by the NSW Government, CHL and private finance. Two buildings will be built on the land, the first building will contain 11 units and will be sold to finance the second building containing 28 units for very low to moderate income earners. Nine units will be held in ownership by Willoughby Council and will be managed by CHL. The remaining 19 units will be in ownership of CHL. Rental payments will be used to service debt and provide ongoing management of the units. The amount of dwellings yielded by this mechanism will depend largely on the availability of appropriate sites and the feasibility of the City entering into projects to directly provide affordable housing. The draft strategy contains a number of actions towards increasing the City's role in the direct provision of and the facilitation of affordable housing within the LGA.

### 3.3 Financial Initiatives

It is possible that a council may allocate monies to facilitate more appropriate and affordable housing for very low to moderate income earners. Funds may be used to offer a range of 'carrot' incentives to be offered to the private sector to encourage the provision of affordable housing. Such incentives may include:

- reducing development contributions for developers willing to provide affordable housing;
- spreading charges i.e. infrastructure charges and DA fees, as a way of reducing up-front costs of development that provide affordable housing;
- rate rebates on properties where affordable housing is to be provided or to rental properties with low income tenants;
- providing land to affordable housing providers through donation or by deferring payment so that the upfront costs of development are lowered; or
- reducing rates or offering rebates for owners of boarding houses so as to provide an incentive for their retention.

Monies may also be used as equity in forming partnerships, undertaking housing research, advocacy programmes and offering incentives for the retention of existing low cost accommodation.

#### Promoting Affordable Housing by offering financial incentives – An Example

The Commonwealth and the State Government may offer financial incentives to encourage the provision of affordable housing by the private sector and/or assist the not-for-profit sector to provide affordable housing. An example of this, recently announced by the Commonwealth Government is the National Rental Affordability Scheme (NRAS) which aims to increase the amount of affordable rental units nationally by 100,000 over the next 10 years. The Commonwealth will provide an annual incentive to institutional investors to build new homes and rent them to low and moderate income earners at 20 per cent below market rates.

It is possible that other, less direct financial incentives from other levels of government will emerge over time that will promote the provision of affordable housing. Such an example may include tax incentives to provide affordable housing or the promotion of financing models with positive outcomes for the private sector.

### 3.4 Leadership, advocacy and community development

Councils, both individually and in partnership with stakeholders and the not-for-profit sector, are able to advocate to other levels of government for improved housing outcomes for people on very low to moderate incomes.

Councils may work with members of the community to educate them on the overall benefits of providing affordable housing in the LGA. Where community members and stakeholders are involved in the planning of affordable housing there is greater opportunity to enhance the general understanding of the importance of affordable housing.

It is important to monitor housing trends in LGAs and surrounding LGAs so that housing policies can remain responsive to change. Further, ongoing research of best practice and national and international affordable housing initiatives will inform the ongoing provision of affordable housing.

#### **The Private and Finance Sector Playing a Role in Providing Affordable Housing – An Example**

It is essential that there be improved engagement of the finance and private sectors to increase the amount of affordable housing available in the City of Sydney. An example is the Listed Property Trust (LPT) model for affordable key worker housing.

A new LPT could provide 750 new dwellings for very low to moderate income households in the City at a total capital cost of \$350 million. This cost would be funded by equity capital markets, not by Government. Tenants may pay approximately \$300 per week and Government could subsidise by \$200 per week at a total cost to Government of \$7.8 million per year which will equate to \$100 per week per tenant based on a 2 bed apartment.

The cost to government could be offset by some potential trade-off against wages.

The model can be replicated many times and altered to support shared equity arrangements whereby tenants could ultimately buy the properties that they are renting. This would encourage responsible tenancy and encourage ownership. Similar schemes may target a broader rental market segment taking into account that almost 50% of existing dwelling stock in City of Sydney LGA is currently rented.

Yields for LPTs, which may hold affordable housing range from approximately five per cent to seven per cent.

## **4 Policy and Statutory Context**

### **4.1 Sustainable Sydney 2030**

Sustainable Sydney 2030 is a 25 year strategic plan that will deliver an overarching framework for the development of the City over the next two decades. Sustainable Sydney 2030 poses an agenda beyond the immediate and looks to the City's long term goals. Its effective implementation relies on partnerships being established with the NSW Government, the Commonwealth Government, other local councils, business and the community. Sustainable Sydney 2030 has included 'Housing for a Diverse Population' as a key strategic direction for the City of Sydney.

During the extensive community consultation that has been undertaken as part of Sustainable Sydney 2030, the community told us that that they would like to see the City as affordable, inclusive and accessible for all residents. Therefore, relative equality has emerged as a key principle in Sustainable Sydney 2030. The provision of affordable housing is a means of providing for increased relative equality in the City.

As part of its commitments in Sustainable Sydney 2030, the City, in demonstration of how affordable housing may be developed in partnership with other levels of government, the not-for-profit sector and the private sector, will explore a project in conjunction with the NSW Premiers Department, Housing NSW, City West Housing Company and the private sector to showcase the benefits of affordable housing in the City. Sustainable Sydney 2030 establishes an ambitious target that by 2030, of all housing in the City 7.5% will be social housing and 7.5% will be affordable housing delivered by 'not-for-profit' or other providers. This target seeks to increase the current proportion of social and affordable housing in the City by a modest amount.

'Housing for a Diverse Population' looks more broadly to housing in the City over the next two decades while this draft strategy is primarily focused on increasing housing options for very low to moderate income earners in the LGA.

#### **4.2 City of Sydney Social Plan 2006-2010**

The City of Sydney Social Plan 2006–2010 recognises that the City has a social, practical and legislative responsibility to address local housing needs on behalf of the community. The Social Plan identifies the need to provide appropriate and affordable housing in the City of Sydney to support a diverse range of households on a variety of incomes and acknowledges that diversity contributes to greater economic stability and enhances the vitality of a local community.

