

# Submission to the Central Coast Affordable and Alternative Housing Strategy

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## Introduction

The Community Housing Industry Association (CHIA) NSW commends Central Coast Council for developing strategies to address housing affordability. It joins what is still quite a select band of Councils that have or are in the process of developing an affordable housing strategy in NSW. We note that there is robust research evidence to underpin the draft document and we welcome recognition that the community housing industry can make a positive contribution to resolving the housing affordability challenge.

The AHURI [report](#) 'Social housing as infrastructure: an investment pathway' released in November sets out the shortfall of 'affordable' housing for households in just the bottom 20% of the income spectrum. Too often this type of housing - typically referred to as 'social housing' - comes with negative connotations, the result of underinvestment and marginalisation. In fact it not just the non-working population (including the elderly and disabled) but many low waged working families too who are eligible. More social housing would result in a far more balanced tenant profile.

The AHURI researchers estimate that the current shortfall in the Central Coast SA4 is 7,200 units. Projecting forwards to 2036 a further 4,400 homes will be required to ensure this future need is also met. CHIA NSW has commissioned additional work from the same research team to also estimate the housing need that exists within the second bottom income quintile. Housing for this group is often referred to as affordable housing. We have not yet published this research but are able to provide the Central Coast estimates - a current shortfall of 4,202 homes and an anticipated additional 1,556 over the next 20 years..

While Council has limited financial capacity to directly fund this affordable housing Central Coast can play a pivotal role through their use of planning policy. In addition - and as identified in the draft strategy - contributions of council land can make the difference to whether an affordable housing development is viable.

CHIA NSW is the industry peak for community housing providers in NSW. We represent around 100 providers including many Aboriginal Community Housing providers. Aboriginal members have also been working to establish the Aboriginal Community Housing Industry Association (ACHIA) NSW. It currently is overseen by an interim committee pending its first elections in December 2018. Along with many other organisations (including a number of Councils, CHIA NSW belongs to the National Everybody's Home Campaign <http://everybodyshome.com.au/> which is seeking to influence Government policy to tackle

housing unaffordability. CHIA NSW is also an associate member of the industry’s national peak body – CHIA, which earlier this month published its [National Housing Plan](#).

Community housing providers manage around 39,000 tenancies across NSW and own \$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 two years, although Central Coast is not one of those locations.

Our members have developed (or will be developing) around 130 new homes in Central Coast most funded through combinations of for example the National Rental Affordability Scheme (NRAS), as a requirement of the previous NSW Government’s property transfer program which vested title with the CHPs, and CHP debt and equity.

The table below summarises the position.

	Completed (2012-2017)	Planned (2017-2020)	Total
<b>Social housing</b>	9	10	19
<b>Affordable housing</b>	79	27	106
<b>Market housing</b>	-	9 (1 rental + 8 for sale)	9
<b>Total</b>	88	46	134

Sydney’s booming housing market has created what one person has described as a ‘tsunami effect’ on house prices and rental rates up and down the NSW coast. Gosford has achieved somewhat of an urban myth status as the location for many of Sydney’s key workers (particularly police officers) unable to access the type of home they want to buy nearer their place of work.

## About our response

Our response is relatively short and is confined to reinforcement or amplification of many of the recommendations made, a small number of additional recommendations including that Aboriginal household needs are considered, and suggestions around the next steps. We have also made observations about transitional housing and whether this model is the most effective approach for households requiring support.

The response has been circulated to our members operating in the Central Coast. It incorporates feedback received from Pacific Link Housing.

## Summary of Recommendations

The recommendations set out below are explained in some further detail later in the submission.

