

## **Sustainable Sydney 2050 Update - Affordable and Equitable (Strategic Directions 4 and 6 - An Equitable, Affordable and Inclusive City and Housing for All)**

**File No: X012101**

### **Summary**

On 13 August 2018, Council resolved to begin work to develop Sustainable Sydney 2050; an evolution of Sustainable Sydney 2030 that incorporates the Resilient Sydney Plan, includes new research and technical advice and is underpinned by comprehensive engagement with all those who have an interest in our city.

Considerable work has subsequently taken place to progress the development of Sustainable Sydney 2050.

On 9 December 2019, Council noted a Sustainable Sydney 2050 Update report that provided the key findings from the comprehensive engagement program as well as details of research undertaken to inform the plan. The proposed strategic framework which includes a vision, principles, strategic directions and targets to measure progress was also set out in the report. Subsequently, the reports from the engagement activities have been published on the City of Sydney website. The research reports will also be progressively made available on the City's website.

The analysis and insights from the research and engagement programs have shaped the development of the forthcoming Sustainable Sydney 2050 plan.

This report provides an outline of the proposed affordable and equitable strategic directions (Strategic Directions 4 and 6) of the plan. It sets out the background to the issues, the proposed strategic response, initial actions that have been proposed, as well as relevant targets proposed for inclusion in the forthcoming Sustainable Sydney 2050 plan.

Access to affordable housing is integral to the achievement of an affordable and equitable city. Details of actions already taken by the City to increase the supply of affordable housing in our local area are attached to this report.

In contemplating potential future actions as part of the forthcoming Sustainable Sydney 2050 plan, it is proposed that Council consider extending and renaming the Affordable and Diverse Housing Fund to the Supported Accommodation, Affordable and Diverse Housing Fund to explicitly encourage the development of new accommodation to support people exiting homelessness, and contribute an extra \$10M in value through the discounted sale or leasing of surplus City land and/or cash.

## **Recommendation**

It is resolved that Council:

- (A) note the Sustainable Sydney 2050 Update - Affordable and Equitable Report and suggested targets that pertain to these strategic directions; and
- (B) note the proposal to extend and rename the Affordable and Diverse Housing Fund to the Supported Accommodation, Affordable and Diverse Housing Fund to explicitly encourage the development of new accommodation to support people exiting homelessness and contribute an extra \$10M in value through the discounted sale or leasing of surplus City land, and/or cash.

## **Attachments**

- Attachment A.** City of Sydney's Contribution to the Supply of Affordable and Social Housing

## Background

1. On 13 August 2018, Council resolved to begin work to develop Sustainable Sydney 2050; an evolution of Sustainable Sydney 2030 that incorporates the Resilient Sydney Strategy, includes new research and technical advice and is underpinned by comprehensive engagement with all those who have an interest in our city.
2. This report provides an update on the proposed affordable and equitable components of the forthcoming Sustainable Sydney 2050 plan (Strategic Direction 4 - An equitable, affordable and inclusive city, and Strategic Direction 6 - Housing for all). It sets out the proposed strategic response to the issues identified from the research and community engagement, initial actions, as well as relevant targets for inclusion in the plan.
3. An equitable city is one that creates the right circumstance where all people can flourish, fully participate and shape city life. It is where everyone is included, and benefits from the economic, cultural, social and democratic life of the City. Where no-one is left out or left behind.
4. Metropolitan Sydney, like other global cities, is in the middle of an affordability crisis. Our research shows that there are serious inequalities for some groups within our local community, where opportunities for secure work and affordable housing are increasingly out of reach. Lower educational or workforce participation rates mean our economy cannot grow to its full potential.
5. The effects of an unequal society can be reflected in declining or poor health and wellbeing, food insecurity, rising crime rates, reduced social cohesion and declining community resilience and connectedness.
6. Social cohesion can be undermined as individuals become further excluded or feel disconnected. Low or declining social cohesion contributes to barriers that limit an individual's full participation in the social, cultural, economic and political life of our city.
7. In our community, First Nations People, those on low incomes and people with disability experience clear inequalities with regard to the distribution of income, unemployment, skill levels of occupations, housing and costs, education, health, access to and involvement in public life and access to and costs around transport.
8. State-wide evidence shows that some of our older adults, single parent families and people who are unemployed experience some of the highest rates of poverty across metropolitan Sydney.
9. It is well known that quality of life and the amenity of the city are factors in talent and investment attraction. Research shows that when metropolitan Sydney is compared with its international peers, one of its areas of comparative weakness is the issue of affordability. Affordability pressures and socio-economic disparities must be addressed for the city to sustain a position among the highest performing city economies.

