

**Minutes of Social Inclusion Strategic Reference Group
held at Ashfield Civic Centre on 9 August 2017**

The meeting commenced at 6:35pm

Members:

Chairperson - Emily Dash	
Hawanatu Bangura	Kerrie Lorimer
Lisa Smajlov	Iris Loudon
Curtis Dickson	Sandra Triulzi
Ernest Yung	Kate Wake

Other Attendees:

Gabrielle Rennard Inner West Council Community Wellbeing Manager
Jon Atkins Inner West Council Affordable Housing Officer

Item 1. Welcome

Emily Dash welcomed everybody to the meeting.

Item 2. Acknowledgement of Country

Emily Dash performed an Acknowledgement of Country

Item 3. Apologies

Members: Erica Aronsten, Gisele Mesnage, Geraldine Andrews and Sara Graham
LRAC: Vera-Ann Hannaford

The quorum is currently (10) for the Social Inclusion Strategic Reference Group and with nine members present the Group determined to proceed, undertake discussions and provide feedback as noted below.

Item 4. Disclosures of Interest

Nil

Item 5. Inner West Council Affordable Housing and Boarding Houses Update

Jon Atkins – Inner West Council Affordable Housing Officer provided an Update of the Inner West Council Affordable Housing Policy and engagement with Boarding Houses.

- Mr Atkins addressed the following:
- Definitions of Affordable Housing
 - Relevance of Affordable Housing Policy;
 - Discussed what Council do about affordable housing

- State Environment Planning Policy (SEPP) 70;
- Boarding Houses;
- Homelessness Policy;
- Work to be done;
- Concluding note on overdevelopment

Please refer to notes attached to the minutes (Attachment 1) for further detail from Mr Atkins.

Item 6. Summary of Recommendations from previous Strategic Reference Group

The SRG members noted the summary update of recommendations from previous Social Inclusion Strategic Reference Group meetings.

Item 7. Inner West Council – socially inclusive programs, partnerships and initiatives update

The Social Inclusion Strategic Reference Group noted:-

1. the diverse array of socially inclusive programs, partnerships and initiatives that are being delivered by the Inner West Council.
2. that the Rainbow Roundtable is to be held Tuesday 29 August 2017 at Newtown Neighbourhood Centre. The members agreed to share this information with their networks and encourage interested community members to book attendance.

Item 8. Other Business

Gabrielle Rennard – noted that Inner West Council would like to support interested SRG members to attend the documentary – ‘Defiant Lives’, that will be screening at the Dendy Cinemas, Newtown on Monday 21 August at 6:30pm. The documentary is about the history of the disability rights movement.

Action - Gabrielle to electronically forward SRG members further information about the screening of the documentary Defiant Lives.

Iris Loudon – generated discussion to address the issue of access where heritage issues sometimes conflict with the ability of some residents to have access to services or businesses. This includes where shopfronts may remain inaccessible to people who are physically impaired and / or less mobile.

Gabrielle noted that some of these issues will be addressed through the adoption of the Inner West Council Inclusion Action Plan.

Action - Council staff member from planning and development services to be invited to a future meeting to discuss potential opportunities for accessibility improvements to shopfronts.

The meeting concluded at 8.28pm.

The next Meeting is Wednesday 11 October 2017

ATTACHMENT 1**Social Inclusion Strategic Reference Group
Affordable Housing Update
Jon Atkins - Inner West Council Affordable Housing Officer
9th August 2017**

Topic – Update of Affordable Housing Policy (AHP) and engagement with Boarding Houses.

This talk will address the following:

- (1) Relevance of Affordable Housing Policy;
- (2) State Environment Planning Policy (SEPP) 70;
- (3) Boarding Houses;
- (4) Homelessness Policy;
- (5) Work to be done;
- (6) Concluding note on overdevelopment.

(1) Relevance of Affordable Housing Policy

First - definitions – *housing is considered to be affordable where **households pay no more than 30% of their gross household income on their rent or mortgage payments**. This is often regarded as the point at which such households are at risk of having insufficient income to meet other living costs, and deemed to be in 'housing stress'. Those paying more than 50% of gross income are regarded as being in 'severe housing stress'.*

Primary concern of Affordable Housing Policy is the chronic lack of affordable housing in the Inner West LGA – both rental and purchase housing – for very low, low and moderate income households. Council's research has shown **high levels of housing stress among very low, low and moderate income households** – that is 60% of the population.