#### **4.3 The Council of Capital City Lord Mayors Affordable Housing Policy**

The Council of Capital City Lord Mayors (CCCLM), of which the City of Sydney is a member, adopted the Council of Capital City Lord Mayors Affordable Housing Policy in 2007. The Policy recognises that capital cities have significant involvement in the direct provision of public and social housing, the development and implementation of planning policies, researching and monitoring housing affordability and supporting non-profit organisations in the provision of housing services. Capital cities also facilitate and encourage the provision of housing by the private sector via a range of incentives as well as playing an important advocacy role with all other levels of government.

The CCCLM aims to work closely with each level of government in gaining commitment, cooperation and investment to ensure an adequate supply of affordable housing and a mix of housing types are available in each capital city.

#### **4.4 Sydney Metropolitan Strategy**

The Sydney Metropolitan Strategy is the State Government's long-term plan to manage Sydney's continuing economic growth while balancing social and environmental impacts. The Strategy identifies a number of initiatives to improve the affordability of housing, to facilitate the development of affordable housing and to redevelop and regenerate Housing NSW stock. Specific initiatives include:

- C4.1 Improve the affordability of housing.
- C4.2 Redevelop and regenerate Department of Housing stock.
- C4.3 Use planning mechanisms to provide affordable housing.

With projections of a 1.1 million population increase in the Sydney metropolitan region in the next 25 years, the Sydney Metropolitan Strategy identifies the need for an additional 640,000 dwellings of which 55,000 are to be provided in the City of Sydney.

#### **4.5 Sydney Subregional Strategy**

The Metropolitan Strategy identified ten Sydney subregions of which the City of Sydney comprises a sub-region on its own. The draft Sydney Sub-Regional Strategy, released in July 2008, is currently being exhibited for public comment early in 2008. The strategy includes three actions towards improving the affordability of housing including:

- Improve the affordability of housing;
- Redevelop and regenerate Department of Housing stock; and
- Consider potential planning mechanisms to provide affordable housing

#### **4.6 The City of Sydney Corporate Plan 2007-2010 and Strategic Plan 2005-2008**

The City of Sydney *Strategic Plan 2005-2008* outlines the key policy directions and outcomes for the LGA and provides a framework for the implementation of the *Corporate Plan 2007-2010*. The *Corporate Plan 2007-2010* outlines the Council's intended facilities and service delivery. Key actions in this Strategy will be incorporated into the *Corporate Plan 2007-2010*.

#### **4.7 Other Local Policies and Plans**

There are a number of City of Sydney documents relevant to this Strategy, including:

- Sydney Local Environmental Plan (LEP) 2005
- South Sydney LEP 1998
- Leichhardt LEP 2000
- Green Square Affordable Housing Development Control Plan (DCP) 2002
- City of Sydney Boarding Houses Development Control Plan 2004
- Homelessness Strategy 2007-2012

The City is currently undertaking a review of its planning controls. The City Plan will comprise a single LEP and a single DCP for the whole City and will replace the above LEPs and DCPs.

#### **4.8 Environmental Planning and Assessment Act 1979**

The *Environmental Planning and Assessment Act 1979* (EP&A Act) and the *Environmental Planning Regulation 2000* regulate the planning and development assessment functions of councils. The 'provision and maintenance of affordable housing' is a specific objective of the EP&A Act.

## **5 Strategy Rationale**

By far the most prevalent tenure in Sydney LGA is renting on the private rental market. This is partly a reflection of affordability and partly a reflection of housing stock and the type of people moving into the area. For example, low density housing is likely to attract a higher proportion of owner/purchasers to the area while high density areas are attractive to investors and generally appeal to a more transient population.

The age structure of people who choose to live in the LGA is significantly younger than that of the Sydney Statistical Division (SSD), with a greater share in all ages between 20 and 39 years. Young people are attracted to the City from regional NSW and interstate for tertiary study, employment opportunities and the 'bright lights'.

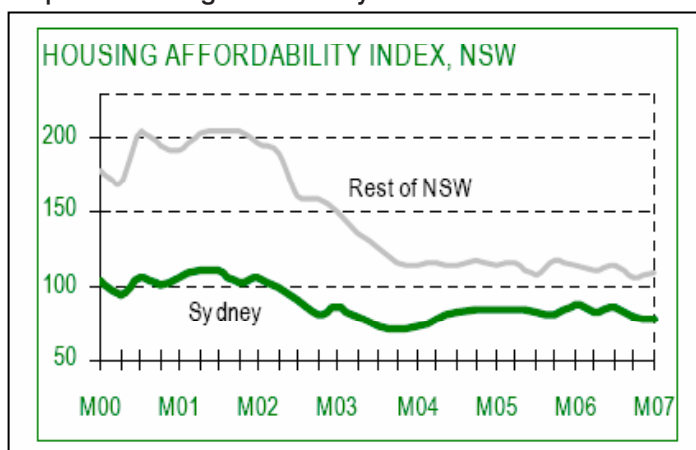
The population of the City of Sydney is highly transient with people moving to the City for a short time before moving away. Many young people are following the traditional housing path by taking advantage of renting in the City while they are studying or building a career. They predominantly live in lone-person, couple without children and group households. As they mature they will form family type households and look to purchase more affordable and appropriate accommodation outside of the LGA.

Low cost rental accommodation is particularly important in the City. Homelessness is an issue that disproportionately affects the inner City. People who are homeless gravitate towards the City for a range of reasons, some of which may include the prevalence of relevant support and accommodation services and the sense of 'anonymity' that the City may offer. Boarding houses are a vital stop-gap between homelessness and other forms of low-cost accommodation. They are also an affordable housing option for people who arrive in the City with few resources.

