

Submission
No 136

INQUIRY INTO SOCIAL, PUBLIC AND AFFORDABLE HOUSING

Organisation: Coffs Harbour City Council

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SUBMISSION SOCIAL, PUBLIC AND AFFORDABLE HOUSING INQUIRY

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OVERVIEW

The issue of secure, appropriate and affordable housing underpinning all citizens ability to live a life which reaches full potential is well understood and documented.

On the Mid North Coast of NSW and in Coffs Harbour area in particular, a reasonable body of work exists which informs the community, the business sector and local government in relation to the issues. The work has also been made available to other levels of government for consideration.

Some of the documents which have been developed in recent times include:

- Coffs Harbour City Council Affordable Housing Research Paper – 2009
- Regional Homelessness Action Plan 2010 – 2014 (North Coast)
- Mid North Coast Regional Homelessness and Housing Forum Report – 2012
- Barriers and opportunities to workforce development to support housing and construction: a focus on affordable housing supply in the Mid North Coast – Mid North Coast Regional Development Australia - 2013

The above documents give a clear overview of the situation in relation to the issues of housing, as they are currently understood for Coffs Harbour Local Government Area. Those highlighted in grey above have been uploaded as part of this submission. The regional action plan is a NSW State Government document and is therefore seen to be already available to the Committee.

Give the terms of reference for the Select Committee inquire the following particular areas are highlighted:

(a) *Projections of future social, public and affordable housing supply and demand to 2020*

Coffs Harbour City Council has developed a comprehensive, strategic suite of documents which make up 'Our Living City Sustainable Strategy'. These documents detail and cover the vision for the liveability of the area to 2031. They cover matters such as the vision, strategic directions, the meeting of the vision along with specific maps and strategies. This body of work would be a useful resource as it was developed using a triple bottom line approach and has projected issues for housing, transport and employment to name just three. The strategy is available on Coffs Harbour City Council's website at <http://www.coffsharbour.nsw.gov.au/places-for-living/land-use/Pages/OurLivingCitySettlementStrategy.aspx>

(b) *Data regarding the link between the lack of appropriate social, public and affordable housing in New South Wales and indicators of social disadvantage*

No specific data has been collected by Coffs Harbour City Council on this matter however the extensive and long term work by people such as Tony Vinson and others is relied upon in such matters.

(c) *Housing design approaches and social service integration necessary to support tenant livelihoods and wellbeing*

In relation to this the Mid North Coast Homelessness and Housing Working Party was established with the aims to work together collaboratively within a whole of service system approach to improve outcomes for people who are experiencing homelessness and housing stress within the Mid North Coast Region.

To achieve this aim, the Mid North Coast Homelessness and Housing Working Party is comprised of representatives from government agencies, local government agencies, Aboriginal services and non government organisations from all the 8 Mid North Coast Local Government Areas. It is hoped that better engagement with the private sector will also occur in the future.

In late 2011, Mid Coast Communities convened the inaugural meeting of the Mid North Coast Homelessness and Housing Working Party. The Mid North Coast Homelessness and Housing Working Party was established with the aim of both organising a 2012 Regional Homelessness and Housing Forum and to continue to work towards better outcomes for homelessness and housing as a regional group after the forum.

Mid Coast Communities applied for and received funding through the Homelessness Unit of Housing NSW to organise and host the 2012 Regional Homelessness and Housing Forum. Of note, as a result of this proposal, the Homelessness Unit also approved like funding for other regional areas in NSW.

The proposal for funding included the following aims for the forum:

- Enhance the conduit and flow of information within and between the Mid North Coast homelessness and housing service system and macro planning structures and processes
- Strengthen the Mid North Coast service system through sharing of information including updating the sector on the progress of the North Coast Regional Action Plan
- Provide an opportunity for cross sector development and the showcasing of best practice initiatives
- Build cross sector and cross agency cooperation, networking, collaboration and coordination
- Enhance government and non government and for profit and not-for-profit relationships and enhance ideas and resource sharing to facilitate better integrated and sustained service system responses
- Support regional and local priorities and actions, strategies and partnerships

Below is a summary of learning from the forum:

1. Homelessness and housing is seen as everyone's business and is a central concern for the Mid North Coast community services sector
2. Working together collaboratively within a whole of service system approach is seen as a key factor to improve outcomes for homelessness and housing
3. Opportunities for whole of service system networking, sharing and solution generation enhance cross agency collaboration and understanding

