



NSW Federation of Housing Association's Submission to the Shoalhaven Affordable Housing Strategy

The NSW Federation of Housing Associations (the Federation) commends Shoalhaven City Council for developing strategies to address housing affordability. We welcome the multiple opportunities provided for consultation, that there is robust research evidence to underpin the draft document and the recognition of the positive contribution that can be made by the community housing industry.

The Federation is the industry peak for community housing providers in NSW. We represent around 100 providers including many Aboriginal Community Housing providers. In 2015, community housing providers managed around 38,000 tenancies across NSW and owned \$1.7b worth of social and affordable housing assets. Community housing providers manage the tenancies of a diverse group of households, most of whom are on very low incomes and the sector is set to grow further with the transfer of around 14,000 properties from public housing management set to take place over the next three years. Shoalhaven is one of the locations chosen for this transfer.

Sydney's booming housing market has created what one person has described as a 'tsunami effect' on house prices and rental rates down the NSW coast. Wollongong is now the third most expensive city in Australia. Households that are priced out of Wollongong move further down the coast and Shoalhaven is one location feeling the effect.

Our response is short. We wish to record the Federation's endorsement of the response submitted by our member organisation Southern Cross Community Housing (SCCH). SCCH provided the Federation with an opportunity to comment on their submission. Our response is therefore confined to reinforcement or amplification of some points made, a comment around Aboriginal household needs and suggestions around the next steps.

Definition of Affordable Housing

The Federation recommends that a definition of affordable rental housing encompasses its management by a registered community housing provider and that a minimum duration period is specified for housing secured via the planning system. We argue for housing being provided in perpetuity (with the option for it to be replaced in another agreed location if demand alters) but

recognise that some opportunities would be missed if this was a blanket requirement. We still argue that a minimum period gives the tenant assurance that they have a long term secure home.

Aboriginal Housing Needs

The Federation recommends that the final affordable housing policy should explicitly recognise the need for culturally appropriate housing for Shoalhaven's Aboriginal community. There are opportunities presented by the Council's proposed developments to incorporate specific Aboriginal housing outcomes. The Aboriginal Housing Office (AHO) have developed a Housing Supply and Demand Model and kindly provided the Federation with a breakdown of the Aboriginal housing need projections (as number of dwellings) for the Shoalhaven LGA (2017 & 2022) –

Income band A (<45K)	<u>2017</u>	<u>2022</u>
Supply gap (dwelling no.)	244	450

Income band B (45K-90)	<u>2017</u>	<u>2022</u>
Supply gap (dwelling no.)	294	522

These preliminary projections are derived using data derived from the 2011 Census (*the calculation includes hidden demand*). Income band A is a proxy for social housing and Income band B is a proxy for affordable housing. They demonstrate a significant shortfall that has no doubt worsened in recent years.

There are a number of local Aboriginal organisations, including Local Aboriginal Land Councils which are Federation members and would welcome the opportunity to share their expertise and knowledge with Shoalhaven City Council. The Federation would be pleased to facilitate contact. We also believe SCCH have strong connections with the local Aboriginal community.

During the AHO conference in Sydney on 26-27 September the issue of low cost home ownership options for Aboriginal households was raised a number of times. Indigenous Business Australia (IBA) gave a compelling presentation about their work to facilitate home purchase via the Indigenous Home Ownership Program. Council may wish to explore whether its shared equity strategy may be enhanced through linkage with the [IBA](#).

Sharron McConville, the AHO Regional Relationship Manager – Sydney South East which encompasses Shoalhaven has also indicated a willingness to speak with Council about the AHO work in this area and the development of their new strategy.

Housing Needs for People with Disability

It may be useful to know that the [Summer Foundation](#) is preparing a Specialist Disability Accommodation (SDA) demand study which will give you data about the level of local SDA need. We

are in regular contact with them and ensure our members receive information about the progress of their work.

Strategy 6 - Tiny Homes

We recognise the Council has done considerable investigative work on the Tiny homes concept. It can be associated with a very specific model and the Federation suggests there may be scope to examine other innovative building designs that could reduce construction costs at least on other sites. Work has taken place with older women via the Older Women's Studio Development Project that worked with older women to think through what a smaller space could look like. The design is available [here](#).

The Federation is also in the early stages of working with an individual from the NSW Business Alliance to End Homelessness on the 'meanwhile use' of temporarily available land for accommodation that can be transported to a different location once the land is developed. The design of these buildings (as well as the concept) may have uses / be of interest to Shoalhaven.

Strategy 14 - VPA

The Federation recognises that VPAs are the tool available to Councils to secure affordable housing in private developments. They are however a poor substitute for mandatory measures such as inclusionary zoning; not least as they take time to negotiate and are hard to police. Ongoing research by the University of Sydney examined how many units of affordable housing had been generated through VPAs in NSW over the last few years. Records are partial and so the figures are difficult to establish nevertheless they were able to make estimates. In total across NSW substantially fewer than 50 homes had been secured. Even then the researchers were unable to confirm whether rents charged were affordable as compliance with the agreements is limited.

We understand that local governments can be very cautious about inclusionary zoning but all of the evidence points to this being the clearest and simplest mechanism (for all parties). We recommend that Council consider advocating for the inclusion of the City of Shoalhaven 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 where there is a demonstrated need for affordable rental housing in their Strategy.

In the meantime ensuring that VPAs are monitored and the outcomes policed is essential. As SCCH argues properties should be managed by registered community housing providers.

Taxation Incentives to secure affordable housing

The Federation suggests that Shoalhaven works with locally based community housing providers to examine the opportunities to attract locally based investors to use the capital gains tax discount [bonus](#) to rent their homes at affordable rents.

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

The Federation is supporting a number of other Council's proposals to transfer ownership of housing built or secured 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. We suggest Shoalhaven consider this option.

Delivering 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 by local Councils

Next Steps

The Federation would be pleased to assist the Council in its aim to deliver more affordable housing in the future. The Federation suggests a number of possibilities:

- 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 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 Shoalhaven LGA.

Summary

The Shoalhaven City Council commitment to delivering more affordable housing 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 such as SCCH are well placed to deliver affordable housing outcomes for the local community. The Federation looks forward to working with Council in the future to deliver positive housing outcomes for its residents.