There is an important distinction to be made between housing affordability and affordable housing. Housing affordability is how we understand the cost of housing relative to median income. The various economic, fiscal and commercial factors that shape housing affordability are primarily governed by the Federal and State Governments. As such there are limitations on what Local Government can achieve in terms of housing affordability.

Despite a generally favourable period of economic growth, housing affordability has substantially declined for low to moderate income earners in NSW. The Housing Affordability Index (HIA) is released every quarter by the Housing Industry Association. It is a measure of incomes relative to the costs of purchasing a home. The higher the index, the more affordable it is to purchase a home, as the index falls below 100, a household with an average annual income would have less than the income required to service an average mortgage without being in housing stress. Graph 1 compares the HIA in the Sydney metropolitan area to the rest of NSW from March 2000 to March 2007.

**Graph 1 Housing Affordability Index**



Source: HIA – Commonwealth Bank, Affordability Report March Quarter 2007

In the 1970's, the cost of an average home was equal to three times the annual average household income, but today the average home costs approximately seven times the annual average household income indicating that over time, housing prices have increased at a faster rate than incomes.

Where demand for housing exceeds the supply of housing, as is the case in the City, there is upward pressure on the price of housing. When governments seek to address housing affordability, an immediate and obvious response is to increase the supply of land available for development. However, given the location-specific demand for housing, the release of land in Liverpool, for example, would have little if any impact on the cost of housing in inner Sydney.

In the City of Sydney, where there may be potential to promote the availability of affordable housing through increasing supply, any gains are likely to be absorbed by high investor demand encouraged by the buoyancy of the inner-Sydney housing market. It is unlikely to translate to housing that is affordable for purchase by very low to moderate income groups.

Demand for housing has increased in the City due to a number of factors including:

- increased appeal of the City as a place of residence;
- shrinking household size;
- increasing income (though incomes are not rising at a corresponding rate to housing prices);
- increased appeal of housing as an investment due to lack of capital gains taxes on owner occupied housing; and
- the ease with which people may gain access to credit.

Where demand solutions are employed to address the *housing affordability*, policies generally involve increasing people's capacity to pay for housing, an example being the first home buyers grant offered by the Federal Government. However, if such a program is not carefully targeted, it simply increases the capacity for all people to pay more for housing, resulting in increased demand, and ultimately the cost of housing rises.

A criticism regularly faced by local councils in NSW is that development fees, section 94 contributions, and costs associated with the NSW planning system, contribute significantly to the rising cost of housing, and that if the costs were reduced, the savings could be passed onto the purchaser and then to renters. However, the view of a number of leading housing experts is that while this argument may hold merit in locations where supply exceeds demand, in locations where demand far outstrips supply, such as inner Sydney, the primary beneficiary would be the developer since the sales price is largely determined by the market rather than the development costs.

The causes and effects of decreasing *housing affordability* are different for every LGA in NSW. It follows that responses to housing issues will differ from LGA to LGA. For example, where there is less demand than in Sydney LGA, councils may adopt a strategy to increase permissible residential densities in planning instruments in order to reduce the cost of housing enough to make it affordable to lower income earners. In the City however, where demand is very high, the cost of purchase housing far exceeds the capacity of very low to moderate income households to pay (see Tables 2 and 3).

Gross annual household income	Affordable house price, assuming 5% deposit; 7% interest rate and 30 year loan term
\$20,000	\$79,000
\$30,000	\$119,000
\$40,000	\$158,000
\$50,000	\$198,000
\$60,000	\$237,000
\$70,000	\$277,000
\$80,000	\$316,000

Source: Centre for Affordable Housing 2008, Local Government Housing Kit

	Median Sales Prices Non Strata	Median Sales Prices Strata
Sydney LGA	\$640,000	\$430,000
Sydney SD	\$459,000	\$372,000

Source: Centre for Affordable Housing 2008, Local Government Housing Kit Database  
 Note: Strata title properties usually include town houses, terraces/villas, flats/units (multi-unit dwellings) whereas non-strata title properties refer to separate houses.

Therefore, the intention of this strategy is primarily to protect existing rental affordable housing and to facilitate the provision of new rental affordable housing for households on very low to moderate incomes.

## 6 Affordable Housing Targets

While the definition of affordable housing encompasses all affordable housing including public, not-for-profit and private (rental and for purchase) it is recognised that in the City, given median rent prices, private affordable housing is largely confined to accommodation in boarding houses, or very small or substandard rental accommodation. Therefore, affordable housing targets adopted in this strategy will comprise of housing that is subsidised below market rents (such as City West Housing, housing managed by not-for-profit providers, student housing or housing resulting from the National Rental Affordability Scheme). Affordable housing targets will not include private rental affordable housing dwellings such as boarding houses or studio apartments nor will it include housing that is made available for purchasers below market cost (such as housing resulting from the Housing Affordability Fund) or by alternative purchase arrangements that promote affordability (such as co-operative housing or debt equity schemes).

This strategy adopts the following targets for affordable housing to 2030:

	2006	2030	Growth to 2030
Total dwellings	90,000	134,000	44,000
Social Housing	9,397	10,050	653
Affordable Housing	2,091	10,050	7,959

