



NSW Federation of Housing Association's submission to the City of Parramatta Draft Affordable Housing Policy

The NSW Federation of Housing Associations (the Federation) commends the City of Parramatta's approach to addressing housing affordability including its extensive consultation and research stages in developing the Draft Affordable Housing Policy. The Federation welcomes the opportunity to provide feedback on behalf of its members to the City of Parramatta's Draft Policy and wholly supports Council's focus on increasing the supply of affordable rental housing in the Parramatta area to assist households suffering from rental stress.

Sydney's prosperity and future growth is limited by its housing affordability crisis. Sydney has become the third most expensive city in the world in which to buy or rent with only 5 suburbs (out of 540) affordable for renters on minimum wage. In Parramatta, 70% of residents are in rental stress with single parent households experiencing the highest rate of housing stress at 42%. For Sydney to secure its position as a global city, further housing is needed for lower income earners, including key workers who are essential to the city's economic sustainability and social diversity. Local Councils have a significant role to play in responding to this issue.

The Federation supports the Policy's emphasis of the benefits of working with registered community housing providers to manage and develop new affordable homes. The actions proposed by Council will contribute to the development of additional affordable housing which will be of great benefit to the local community. This submission provides some commentary on the Policy followed by responses to the Actions in section 4

General Comments

An additional achievement of Council is its commitment to developing links to the community housing industry. This was largely accomplished through Council's and the Federation's joint research project on the review of planning measures and approaches to securing affordable housing.

The Federation has recently completed a survey of community housing provider development activity across NSW. Since 2012 community housing providers have delivered a total of 61 units in the Parramatta LGA, of which 23 were New Generation Boarding House units and 38 were affordable rental units supported with an NRAS subsidy. This could be significantly increased if the proposed Affordable Housing Policy was adopted.

Council has determined that boarding houses are not included as affordable housing types in policy targets. The Federation proposed that Council reconsiders this decision because boarding houses represent value for money development option and is a low cost accommodation option for renters.

Council should consider older households as part of its forecast analysis as this is a vulnerable group that is generally less able to withstand changes to housing markets.

Actions 1 and 2: Advocate for Federal and State Tax Reform

The Federation is supportive of Council's decision to advocate for tax reform. For example, Council can advocate for funding to bridge the subsidy gap that exists with the National Housing Finance and Investment Corporation's affordable housing bond aggregator. The details of these changes should be made in consultation with experts to maximise results for local communities.

Action 3: Advocate to NSW Government for more social housing

The Federation strongly supports the City of Parramatta's initiative to lobby the NSW Government for increased social housing. We believe that proposing more social housing dwellings in precinct renewal areas to NSW Government is of great benefit to the local communities in Parramatta. Council would benefit from improved Programs delivered by government such as increasing the scale of the property transfers and a long term commitment to the Social and Affordable Housing Fund.

Action 4: Continue to utilise VPAs to secure future affordable housing stock:

The Federation supports in principle for Council to seek affordable rental housing through voluntary planning agreements (VPAs) as allowed for under Section 93F of the Environmental Planning and Assessment Act 1979. We are pleased to see Council set 15% targets (24 months after the adoption of the Affordable Housing Policy).

Special consideration should be given to ensure that planning proposals are not packaged in a way that enables developers to claim their development is less than 20 dwellings. For planning proposals that are above 20 dwellings and contributions are given as affordable housing dwellings, Council should also put mechanisms in place that prevent developers from providing the least valued dwellings. We also believe there is scope for more ambitious targets and these can be determined based on feasibility studies that should be carried out as part of all Development Applications.

Action 5: Pursue Inclusionary Zoning by applying to DPE for inclusion under SEPP 70

Council is to be commended for its initiative to advocate for the inclusion of the City of Parramatta in SEPP 70. It will allow Council to utilise the provisions of section 94F and 94G of the Environmental Planning and Assessment Act 1979 to seek contributions for affordable housing as a condition of development approval.

Council could consider whether contributions should be calculated as floor space rather than total dwellings to avoid only the smallest dwellings are provided to Council. Council could also consider allowing contributions for development applications that are under 20 dwellings. This could potentially work if Council set up a specialised fund that where monetary contributions could be deposited.

While inclusionary zoning is important for increasing numbers of affordable housing, there still exists a funding gap. That is, revenue made is not enough to cover operating costs and maintenance. The Federation would welcome Council support in campaigning Government for subsidy to bridge the financing gap.