In other words – the Inner West has become a very challenging place for low to moderate income households to live affordably.

Housing costs in excess of 30% means less been spent of other important aspects of life – including food, clothing, dental and other medical expenses, children's educational expenses – plus activities associated with social inclusion – be they social, cultural, sporting etc. in nature.

In the Inner West - a shortage of affordable housing stemming from the **structural inadequacies of housing markets together with the impact of State and Commonwealth housing and taxation policies** has resulted in increasing levels of housing stress and a migration of low to moderate income households out of the LGA.

The affordable housing crisis **harms vulnerable households** - it harms children, it harms people with disabilities, it harms the elderly, it exacerbates social stratification and it erodes social diversity. Council's policies relating to social inclusion and diversity are undermined by the affordable housing crisis.

AHP – Summary of findings

Gentrification and Displacement:

- Major demographic change over past 2 decades
- High housing stress among **low and moderate income** renters
- **income** renters
- Relatively low rate of social housing

- Non-replacement of low cost stock lost through redevelopment and gentrification processes.
- AHP – also demonstrates that the **failure of the housing market**:
- Virtually nothing created through the market is ‘affordable’
 - Modelling indicates that affordable housing is highly unlikely to be provided through the market without strong planning intervention and direct investment in the future.

Common problems – not only in the Inner West but more generally in Metropolitan Sydney and the Regions:

- Lack of investment in affordable housing since 1980s
- Relatively low % of social housing
- Limitations of housing policy & taxation
- Limited intervention through the planning system to create affordable rental housing

What can Council do about affordable housing (as distinct from housing affordability)?

While limited in its capacity to comprehensively address the affordable housing crisis, Council can utilise a range of initiatives including planning instruments available to it through legislation.

Refer to diagram showing a range of measures ranging from weak interventions to strong interventions

For Inner West Council - **What are the most effective strategies in the local housing market context?** What is feasible and reasonable?

- Clearly define ‘affordable housing’
- Set targets including diversity
- Capture a reasonable share of land value uplift from re/up-zoning
- Use public land for Affordable Housing development and management partnerships.

Sharing Land Value Uplift – central to the strategy - essential from evidence to create virtually *any* affordable housing in the future.

This is strongly supported by unearned land value uplift and feasibility particularly in:

- Large industrial & older commercial redevelopment sites
- Priority urban renewal precincts:
 - Sydenham to Bankstown Corridor;
 - The Bays Precinct;
 - Parramatta Road Urban Transformation Strategy.

Sharing land value uplift: to quote

In the broadest terms, [land] value capture in relation to urban land development involves a planning authority, such as local council in NSW, capturing for the community benefit some of the land value increase accruing to a parcel of land from planning activities of the authority which increase the development potential of the land and hence its value. (Lindsay Taylor 2016).

Sharing land value uplift is not a tax:

The fundamental purpose of value capture is ‘clawback’, that is, to capture increased land value for the community on the basis of a legitimate claim by the planning authority to share what is commonly referred to as ‘unearned increment’ of land value uplift. (Lindsay Taylor 2016)

Implementation of AHP

AHP requires via **voluntary planning agreements** under **s93F** of *Environmental Planning and Assessment Act 1979*:

Re Major Planning Proposals:

- Res Flats & Shop Top Housing NOT permitted;
- Threshold of 20 units OR 1700 Gross Floor Area (GFA);

- ARH Contribution of **15%** of total GFA.

Re Marginal (Minor) Planning Proposals:

- Res Flats & Shop Top Housing IS permitted;
- Seeking a variation/additional Floor Space;
- **Precinct-based % of additional GFA (19-34).**

Plus **30%** affordable housing component of redevelopments on **State government land** e.g. the Bays Precinct – State government plan (including residential component) for Bays Precinct yet to be released.

(2) State Environment Planning Policy (SEPP) 70

Since the adoption of AHP on 28 March 2017 the focus has been on gaining inclusion in State Environment Planning Policy (SEPP) 70.

This is related to acquiring affordable housing contributions under **s94F** of the Act

- Generally requires ministerial approval for an amendment to the LEP and State Environment Planning Policy (SEPP) 70 (Affordable Housing) e.g. City of Sydney, Green Square and Willoughby Council.