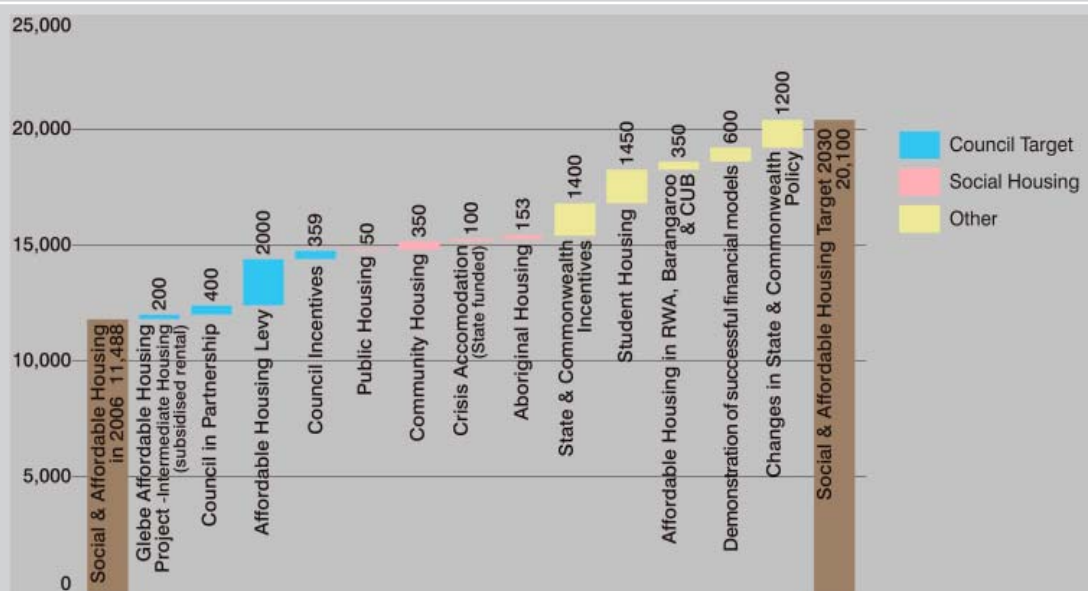
The above targets will require a substantial increase in the amount of affordable housing currently being provided in the City of Sydney. Council plays an important role in the direct provision, facilitation and protection of affordable housing. The below 'steps to achieving social and affordable housing' highlights Councils own target to provide/facilitate 2959 affordable housing dwellings to 2030.



Achieving the residual target will depend, to a significant extent, on the policies of other levels of government to increase the capacity of the not-for-profit sector and entice the investment of the private sector in affordable housing.

Affordable housing targets expressed in Sustainable Sydney 2030 and in this strategy will require a significant increase in the amount of affordable housing currently provided in the City of Sydney. Below is a scenario of the steps the City might take to achieving affordable housing targets. There are a number of ways the City might achieve this target, with each 'step' expanding or shrinking as needed.

### Steps to Achieving affordable housing targets



**Glebe Affordable Housing Project Intermediate Housing (subsidised rental) (200 dwellings, 2%)** – The amount of subsidised rental accommodation that will be provided as part of the Glebe Affordable Housing Project is contingent on feasibility.

**State and Commonwealth incentives (1400 dwellings, 16%)** – This refers to *direct* incentives offered by the State and Commonwealth Governments for the provision of affordable housing by the not-for-profit sector or other providers. An example of this is the recently announced National Rental Affordability Scheme (NRAS).

**Council in partnership (400 dwellings, 5%)** – This is an area of growth that Council may directly affect. The Glebe Affordable Housing Project is an example of such a partnership.

**Student Housing (1450 dwellings, 17%)** – It is likely that both the University of Sydney and the University of Technology Sydney will continue to directly invest in the provision of subsidised rental accommodation for its students.

**Affordable Housing Levy (2000 dwellings, 23%)** – This scenario assumes developer contributions are applied across the LGA. It is envisaged that these dwellings would house a mix of very low, low and moderate income households.

**Affordable Housing in RWA, Barangaroo and CUB (350 dwellings, 4%)** – The City will advocate for affordable housing outcomes in State controlled urban renewal sites.

**Council incentives (359 dwellings, 4%)** – This is an area of growth that the Council may directly affect. Council may offer 'bonuses' to developers who are willing to provide affordable housing as part of new developments.

**Demonstration of successful financial models (600 dwellings, 7%)** – The Glebe Affordable Housing project will build the knowledge capacity of not-for-profit providers and other providers in the delivery of affordable housing. This City expect significant flow-on benefits from this project.

**Public Housing, Community Housing, Crisis Accommodation and Aboriginal Housing (50, 350, 100, 153 dwellings, 1%, 4%, 1%, 2% respectively)** – Based on current trends, it is not expected that there would be any substantial growth in the amount of public housing within the LGA to 2030. With regards to community housing, crisis accommodation and Aboriginal housing, this scenario has adopted a conservative estimate of the amount to be provided to 2030.

**Future State and Commonwealth incentives (1200 dwellings, 14%)** – Future policy responses may range from direct incentives, such as government grants or a change in the NSW planning regime that would allow Councils to 'require' affordable housing be provided in new developments, or it may include less direct methods such as a favourable tax environment for affordable housing that entices greater participation by the private sector.

## 7 Objectives and Actions

### **Objective 1 Increase the amount of affordable housing available in the City of Sydney to households with very low, low and moderate incomes.**

#### **Background**

Decreasing housing affordability will predominantly affect very low to moderate income households who are typically less able to absorb the rising cost of housing. Over time, the population of the City of Sydney is becoming more homogenous, with little diversity of income groups, particularly in areas where gentrification is well advanced. Between 1996 and 2006 the City lost lower income groups and gained higher income groups in an ongoing process of gentrification occurring across the LGA. This is a trend that is likely to continue and become more extreme as housing costs continue to rise and lower income groups are priced out of the market. The loss of very low to moderate income households from the City will have adverse social, economic, and cultural impacts in the City including:

- loss of the diversity and vitality crucial to attracting and retaining the 'creative classes';
- certain essential employment sectors may expect problems related to recruitment;
- key workers employed in the City, who are forced to live outside the City, will not have an opportunity to participate in the community;
- increased marginalisation of lower income households in public housing estates and areas where the price of rental tenure is lower;
- social, economic and environmental impacts of excessive commuting times; and
- impact on the efficient functioning of the City.

Where very low to moderate income households choose to remain in the City, a high proportion will be living in housing stress. Where households are in housing stress they are likely to experience financial hardship and have insufficient money to meet their basic costs.

