

**ITEM 3.1. AFFORDABLE HOUSING LEVY FOR CITY OF SYDNEY****FILE NO: S059651****MINUTE BY THE LORD MAYOR**To Council:

The cost of housing is at crisis point across Metropolitan Sydney –especially in the inner city. Over the past decade, there has been a 70 per cent growth in rents and a 65 per cent growth in the sale price of housing in the City. In 2013-2014 alone, sale prices for homes in the City grew by 11.6 per cent – nine times the average increase in earnings.

An Anglicare study in 2015 found that a couple with two young children on a minimum wage could afford just three per cent of Sydney’s private rental properties without being in housing stress, and none of these are located in Sydney’s inner ring.

Without affordable housing, a cohesive, equitable and successful city is not possible and Sydney is at risk of becoming an enclave for the wealthy.

Supporting key workers

An estimated 84 per cent of very low to moderate income households – including teachers, firefighters, police officers, nurses and others – suffer housing stress. We need these essential workers who keep our city running to be able to afford to live here.

This is why we were proud to partner with CityWest Housing to provide land at the former South Sydney Hospital site to be redeveloped for essential rental housing for low-income workers.

On 11 March 2016, the Hon. Brad Hazzard, Minister for Social Housing, and I recently opened this development. Designed by Kann Finch, it provides 104 units ranging from one to three bedrooms, catering for a mix of single people and families, with private and public outdoor spaces and bike parking.

What the City is doing

The City is using every mechanism available to increase affordable housing—but the State and Federal Governments are not doing enough. Global cities like New York and London are supported by their regional and national governments with proactive housing policies, backed by significant funding.

We need bipartisan leadership and collaboration from all levels of government to find innovative and effective solutions that deliver more affordable housing across the city.

Our Sustainable Sydney 2030 target is for 7.5 per cent of all housing in the City to be affordable housing, and 7.5 per cent to be social housing, by 2030. To meet this target, we need nearly 8,000 more affordable housing dwellings. The NSW Government’s metropolitan plan, ‘*A Plan for Growing Sydney*’, also recognises that more needs to be done to meet the housing needs of people with very low, low and moderate incomes.

Currently the City has an affordable housing contributions scheme in Green Square, Ultimo/Pymont and the new Southern Employment Lands areas.

### Expanding the Affordable Housing Levy citywide

The Green Square and Ultimo/Pymont schemes have contributed to the construction of over 850 affordable housing units, with an additional 550 dwellings in the development pipeline. The Southern Employment Lands scheme, which has recently been approved by Council and just commenced, will potentially add up to 900 units to our stock of affordable housing.

That's significant and valuable, but it's not enough—and demonstrates the need for expanding the levy across the Local Government Area.

In 2009, the City wrote to the former State Labor Government seeking support to extend the Green Square and Ultimo/Pymont affordable housing levies across the Local Government Area. We proposed that a new levy apply to all new development, requiring a monetary contribution or dedication of built units to an affordable housing provider.

The former government did not support extending the levy and, as a result, squandered the potential for affordable housing during the current housing boom.

I believe that the State Government could now reconsider extending the affordable housing levy and I propose Council endorse pursuing a cooperative approach to extend the use of affordable levies in response to the housing affordability crisis.

### *Urgent need*

The lack of affordable housing directly risks the economic and social wellbeing of our City. It impacts on our ability to attract and retain a global workforce and undermines quality of life for many of our residents. Action is required by all levels of government in Australia.

The City will explore opportunities for more affordable housing, such as making sites we own available to community housing providers, providing financial support for affordable housing projects, and facilitating affordable housing development through planning controls and other support.

### **RECOMMENDATION**

It is resolved that, in light of the affordable housing crisis, the Lord Mayor write to the NSW Government seeking the expansion of affordable housing levies across the City of Sydney and in other areas of metropolitan Sydney.

### **COUNCILLOR CLOVER MOORE**

Lord Mayor