4. Engagement with Housing NSW is seen as an important factor in improving homelessness and housing outcomes
5. Engagement with local government is seen as an important factor in improving homelessness and housing outcomes
6. Engagement with the private sector is seen as an important factor in improving homelessness and housing outcomes
7. Engagement with Aboriginal services is needed to improve homelessness and housing outcomes for Aboriginal communities
8. Advocacy is seen as an important factor in improving homelessness and housing outcomes
9. The 2012 Regional Homelessness and Housing Forum was seen as a successful and constructive event and future forums have been requested
10. There are perceived shortages of homelessness and housing services and funding across the region
11. There is a need to support services that are providing homelessness and housing services without being specifically funded to do so
12. There is a need to support services working with specific groups of people (young people, people who have a mental illness, people who have an intellectual disability, people with complex need)
13. Improving housing supply and affordability is seen as the key factor in improving homelessness and housing outcomes
14. Prevention and early intervention is seen as very important in improving homelessness and housing outcomes
15. Crisis and short to medium term accommodation and assistance services are seen as vital and lacking within the service system
16. Workforce attraction, retention and development are seen as factors for improving homelessness and housing outcomes
17. Increasing government allowances is seen as important in improving homelessness and housing outcomes
18. There is need to retain and build upon what is already working within the homelessness and housing service system and to generate and implement solutions to identified challenges

(d) Maintenance and capital improvement costs and delivery requirements

RDA Mid North Coast have done work on this matter and the section – Models and Project ideas for the Mid North Coast, Affordable Housing Models and Financing (commencing on page 55) of the barriers and opportunities document provide background and ideas in relation to this.

(e) *Criteria for selecting and prioritising residential areas for affordable and social housing development*

Information about this is contained in Our Living City Sustainable Strategy and creates particular challenges for Coffs Harbour and the Mid North Coast where issues such as access to public transport, services and facilities are problematic.

(f) *The role of residential parks*

On the eastern sea board of NSW and in other areas where tourists, event attendees and friends and visitors play a big role in relation to people requiring short term accommodation, this is not seen as particularly viable.

(g) *Recommendations on State reform options that may increase social, public and affordable housing supply, improve social service integration and encourage more effective management of existing stock including, but not limited to:*

(i) policy initiatives and legislative change

Due to the complexity of issues affecting housing affordability it is not possible to adopt a one size fits all approach. Rather it requires a combination of diverse strategies, reforms or initiatives appropriate to our local government area and community.

Some examples could include:

- Providing opportunities through the planning system for additional development of manufactured home estates. Under the standard LEP manufactured homes are defined as movable dwellings and there are identified zonings for this type of development.
- Protect the existing stock of affordable housing by including assessment requirements and require mitigative actions where existing affordable housing is threatened by development proposals. This could include conditions attached to development approval to compensate for an identified adverse environmental impact or loss of affordable housing. This can be achieved through providing an equivalent supply of affordable housing within the site or offering a cash contribution.
- Affordable Housing Development Contributions - Would involve imposing a requirement on certain forms or scales of development or for development in specific locations that a certain portion of the lots or dwellings created be dedicated to Council or a nominated not for profit housing provider, or alternatively provide a cash contribution. These dwellings could then be made available to low to moderate income households or cash contributed to an affordable housing fund.
- Low Interest Loans or Underwriting Affordable Housing Developments this would see interest loans or underwritten loans for eligible affordable housing developments with conditions might be placed on such assistance, such as that the developers be or include a not for profit community housing provider or Community Land Trust.

(ii) planning law changes and reform

Nothing specific to add here

(iii) social benefit bonds

Nothing specific to add here

(iv) market mechanisms and incentives

An option for consideration may be ‘third sector’ development which refers to non-government not for profit commercial entities that operate for a public purpose. Third sector entities can include charities, consumer and legal advocacy organisations, community housing providers and special purpose not for profit organisations.

There is potential for third sector organisations to play a role in housing affordability in a number of possible ways, including:

- Managing affordable housing stock obtained through implementation of other strategies; or
- Directly undertaking affordable housing projects by acting as bridging organisations between government (Local, State and Federal), investors or other financial entities and affordable housing homeowners or renters.

One of the key challenges with providing affordable housing subsidies or requiring the dedication of land or payment of development contributions for affordable housing is how such housing can be managed or administered without placing long term administrative burdens on State or local governments.

Councils could facilitate third sector development by entering into partnerships with local housing providers or supporting the development of a not for profit development company or Community Land Trust.

