

## Resolution of Council

**24 June 2024**

### **Item 14.11**

#### **Support for Boarding Houses in Sydney**

Original motion moved by Councillor Ellsmore, seconded by Councillor Scott.

It is resolved that:

- (A) Council note that:
- (i) traditional boarding houses continue to play an important role in providing relatively affordable housing in the City of Sydney, and in neighbouring Local Government Areas including the Inner West and Waverley. Traditional boarding houses tend to be established in older buildings with a long history of use as a boarding house, featuring small rooms and shared facilities;
  - (ii) in the City of Sydney there are an estimated 294 registered boarding houses with an estimated total of 4,031 rooms;
  - (iii) the number of traditional boarding houses are reducing over time, with development applications approved to convert 14 boarding houses to other housing since 2013, and the most recent City of Sydney Housing Audit 2023 finding that 64 boarding house rooms had been removed from the city's non-private dwelling stock in the twelve months to June 2023; and
  - (iv) in 2023, the City of Sydney Council refused two applications for boarding house conversions in Paddington. There is currently an appeal in the Land and Environment Court by the proponent in relation to the refusal by the City of Sydney of the Development Application to convert the boarding houses at 58-60 and 62-64 Selwyn Street Paddington into four dwellings. These boarding houses currently provide 32 rooms between them;
- (B) Council note that Council has been exploring opportunities to increase protections for traditional boarding houses;

- (C) Council note that the City's Affordable and Diverse Housing Fund provides grants to support a wide range of affordable and diverse rental housing in the Local Government Area, including boarding houses and our Affordable Housing contributions program already enables Community Housing Providers to use funds for boarding houses;
- (D) Council note that:
- (i) although they are required to be registered, traditional older stock boarding houses are not formally considered 'affordable housing', because there are no legal requirements that rooms be rented affordably. With Sydney rents at record highs, rising 13 per cent in one year alone, one of the key risks for traditional boarding house tenants is eviction as a result of unaffordable rent increases;
  - (ii) the City's advocacy led to NSW Government changes under the Housing SEPP (2021) which ensure that any new boarding house project must be managed by a Community Housing Provider in perpetuity and rented to eligible households at affordable rents;
  - (iii) the Affordable Rental Housing SEPP Guidelines for Retention of Existing Affordable Rental Housing 2009 (the Guidelines) that the City must assess Development Applications against are outdated, do not prevent the loss of boarding houses and do not consider the current housing affordability crisis. For example, a developer can argue that a boarding house is not financially viable to maintain;
  - (iv) following a Lord Mayoral Minute in October 2023, the Lord Mayor wrote to the NSW Government to request they:
    - (a) implement the recommendations of the report on the statutory review of the Boarding Houses Act 2012 and consult with Local Government before making legislative changes;
    - (b) immediately review the Housing SEPP provisions for the retention of existing affordable rental housing, and the Guidelines including the viability provisions, in consultation with Local Government to allow for a more balanced assessment of DAs resulting in a loss of boarding houses;
    - (c) review the circumstances in which contributions are to be paid when development results in a loss of affordable accommodation so the loss is appropriately mitigated and contributions allocated in the area the housing is lost, in consultation with Local Government;
    - (d) provide funding for boarding house owners to bring stock up to contemporary standards, noting that any such funding should only be provided where owners do not increase rents beyond affordable rates; and
    - (e) include requirements for financial compensation of displaced residents where a DA has been approved for a change of use from a boarding house;
  - (v) this year, the Minister for Better Regulation and Fair Trading, Minister for Planning and Public Spaces and Acting Minister for Housing responded to the Lord Mayor confirming that the NSW Government is progressing the recommendations of the 2020 statutory review and is reviewing the Guidelines, however no timeframe was provided for this;

- (vi) the Paddington Society is calling for an immediate moratorium on rent increases for boarding houses, to support boarding houses tenants, many of whom are older, on very low incomes, are living with a disability, and face few or no other housing options if evicted;
  - (vii) in 2023, Council resolved to call on the NSW Government to prevent unlimited rent increases;
  - (viii) the Paddington Society is also calling on the City of Sydney to purchase boarding houses at risk of being lost using affordable housing developer contributions;
- (E) the Lord Mayor be requested to write to the NSW Minister for Customer Service, who administers the Boarding Houses Act to again call on the NSW Government to implement the recommendations in the statutory review of the Act and to consult with councils before making changes; and
- (F) the Chief Executive Officer be requested to provide advice to Council about whether there are further potential amendments to Council planning instruments to protect against the loss of boarding houses, including through specific provisions in relation to the draft no net dwelling loss/dwelling retention provisions which are due to go on exhibition later this year, once the NSW Government reviews its guidelines.

Amended motion carried unanimously.

X086659