1. Enhance the definition of affordable housing to encompass its management by a community housing provider that is registered in the National Regulatory System for Community Housing (NRSCH) or the equivalent [NSW Local Scheme](#)
2. Advocate for the Commonwealth and State Government to introduce comprehensive housing strategies underpinned by standardised housing needs assessments
3. Advocate for an enhanced Housing Supply Council to be reinstated
4. Set clear numerical targets for submarket rental housing
5. Maximise the use of surplus and underutilised Council land to contribute to the funding of social and affordable housing
6. That subject to SEPP 70 being extended to all NSW Councils, Central Coast Council prepare and submit for approval an affordable housing contributions scheme for Gosford Town Centre and other appropriate localities where rezoning or up-zoning occurs
7. The Housing Strategy should explicitly recognise the need for culturally appropriate housing for the Central Coast's Aboriginal community
8. The Housing Strategy should be more explicit about how it might address the needs of single older women and people with disabilities given the evidence these groups are in particular housing need in the Central Coast
9. Council engage in further work to finalise an approach to addressing homelessness that enhances additional social and affordable housing supply
10. Consider introducing indicators around community wellbeing to measure progress
11. Consider developing a community education program to gain acceptance for social and affordable housing
12. Consider the scope for offering concession on rates for not for profit registered community housing providers
13. Engage with the community housing industry and CHIA NSW on the design of Council affordable housing projects
14. Sign up to the Everybody's Home Campaign

## General Comments

### Definition of Affordable Housing

CHIA NSW recommends that the policy clearly specifies that the definition of affordable rental housing encompasses its management by a community housing provider that is registered in the National Regulatory System for Community Housing (NRSCH) or the equivalent [NSW Local Scheme](#), introduced for Local Aboriginal Land Councils unable to meet the NRSCH eligibility criteria because of conflicting legislative requirements. This would not exclude for profit providers as they can seek registration in the NRSCH although Council may wish to consider the benefits of working with a not for profit sector that reinvests its surpluses back into services and / or additional accommodation.

### Housing Needs Assessment, Local Housing Strategies and Performance Information

While CHIA NSW acknowledges that Council have undertaken research to underpin its draft strategy our organisation advocates for the Federal and State Governments to promote a standardised approach to housing needs assessment as is common in other [jurisdictions](#). We strongly believe a standard approach is necessary to ensure consistency and reliability of the projections. Aggregation would also be possible to assist in the production of state and commonwealth strategies which we feel are necessary to resolve housing affordability.

We commend Central Coast for proposing clear performance indicators although the availability and reliability of information is currently questionable. CHIA NSW believes the re-establishment of a body akin to the Housing Supply Council with a remit to assess needs too would be a positive step towards improving data.

### Aboriginal Housing Needs

CHIA recommends that the final affordable housing policy should explicitly recognise the need for culturally appropriate housing for the Central Coast's Aboriginal community. The Aboriginal Housing Office (AHO) has developed a Housing Supply and Demand Model to assess the supply gap. This is currently subject to external validation following incorporation of the 2016 census results.

They have however released **preliminary** projections for Central Coast based on the 2016 Census. The total Aboriginal household demand for the Central Coast will increase from 6,991 households in 2018 to 10,620 households in 2031. This represents an increase of 3,629 households or 52%. In relation to the social and affordable housing income bands (up to \$90K p/a) Aboriginal household demand for the Central Coast will increase from 4,287 households in 2018 to 6,511 households in 2031. This represents an increase of 2,224 households or 52%.

There are opportunities presented by the Council's own proposed developments to incorporate specific Aboriginal housing outcomes.

There are a number of local Aboriginal organisations, including Local Aboriginal Land Councils which are CHIA NSW / ACHIA members and would welcome the opportunity to share their expertise and knowledge with Central Coast Council. CHIA NSW and ACHIA would be pleased to facilitate contact between organisations and the Council.

During the AHO conference in Sydney on 26-27 September 2017 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](#).

### **Housing Needs for People with Disability**

While the policy acknowledges the needs of people with disability the Summer Foundation's [Market Insights](#) shows that at least part of Council's area (Gosford) has one of the greatest shortfalls in specialist disability accommodation. The report shows SDA undersupply of 450 specialist dwellings on the Central Coast. Council may wish to consider how it could support providers to meet this shortfall by for example targeting this cohort for its own developments. CHIA NSW runs a NDIS network for our members who specialise in this type of accommodation and we can facilitate contact if this would be useful.