Action 6: Pursue affordable housing developments on Council-owned land

The Federation fully supports Council's aim to deliver 30% of the total dwellings as affordable rental housing on council owned land. We also advocate Council's intention to partner with community housing providers to ensure the economic viability of the project.

It will be important for the Council to monitor the implementation of affordable housing to ensure it is delivered and managed as expected and to be able to publicise its achievements.

Action 7: Explore developer partnerships to provide affordable rental housing

The Federation supports Council's decision to form partnerships with developers that provide affordable rental housing on privately owned land. However, the Federation believes there is scope to increase the minimum 10% proportion of dwelling yield on a private development site that is allocated to affordable rental housing. This amount should be determined through transparent feasibility studies.

Action 8: Allow local government to transfer affordable housing ownership to Community Housing Providers (CHPs)

The Federation supports Council's option to transfer ownership to a registered community housing provider. Registered community housing providers provide long term benefits to local communities and must also comply with performance requirements under the National Law.

If Council pursues this approach, it is advised that Council undertake a tender process to select a community housing provider to manage and deliver affordable rental housing. This tender process should be open to community housing providers of all registration tiers including those with a proven record of providing high tenant satisfaction rates. Council could create a panel of pre-selected community housing providers that Council can receive tenders from. The Federation understands that UrbanGrowth NSW is developing similar prequalification scheme for its renewal areas and this scheme could be adopted by Council.

Community housing providers have a long term presence in the local Parramatta community by constructing 61 units since 2012. In addition, Council can impose conditions such as that the value should be kept in the local area.

Procedure 5.1: Delivering the 2036 affordable rental housing and social housing targets

The Federation would support Council in advocating for the State Government to carry out housing needs assessments. The Federation appreciate that additional resources are required to carry out a robust housing needs analysis. The Federation would support Council in advocating that greater support from the state government was provided to enable these analyses to be undertaken to support the Greater Sydney Commission's suggestion for local housing strategies.

Procedure 5.2: Management of City of Parramatta's Affordable Housing Bank

The Federation welcomes Council's decision to appoint a community housing provider to manage all aspects of the operation of Council's Affordable Housing Bank. As noted above in Action 8, it is advised that Council undertake a tender process open to registered community housing provider of all registration tiers to manage the affordable housing.

Procedure 5.3: Tenant eligibility for the Affordable Housing Bank

The Federation is developing a central database for those wishing to access affordable housing through community housing providers. The Federation would be keen to work with the City of Parramatta on the development of any access and matching platform for affordable housing.

Procedure 5.4: Reporting and monitoring

The Federation supports Council's decision to monitor the provision of all affordable rental housing and social housing on an annual basis in order to track progress towards the target. Council could potentially collaborate with the Federation on this as we survey community housing providers annually for their development activity including in the Parramatta LGA.

The set targets will need to be updated over time as new data is released. This can occur by conducting a more formal housing needs analysis. This housing needs analysis may suggest an increase in the number of affordable housing dwellings is needed. These other factors relate to specific cohorts of households including:

- Aboriginal households
- Students and young people
- Families, older and single persons.

Next Steps

The Federation would like to assist to Council in its aim to deliver more affordable housing in the future. The Federation proposes that this could happen in many ways:

- The Federation is conducting research on proven ways to gain community acceptance to community housing development. The Federation is also researching best practice design on multi tenure development. This research is highly relevant to Council and we are willing to share the results.
- The Federation would welcome participation in any oversight body associated with monitoring and compliance of affordable housing development.

- The Federation is able to assist Council in our communications about its achievements to the local community.
- The Federation can support and participate during any public information events regarding the introduction of affordable housing in its briefings to local communities.
- Similarly, the Federation can also participate in any information forums and/or briefings provided to Councillors around implementation issues.
- Council indicated that it will monitor quality of life measures to assess the impact of Policy implementation. The Federation is developing a high-quality outcomes measurement framework for community housing providers to demonstrate their societal contribution arising from the provision of affordable housing. This work is also relevant to Council and the Federation would be willing to share.
- The Federation is developing a central database for those wishing to access affordable housing through community housing providers. The Federation is willing to collaborate with Council to develop this service for the Parramatta LGA.

Summary

The City of Parramatta's commitment to delivering more affordable housing for Sydney's growing population is welcomed by the Federation. Council has demonstrated its clear support for the delivery of affordable housing for its local community which is to be commended. As identified by Council, addressing rental housing stress is essential for social sustainability, community wellbeing and resilience. Community housing providers are well placed to deliver affordable housing outcomes for the City of Parramatta and its local community. The Federation looks forward to working with Council in the future to deliver positive housing outcomes for its residents.