10. Housing in particular performs an integral economic and social role in our cities. Government plays a critical role in providing social and supported housing and subsidised affordable housing for people on low to moderate incomes. The City of Sydney has contributed to the supply of 896 affordable rental housing dwellings with a further 940 in the development pipeline (that is, a development application has been lodged and/or approved, the development is under construction or a commitment to the project has been made by the City). However, given the chronic shortage of affordable housing and considerable demand for it, the City must continue to act to the fullest extent possible to increase its supply. Details of the City's contribution to affordable and social housing are provided at Attachment A.
11. Low income households in particular are prone to housing costs becoming a burden and our Community Wellbeing Indicators (2019) show that 69 per cent of low income households that rent or have a mortgage spend 30 per cent or more of their income on housing costs. This is defined as being in housing stress. Our Equality Indicators report estimates that Indigenous people are over two times as likely to be in rental stress as non-Indigenous people. In addition, 2016 Census data shows that renters are more likely to experience housing stress than those that have a mortgage. Nearly twice as many households are renters in the City (63 per cent) compared to the rest of the country at 31 per cent.
12. The equality indicator research also shows that people with disability are over three times more likely to be earning a low personal income (<\$499/week) and to live below the poverty line than someone with no disability. As a result, they are more likely to experience food insecurity and financial stress in greater numbers.
13. Further, our city has always had a large proportion of residents who are new to our community. Over half of our residents counted at the last census didn't live in the area five years before that, creating further challenges around strengthening community inclusion, cohesion and resilience.
14. Addressing affordability and inequality is complex and requires collaboration and response from all tiers of government. But there are changes local government can bring about. We can also add our voice to broader issues, advocating for change on behalf of the communities we serve.

### **Community perspectives**

15. Our communities want their city to be a place that is inclusive of people regardless of age, disability, gender, sexual preference and cultural background, what you do as a job and how much you earn.
16. They want a holistic response to affordability issues as people often experience multiple facets of disadvantage. In this respect, they've also identified that the design of the city, its transport, public spaces and its services must include everyone, particularly prioritising access for those most in need.
17. Our communities have told us how much they value living in a neighbourhood that is home to people from all walks of life. They have expressed concerns about being priced out of the city over time, thus losing their deep connections to place. People told us of their deep concern about the impact of declining housing affordability and how this is undermining social diversity and forcing people to leave communities where they have always lived. This is particularly the case for local Aboriginal and Torres Strait Islander communities.

18. They are also concerned about the availability of social and affordable housing and how this is a barrier to a diverse and equitable city.
19. Education was identified not only as the pathway to shared economic prosperity, but also as the pathway to equal participation and influence in local decision making.
20. Affordability pressures were also of concern to those thinking about our future economy and our ability to attract and retain its workforce. Businesses in our city compete globally for talent and cost of housing and living more generally influences our city's competitiveness. Our future economic success may be linked to the cost of renting or purchasing housing in our city.
21. A Citizens Jury was formed from 47 randomly selected residents, workers and citizens from across metropolitan Sydney to consider what concepts should be implemented in the City of Sydney by 2050. In meeting over six Saturdays, the Jury distilled over 2,500 public submissions for ideas into eight concepts, three of which relate to the city as an affordable and equitable city. This included the city as having 'housing for all'. That is, a city providing a wide range of accessible and affordable housing options, being inclusive and promoting social and community cohesion. The Jury recognised that the City of Sydney local government area is currently unaffordable to many and is at risk of losing the diversity of people in its neighbourhoods and villages.
22. The Jury also proposed a new model of 'participatory governance' for the city, wanting a model that genuinely engages citizens in decision making on all levels, and is responsive and adaptable.
23. A further concept from the Jury, described a city where there was 'First Peoples of Australia - Leadership and Representation'. This concept expressed a wish for the traditional custodians of the land to help shape the city, through active participation in governance in a way that was embedded and respectful. They wanted Sydney to be a place where Aboriginal and Torres Strait Islander voices influence the identity, design, and functioning of their city.

### **Proposed strategic response**

24. By 2050, we want everyone to feel welcome and included in our city and to be able to afford to live here. And we want it to be an equitable city, a place where everyone can participate, prosper and reach their full potential.
25. It is our intention that in the future, we have removed the barriers that limit people's participation in the economic, cultural, public and social life of our city so that our city becomes inclusive of everyone, particularly those who are at risk of being marginalised, so that no one is left behind.
26. We want to be a city that acknowledges our history, including the impact colonisation and subsequent policies and practices had on First Nations People. For only when history is told truthfully can past injustices begin to be acknowledged, addressed and we move forward together.
27. We want to be respectful and learn from First Nations People; their history, stories, ceremonies, spirituality, cultural heritage and caring for and connection to country. It is important that the First Nations communities in our city are retained and strengthened. We will work with local communities and organisations to increase the supply of social and affordable housing to enable people to stay in their local areas.