There are a number of groups in the City who may be disproportionately affected by decreasing housing affordability, including:

- key workers and low income earners;
- Indigenous households;
- young family households;
- people who are homeless and people at risk of homelessness; and
- young workers and students.

#### **A1.1 Action**

As part of Sustainable Sydney 2030, the City will undertake a demonstration project to provide affordable housing in partnership with other levels of government the private sector and the not-for-profit sector.

### **A1.2 Action**

The City will utilise the NSW planning system to increase the range of housing options available to households with very low, low and moderate incomes. This may be achieved by:

- exploring opportunities to seek development contributions for affordable housing in areas outside the already established programmes in Green Square and Ultimo/Pymont;
- developing a policy and procedural framework for voluntary planning agreements (VPA) to facilitate the collection of contributions for affordable housing;
- exploring the feasibility of offering various incentives for negotiation in the VPA framework; and
- review car parking and social mix provisions within planning instruments to identify any 'barriers' to the provision of affordable housing and, where appropriate and consistent with other land use needs, remove them.

### **A1.3 Action**

Where appropriate the City will facilitate the development of affordable student housing.

### **A1.4 Action**

The City will collaborate with financial institutions, including superannuation funds, to seek opportunities for increasing their role in facilitating greater housing options for very low to moderate income households. Such opportunities may include:

- development of financing packages for home purchase that are appropriate to the needs of low to moderate income households; or
- increased investment from superannuation funds in developing affordable rental housing.

### **A1.5 Action**

The City will investigate the potential to establish an 'affordable housing quick path' to be available where affordable housing is incorporated as part of the development. The 'affordable housing quick path' may include processes to:

- early feasibility identification;
- facilitate the accelerated provision of infrastructure;
- where possible accelerate the path through the development process; and
- technical assistance with project development.

### **A1.6 Action**

The City will investigate how it may directly contribute resources to increase the range of housing options available to households with very low, low and moderate incomes by:

- identifying suitable economic models for the City to deliver affordable housing in partnership with the Commonwealth Government, NSW Government, the not-for-profit sector, the financial sector or the private sector;
- identify suitable Commonwealth, State and Local Government owned sites that may be appropriate for the development of affordable housing and collaborate with other levels of government as well as other councils to deliver appropriate infrastructure to identified sites;

- identifying opportunities for joint ventures with the Commonwealth Government, NSW Government, the not-for-profit sector, the financial sector and the private sector;
- investigating the feasibility of establishing an affordable housing fund to be dedicated to the protection of existing affordable housing and the development of new affordable housing; and
- exploring the feasibility of establishing a range of financial incentives for developers who provide affordable housing as part of new developments.

#### **Outcomes**

- The inclusion of appropriate affordable housing provisions in City Plan by 2010.
- Of the growth to be provided in the City as part of Sustainable Sydney 2030, 7,959 dwellings will be provided as affordable housing and 653 dwellings will be provided as social housing (see Table 4).

Objective 1					
	Action	Responsibility	Resources	Timeframe	External Partners
1.1	As part of Sustainable Sydney 2030, undertake an affordable housing demonstration project in partnership with other levels of government, the private sector and the not-for-profit sector.	City Projects Properties	Staff time	Short-term	City West Housing Housing NSW Private Sector
1.2a	Determine the feasibility of establishing an affordable housing levy for areas outside the already established programmes in Green Square and Ultimo/Pyrmont to facilitate the collection of contributions from developers for affordable housing.	City Plan Development	Staff time.	Short-term	
1.2b	Develop and implement a policy and procedural framework for VPAs that includes clear targets and facilitates the collection of contributions for affordable housing.	Planning Assessments City Plan Development	Staff time.	Medium-term Ongoing	
1.2c	Identify potential incentives for developers to enter into voluntary planning agreements (VPA) and develop a 'benefits calculator' for internal and external use.	Affordable Housing Officer (AHO) City Plan Development	Staff time	Medium-term	
1.2d	Review car parking and dwelling mix provisions within planning instruments to identify any 'barriers' to the provision of affordable housing and, where appropriate and consistent with other land use needs, remove them.	City Plan Development	Staff time.	Short-term	
1.3	Establish links with educational institutions and where appropriate facilitate the provision of affordable student housing.	AHO City Strategy	Staff time. Other (to be determined)	Ongoing	Tertiary education institutions (to be identified) Private sector
1.4	Establish links with financial institutions, including superannuation funds, to assist in identifying opportunities for their increased involvement in providing housing options for very low to moderate income households.	AHO City Strategy	Staff time	Ongoing	Financial institutions (to be identified)
1.5	Determine the feasibility of establishing an 'affordable housing quick-path' to facilitate the provision of affordable housing. The 'quick-path' may include: <ul style="list-style-type: none"> <li>• early feasibility identification;</li> <li>• facilitate the accelerated provision of infrastructure;</li> <li>• where possible accelerate the path through the development process; and</li> <li>• technical assistance with project development.</li> </ul>	City Plan Development Planning Assessments	Staff time	Medium-term	

