

Item 3.1

Social and Affordable Housing

File No: S051491

Minute by the Lord Mayor

To Council:

Access to affordable and social housing is essential for a diverse, cohesive, and economically successful global city. The high cost of housing is an important economic and social issue in Sydney, particularly in the city where housing prices are among the highest in Australia. Affordability affects the city's ability to attract and retain workers. It is a myth that the market and supply will solve the housing crisis. Despite record development levels (\$35 billion over last 17 years), prices have not come down in the inner city. Less than one per cent of total housing is classed as affordable within the City of Sydney.

Whilst the City is committed to tackling housing affordability any way it can, housing is the responsibility of the NSW Government and it must do more to ensure everyone has access to affordable housing.

To achieve this, I call on the NSW Government to establish clear targets for the delivery of social and affordable rental homes, to build capacity in the community housing sector and to provide financial support for its delivery.

What the City is doing

The City uses its planning powers to support the increase of social and affordable housing by:

- giving around \$343 million in developer contributions to community housing providers (CHPs). For example, part of these developer contributions were given to City West Housing to deliver social and affordable rental housing with 57 dwellings at 35 O'Dea Avenue, Zetland;
- expanding our affordable housing levies across the entire local area which will result in over 1,000 additional affordable rental dwellings by 2036, subject to community housing providers being given the opportunity to deliver more projects;
- contributing around \$28 million in grants and subsidised land sales to community housing providers over the last 10 years through the Affordable and Diverse Housing Fund and selling City-owned sites like the Marion Street Council depot to St George Community Housing to deliver 160 new social and affordable apartments known as 11 Gibbons Street, Redfern;

- introducing innovative planning controls that allow for affordable housing in areas zoned for mixed business, so that community housing providers can access land at an affordable rate, such as the Southern Employment Lands that are located within Rosebery, Alexandria and St. Peters. The program ensures that as new jobs are created in and around the southern employment lands, some affordable rental housing is provided for essential and low-income earners; and
- entering into Voluntary Planning Agreements with developers who provide affordable housing as a public benefit alongside their development i.e. 19 affordable housing dwellings at 87 Bay Street, Glebe.

The NSW Government should establish clear and ambitious targets for the delivery of social and affordable housing on their own sites which would have a transformative effect for the City community by:

- providing a vital pathway out of homelessness and preventing people from becoming homeless;
- addressing severe rental stress experienced by people on low incomes in the private rental market by providing access to affordable rental housing;
- addressing the housing affordability crisis by ensuring essential and key workers such as nurses, paramedics, teachers, retail and hospitality staff can afford to live in our cities; and
- generating jobs in the construction and community housing sectors.

Housing for All: City of Sydney Local Housing Strategy

Council approved the City's local housing strategy, 'Housing for All', on 17 February 2020. It responds to the NSW Government's requirement for a long-term plan to guide the quantity, location and types of future housing in our area, as well as the NSW Government's request for overall local housing targets to meet forecast demand.

To achieve the local housing targets, the housing strategy includes a series of actions to facilitate, encourage and advocate for the provision of social and affordable rental housing in our local area, and more broadly across metropolitan Sydney.

Importantly, the City's housing strategy includes a commitment to ensure development in Redfern, Waterloo and other areas in the city will provide culturally appropriate affordable and social housing for Aboriginal and Torres Strait Islander peoples to prevent their displacement from the area.

On 14 September 2021, the Department of Planning, Industry and Environment conditionally approved the City's local housing strategy. The approval recognises the robust evidence base that underpins the housing strategy, which in turn provides a clear understanding of the housing needs of our local government area.

One of the strategy's key actions is to work with and encourage the NSW Government to deliver a minimum 25 per cent of floor space as affordable rental housing in perpetuity on all NSW Government sites, especially on those owned by the Land and Housing Corporation (LAHC).

Disappointingly, the Department rejected the City's affordable housing targets for developments on Land and Housing Corporation sites, which misses a significant opportunity to increase the amount of social and affordable homes in Sydney as we begin economic and social recovery from the Covid-19 pandemic.

For example, the City's planning proposal for Waterloo South that was approved in February 2021 to go on public exhibition proposed 920 social housing dwellings (30 per cent of all dwellings), 613 affordable housing dwellings (20 per cent of all dwellings) and 1,534 market dwellings (50 per cent of all dwellings) to be delivered on the site.

This is in comparison to Land and Housing Corporation's original planning proposal for Waterloo South proposed up to 30 per cent social housing, 65 per cent private market housing and just 5 per cent affordable housing.

A construction project of the scale of the Waterloo Estate redevelopment offers a significant opportunity to boost jobs in the construction sector and support the growth of community housing providers. Empowering community housing providers to deliver a larger share of a redevelopment project like Waterloo would increase their assets making them stronger and more self-sufficient. Eventually they would rely less on government loans and grants enabling the delivery of more social and affordable housing in the inner-city and across the state.

Recommendation

It is resolved that:

- (A) Council continue to advocate for 25 per cent of floor space as affordable rental housing in perpetuity on all NSW Government sites, including on social housing sites; and
- (B) the Lord Mayor be requested to write to the Premier, the Minister for Planning and Public Spaces and the Minister for Water, Property and Housing urging them to:
 - (i) reverse the decision to remove targets from the City's Housing Strategy for social and affordable rental housing on Land and Housing Corporation sites in our Local Government Area;
 - (ii) establish clear targets for the delivery of social and affordable rental homes, particularly on NSW Government owned land;
 - (iii) provide increased support to community housing providers to build their capacity; and
 - (iv) establish financial support for the delivery of social and affordable rental housing that includes appropriate wrap-around services to support vulnerable people in social housing.

COUNCILLOR CLOVER MOORE

Lord Mayor