SEPP 70

- Most staff resources have been dedicated to gaining inclusion in SEPP 70
- Provides for compulsory AH contributions – usually in kind (units transferred to Council ownership in perpetuity) or cash in certain circumstances.
- Have met with Department of Planning and Environment (DPE) on four occasions since December 2016.
- Council formally applied for inclusion in SEPP 70 in April 2017

The application process for inclusion in SEPP 70 involves **2 steps**:

Step 1

- Successively demonstrating the need for affordable housing in the LGA
- This step has been successful

Step 2

- Gaining Ministerial / DPE approval for a planning strategy involving an AH contribution scheme
- Council's original proposal for was an LGA wide AH contribution scheme
- This rejected by DPE
- Insist on a scheme applying to one or more precincts within the LGA
- Council's planners are currently mapping all high yield precincts within the LGA prior to submitting a revised planning strategy to DPE.
- Such a revised SEPP 70 planning strategy will be Council approval before being submitted – this will now involve the elected council post 9th September.

Future affordable housing yield

Council currently reliant on Voluntary Planning Agreements (VPAs) with developers – i.e. AH contributions subject to negotiation.

Following inclusion in SEPP 70 and an amendment to Council's Local Environment Plan (LEP) – AH contributions will be compulsory within precincts approval by the government.

Compared with negotiating VPAs – this would be highly desirable.

Future yield

- Difficult to predict
- However there are many major planning proposals in pipeline including the urban renewal corridors.

- The biggest planning proposal (PP) under consideration at the moment = Carrington Road in South Marrickville – Residential yield = 2,616. The developer, Mirvac, has not proposed any affordable housing contribution.
- In addition, Mirvac's planning proposal is currently subject to evaluation by Council's planners.

(3) Boarding Houses

Inner West Council LGA – recognised as having **one of the highest concentrations of traditional boarding houses** in the Sydney metropolitan area.

Total number estimated = around 250 based upon former Marrickville Council's database and Newtown Neighbourhood Centre's (NNC) database.

Demand – Given the chronic shortage of affordable rental units, traditional boarding houses offer an important alternative form of accommodation for people on very low to moderate incomes.

Boarding Houses Act 2012

Boarding houses (BHs) are subject to Boarding Houses Act 2012.

- They are required to be registered with the Office of Fair Trading – however they can start up and close down over time and not all owners register their boarding houses.
- All registered boarding houses need to be inspected within 12 months of registration with NSW Fair Trading.

Councils have the responsibility for inspecting all registered BHs

During inspections, Council officers need to ascertain whether the property:

- Has fire safety standards appropriate for the property's use as a boarding house and the BCA class;
- Meets the shared accommodation standards set out in the *Local Government (General) Regulation 2005*;
- Has appropriate consent or is otherwise permitted by council to be used as a boarding house;
- Has residents who appear frail, or have intellectual or psychiatric disabilities, who may require (or are being provided with) daily support services - the council will notify NSW Family and Community Services (FACS) of their observations so FACS can assist residents or conduct its own investigations under Part 4 of the BHA.

Changes in the sector

There were been a **decline in traditional boarding houses** due to high land values particularly in Sydney and the sale of these properties for redevelopment.

On the other there has been a growth in **student rooming houses, New Generation boarding houses** (particularly in **inner Sydney** as a result of changed planning regulations) and '**mini rooming houses**' in conventional dwellings in suburban areas (esp. in Melbourne).

Council's engagement

Council participates in BH Roundtable meeting convened by the Newtown Neighbourhood Centre. The Roundtable involves members from FACS, local Community Legal Centre, councils etc.

Objectives of the Roundtable:

- To promote, encourage and support good practice management in the general boarding house sector;
- To provide a forum for agencies and individuals to raise and resolve issues related to boarding houses in the City of Sydney and Inner West;
- To promote and protect the health and well-being of general boarding house residents;
- To develop closure protocols in the event of boarding house closures and imminent homelessness of residents;
- To identify opportunities to increase the supply of appropriate, affordable Boarding House stock;

- To advocate for policy change to address identified needs of Boarding House residents;
- To advocate for alternative Boarding House models which address the changing needs and profiles of residents and in particular the growing numbers of women.