	Action	Responsibility	Resources	Timeframe	External Partners
1.6a	Identify suitable financial models to deliver affordable housing in partnership with other levels of government, the not-for-profit sector, the private sector and the financial sector.	City Strategy Finance	Staff time. Funds for consultancy.	Short-term	Private sector Not-for-profit sector Centre for Affordable Housing Housing NSW
1.6b	Undertake a land audit to identify suitable Commonwealth, State and Local Government owned sites that may be appropriate for the development of affordable housing considering such things as proximity to public transport and services.	City Strategy Properties	Staff time	Medium-term	Commonwealth Government NSW Government Other councils
1.6c	Maintain close links with the Commonwealth Government, NSW Government, the not-for-profit sector, the financial sector and the private sector to identify opportunities for joint ventures to deliver affordable housing.	AHO Community Support City Strategy Other (to be determined)	Staff time Other (to be determined)	Ongoing	Commonwealth Government Housing NSW Office of Community Housing Centre for Affordable Housing Aboriginal Housing Office Other councils Financial institutions (unidentified) Not for profit sector (to be identified) Private sector (to be identified)
1.6d	Maintain close links with, and where feasible, enter into partnerships with Commonwealth, State and Local Government to facilitate the delivery of infrastructure to Government owned sites identified as being appropriate for the development of affordable housing.	Community Support City Strategy Other (to be determined)	Staff time	Ongoing	Commonwealth Government NSW Government Other councils
1.6e	Determine the feasibility of establishing an 'affordable housing fund' to receive funds to be dedicated to the protection of existing affordable housing and the development of new affordable housing.	Community Support Finance	Staff time To be determined	Medium-term	
1.6f	While continuing to offer exemptions from development contributions for developments that include affordable housing, explore other incentives to developers who provide affordable housing in new developments.	City Plan Development	Staff time To be determined	Medium-term	

## **Objective 2 Protect the existing stock of low cost rental accommodation in the City of Sydney.**

### **Background**

The sustained loss of low cost accommodation in the Sydney LGA has a profound effect on those at the bottom of the housing ladder, particularly the homeless and those at risk of homelessness.

As the population grows in the City, low cost accommodation available in the City has diminished as a proportion of housing stock. It is essential that the City employ measures to protect the existing stock of low cost accommodation and promote the supply of new low cost accommodation. This will largely be facilitated by improved use of SEPP 10 Low Cost Rental Accommodation.

### **A2.1 Action**

The City will build on existing research to establish a baseline for monitoring the quality and location of existing low cost rental accommodation in the LGA.

### **A2.2 Action**

The City will implement a consistent approach to the enforcement of SEPP 10 in the LGA by:

- collaborating with the DoP to improve affordable housing outcomes through the better application of SEPP 10;
- investigating the feasibility of developing a GIS data layer identifying or 'flagging' properties in the LGA that are subject to SEPP 10; and
- review existing procedures and develop a training manual for development assessment staff to ensure 'best practice' assessment of SEPP 10 properties.

### **A2.3 Action**

The City will investigate the feasibility of providing financial incentives to owners of low cost accommodation to assist in its retention.

### **A2.4 Action**

The City will work with boarding house owners to ensure that they are aware of their rights and obligations with regards to health, building and fire standards.

### **Outcomes**

- No net loss of the existing stock of low cost accommodation in the City of Sydney up to 2013.

Objective 2					
	Action	Responsibility	Resources	Timeframe	External Partners
2.1	Identify the quality and location of existing low-cost rental accommodation, including boarding houses, in the LGA.	City Plan Development Planning Assessments Health and Building	Staff time Potential funds for consultancy	Medium-term	
2.2a	Develop an agreed protocol with the Department of Planning to achieve improved affordable housing outcomes through the application of State Environmental Planning Policy (SEPP) 10 Low Cost Rental Accommodation.	AHO City Plan Development Planning Assessments	Staff time	Short-term	Department of Planning
2.2b	Undertake a pilot project to incorporate a data layer into the City's geographic information system (GIS) to 'flag' properties to which SEPP 10 applies. Contingent on the successful implementation of pilot project, establish a low-cost rental GIS data layer for the entire LGA.	Community Support Health and Building IT (GIS)	Staff time	Medium-term	
2.2c	Develop and implement a training manual for development assessment staff to outline best practice procedures for the assessment of development that is subject to SEPP 10.	AHO City Plan Development Planning Assessments	Staff time	Medium-term	Department of Planning
2.3	Review existing incentives for the retention of boarding houses and other low-cost rental accommodation and explore other incentives. Contingent on feasibility, implement an incentives scheme for the owners of boarding houses and other low-cost rental accommodation.	Community Support Finance	Staff time	Medium-term	
2.4	Educate owners of boarding houses to ensure that they are aware their rights and obligations with regards to health, building and fire standards.	Community Support	Staff time	Medium-term	

### Objective 3 Encourage a diverse range of housing in the City of Sydney.

#### Background

A diverse demographic is vital for the economic, social and cultural sustainability of the City. It is essential that the City retain a mix of people from different incomes groups, occupations, ages, household types, cultural backgrounds and sexualities. A diverse population has diverse housing needs, both in relation to the cost of the housing, as well as the type of housing that is available.

The majority of the growth between 2001 and 2006 has been in one and two bedroom units with a small drop in the proportion of three bedroom units being provided. A lack of three bedroom units provides fewer opportunities to accommodate families and to form group households.



By encouraging housing that is appropriate for family households it is more likely that families will be encouraged to settle in the LGA. Where families settle, service provision, such as health and education facilities is more likely. As these services are provided, more families are attracted to an area.

Allowing for more secondary dwellings may also create affordable housing opportunities by allowing owners to rent a portion of their apartment, making the mortgage more affordable for the purchaser as well as creating an affordable renting opportunity for a renter. A secondary dwelling is a self-contained dwelling that is either established in conjunction with another dwelling (the principal dwelling); on the same lot of land (not being an individual lot in a strata plan or community title scheme) as the principal dwelling; or located within, or is attached to, or is separate from, the principal dwelling.

### A3.1 Action

The City will assess the benefits of specifying an appropriate dwelling size mix in Council planning instruments and, where appropriate, incorporate such provisions into planning instruments.

### A3.2 Action

The City will ensure planning provisions provide flexibility to provide culturally appropriate housing.

### A3.3 Action

The City will ensure planning provisions do not discourage *secondary dwellings* and where appropriate encourage *secondary dwellings*.

### Outcome

- City Plan includes provisions that encourage diverse forms of housing.