### **Older Single Women**

CHIA NSW is a leading member of the NSW Ageing on the Edge group which acted as a reference group for a project led by the Housing Aged Action Group (HAAG) and University of Adelaide to raise awareness and improve services and housing for older people at risk of homelessness. In their [report](#) launched at the AHURI conference in November 2017 they noted that almost 43% of lone females over 65 are in rental stress and that the highest numbers of these are living in Fairfield, Gosford and Wyong.

### **Transitional Accommodation**

CHIA NSW welcomes that the strategy includes positive content about the Housing First Model. While our members will continue to manage transitional accommodation the model is increasingly recognised as less effective even for the highest needs groups. Long term housing is recognised as providing the stability people need to engage with support and for those who complete programs, to assist them to maintain their independence and hold down a job.

An international evidence review conducted in 2008 reported that between 40% and 60% of homeless people with high support needs were leaving or being ejected from staircase (i.e. transitional) services before they were rehoused. This was in sharp contrast to Housing First services that were typically keeping 80% or more of their service users housed for at least one year see (Pleace, N. (2008) Effective Services for Substance Misuse and Homelessness in Scotland: Evidence from an International Review Edinburgh: Scottish Government – <http://www.gov.scot/Resource/Doc/233172/0063910.pdf>)

We recognise that some households may benefit from transitional ‘support’ in the form of additional rental assistance but the long term effectiveness of even these programs has not been demonstrated yet and are possibly best targeted at individuals who already have secured employment and have a realistic chance of their income increasing.

## Targets

CHIA NSW believes setting absolute numerical targets is useful and sends a clear signal to other stakeholders noting that in the absence of robust needs assessment these can only be indicative and thus may need to be adjusted. It also focuses Council on actions it can take to facilitate their achievement though clearly the actions of the State and Commonwealth Government will heavily influence the outcomes.

Would Council consider monitoring quality of life measures to assess the Strategy’s impact? CHIA NSW 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 CHIA NSW would be willing to share this.

## Community Acceptance

CHIA NSW understands that the relative unfamiliarity with affordable housing leads some communities to have reservations about such developments. We thus commissioned research on proven ways to gain community acceptance to this type of development. The purpose of the study (which is now completed) is to better understand the nature of and reasons for community opposition to affordable housing so that social and affordable housing proponents are able to develop strategies and mechanisms that build support for appropriate developments. The prime objectives of the project are to:

- Enhance the capacity of community housing providers to complete developments on time and on budget, and deliver positive community outcomes;
- To improve the acceptability of social and affordable housing in the wider community.

The project does this through the development of a strong evidence base regarding the need and demand for affordable housing across NSW; key barriers to the development of affordable housing including those

related to community and institutional opposition to affordable housing at the local level; and the development of 15 case studies of various types of affordable housing developments in high need localities that add to leanings from existing literature.

From the research findings we have developed evidence based training materials and resources to assist affordable housing proponents in gaining community and institutional support for proposed developments. A link to these is [here](#).

We have used this material to deliver masterclasses to council and CHP staff about how to win community acceptance. We believe the material is adaptable to serve as a basis for community sessions and we would be pleased to work with Council (and the local CHP, Pacific Link) on a community engagement strategy around affordable housing.

### **Concessions to Community Housing Providers**

There are some Councils that offer rates concessions to providers of community housing. Generally these concessions are limited to not for profit registered providers. Such a concession can make a valuable contribution to narrowing the gap between operating costs and the low rents charged. We do however appreciate that Council revenue is constrained and that without corresponding compensation from the NSW Government it may not be feasible. That said there may be scope for advocating for a state government offset to allow this type of concession.

### **Strategies**

We have briefly commented on the strategies except where these are outside our field of expertise or we have no specific comments.

#### **Strategy 1-5**

CHIA NSW generally supports these strategies; with the observation that affordable rental should be managed **only** by a registered community housing provider. We strongly support the use of Council land to facilitate the development of affordable housing. Work commissioned by CHIA NSW (to be published in the New Year) indicates that in the Central Coast region, land contributes on average 27% to the total development cost.

CHIA NSW has advocated in its planning strategy published in 2015 that where affordable housing is required, well located surplus or underutilised government land should be used for this purpose. Land can be contributed as a direct capital grant to a registered community housing provider. Other options that can preserve a Council's balance sheet is either to make land available on a long term lease or by entering into an equity partnership with a provider.