Some potential third sector models appropriate to affordable housing may include:

- **Debt Equity Models:** A small quantity of affordable housing has been successfully provided in Australia with the assistance of local governments, through contributions of equity to joint ventures in various partnership arrangements. The overarching principles of the debt equity model is to leverage government funds to affordable housing using contributions of equity from the government, private and not for profit sectors. The stated goal of the model is the maximisation of the leveraged capital through the combination of resources (equity) of the project partners, one of which must be a not for profit community housing provider.
- **Supporting Community Housing Providers:** Affordable housing stock obtained through other strategies outlined in this section may be head leased to and managed by an approved not for profit community housing provider. Such providers would then sub lease the properties to eligible low to moderate income households. Alternatively any monetary contributions sourced through the strategies mentioned could be utilised to develop partnership projects with community housing providers.
- **Sponsorship of a Not for Profit Development Company:** This model would involve the donation of set up resources such as staff, office support, surplus public land or seed funding to facilitate the establishment of a “third sector” not for profit company vested with the task of developing affordable housing stock. Such stock could then be managed by a community housing provider, community land trust or another appropriate not for profit organisation.

- Establish a Community Land Trust (CLT): CLT is a not for profit organisation established to preserve the affordability of home ownership units over the long term. It does this by selling homes to qualified low to moderate income families, but retaining ownership of the land under these individual homes and holding it “in trust” for future generations. Buyers of land trust homes agree that when they move they will sell their home to another low or moderate income household at a price that is affordable (facilitated through the CLT). This strategy shares elements of affordable rental housing, home ownership and “share equity” housing investment.

The direct provision of affordable land or housing would involve obtaining land capable of being developed and dedicating this to affordable housing.

This strategy depends on several factors including the perceived cost benefits, anticipated rewards, the fiscal position of those to be involved and the impact of broader economic conditions.

(v) ongoing funding partnerships with the Federal Government such as the National Affordable Housing Agreement

Nothing specific to add here

(vi) ageing in place, and

Council, in partnership with the industry sector, might explore how innovation in the housing industry might be supported to provide a broader range of housing products. Innovative design, materials, ecological design features, adaptability and construction techniques could improve housing affordability and sustainability through cost savings on materials and reducing construction times and therefore building labour costs. For example prefabricated dwelling construction could provide substantial benefits in this regard.

Encouragement of adaptable housing which allows the initial design of the building structure or dwelling to change over time, with minor internal renovations is seen a positive option. This may involve allowing the structure of the dwelling to change, relatively easily, from a four bedroom family home, to two two-bedroom units as the needs of the community, and the occupants of the dwelling change over time. Fact sheet for developers on adaptable housing should be readily available.

Industry innovation in relation to adaptability could also be encouraged by introducing affordable housing innovation awards.

(h) Any other related matter.

Affordable housing is a whole of community issue and in order to achieve positive outcomes for the community, government, non-government and community sector organisations will need to work in partnership.

In addition to the strategies outlined previously there is considerable potential for affordable housing issues to be addressed through community development initiatives, community education, community partnerships and advocacy.

There are currently many organisations and groups proactively working in our local government area on housing issues and it is anticipated that any strategies undertaken

would aim to build, enhance, compliment or further develop co-ordination of current community programs and assets.

Outlined below are various initiatives and strategies being undertaken or proposed in local government areas for consideration:

- **Development of an Incentive Rental Information Package for Distribution to Landlords, Real Estate and Investors:** This might include a professional package of information on products/schemes, local support services and how these resources can be accessed. This strategy is aimed at raising awareness of rental providers on products available to support tenancies and encourage increased access to the rental market.
- **Housing Assistance Booklet:** An information booklet providing a source of information on housing options within the local government area and contact details for housing providers and peak bodies.
- **Participation in Local Housing Forums:** Many local government areas have active Housing Forums operating, including the Coffs Harbour Housing Forum which has been established to highlight housing issues and needs, identify challenges and determine innovative and sustainable approaches to address these issues across the region. The forum also provides opportunity for ongoing discussion and dissemination of relevant information and opportunities for partnerships and collaboration.
- **Innovative Information Events:** Facilitate information events such as inviting prominent experts in the field of affordable and adaptable housing to give presentations to industry participants such as developers, builders, social housing providers, council staff and community agencies. This could be an effective way to educate and engage with these sectors on affordable housing and promote innovative building materials or construction techniques.
- **Working Regionally:** Opportunity exists to also work at the regional level on affordable housing issues. Further scope exists to work with the Mid North Coast Regional Council for Social Development and neighbouring Councils on affordable housing. For example, the Northern Rivers Regional Council for Social Development has a Affordable Housing Development Worker and facilitates regional meetings, forums and training opportunities.