Objective 3					
	Action	Responsibility	Resources	Timeframe	External Partners
3.1a	Revise existing dwelling size mix provisions in City planning instruments and plans and recommend potential alterations.	City Plan Development	Staff time	Short-term	
3.1b	Implement revised planning controls relating to dwelling size mix for inclusion in City Plan.	City Plan Development	Staff time	Short-term	
3.2	Ensure provisions in City planning instruments and plans provide flexibility to provide culturally appropriate housing.	City Plan Development	Staff time	Short-term	
3.3a	Ensure provisions in City Plan do not discourage secondary dwellings in appropriate locations.	City Plan Development	Staff time	Short-term	
3.3b	Include provisions in City Plan to encourage secondary dwellings in appropriate locations.	City Plan Development	Staff time	Short-term	

## **Objective 4 Collaborate with other inner Sydney councils to address affordable housing as a regional issue.**

### **Background**

Housing affordability is not an issue that may be addressed in isolation from other LGAs. The rental and purchase prices in neighbouring LGAs are comparable to those in the City. Further, neighbouring LGAs are experiencing similar demand and supply pressures to those being experienced in the City as well as the same trends that result in the overall loss of low cost accommodation. It may therefore be just as difficult for very low to moderate income households to acquire housing in neighbouring suburbs as in the City.

Affordable housing issues should therefore be considered in a regional context and not as a problem that can be measured and rectified in wholly local terms. Where there is close communication and agreed objectives between the City of Sydney, other levels of government and neighbouring councils the key issues influencing affordable housing in inner Sydney may be more fully addressed.

### **A4.1 Action**

The City will take a leadership role in Affordable Housing research, projects and policies.

### **A4.2 Action**

The City will establish and coordinate a working group of councils in inner Sydney to:

- establish a memorandum of understanding to guide the group of the work;
- reach a mutual understanding of regional housing issues;
- undertake research;
- monitor regional housing trends;
- collaborate with Aboriginal Land Councils;
- consistently apply SEPP 10;
- enter into partnerships to facilitate the provision of affordable housing; and
- take a consistent approach in advocating to the Commonwealth Government and the NSW Government for better housing outcomes.

### **A4.3 Action**

The City will collaborate with other councils to establish a training manual for development assessment staff. The training package should include information relating to housing issues so that all DA planners have a consistent understanding of affordable housing issues, best practice for SEPP 10, as well as impart an understanding of what a voluntary planning agreement may yield in affordable housing and how the best outcomes for councils might be achieved.

### **Outcome**

- Establishment of the Inner Sydney Council's Affordable Housing Working Group by 2009.
- Implemented best practice training for all DA planners in participating councils.

Objective 4					
	Action	Responsibility	Resources	Timeframe	External Partners
4.1	Take a leadership role in Affordable Housing research, projects and policies.	AHO	Staff time	Medium term	
4.2	<p>Establish and coordinate a working group with other inner-Sydney councils to:</p> <ul style="list-style-type: none"> <li>• establish a memorandum of understanding (MOU) to guide the work of the group and to facilitate AH provision (including eligibility for clients) across the LGAs;</li> <li>• collaborate for a mutual understanding of housing affordability and housing issues within the inner-Sydney region;</li> <li>• undertake housing research</li> <li>• monitor regional housing trends;</li> <li>• collaborate with Aboriginal Land Councils;</li> <li>• achieve a consistent understanding and application of SEPP 10 and collaborate to develop an agreed protocol with the Department of Planning (see Action 2.2a);</li> <li>• identify opportunities for partnerships in providing affordable housing; and</li> <li>• collectively advocate to other levels of government for improved housing outcomes.</li> </ul>	AHO City Strategy Other (as needed)	Staff time Other (to be identified)	Ongoing	Inner Sydney regional councils Department of Planning Office of Community Housing Centre for Affordable Housing Aboriginal Lands Councils Aboriginal Housing Office Financial institutions Not for profit sector Private sector
4.3	Collaborate with other councils to establish training for development assessment staff to increase understanding and achieve a more consistent and informed approach to affordable housing in general, SEPP 10 (see Action 2.2c), and voluntary planning agreements.	AHO Planning Assessment	Staff time To be determined	Medium-term	Inner Sydney regional councils Department of Planning

**Objective 5 Advocate the protection and facilitation of affordable housing to other levels of government, and to the community.**

**Background**

Where the community is aware of the issues influencing housing affordability and the provision of affordable housing, and are educated on the benefits and importance of facilitating affordable housing within the LGA, community support for this Strategy will be increased.

The City may advocate to other levels of government on behalf of the community for improved housing outcomes for households on very low to moderate incomes.

**A5.1 Action**

The City will undertake community education and engagement programs on the benefits of an inclusive and diverse City.

**A5.2 Action**

The City will advocate to and work in partnership with Housing NSW to increase the supply of public housing, community housing and ancillary support services for very low to moderate income households.

**A5.3 Action**

The City will advocate to Aboriginal Housing Office and Housing NSW to increase the range of culturally appropriate social housing options and support services for very low to moderate income households in the Indigenous community.

**A5.4 Action**

The City will continue to liaise with the Aboriginal Housing Company on the detailed development of the Pemulwuy Project.

**A5.5 Action**

The City will advocate to the Commonwealth Government and the NSW Government to increase funding to the not-for-profit sector to facilitate affordable housing and supported affordable housing for very low, low and moderate income households.

**A5.6 Action**

The City will advocate to the Commonwealth Government and the NSW Government to establish a financial framework that encourages the development of affordable housing initiatives by the private sector.

**A5.7 Action**

The City will continue to advance affordable housing matters directly with the Commonwealth Government through the Council of Capital City Lord Mayors (CCCLM) Social Infrastructure Policy Committee.

**A5.8 Action**

The City will advocate to the Commonwealth Government and the NSW Government to offer incentives to owners of boarding houses. Incentives should be linked to:

- quality standards; and
- improved tenancy agreements.