Council may also wish to note that NSW Treasury have expressed an interest in the community land trust model and are examining any regulatory or taxation barriers that may be impeding the establishment of these in NSW.

We hope Council will engage with the community housing industry via CHIA NSW over project design in order build on providers' experiences of State government and other procurement initiatives. The UNSW City Futures Affordable Housing Assessment Tool that allows users to estimate the costs and subsidy mixes to achieve specified housing outcomes for particular sites may prove useful to Council.

Council is probably familiar with the Landcom prequalification scheme for community housing providers which should make tendering more straightforward. <https://www.procurepoint.nsw.gov.au/scm4421>

We are less clear about the option outlined under strategy 5 for a mixed use affordable caravan park and believe it may need to be subject to further feasibility and assessment against more mainstream social and affordable accommodation.

We have noted earlier concerns about building transitional accommodation.



### Strategy 6-9

CHIA NSW supports the intention to facilitate lower rise medium density housing including multi dwelling homes. We do not have an opinion on specific conditions but encourage some zone of toleration for distance to transport nodes rather than a strict measure.

### Strategy 10

We support the car parking recommendations. These will reduce land acquisition and construction costs and thus increase the scope to provide more social and affordable housing.

### Strategy 11

CHIA NSW members believe the new generation boarding house model is meeting diverse needs. Our members develop self- contained accommodation. We believe there is scope to adapt the model to suit particular households. Pacific Link Housing's [development](#) - Chambers Place, Woy Woy – is an excellent example of what can be achieved. It is an attractive four-storey 31-room development with communal areas, commercial space, and on-site parking. Ten units are adaptable and the building is completed to Silver LHDG standard. It hardly conforms to the traditional notion of boarding houses. The Council may also wish to recommend to the NSW Government that an alternative name is given to boarding houses to overcome these negative connotations.

### Strategy 13 and 16

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. [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 will be submitting a response that fully supports the NSW Government's proposal to extend SEPP 70 to include all NSW Councils. We recognise that Councils will still need to submit affordable housing contribution policies for approval but this is a positive step towards Councils being able to secure developer contributions.

While we can understand Council may wish to retain ownership of units and / the site the study we commissioned Parramatta Council demonstrated advantages to passing ownership to CHPs. We can supply this study on request.

### **Strategy 18 – 24**

We support some of these of initiatives (particularly head leasing if it draws on and enhances the state government funded scheme). Some of the other proposals possibly need further consideration particularly home share where the [evidence](#) on their efficacy is equivocal.

Our reservations about transitional housing have been noted earlier and seem at odds with the promotion of Housing First.

We note that guaranteeing housing is ‘kept open’ comes at a cost to not for profit housing providers – effectively paid for by reducing services elsewhere unless subsidy is paid to cover the cost.

We support the intention to convene a homeless taskforce to further consider the most appropriate initiatives. Our suggestion is that these initiatives should be costed (in terms of time and resource), assessed for their practicality, prioritised and they should not divert from the main ‘game changers’ for housing affordability.

### **Next Steps**

CHIA NSW would be pleased to assist the Council in its aim to deliver more affordable housing in the future.

Some suggestions:

- CHIA NSW has also developed best practice design guidance on multi tenure development. This research is highly relevant to Council and is freely available on our website and could also be incorporated into a community engagement product.
- CHIA NSW is able to assist Council in our communications about its achievements to the local community.
- CHIA NSW can support and participate during any public information events regarding the introduction of affordable housing in its briefings to local communities.
- Similarly, CHIA NSW can also participate in any information forums and/or briefings provided to Councillors around implementation issues.
- The CHIA NSW is developing a central database for those wishing to access affordable housing through community housing providers. The CHIA NSW is willing to collaborate with Council and with local CHPs to develop this service for the Central Coast.

## Summary

Central Coast Council commitment to delivering more affordable housing is welcomed by CHIA NSW. 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 local community. CHIA NSW looks forward to working with Council in the future to deliver positive housing outcomes for its residents.