A recent initiative of NNC that Council staff have been involved in is the **Boarding Good Practice Awards** for the Inner West area

There are three awards recognising good practice in the industry with over \$1,000 in prize money:

- Large Boarding House of the Year (13 or more residents);
- Small Boarding House of the Year (less than 13 residents);
- Community Connection Award, recognising an individual who shows a commitment to encouraging a sense of belonging amongst residents.

New generation boarding houses

Traditional boarding houses which characteristically have common areas including a kitchen and bathroom and laundry facilities together with a live-in caretaker, need to be distinguished from '**new generation boarding houses**'.

Many Councils have expressed concerns about the growth in 'new gen boarding houses' and how the proliferation of these dwellings are exploiting the planning system.

For example, Sydney Morning Herald report on 18 June 2017 relating to Randwick Council

As many people struggle to secure housing in Sydney's expensive rental market, developers are building high-end "boarding houses" with rents as high as \$500 per week by exploiting planning laws designed to help low-income earners find homes.

It comes amid a surge in the construction of boarding houses around Sydney, while councils say they are powerless to ensure the housing is actually affordable.

"It's dividing the community," Randwick mayor Noel D'Souza said. "Developers are building these and the rents are not reflecting affordable housing."

In Randwick, more than 500 boarding house rooms have been built since the State Environmental Planning Policy for Affordable Rental Housing was implemented in July 2009.

Half of these were approved in the last two years, according to a report prepared by Randwick Council last week, which included the findings of a survey of all boarding houses in the council area.

The survey found newer boarding houses built under the policy were leased at between \$390 and \$500 per week, about double the price of rooms in older traditional boarding housing with shared facilities, which ranged between \$200 and \$250.

One example uncovered by the council was a 40-room boarding house in Avoca Street, Randwick, which it approved in 2010, where single rooms are currently advertised for lease at \$500 per week and marketed as "furnished designer studios".

Cr D'Souza said developers were treating the policy as a "cash cow", and new rental controls were needed to ensure the rooms remained subsidised for low-income earners and key workers.

(4) Homelessness Policy

Council also adopted a Homelessness Policy on 28 March 2017.

AHP's goal of forming partnerships with Community Housing Providers and increasing the provision of social housing within the LGA aims to help both the homeless and those on the verge of becoming homeless.

Advocating for housing solutions for homeless people such as the 52 room Camperdown Common Ground facility in Camperdown which is dedicated to assisting homeless people - "Each of the 52 units are fully furnished, have on-site support, together with around the clock security, ... and tenancy management."

(5) Work to be done

- Implementing the AHP;
- Gaining inclusion in SEPP 70;
- Development of an AH Action Plan;
- Advocacy for stronger planning mechanism for councils to boost affordable housing and greater direct investment by State and Federal governments in the future.

(6) Concluding note on overdevelopment

The State Government received more than 1,800 submissions in response to the public exhibition of its proposed Sydenham to Bankstown Urban Renewal Corridor plan. Over development - particularly in Dulwich Hill - was the subject of many of those submissions. Refer to Council's website for more information on the State Government's plan plus the report on a public meeting held at the Marrickville Town Hall to discuss the plan on 10th August this year –

<http://www.yoursayinnerwest.com.au/sydenham-to-bankstown-urban-renewal-corridor>

Council is currently drafting a submission on the Sydenham to Bankstown Urban Renewal Corridor. The deadline for public submissions is **3rd September**.

It should be noted that Council's *Affordable Housing Policy* (AHP) does not make recommendations with respect to building height and floor space ratio provisions contained in Council's three principle Local Environment Plans (LEPs). Rather the main objective of the AHP was to propose mechanisms the Council could immediately use to increase the supply of affordable housing.

Council's economic modelling strongly indicates that virtually no new housing constructed in the future will be affordable to any very low or low income households, or to moderate income families, without strong intervention through the planning system to **capture a reasonable share of land value uplift to fund affordable rental housing in perpetuity, and the direct creation of affordable housing on public land.**

It is important to note that the AHP is to apply to development proposals approved by the Council e.g. an affordable housing target of 15% in large private developments, or a target of 30% on public land approved for redevelopment by the State government.

Judgements about the appropriateness of redevelopment sites and precincts based upon building height and floor space ratio provisions was not part of AHP's remit.

*Jon Atkins
Affordable Housing Officer
Inner West Council*