28. The City will work with all levels of government, civil society and the private sector to do what we can to make our city more affordable. We will continue our investment in high quality public spaces, parks, pools, libraries and community facilities and make sure they are safe, accessible, inclusive and affordable for everyone.
29. We want communities to be equipped with the skills and tools to participate and flourish in the digital future and the City's libraries and community facilities to be centres for lifelong learning, creativity and digital citizenship. The City's newly opened Darling Square Library provides a model for contemporised and accessible learning, innovation and creative maker spaces.
30. The City will work with all stakeholders to ensure there is adequate provision of affordable, accessible, high quality early childhood education and care to support families in our 24 hour city.
31. We'll also work with the Australian and NSW governments to make sure the supply of high quality public education facilities meets the needs of our communities as they grow and change in the decades to 2050. In Green Square the City has partnered with the NSW Government to develop a new primary school. This will have shared, open spaces, sports and other facilities. For other communities we have advocated on their behalf for the facilities they need.
32. Also important for our communities' ability to reach their potential is food security; that is having access to enough fresh and healthy food to support an active healthy life. We want affordable and nutritious fresh food to be available and accessible to all in the community and we will encourage and support our citizens to live healthy, sustainable, and active lives.
33. Underpinning an equitable city, are communities that are engaged and who actively participate in decision making. We will encourage all people to get involved, particularly children and young people; deepening engagement to complement our existing Emerging Civic Leaders program and the International Student Leadership and Ambassador program. And we'll try to make sure that our communities are appropriately represented in the institutions and organisations that make decisions that affect their future. We will also work to ensure that the City's information and data is shared ethically with the community.
34. To achieve our aim of ensuring a socially, culturally and economically diverse community can continue to live in the city of Sydney in the future, we must address housing.
35. The City currently invests over \$2M each year to reduce homelessness and its impacts in Sydney. We hope that our city in future is one where investment and collaborative action has resulted in zero functional homelessness; such that available services and resources match or exceed demand for them. This will take the careful and committed coordination of a range of government and non-government services and resources to meet the demand for people who are homeless or at risk of homelessness.
36. We want social and supported housing to be available for those who need it and that those properties continue to be improved and maintained to a high standard. This will enable people to continue to live in their neighbourhood and maintain social connections throughout their life.

37. We must focus on increasing the supply of affordable rental housing that is available in perpetuity. While much has already been achieved, it is imperative that we accelerate supply through introducing innovative models of financing, delivery and ownership. Also needed are strategies and partnerships to provide culturally-appropriate affordable housing for Aboriginal and Torres Strait Islander communities.
38. We will also advocate for reform so that renting becomes a sustainable long-term option for residents in the area, supported by a strong rental regulatory framework that recognises the rights and needs of long term renters and manages the negative impacts of short-term rental accommodation.
39. We will work with other levels of government and the private sector to address the challenges of rising land costs that have exacerbated housing affordability pressures. Intervention is required so we continue to attract talent and capital and enjoy the benefits of a diverse community with a variety of affordable homes readily available within reasonable proximity of the city.
40. By 2050, we will plan for our medium to high density inner city urban environment to offer a wide range of housing options at a range of different price points, catering for the community at all stages of their life with affordable choices for families, inter-generational households, older people, students, single person and co-living households.
41. Housing throughout the city will be supported by accessible transport, health and education infrastructure and services, community facilities, infrastructure and open and green space.
42. Affordability issues also extend to the cost of workspaces, particularly for those in the start-up and creative communities. The challenges and strategic response will be addressed in a subsequent report.

#### **Some ideas for action we might take**

43. To realise the aspiration for our city to 2050 will take concerted action over the next three decades. Some initial ideas for actions we could add to our portfolio of ongoing actions include:
  - (a) Collaborate with government and non-government organisations and communities to realise and promote the benefits of social and cultural diversity as a defining competitive advantage. Review current programming to ensure our programming and activities are reflective of our multicultural community, is participatory and inclusive of all in the community.
  - (b) Partner with the NSW Government, community and others to co-design community facilities in dense and growing areas with diverse and multicultural communities such as in Waterloo. Social infrastructure and shared community facilities are integral to community cohesion, resilience and liveability and the City will work with others to enable community facilities that meet the community's needs.
  - (c) Work with schools and community more broadly to bring young people together in civic engagement to influence the important decisions about their city and its future.