**A5.9 Action**

The City will advocate to all levels of government for a whole of government approach to increasing the amount of affordable housing available to very low to moderate income groups.

### A5.10 Action

The City will advocate for affordable housing outcomes in urban renewal sites where the Minister for Planning is the consent authority.

#### Outcome

- Increase in the knowledge of housing issues in the community.
- Increase in the range of housing options for very low to moderate income households.
- Increased funding to the not-for-profit sector for the provision of affordable housing to very low to moderate income households.
- Increase in participation by the private sector in the provision of affordable housing to very low to moderate income households.

Objective 5					
	Action	Responsibility	Resources	Timeframe	External Partners
5.1a	Design and implement a community engagement program to undertake community education on the benefits of providing affordable housing.	Community Support Community Engagement	Staff time	Short-term Ongoing	
5.1b	Engage with the community throughout the development of affordable housing projects in the LGA.	Community Support Community Engagement	Staff time	Ongoing	
5.2	Advocate to and work in partnership with Housing NSW to protect existing and to increase the supply of public housing, community housing and ancillary support services for very low, low and moderate income households and to achieve an improved mix of social housing throughout the LGA.	AHO Community Support – Public Housing Liaison Officer	Staff time	Ongoing.	Housing NSW
5.3	Advocate to Aboriginal Housing Office and Housing NSW to increase the range of culturally appropriate housing options and support services for very low to moderate income households in the indigenous community.	AHO Community Support – Public Housing Liaison Officer	Staff time	Ongoing.	Aboriginal Housing Office. Aboriginal Housing Company. Department of Planning.
5.4	Continue to liaise with the Aboriginal Housing Company on the detailed planning for the Pemulwuy Project	Properties Community Support	Staff time	Ongoing.	Aboriginal Housing Company Department of Planning
5.5	Advocate to the Commonwealth Government and the NSW Government to increase funding to the not-for-profit sector to facilitate affordable housing and supported affordable housing for very low, low and moderate income households.	AHO City Strategy	Staff time	Ongoing.	Commonwealth Government Housing NSW Department of Planning

5.6	Advocate to the Commonwealth Government and the NSW Government to establish a financial framework that encourages the development of affordable housing initiatives by the private sector.	AHO City Strategy	Staff time	Ongoing.	Commonwealth Government. NSW Government
5.7	The City will continue to advance affordable housing matters directly with the Federal Government through the Council of Capital City Lord Mayors (CCCLM) Social Infrastructure Policy Committee.	City Strategy	Staff time	Ongoing	Commonwealth Government CCCLM Federal Minister for Housing
5.8	Advocate to the Commonwealth Government and the NSW Government to offer incentives to owners of boarding houses. Incentives should be linked to quality standards and improved tenancy agreements.	AHO Community Support	Staff time	Ongoing	Commonwealth Government Housing NSW NSW Government Department of Fair Trading
5.9	Advocate to all levels of government for a whole of government approach to increasing the amount of affordable housing available to very low to moderate income groups.	AHO Community Support	Staff time	Ongoing	Commonwealth Government. NSW Government
5.10	Advocate for the provision of affordable housing in urban renewal sites where the Minister for Planning is the consent authority.	AHO Community Support	Staff time	Ongoing	Department of Planning Housing NSW

## Objective 6 Implement, evaluate and monitor the Affordable Housing Strategy.

### Background

The Affordable Housing Strategy Internal Liaison Group (AHSILG) was established in May 2007 to ensure a whole of council approach to the development of this Strategy. The AHSILG is the group accountable for the implementation, evaluation and ongoing monitoring of the City of Sydney Affordable Housing Strategy.

#### A6.1 Action

The City will establish an Affordable Housing Officer position with overall responsibility for the implementation of this Strategy.

#### A6.2 Action

The City will monitor existing affordable housing and report in the City's mandatory community reporting processes.

#### A6.3 Action

The City will undertake an annual review of the progress of the Strategy and report in the City's mandatory community reporting processes.

#### A6.4 Action

The City will maintain existing research.

## A6.5 Action

The AHSILG will undertake ongoing research into housing related issues in the City of Sydney. Such research may include, but will not be restricted to:

- identifying risk to the economy represented by shortfall in key workers;
- identifying risk to the economy represented by shortfall in the creative classes; and
- identification of employment sectors experiencing unacceptable levels of difficulty in recruiting staff.

Objective 6					
	Action	Responsibility	Resources	Timeframe	External Partners
6.1	Establish an Affordable Housing Officer position with overall responsibility for the implementation of this Strategy	Affordable Housing Internal Liaison Group Human Resources	Staff time Funding for new position	Short-term	
6.2	Monitor existing affordable housing and report in the City's mandatory community reporting processes.	AHO	Staff time	Annual Ongoing	
6.3	Undertake an annual review of the progress of the Strategy and report in the City's mandatory community reporting processes.	AHO	Staff time	Annual Ongoing	
6.4	Following each census: • Update the Affordable Housing Social Atlas following each census. • Maintain the Housing Needs Analysis Report following each census.	City Plan Development	Staff time Funds for consultancy.	To be completed following each census. Ongoing	
6.5	Determine data gaps in housing research and undertake/commission research according to need into housing related issues. Further research may include, but is not limited to: • Loss of key workers; and • Student housing needs and its impact on housing in the LGA	AHO City Strategy Community Support City Plan Development Properties Finance	Staff time Potential funds for consultancy.	Ongoing Ongoing	

## 8 A Way Forward For The City

The objectives and actions contained within the Draft City of Sydney Affordable Rental Housing Strategy are the product of extensive research undertaken by the City which demonstrated a clear and persistent need for the City to protect existing affordable housing and facilitate the provision of new affordable housing.

This draft strategy presents a way forward to ensure that to the extent of its abilities, Council will work with external partners to achieve affordable housing targets articulated within Sustainable Sydney 2030 and within this draft strategy.