- (d) Develop and implement place and sector plans that result in higher levels of economic participation in the city economy for First Nations People, women, people with disability and other vulnerable groups who are currently excluded.
- (e) Continue to develop, implement and review Inclusion (Disability) Action Plans in consultation with people with disability, in order to address barriers faced by people with disability in our area.
- (f) Pursue the co-design of services, programs and spaces available in the City's libraries, facilities and services, positioning these to match the needs of the community in a 24-hour city. Explore the potential for our libraries and community facilities to provide a platform for skills development, for building capacity for civic and economic participation, through the delivery of welcoming spaces and providing access and assistance to strengthen digital literacy and citizenship for all the community at all stages of life.
- (g) As a signatory to the Act to End Street Sleeping, work in partnership with the Institute of Global Homelessness, the NSW Government and other signatories including St Vincent de Paul, St Vincent's Health, Mission Australia, Salvation Army, Wesley Mission, Neami National and Yfoundations to reduce rough sleeping and work towards functional zero rough sleeping in the local government area by 2030. The City has helped finance the establishment of the independent local Act to End Street Sleeping initiative, who will support greater information sharing and enable a more coordinated response amongst signatories.
- (h) Continue to facilitate the delivery of affordable rental housing through use of the City's planning tools. Three affordable rental housing contribution schemes currently operate in the city, including at Green Square, Ultimo/Pymont and the Southern Enterprise Area (known as the Southern Employment Lands). In September 2018, Council approved the expansion of the current contribution schemes across the local government area. The City is working with the State Government to implement the expanded scheme.
- (i) Continue to work with Aboriginal and Torres Strait Islander communities, housing providers, the NSW Government and others to make sure development in Redfern, Waterloo and other areas in the city provide culturally appropriate affordable and social housing for Aboriginal and Torres Strait Islander peoples to address their displacement from the area.
- (j) Extend and rename the Affordable and Diverse Housing Fund to the Supported Accommodation, Affordable and Diverse Housing Fund to explicitly encourage the development of new accommodation to support people exiting homelessness and contribute an extra \$10M in value through the discounted sale or leasing of surplus City land and/or cash.
- (k) Continue to work with the Shortlisted Participants of the Alternative Housing (Sustainable Sydney 2050) Ideas Challenge to consider proposals; and advocate for the provision of affordable housing options in line with the shortlisted initiatives submitted under the Alternative Housing Ideas Challenge, noting that the Shortlisted Participants will be presenting their proposals at the Alternative Housing Exhibition, to be held in April/May 2020.
- (l) Accelerate opportunities to scale innovative affordable housing models through collaboration with Councils across metropolitan Sydney.



- (m) Support the Property Industry Foundation to increase the supply of crisis accommodation for youth at risk of homelessness.
- (n) Support increased opportunities to access culturally-appropriate and affordable student accommodation such as the UTS Indigenous Residential College.

### **How we will measure progress**

- 44. It is proposed that the Sustainable Sydney 2050 plan will include ten targets that collectively measure the transformation of our city in the decades to 2050. It is important to note that the City has limited direct control over these outcomes. Our role is to encourage behaviour change, advocate for policy or legislative reform, galvanise community action, improve outcomes through planning controls and lead by example through our own operations.
- 45. The proposed targets for the Sustainable Sydney 2050 plan most relevant to affordability outcomes are:
  - (a) By 2036, there will be 156,000 private dwellings in the local government area of which 7.5 per cent will be social housing and 7.5 per cent will be affordable housing. In addition, there will be 17,500 non-private dwellings which include boarding houses and student accommodation.
- 46. Additionally, the City will continue to monitor and report on the broader wellbeing of our community through the Community Wellbeing Indicators and analyse rising inequalities and monitor material living standards using the Sydney Equality Indicator Framework; designing policy responses that promote equity, opportunity of access and inclusive growth for all.

### **Key Implications**

#### **Strategic Alignment - Sustainable Sydney 2030 Vision**

- 47. Sustainable Sydney 2030 is a vision for the sustainable development of the City to 2030 and beyond. It includes 10 strategic directions to guide the future of the City, as well as 10 targets against which to measure progress. This report sets out how the current strategic directions will be revised and updated in the forthcoming Sustainable Sydney 2050.

#### **Budget Implications**

- 48. The proposed Sustainable Sydney 2050 plan builds upon and continues the City's commitment to achieve its core objectives. The majority of the financial implications associated with implementing the plan will therefore already be incorporated within the City's Long Term Financial Plans and forward budget estimates. Where elements of the plan require additional resources, these projects and initiatives will be balanced against existing commitments, to ensure the City prioritises its efforts to deliver the plan while maintaining the City's financial sustainability.

**Public Consultation**

49. A comprehensive community engagement program was undertaken from November 2018 and continued throughout 2019 to inform the development of the proposed Sustainable Sydney 2050 plan. Copies of the engagement reports can be found on the City of Sydney website.

**KIM WOODBURY**

Chief Operating Officer

Andrea Beattie, Executive Manager, Strategic Outcomes